



# SHASTA COUNTY

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## BOARD OF SUPERVISORS

1450 Court Street, Suite 308B  
Redding, California 96001-1673  
(530) 225-5557  
(800) 479-8009  
(530) 225-5189 FAX

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 20, 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](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: Deacon Mike Mangas, St. Joseph Church

Pledge of Allegiance: Supervisor Morgan

## **REGULAR CALENDAR**

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. Persons wishing to address the Board are requested to fill out a Speaker Request Form prior to the beginning of the meeting (forms are available from the Clerk of the Board, 1450 Court Street, Suite 308B, Redding, or 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. Each speaker is allocated three minutes to speak.

## **PRESENTATIONS**

### **R 1 Presentation**

Receive a presentation from Kari Haley-Hathaway, owner of Haley Insurance Marketing, Inc., regarding insurance in high fire hazard areas.

**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 Auditor-Controller**

Accept the annual report of shortage reimbursements in the amount of \$1,080.39 for Fiscal Year 2018-19 made by the Auditor-Controller in accordance with Resolution No. 2004-56.

**General Fund Impact**

**Simple Majority Vote**

### **C 2 Clerk of the Board**

Approve the minutes of the meeting held on August 13, 2019, as submitted.

**No General Fund Impact**

**Simple Majority Vote**

**C 3 Clerk of the Board**

Appoint Nancy Bolen to the Shasta Children and Families Commission for the remainder of an unexpired term to expire January 2021.

**No General Fund Impact**

**Simple Majority Vote**

**C 4 Support Services-Personnel**

Adopt a retroactive resolution and a retroactive salary resolution, effective November 11, 2018, which includes the following actions: (1) The resolution amends the Memorandum of Understanding with the Deputy Sheriffs' Association Deputy Sheriffs, Sergeant, and District Attorney Investigator (DSA-DSS/DAI) Unit to include the provision of Supervisory Pay Differential for the Sergeant classification; and (2) the salary resolution amends the Shasta County Salary Schedule to update footnote 51 to include Sergeants for consideration of a pay class stipend if a subordinate classification is at a salary range higher than the Sergeant classification.

**General Fund Impact**

**Simple Majority Vote**

**HEALTH AND HUMAN SERVICES**

**C 5 Health and Human Services Agency-Business and Support Services**

Approve and authorize the: (1) Chairman to sign the following agreements with Qualtrics LLC (Qualtrics) for an online survey software application: (a) Qualtrics Master Service Agreement (MSA) with no compensation to administer the Qualtrics Service Order for the period of three years effective date of signing; (b) Qualtrics Business Associate Agreement (BAA) for a period of three years effective date of signing; and (c) Qualtrics Service Order agreement (Order) in an amount not to exceed \$79,806 to develop, maintain, and host the survey website for a period of one year effective date of signing with two automatic one-year renewals; (2) Health and Human Services Agency (HHSA) Director, and other department heads, to authorize select staff to sign the Qualtrics online Service-Specific Terms and the online Terms of Service in order for staff to access the online survey software; (3) approve and authorize the HHSA Director, or any HHSA Branch Director designated by the HHSA Director, to sign amendments to the Qualtrics MSA, Order, BAA, and other subsequent and related documents, including retroactive, that do not result in a functional or substantial change to the original intent of the MSA, BAA, and Order, and that otherwise comply with Administrative Policy 6-101, *Shasta County Contracts Manual*; and (4) department heads to execute a MSA and Order for their department provided County Counsel has reviewed and approved as to form, County Information Technology and County Risk Management have approved, and maximum compensation does not exceed \$5,000 per Fiscal Year per department.

**No Additional General Fund Impact**

**Simple Majority Vote**

**C 6 Health and Human Services Agency-Public Health**

Approve and authorize the Chairman to sign an agreement with Common Cents Systems, Inc. in an amount not to exceed \$230,000 (\$72,750 to be paid in advance) to provide a Laboratory Information Management System software license and maintenance services for a period of one year from date of signing, with two automatic one-year renewals.

**No Additional General Fund Impact                      Simple Majority Vote**

**C 7      Housing and Community Action Programs**

Adopt a resolution which: (1) Authorizes the Director of Housing and Community Action Agency Programs (Director) to submit and sign an application, the Standard Agreement, and any subsequent amendments, as well as any other documents required by the California Department of Housing and Community Development in an amount not to exceed \$3,600,000 for CalHome Program Disaster Assistance, Round 2 funding (Program) to provide owner-occupied rehabilitation assistance for low-income homeowners who were affected by the Carr Fire for the period 36 months from the date of the award letter; and (2) agrees the County will use CalHome funds for eligible activities in accordance with Program regulations.

**No Additional General Fund Impact                      Simple Majority Vote**

**PUBLIC WORKS**

**C 8      Public Works**

Approve and authorize the Chairman to sign a fixed hangar lease agreement with Marshall Grant for Hangar No. 9 at the Fall River Mills Airport in the amount of \$250 per month for the period September 1, 2019 through March 31, 2022.

**No General Fund Impact                                      4/5 Vote**

**RESOURCE MANAGEMENT**

**C 9      Resource Management**

Approve and authorize the Chairman to sign a retroactive agreement with SHN Consulting Engineers and Geologists, Inc. in an amount not to exceed \$40,000 to provide planning support services related to completion of the Final Environmental Impact Report for the Tierra Robles Planned Development Project for the period March 19, 2019 through December 31, 2019.

**No Additional General Fund Impact                      Simple Majority Vote**

**C 10      Resource Management**

Approve and authorize the Chairman to sign an amendment, effective date of signing, to the agreement with Kimley-Horn and Associates, Inc., with no change in compensation to prepare environmental documents for the Tierra Robles Planned Development Project which extends the term of the agreement to December 31, 2019, or certification of the Final Environmental Impact Report and acceptance by County of the Final Mitigation Monitoring and Reporting Program, whichever occurs first.



**No Additional General Fund Impact**

**Simple Majority Vote**

**C 11 Resource Management**

Approve and authorize the Chairman to sign an amendment to the agreement with Fountain Wind, LLC to consent to and allows for Fountain Wind, LLC to receive and assume all rights, duties, and obligations of the agreement between the County of Shasta and Pacific Wind, LLC effective the date the County receives a fully executed Assignment Agreement.

**No Additional General Fund Impact**

**Simple Majority Vote**

**OTHER DEPARTMENTS**

**C 12 County Service Area No. 1-County Fire**

Adopt a resolution to approve and authorize the Chairman to sign an agreement with the California Department of Forestry and Fire Protection, in an amount not to exceed \$19,755.00 including dollar for dollar County matching funds for a total of \$39,510.00 for the purchase of wildland fire and structural fire personal protective equipment for the period date of signing through June 30, 2020.

**No Additional General Fund Impact**

**Simple Majority Vote**

**REGULAR CALENDAR, CONTINUED**

**GENERAL GOVERNMENT**

**R 2 Clerk of the Board**

(1) Receive a legislative update and consider action on specific legislation related to Shasta County's legislative platform; and (2) receive Supervisors' reports on countywide issues.

**No General Fund Impact**

**No Vote**

**R 3 Auditor-Controller**

**Administrative Office**

Adopt a Policy Resolution to update Administrative Policy 2-103, *Shasta County Budgetary Reserves*.

**General Fund Impact**

**Simple Majority Vote**

**LAW AND JUSTICE**

**R 4 District Attorney**

Receive a report on the Fiscal Year 2018-19 Real Estate Fraud Investigations Unit and confirm the effectiveness of the Unit.

**No Additional 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.

## **GENERAL GOVERNMENT**

### **R 5     Administrative Office**

Take the following actions: (1) Conduct a public hearing to consider implementing, pursuant to subdivision (e) of Government Code section 16142, the provisions authorized in Assembly Bill (AB) 1265 and Senate Bill (SB) 1353 and outlined in subdivision (b) of Government Code Section 51244 and Section 51244.3 (AB 1265/SB 1353 provisions), which will have the following impacts effective January 1, 2020: (a) the implementation would reduce a landowner's Williamson Act property tax benefits, which in most instances will result in an increase in property taxes to the landowner; (b) the implementation would reduce the term of a Williamson Act contract from ten years to nine years; and (c) the implementation would allow increased revenues to be transferred directly into the County's General Fund; (2) adopt a resolution which: (a) finds that, for Fiscal Year (FY) 2018-19, the subvention payment the County received from the State of California pursuant to the Open Space Subvention Act was less than one-half of the County's actual foregone General Fund property tax revenue that resulted from Williamson Act contracts; and (b) states the Board's decision to implement Government Code Section 51244(b) and Government Code Section 51244.3 effective January 1, 2020; (3) direct staff to notify all Williamson Act contracted landowners of the following: (a) the final decision of the Board of Supervisors after the conclusion of the August 20, 2019 public hearing on whether to implement the AB 1265/SB 1353 provisions; and (b) the landowner's right to prevent the reduction in the term of his or her contract due to the implementation of the AB 1265/SB 1353 provisions by serving notice of non-renewal as specified by Government Code Sections 51244, 51245 and Shasta County Resolution No. 2011-103; and (4) direct the County Administrative Office, Assessor-Recorder, Auditor-Controller, Tax Collector and Director of Resource Management to take all necessary steps to implement AB 1265/SB 1353 including but not limited to recording a notice that states the affected parcel numbers and current owner's names, making the appropriate additions to all affected properties assessed values, and modifying the FY 2020-21 tax bills to reflect the assessment changes associated with the reduced tax benefit.

**General Fund Impact**

**Simple Majority Vote**

## **OTHER AGENCIES**

The Shasta County Board of Supervisors will recess and reconvene as the Shasta County Housing Authority. (See the green agenda.)

The Shasta County Housing Authority will adjourn and reconvene as the Shasta County Water Agency. (See the purple agenda.)

The Shasta County Water Agency will adjourn and reconvene as the Shasta County Board of

Supervisors.

**ADJOURN**

**REMINDERS**

Date:	Time:	Event:	Location:
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
09/17/2019	9:00 a.m.	Board of Supervisors 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](mailto: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](http://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](http://www.co.shasta.ca.us).

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

**BOARD MEETING DATE:** August 20, 2019

**CATEGORY:** Consent - General Government-1.

**SUBJECT:**

FY 18/19 Annual Report of Shortage Reimbursements

**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	General Fund Impact

**RECOMMENDATION**

Accept the annual report of shortage reimbursements in the amount of \$1,080.39 for Fiscal Year 2018-19 made by the Auditor-Controller in accordance with Resolution No. 2004-56.

**SUMMARY**

Resolution No. 2004-56, Government Code sections 29390 and 29390.1 allows the Board of Supervisors to authorize the Auditor-Controller to relieve shortages in accounts where the shortage does not exceed \$500. Circumstances pertaining to the specifics of each incident have been thoroughly reviewed and appropriate corrective action taken with personnel responsible. There is no evidence of employee fraud involved. Appropriate follow-up and reinforced staff training pertaining to cash handling procedures, and internal controls also occurred.

**DISCUSSION**

The following summary recaps specific occurrences for the cumulative \$1,080.39:

DATE	FUND	AMOUNT	DEPARTMENT	REMARKS
11/16/2018	Public Health	29.25	HHSA/Public Health	Annual total of shortages from prior fiscal years due to various reasons arising from reconciliation of County vitals account.
12/08/2018	Public Safety	20.00	Sheriff	Cash shortage of \$20 with deposit 12/08/18 from reconciling day's receipts.
Annual Total	General	3.00	Assessor/Recorder	Annual total of shortages due to various reasons.
Annual	General	0.08	Treasurer/Tax Collector - Public	Annual total of shortages due to various reasons.

Total			Administrator	Annual total of shortages due to various reasons. Amount includes uncollectible counterfeit \$20 bill with deposit D0156827 on 11/27/18.
Annual Total	General	1,028.06	Treasurer/Tax Collector	
		\$1,080.39	TOTAL	

**ALTERNATIVES**

The Board could choose not to accept this annual report for FY 2018/19, but that would be contrary to Resolution No. 2004-56 which requires the Auditor-Controller to render a written account to the Board of Supervisors of any shortage reimbursements made by the Auditor-Controller at the end of a fiscal year.

**OTHER AGENCY INVOLVEMENT**

Appropriate documentation and coordination between the departments seeking relief for the shortages and Auditor-Controller's Office occurred. This report has been shared with the County Administrative Office.

**FINANCING**

The cumulative total of \$1,080.39 shortage reimbursements were recognized in the appropriate cost centers as part of FY 2018/19 budget.

**ATTACHMENTS:**

Description	Upload Date	Description
FY 18-19 ANNUAL SHORTAGE REIMBURSEMENTS	8/12/2019	FY 18-19 ANNUAL SHORTAGE REIMBURSEMENTS



# Shasta County

## OFFICE OF THE AUDITOR-CONTROLLER

1450 Court Street, Suite 238  
Redding, California 96001-1671  
Phone (530) 225-5771

**BRIAN MUIR**  
AUDITOR-CONTROLLER

**NOLDA SHORT**  
ASST. AUDITOR-CONTROLLER

### INTER-OFFICE MEMORANDUM

#### NOTICE OF RELIEF OF ACCOUNTABILITY GRANTED

TO: Tracy Tedder, HHSA Branch Director

FROM: Sam Osborne, Chief Deputy Auditor

DATE: October 17, 2018

Based upon your request, and our review, of events and/or circumstances surrounding the reconciliation process for the vitals account 00941-007429 with a cash shortage of \$29.25 for the period of 1/9/2015 through 1/25/2017, the Shasta County Auditor-Controller, under authority delegated by Board of Supervisors' Resolution 2004-56 and Government Code 29390 and 29390.1, does hereby grant relief of accountability for the following transaction:

<u>Shortage Situation/Account</u>	<u>Amount</u>	<u>Date</u>
Cash Shortage (00941-007429)	(-\$ 29.25)	1/9/2015 thru 1/25/2017

#### Action To Be Taken:

- ( ) Write-Off of Accounts Receivable: You are hereby granted relief of accountability for the outstanding item listed above. Please prepare a journal entry, crediting the account originally deposited to and debiting 50100-799900 to write off the loss or non-recoverable account.
- ( ) Replenish Amount of Loss: The Auditor-Controller's office will issue, (within a few days), a warrant in the amount of the loss to replenish the fund from which the loss occurred. This payment will be charged to the Miscellaneous Expense Account (#034300) in your budget.
- ( ) Offset Loss Against Revenue: If the loss is from revenue receipts, you are authorized to offset the loss against the revenue account from which the receipts were received by making a journal entry, or as a negative entry on a subsequent deposit.
- ( ) Deposit Overage of Collection to Over/Short Account: If the shortage was from making change or accepting less than the amount due, you are authorized to record the shortage to the Over/Short Account (#799900) in your budget with your next deposit.
- (X) Other: You are hereby granted relief of accountability for the outstanding item listed above. Please prepare a journal entry, crediting the account where the shortage occurred 000941-007429 and debiting 50100-799900 to write off the loss.

Documenting Authorization for Write-Offs Made: Departments do not have authority to write off any amounts due for which they are charged with the duty of collection. When authorized write-offs are made, be sure to make the notation in the accounting records, journal entries, deposit forms, etc., the date the write-off was authorized, and whether authorized by the Board of Supervisors or the Auditor-Controller. Also, attach a copy of this notice to any transaction forms, such as journal entries, deposits, etc., sent to the Auditor-Controller, which affect the write-off.

Approved: Brian Muir, Auditor-Controller

By: Deputy

cc: Board of Supervisors



# Health and Human Services Agency

Donnell Ewert, MPH, Director

## Business and Support Services

Tracy Tedder, Branch Director

1810 Market Street  
Redding, CA 96001-1930  
P.O. Box 496005  
Redding, CA 96049-6005  
Phone: (530) 229-8419  
Fax: (530) 225-5555  
CA Relay Service: (800) 735-2922

## Memorandum

**To:** Brian Muir, Auditor-Controller  
**From:** Tracy Tedder, Director, HHSA Business & Support Services  
**Date:** October 10, 2018  
**Re:** Relief of Accountability for Vitals \$29.25

A handwritten signature in black ink, appearing to read "Tracy Tedder", is written over the "From:" line of the memorandum.

During a reconciliation process for the Vitals account we became aware of some discrepancies in the State Share revenue account. While most of the discrepancies have been corrected through Journal Entries and supplemental claims, there is still a shortage of \$29.25 due to inconsistencies from prior periods. After further research and due to the time frame involved in the claims, HHSA has been unable to obtain contact information for individuals involved in the discrepancies. Therefore, HHSA is requesting relief of accountability for this \$29.25.

To decrease the risk of future discrepancies occurring in this area, we plan to make the following improvements in our process:

1. Create & maintain a register log that will record & track orders/payments made at the front desk. This will be reconciled daily basis, which will enable us to identify & correct errors quickly;
2. Issue out of county funeral homes a policy reminder letter that states payment is due within 8 days;
3. Strengthen oversight on this process to ensure better adherence to our existing policies and procedures.

Cc: Megan Dorney, Deputy Branch Director HHSA, Business & Support Services  
Wade Lee, Fiscal Manager, HHSA, Business & Support Services  
Shellie Costa, Supervising Accountant, HHSA, Business & Support Services  
Kristen Racki, Accountant Auditor, HHSA, Business & Support Services

SHASTA COUNTY AUDITOR  
REC'D 2018 OCT 11 AM 9:58

Handwritten initials "BM" in black ink, located in the bottom right corner of the page.

"Healthy people in thriving and safe communities"

[www.shastahhsa.net](http://www.shastahhsa.net)



# Shasta County

## OFFICE OF THE AUDITOR-CONTROLLER

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**BRIAN MUIR**  
AUDITOR-CONTROLLER

**NOLDA SHORT**  
ASST. AUDITOR-CONTROLLER

### INTER-OFFICE MEMORANDUM

#### NOTICE OF RELIEF OF ACCOUNTABILITY GRANTED

TO: Tom Bosenko, Sheriff

FROM: Sam Osborne, Chief Deputy Auditor

DATE: February 5, 2019

Based upon your request, and our review of the above events and/or circumstances surrounding the Sheriff's Records Front Counter change fund cash shortage of \$20.00 on January 8, 2019, the Shasta County Auditor-Controller, under authority delegated by Board of Supervisors' Resolution 2004-56 and Government Code 29390 and 29390.1, does hereby grant relief of accountability for the following transaction:

<u>Shortage Situation/Account</u>	<u>Amount</u>	<u>Date</u>
Sheriff Records Front Counter Drawer Change Fund Shortage	(-\$ 20.00)	12/08/2018

#### Action To Be Taken:

- ( ) Write-Off of Accounts Receivable: You are hereby granted relief of accountability for the outstanding item listed above. Please prepare a journal entry, crediting the account originally deposited to and debiting 26000-799900 to write off the loss or non-recoverable account.
- ( ) Replenish Amount of Loss: The Auditor-Controller's office will issue, (within a few days), a warrant in the amount of the loss to replenish the fund from which the loss occurred. This payment will be charged to the Miscellaneous Expense Account (#034300) in your budget.
- ( ) Offset Loss Against Revenue: If the loss is from revenue receipts, you are authorized to offset the loss against the revenue account from which the receipts were received by making a journal entry, or as a negative entry on a subsequent deposit.
- ( ) Deposit Overage of Collection to Over/Short Account: If the shortage was from making change or accepting less than the amount due, you are authorized to record the shortage to the Over/Short Account (#799900) in your budget with your next deposit.
- (X) Other: You are hereby granted relief of accountability for the outstanding item listed above. Since the shortage was from making change or accepting less than the amount due, and the shortage was recorded to the Over/Short Account (#799900) with that day's deposit D0158079, no further action is necessary.

Documenting Authorization for Write-Offs Made: Departments do not have authority to write off any amounts due for which they are charged with the duty of collection. When authorized write-offs are made, be sure to make the notation in the accounting records, journal entries, deposit forms, etc., the date the write-off was authorized, and whether authorized by the Board of Supervisors or the Auditor-Controller. Also, attach a copy of this notice to any transaction forms, such as journal entries, deposits, etc., sent to the Auditor-Controller, which affect the write-off.

Approved: Brian Muir, Auditor-Controller  
By: Deputy  
cc: Board of Supervisors





# SHASTA COUNTY

## Office of the Sheriff



To: Brian Muir, Auditor-Controller

Tom Bosenko  
SHERIFF - CORONER

From: Tom Bosenko, Sheriff *TB101*

Date: January 9, 2019

RE: Cash Shortage, Deposit D0158079

On Tuesday, January 8, 2019 the end of day closing deposit for the Sheriff's Records Front Counter was found to be \$20.00 short. Records staff along with their Supervisor and Accounting staff reviewed the day's transactions and the source of the shortage had not been determined.

Our Record's staff member also went through all of their receipts and contacted each person who had paid cash without success in finding the source of the shortage. Deposit D0158079 will be \$20.00 greater than actual receipts.

Staff have been questioned and cautioned to use proper cash handling procedures.

Should you have any questions, please call me at 245-6167

Thank you.

SHASTA COUNTY AUDITOR  
REC'D 2019 FEB 5 AM 11:05

*[Handwritten signature]*  
2/5/19



# Shasta County

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Phone (530) 225-5771

**BRIAN MUIR**  
AUDITOR-CONTROLLER

**NOLDA SHORT**  
ASST. AUDITOR-CONTROLLER

### INTER-OFFICE MEMORANDUM

#### NOTICE OF RELIEF OF ACCOUNTABILITY GRANTED

TO: Leslie Morgan, Assessor-Recorder

FROM: Sam Osborne, Chief Deputy Auditor

DATE: August 12, 2019

Based upon your request, and our review, of events and/or circumstances surrounding the fiscal year 2018/19 annual total of cash shortages of \$3.00 and the annual total of cash overages of \$2,077.93 the Shasta County Auditor-Controller, under authority delegated by Board of Supervisors' Resolutions 2004-56, does hereby grant relief of accountability for the following losses or accounts:

<u>Loss Situation/Account</u>	<u>Amount</u>	<u>Date</u>
FY 18/19 Annual Total of Shortages	\$ 3.00	06/30/19
FY 18/19 Annual Total of Overages	\$ 2,077.93	06/30/19

#### Action To Be Taken:

- ( ) Write-Off of Accounts Receivable: You are hereby authorized to prepare a journal entry, or otherwise adjust your accounting records, to write off the loss or non-collectable account.
- ( ) Replenish Amount of Loss: The Auditor-Controller's office will issue, (within a few days), a warrant in the amount of the loss to replenish the fund from which the loss occurred. This payment will be charged to the Miscellaneous Expense Account (#034300) in your budget.
- ( ) Offset Loss Against Revenue: If the loss is from revenue receipts, you are authorized to offset the loss against the revenue account from which the receipts were received by making a journal entry, or as a negative entry on a subsequent deposit.
- ( X ) Charge Loss of Collection Against Over/Short Account: Since the transactions have been posted to the Over/Short Account (#799900) throughout the year, there is no further action to be taken on the part of the department.

Approved: Brian Muir, Auditor-Controller

By: Deputy  
cc: Board of Supervisors



**LESLIE MORGAN, SHASTA COUNTY ASSESSOR-RECORDER**

1450 COURT STREET, SUITE 208, REDDING, CA 96001  
TEL: 530-225-5671 FAX: 530-225-5152

**MEMORANDUM**

**TO: Brian Muir, Auditor-Controller**  
**FROM: Leslie Morgan, Assessor-Recorder**  
**RE: Notice of shortage**  
**DATE: August 12, 2019**

A handwritten signature in black ink, appearing to be "Leslie Morgan", is written over a horizontal line.

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The nature of the Recorder's Office business results in many overages and shortages throughout the year. For the fiscal year beginning July 1, 2018 and ending June 30, 2019 the total of shortages was \$3.00. For the same period the total of overages was \$2,077.93. The balance of general ledger account 799900 on June 30, 2019 was \$2,074.93. Shortages in the Recorder's office can be due to a fee change, so requests mailed timely but received after the increase is effective are accepted at the old fee. They can also be the result of an error in page count, title count, or index count discovered after recording during indexing or verifying. Shortages and overages occur when documents are mailed for recording with check payment that is short or over; as long as the amount is small the recording is not delayed due to the shortage or overage.



# Shasta County

## OFFICE OF THE AUDITOR-CONTROLLER

1450 Court Street, Suite 238  
Redding, California 96001-1671  
Phone (530) 225-5771

**BRIAN MUIR**  
AUDITOR-CONTROLLER

**NOLDA SHORT**  
ASST. AUDITOR-CONTROLLER

### INTER-OFFICE MEMORANDUM

#### NOTICE OF RELIEF OF ACCOUNTABILITY GRANTED

TO: Lori J. Scott, Treasurer-Tax Collector ~~Public Administrator~~

FROM: Sam Osborne, Chief Deputy Auditor

DATE: August 12, 2019

Based upon your request, and our review, of events and/or circumstances surrounding the account cash shortage as of 6/30/2019, the Shasta County Auditor-Controller, under authority delegated by Board of Supervisors' Resolution 2004-56 and Government Code 29390 and 29390.1, does hereby grant relief of accountability for the following transaction:

<u>Shortage Situation/Account</u>	<u>Amount</u>	<u>Date</u>
Annual Shortage (29900-799900)	(-\$ 0.08)	06/30/2019

#### Action To Be Taken:

- ( ) Write-Off of Accounts Receivable: You are hereby granted relief of accountability for the outstanding item listed above. Please prepare a journal entry, crediting the account originally deposited to and debiting 11100-799900 to write off the loss or non-recoverable account.
- ( ) Replenish Amount of Loss: The Auditor-Controller's office will issue, (within a few days), a warrant in the amount of the loss to replenish the fund from which the loss occurred. This payment will be charged to the Miscellaneous Expense Account (#034300) in your budget.
- ( ) Offset Loss Against Revenue: If the loss is from revenue receipts, you are authorized to offset the loss against the revenue account from which the receipts were received by making a journal entry, or as a negative entry on a subsequent deposit.
- ( ) Deposit Overage of Collection to Over/Short Account: If the shortage was from making change or accepting less than the amount due, you are authorized to record the shortage to the Over/Short Account (#799900) in your budget with your next deposit.
- (X) Other: You are hereby granted relief of accountability for the outstanding account shortage due to immateriality. Since the shortages have already been recorded to the over/short account (799900), no further action is necessary at this time.

Documenting Authorization for Write-Offs Made: Departments do not have authority to write off any amounts due for which they are charged with the duty of collection. When authorized write-offs are made, be sure to make the notation in the accounting records, journal entries, deposit forms, etc., the date the write-off was authorized, and whether authorized by the Board of Supervisors or the Auditor-Controller. Also, attach a copy of this notice to any transaction forms, such as journal entries, deposits, etc., sent to the Auditor-Controller, which affect the write-off.

Approved: Brian Muir, Auditor-Controller

By: Deputy

cc: Board of Supervisors





# Shasta County

## OFFICE OF THE AUDITOR-CONTROLLER

1450 Court Street, Suite 238  
Redding, California 96001-1671  
Phone (530) 225-5771

**BRIAN MUIR**  
AUDITOR-CONTROLLER

**NOLDA SHORT**  
ASST. AUDITOR-CONTROLLER

### INTER-OFFICE MEMORANDUM

#### NOTICE OF RELIEF OF ACCOUNTABILITY GRANTED

TO: Lori J. Scott, Treasurer-Tax Collector

FROM: Sam Osborne, Chief Deputy Auditor

DATE: August 6, 2019

Based upon your request, and our review, of events and/or circumstances surrounding the fiscal year 2018/19 annual total of cash shortages of \$1,028.06 and the annual total of cash overages of \$504.81, the Shasta County Auditor-Controller, under authority delegated by Board of Supervisors' Resolutions 2004-55 and 2004-56, does hereby grant relief of accountability for the following losses or accounts:

<u>Loss Situation/Account</u>	<u>Amount</u>	<u>Date</u>
FY 18/19 Annual Total of Shortages	\$ 1,028.06	06/30/19
FY 18/19 Annual Total of Overages	\$ 504.81	06/30/19

#### Action To Be Taken:

- ( ) Write-Off of Accounts Receivable: You are hereby authorized to prepare a journal entry, or otherwise adjust your accounting records, to write off the loss or non-collectable account.
- ( ) Replenish Amount of Loss: The Auditor-Controller's office will issue, (within a few days), a warrant in the amount of the loss to replenish the fund from which the loss occurred. This payment will be charged to the Miscellaneous Expense Account (#034300) in your budget.
- ( ) Offset Loss Against Revenue: If the loss is from revenue receipts, you are authorized to offset the loss against the revenue account from which the receipts were received by making a journal entry, or as a negative entry on a subsequent deposit.
- ( X ) Charge Loss of Collection Against Over/Short Account: Since the transactions have been posted to the Over/Short Account (#799900) throughout the year, there is no further action to be taken on the part of the department. Pursuant to R & T Code 2611.5, should a resolution authorizing the use of the Over/Short account up to \$10 per transaction be presented, this authorization from the Auditor-Controller will not be needed.

Approved: Brian Muir, Auditor-Controller

By: Deputy  
cc: Board of Supervisors



**MEMORANDUM**


Office of:  
**LORI J. SCOTT**  
**Treasurer-Tax Collector-Public Administrator**

RECEIVED  
SHASTA COUNTY  
AUG 05 2019  
AUDITOR-CONTROLLER  
5:00 PM

A handwritten signature in blue ink, possibly "B. Muir", and the initials "NS" in blue ink.

225-5511

**To:** Brian Muir, Auditor-Controller

**From:** Lori J. Scott, Treasurer-Tax Collector-Public Administrator 

**Date:** 08/05/19

**Subject:** Cash Over/Short Account

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The Treasurer Tax Collector Cash Over/Short account for the FY 2018/2019 has a Cash Over/Short total of -\$523.25. The total includes a Short balance of -\$1028.06 and an Over balance of \$504.81.

These amounts are based on the Treasurer Tax Collector's daily deposits that include multiple tax payments. If an Over/Short is included in the deposit, the Treasurer Tax Collector certifies that there is not any single check transaction that is over \$4.99.

R&T Code 2611.5

2611.5. At the option of a county and when authorized by resolution of the board of supervisors pursuant to Article 4 (commencing with Section 29370) of Chapter 2 of Division 3 of Title 3 of the Government Code, a cash difference fund may be used to increase the amount tendered to the county for the payment of any tax, assessments, penalty, cost or interest which is due and owing the county, when a difference of ten dollars (\$10) or less exists. A record of each use of the fund shall be maintained, containing sufficient information to identify the name of the person whose account was credited and listing the amount of the difference.

Notwithstanding any provision of law, including Sections 29372, 29373, 29374, and 29375 of the Government Code, the cash difference fund may be expended, maintained, or replenished by accounting entries into a cash difference account and an overage account maintained in the county automated accounting system. All transfers between the fund and the accounts may be made and retained in electronic data processing equipment and no written report pursuant to Section 29073 of the Government Code, warrant, special warrant, or check warrant need be prepared by the auditor or treasurer. If approved pursuant to Section 29380.1 of the Government Code,

replenishment of the cash difference account may be accomplished by the county auditor by a journal entry or electronic funds transfer from the county's general fund.

When an amount paid to the county on any tax, assessment, penalty, cost, and interest exceed the amount due the county and the excess does not exceed ten dollars (\$10), the excess amount may be deposited into the overage account. If the excess amount is not so deposited, it shall be refunded to the person making the payment.

Attached is a Detailed Trial Balance report for the Treasurer Tax Collector cost center 11100 for your records.

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

**BOARD MEETING DATE:** August 20, 2019

**CATEGORY:** Consent - General Government-2.

**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

<b>Vote Required?</b>	<b>General Fund Impact?</b>
Simple Majority Vote	No General Fund Impact

**RECOMMENDATION**

Approve the minutes of the meeting held on August 13, 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	Upload Date	Description
8/13/19 Draft Minutes	8/16/2019	8/13/19 Draft Minutes





# SHASTA COUNTY

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## BOARD OF SUPERVISORS

1450 Court Street, Suite 308B  
Redding, California 96001-1673  
(530) 225-5557  
(800) 479-8009  
(530) 225-5189 FAX

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](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**

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. Persons wishing to address the Board are requested to fill out a Speaker Request Form prior to the beginning of the meeting (forms are available from the Clerk of the Board, 1450 Court Street, Suite 308B, Redding, or 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. Each speaker is allocated three minutes to speak.

## **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 (HHS) Director or any HHS Branch Director designated by the HHS 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](mailto: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](http://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](http://www.co.shasta.ca.us).

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

**BOARD MEETING DATE:** August 20, 2019

**CATEGORY:** Consent - General Government-3.

**SUBJECT:**

Appointment to the Shasta Children and Families Commission, also known as First 5 Shasta

**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

<b>Vote Required?</b>	<b>General Fund Impact?</b>
Simple Majority Vote	No General Fund Impact

**RECOMMENDATION**

Appoint Nancy Bolen to the Shasta Children and Families Commission for the remainder of an unexpired term to expire January 2021.

**SUMMARY**

The Board of Supervisors considers making appointments and reappointments to various committees, commissions, and boards when terms of office are expiring or vacancies exist.

**DISCUSSION**

The Shasta Children and Families Commission (Commission), also known as First 5 Shasta, is a seven-member Commission appointed by the Board of Supervisors. Pursuant to Shasta County Code (SCC) 2.65, Shasta County Children and Families Commission, the Commission is comprised of three County representatives and four community representatives. In January 2020, two additional community representative seats will be added to the Commission pursuant to Ordinance No. SCC 2019-02.

According to SCC Section 2.65.030, Section A.4, one of the three County representatives shall be the director of the county health and human services agency or his/her designee as approved by the board of supervisors. In prior years, Health and Human Services Agency (HHSA) Director Donnell Ewert had designated the previous Branch Director of HHSA-Children's Services to fill this seat. It is recommended that the Board appoint the new HHSA-Children's Services Branch Director, Nancy Bolen, to serve for the remainder of this unexpired term.

**ALTERNATIVES**

The Board is required to appoint three County representatives to the Commission. The Board may appoint some other person or persons who meet the qualifications for appointment to the Commission.

**OTHER AGENCY INVOLVEMENT**

The Commission and the Director of HHSA both support the recommendation.

**FINANCING**

There is no General Fund impact associated with the recommended action.

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

**BOARD MEETING DATE:** August 20, 2019

**CATEGORY:** Consent - General Government-4.

**SUBJECT:**

Adopt a retroactive resolution which amends a Comprehensive Memorandum of Understanding and a salary resolution which amends the Shasta County Salary Schedule.

**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

<b>Vote Required?</b>	<b>General Fund Impact?</b>
Simple Majority Vote	General Fund Impact

**RECOMMENDATION**

Adopt a retroactive resolution and a retroactive salary resolution, effective November 11, 2018, which includes the following actions: (1) The resolution amends the Memorandum of Understanding with the Deputy Sheriffs' Association Deputy Sheriffs, Sergeant, and District Attorney Investigator (DSA-DSS/DAI) Unit to include the provision of Supervisory Pay Differential for the Sergeant classification; and (2) the salary resolution amends the Shasta County Salary Schedule to update footnote 51 to include Sergeants for consideration of a pay class stipend if a subordinate classification is at a salary range higher than the Sergeant classification.

**SUMMARY**

N/A

**DISCUSSION**

The recommendation is based upon the request from DSA-DSS/DAI and through discussions and analysis, it is determined that the action requested is appropriate and customary.

The Resolution includes an amendment to the current MOU with the DSA-DSS/DAI Unit to amend Article 8, Compensation, to include provisions for the Sergeant classification to be eligible for a Supervisory Pay Differential as all other supervisory positions within the County allow for this pay differential. In order to solidify this pay differential, the Salary Resolution includes a modification to Footnote 51 and is effective November 11, 2018 to align with the effective date of Footnote 78 (Housing Allowance). The retroactive payment to the affected sergeant would be approximately \$4,127.

**ALTERNATIVES**

The Board may choose not to approve this recommendation.

**OTHER AGENCY INVOLVEMENT**

Both the Sheriff’s Department and the County Administrative Office have reviewed these recommendations. Additionally, the recommendation has been reviewed by the DSA-DSS/DAI bargaining unit and they concur with this recommendation.

**FINANCING**

The financial impacts of the recommendations will be absorbed by the impacted department’s budget.

- cc:
- Larry Lees, County Executive Officer
  - Thomas Bosenko, Sheriff-Coroner
  - Eric Magrini, Undersheriff
  - Elaine Grossman, Senior Administrative Analyst
  - Shelley Forbes, Assistant 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
  - Steve Allen, Labor Representative

**ATTACHMENTS:**

Description	Upload Date	Description
DSA-DSS/DAI Resolution	8/16/2019	DSA-DSS/DAI Resolution
DSA-DSS/DAI Salary Resolution	8/8/2019	DSA-DSS/DAI Salary Resolution
LOU DSA-DSS/DAI Article 8 MOU	8/6/2019	LOU DSA-DSS/DAI Article 8 MOU
Redline Article 8 DSA-DSS/DAI MOU	8/5/2019	Redline Article 8 DSA-DSS/DAI MOU
Clear Article 8 DSA-DSS/DAI MOU	8/5/2019	Clear Article 8 DSA-DSS/DAI MOU

**RESOLUTION NO. 2019-\_\_\_\_\_**

**A RESOLUTION OF THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SHASTA ADOPTING AN AMENDMENT TO THE  
COMPREHENSIVE MEMORANDUM OF UNDERSTANDING WITH THE  
DEPUTY SHERIFFS ASSOCIATION- DEPUTY SHERIFF, SERGEANT, AND  
DISTRICT ATTORNEY INVESTIGATOR UNIT WHICH COVERS THE PERIOD OF  
SEPTEMBER 1, 2018 THROUGH AUGUST 31, 2020, ARTICLE 8, AND  
IMPLEMENTING THE PROVISIONS THEREOF**

**WHEREAS**, the Shasta County Board of Supervisors adopted a Comprehensive Memorandum of Understanding (MOU) with the Deputy Sheriffs Association-Deputy Sheriff, Sergeant, and District Attorney Investigator Unit on November 6, 2018.

**THEREFORE, BE IT RESOLVED** that the Board of Supervisors of the County of Shasta adopts an amendment to the MOU with the Deputy Sheriffs Association- Deputy Sheriff, Sergeant, and District Attorney Investigator Unit, which covers the period of September 1, 2018 through August 31, 2020, which adds Article 8 *Compensation, section L. Sergeant Supervisory Pay Differential*, a copy of which is attached hereto and incorporated herein by reference, retroactive to November 11, 2018, and

**THEREFORE, BE IT FURTHER RESOLVED** that this resolution implements completely and in all respects those provisions of the above referenced amendment to the MOU.

**DULY PASSED AND ADOPTED** this 20<sup>th</sup> day of August, 2019 by the Board of Supervisors of the County of Shasta by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

RECUSE:

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

ATTEST:

LAWRENCE G. LEES  
Clerk of the Board of Supervisors

By \_\_\_\_\_  
Deputy

**SALARY RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SHASTA  
AMENDING THE SHASTA COUNTY SALARY SCHEDULE**

**BE IT RESOLVED** that effective November 11, 2018, the following amendments are made to the Shasta County Shasta County Salary Schedule for positions in County service:

Footnotes

FROM:

- 51 A member of SCEA or a manager may apply in writing, through the Department Head, to the Personnel Director for consideration of a pay class stipend if a subordinate classification is at a salary range higher than the supervisor/manager's classification. Such stipends will be granted in one-half percent (.5%) increments. When applied, the effect of this stipend will be that the supervisor/manager's salary range will be five percent (5%) above the subordinate's salary range (Based on F Step comparisons including subordinates pay stipends, if appropriate). Further conditions regarding this footnote are in the SCEA MOU, the MMBU MOU or in Chapter 15 of the Personnel Rules.

TO:

- 51 A member of SCEA, a Sergeant, or a manager may apply in writing, through the Department Head, to the Personnel Director for consideration of a pay class stipend if a subordinate classification is at a salary range higher than the supervisor/Sergeant/manager's classification. Such stipends will be granted in one-half percent (.5%) increments. When applied, the effect of this stipend will be that the supervisor/Sergeant/manager's salary range will be five percent (5%) above the subordinate's salary range (Based on F Step comparisons including subordinates pay stipends, if appropriate). Further conditions regarding this footnote are in the SCEA MOU, the DSA-DSS/DAI MOU, the MMBU MOU, or in Chapter 15 of the Personnel Rules.

**BE IT FURTHER RESOLVED** that effective September 1, 2019, the following amendments are made to the Shasta County Salary Schedule for positions in County service:

<u>Footnotes</u>	<u>Classification Title</u>	<u>Class. Unclass.</u>	<u>Schedule</u>	<u>Range</u>	<u>Approx. Monthly A Step</u>	<u>Approx. Monthly F Step</u>
<u>FROM</u>						
4,5,78	Sergeant	C	DSAS	512	5309	6775



Salary Resolution  
August 20, 2019  
Page 2 of 2

<u>Footnotes</u>	<u>Classification Title</u>	<u>Class.</u> <u>Unclass.</u>	<u>Schedule</u>	<u>Range</u>	<u>Approx.</u> <u>Monthly</u> <u>A Step</u>	<u>Approx.</u> <u>Monthly</u> <u>F Step</u>
<u>TO</u>						
4,5,51,78	Sergeant	C	DSAS	512	5309	6775

**DULY PASSED AND ADOPTED** this 20<sup>th</sup> 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

**Letter of Understanding – Supervisory Pay Differential**

**2018-2020 Memorandum of Understanding (MOU)**

**Between the**

**County of Shasta**

**and the**


**Deputy Sheriff's Association – Deputy Sheriff, Sergeant, and**

**District Attorney Investigator Unit (DSA-DSS/DAI)**

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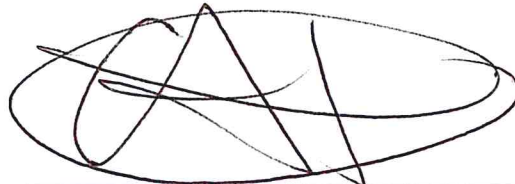
The parties listed above hereby agree to amend Article 8, *Compensation*, to add Article 8. *L. Sergeant Supervisory Pay Differential* to provide for a Supervisory Pay Differential for eligible Sergeants, effective November 11, 2018, a copy of which is attached hereto.

For the County:



Angela Davis, Director of Support Services

For the Association:



Steve Allen, Chief Negotiator

Date

08/06/2019

Date

8-2-19

## ARTICLE 8. COMPENSATION

### L. Sergeant Supervisory Pay Differential.

1. An employee in a Sergeant job classification should not be set at a lower salary range (F step to F step comparison including subordinates' pay stipends, if appropriate) than the subordinate job classifications he/she is required to supervise. This concept includes as a principle that the Sergeant be responsible for performance evaluations, direction of the work performed, and input into the hiring and discipline process. In order to qualify, a person directing and evaluating the work of a subordinate would have to be of the same profession. That means, for example, that an accountant who supervises a licensed social worker would not qualify because, even if he/she did performance evaluations and assigned work, he/she could not judge the professional aspects of the subordinate's work. Thus, due to the different professions, the supervisor could not qualify because he/she would not be able to oversee or judge the specific professional aspects of the subordinate's job.
2. **Process for Supervisory Pay Differential.** A Sergeant may apply in writing, through the Department Head, to the Director of Support Services for consideration of a pay class stipend if a subordinate job classification is at a salary range higher than the Sergeant's job classification. Such stipends will be granted in half percent (1/2 %) increments. When applied, the effect of this stipend will be that the Sergeant's salary range will be five percent (5%) above the subordinate's salary range (based on F step comparisons including subordinates pay stipends, if appropriate). The pay stipend will be processed as a salary footnote on a Personnel Action Form. The Director of Support Services will review the stipend periodically for continued appropriateness or when job classifications are changed due to reclass, MOU salary and benefit changes, or other such changes. The decision of the Director of Support Services to grant or not grant a pay stipend is final unless the employee's Department Head appeals to the CEO. The findings of the CEO are final. This process is not subject to the grievance process.

## ARTICLE 8. COMPENSATION

- A. **Wages.** Wages for job classifications in this unit are as shown in Attachments A, B, and C.
- B. During this Agreement, wage schedule increases shall occur at the beginning of the pay period on the following dates with the indicated percentage increases:

Attachment	Applicable Date	Percentage Increase
A	September 1, 2018	Current Salary Range
B	November 11, 2018	3.0%
C	September 1, 2019	4.0%

- C. **Merit Step Increases.** Employees shall be eligible to progress from step to step within the appropriate range depending on merit. Such progression shall not be automatic, but shall be governed by the County's Personnel Rules except that step movement from Step A to Step B shall occur after twelve (12) months.

D. **Work Above Classification.**

1. **Qualification Period.** When an employee is temporarily assigned to the duties of a vacant higher level position, the employee shall, commencing on the eighty-first (81st) hour and effective the first (1st) hour, receive a rate equivalent to that provided for under County promotional rules. To be eligible for the higher rate, the employee must:
  - a. Be assigned in writing by the Department Head with the approval of the County Personnel Office;
  - b. Be assigned for other than training purposes;
  - c. Perform the full regular duties of the higher position; and
  - d. Perform the duties of the higher position for a period of at least eighty (80) work hours, except with an approved interruption. Holidays shall be treated like weekends or comparable regularly scheduled days off.
    - (1) An approved interruption shall be the use of approved leave balances not to exceed an accumulation of sixteen (16) hours during the eighty (80) hour qualification period.
    - (2) Returning to the employee's regularly assigned position for more than sixteen (16) accumulated work hours will cause the eighty (80) hour requirement to begin again if full duties of the higher position are resumed.
  - e. Reestablish eligibility for a higher rate by meeting the above four (4) criteria on a semi-annual basis.

2. **Payment for Hours Worked.** An employee who has qualified for the higher rate shall receive such a rate on an hourly basis only for hours worked while so assigned.
3. **Definition of Vacant Higher Level Position.** A “vacant higher level position,” as referred to herein, is understood to include absences by the incumbent of the higher position of more than eighty (80) working hours including vacation, sick, or other forms of leave.

A “vacant higher level position” may also include a portion of a position in which the incumbent is temporarily unable to perform all of the essential functions of the job due to a documented health condition. In this case, an employee may be assigned to temporarily work out of class to perform the full duties associated with the essential function(s) the incumbent cannot perform, providing that this work accounts for at least twenty-five percent (25%) of the job. The higher rate of pay will apply only to those hours in which the employee working out of class performs duties specific to the essential functions the incumbent cannot perform. The employee assigned to work out of class must work in this capacity for more than two (2) regularly scheduled work weeks, after which out of class pay will apply to the hours worked performing assigned higher level duties effective the first day such work was performed. Additionally, a Department Head must obtain approval from the Director of Support Services, or his/her designee, prior to assigning an employee to work out of class in a position subject to the conditions described in this paragraph.

Note: This section is limited to cases where an employee’s doctor releases the employee to work in a limited capacity (including full-time work doing limited duties, and part-time work doing full or limited duties) and the County determines it can accommodate the employee with a temporary, modified duty assignment and another employee can reasonably be called upon to perform those essential functions of the job that the employee with limitations cannot perform.

**E. Specialty Assignment Pay -- Hourly Differentials.** The following stipends are agreed to be offered for actual hours worked under the described conditions. It is further agreed that no right to such differential exists except as it is connected to the duty performed.

1. **Officer-in-Charge.** Deputy Sheriffs and District Attorney Investigators assigned Officer-In-Charge duties will receive an additional five percent (5%) of base wages while working in such a capacity on an hour for hour basis.
2. **Field Training Officer (FTO).** When a qualified FTO is assigned by Sheriff’s or District Attorney’s management to perform field training duties with respect to a specific trainee, all hours worked in such capacity shall be compensated by an additional five percent (5%) of base wage. Nothing in this section shall be construed to reduce the Sheriff’s or District Attorney’s discretion in reassigning FTO duties.
3. **Certified Instructor Pay.** An officer who is certified to perform the instructor duties for Defensive Tactics; Fire, Life, and Safety Officer; Canine; and Rangemaster and

Firearms shall receive an additional five percent (5%) of base wage for each hour of such duty performed.

**F. Specialty Assignment Pay -- Other Differentials.**

1. Payment for Canine Assignment and Care of Patrol Dogs. Employees in canine assignments shall be compensated an additional ten (10) hours per pay period at one and one-half (1-1/2) times the prevailing federal or state minimum hourly wage (as may be amended) during the time a patrol dog is assigned to them. Compensation (example below) shall be considered full pay in lieu of any other overtime compensation for all home duties including feeding and watering, exercising, grooming, bathing, bonding, training, arranging for and transporting for veterinary care, and other routine maintenance of the canine. Expenses for travel necessary for extraordinary veterinary care shall be reimbursed pursuant to the County's Travel Policy.

Example:

Minimum Hourly Wage	Minimum Wage Overtime Rate	Compensation Per Pay Period	Annualized Compensation
\$8.00	\$12.00	\$120.00	\$3,120

2. Detective/Coroner Assignment. During the period of time an employee is assigned by management and works as a Detective or Deputy Coroner Investigator, the employee will receive five percent (5%) in addition to the employee's normal base salary. In addition to the foregoing, an employee placed in an assignment where the duties are primarily investigative in nature, may petition the Sheriff for consideration of payment of five percent (5%) in addition to the employee's normal base salary. The decision of the Sheriff shall be final and not subject to the Grievance Procedure of this Agreement.
3. Resident Deputy Assignment. During the period of time a Deputy Sheriff is assigned by management to live in and service a specific unincorporated community as a Resident Deputy on a continuous basis, the employee will receive five percent (5%) in addition to the employee's normal base salary. Beginning June 29, 2014, this section shall apply to deputies assigned to the Burney station.
4. Resident Deputy Housing Allowance. During the period of time a Deputy Sheriff is assigned by Management to live in and service a specific unincorporated community as a Resident Deputy on a continuous basis, the employee will receive \$5,000 per year housing allowance, paid with regular payroll in equal installments. If an employee is placed on unpaid status, the employee is not eligible to receive the installment.
5. Reassignment. It is agreed that any reassignment that results in a loss of Specialty Pay pursuant to this section is not in and of itself disciplinary in nature. However, the parties agree that such reassignment may be appealed within seven (7) calendar days

from notice to the affected employee by requesting an administrative hearing before the Sheriff, or his/her designee, whose decision shall be final and binding.

**G. P.O.S.T./Education Pay.**

1. Intermediate P.O.S.T. Certificate. Any unit member who attains or possesses an Intermediate P.O.S.T. Certificate shall be eligible to receive an additional four and one-half percent (4.5%) of salary as P.O.S.T. pay, providing the employee has completed at least six (6) months with his/her respective department. Initial eligibility shall require an "overall" performance evaluation of "meets expected standards" for the previous six (6) month period. Eligibility shall not be earlier than the beginning of the payroll period following the date stated on the P.O.S.T. Certificate.
2. Advanced P.O.S.T. Certificate. Any unit member who attains or possesses an Advanced P.O.S.T. Certificate shall be eligible to receive an additional three and one-half percent (3.5%) of salary as P.O.S.T. pay under the same conditions as above, for a maximum of eight percent (8.0%) above base salary.
3. Reinstatement. Persons who are rehired, and immediately previous to leaving County employment were receiving P.O.S.T. pay, shall be deemed to satisfy the above criteria at the appropriate level.

**H. Standby and Callback.**

1. Assignment Pay. A Department Head, or his/her designee, may assign employees to standby. Sheriff's Office employees assigned standby shall be compensated at a rate of \$3.00 per hour while so assigned. District Attorney employees assigned standby shall be compensated at a rate of \$2.50 per hour while so assigned. Standby duty pay shall cease during the hours for which callback is paid.
2. Requirements. In order for an employee to become eligible for standby pay, the employee must be assigned to standby status by the Department Head requiring the employee to:
  - a. Review the projected standby assignment schedule within the deadlines established by the applicable department;
  - b. Wear a County-provided pager, or be available by telephone during standby assignment;
  - c. Contact the department/dispatch and respond to the callback location within the time period established by the Department Head;
  - d. Respond promptly to callbacks during scheduled standby time unless the employee has notified the department of the name of another qualified employee who will respond;

- e. Refrain from activities that impair the employee's ability to perform assigned duties;
  - f. Request mileage reimbursement for callback responses performed in non-County vehicles within one (1) month after mileage costs are incurred;
  - g. Receive permission to transport non-County employees in County vehicles no later than the last working day prior to standby assignment; and
  - h. Accept the applicable standby pay as referred to in subsection 1 as full consideration for any inconvenience the standby assignment may pose.
3. Distinguished from Subject to Call. Standby status is to be distinguished from uncompensated status of being "subject to call," wherein an employee returns to work during off-duty hours in response to being called, but is not required to meet the standby criteria.
4. Callback from Standby. Any employee, when called back to duty from standby status, shall be compensated for the hours worked at one and one-half (1-1/2) times the equivalent hourly rate of their regular salary. The minimum for each callback from standby duty shall be two (2) hour. Such time worked shall not include travel time between an employee's residence and the employee's regularly assigned work location.
5. Pay for Callback While Not on Standby.
- a. Any unit employee not on standby status who is called back to work shall be credited with a minimum of three (3) hours of time worked. Nothing shall prevent management from assigning such an employee to perform work during this period of time, or longer if needed.
  - b. Should callback time become contiguous with regular work hours, time worked shall not be credited as callback and the minimum time period shall not apply.
6. Callback from Vacation. An employee called in to work during the employee's regularly scheduled vacation period shall be compensated at a rate of one and one-half (1-1/2) times his/her regular rate of pay for all time worked at the County's request in accordance with existing policy. "Regularly scheduled vacation period" means vacation approved at least twenty-four (24) hours in advance.
7. Court Cancellation. An employee shall receive a minimum of four (4) hours of straight time compensation if Court appearance is cancelled within 48 hours of scheduled appearance.



**I. Shift Differential.**

1. Swing Shift. That regularly assigned shift during which at least fifty percent (50%) of the hours occur between the hours of 1600 and 0030. Unit members assigned to the swing shift shall receive an additional seventy-five cents (\$0.75) for each hour so worked.
2. Graveyard Shift. That regularly assigned shift during which at least fifty percent (50%) of the hours occur between the hours of 0030 and 0900. Unit members assigned to the graveyard shift shall receive an additional one dollar (\$1.00) for each hour so worked.
3. Twelve (12) hour Shifts. Unit members who work a twelve (12) hour shift schedule shall receive an additional seventy-five cents (\$0.75) for each hour worked between 1600 hours and 2400 hours (midnight) above their normal hourly pay, and one dollar (\$1.00) for each hour worked between 2400 hours (midnight) and 0800 hours above their normal hourly pay. This shall apply to all qualifying shifts within the normal shift schedule.
4. Applicability. Except as required by the FLSA, such differentials shall not be considered part of the regular base wages and therefore not applicable to vacation, sick leave, and other forms of non-work pay.

**J. Retirement.** County retirement is provided through the California Public Employees Retirement System (CalPERS). Except for the Deputy Sheriff Trainee, employees hired prior to the May 8, 2011 contract amendment between the County and CalPERS are covered under the Safety retirement provisions with a 3% @ age 50 benefit. Employees hired after the May 8, 2011 contract amendment between the County and CalPERS shall be included in the Safety retirement provisions with a 3% @ 55 benefit. Employee-paid contributions to CalPERS for Safety retirement benefits are nine percent (9%) of Persable compensation. Employees hired on or after January 1, 2013 are covered under the California Public Employees Pension Reform Act (PEPRA) enactment with a benefit formula of 2.7% @ 57 or as determined by CalPERS in compliance with California state law and employee-paid contribution rates as determined by PEPRA provisions. See Attachment D.

1. Trainees. Deputy Sheriff Trainees hired prior to May 8, 2011 are covered under the miscellaneous provisions with a 2% @ 55 benefit, Employees hired after May 8, 2011 and before January 1, 2013 are covered under the miscellaneous provisions with a 2% @ age 60 benefit, Employees hired January 1, 2013 or after are covered by the benefits 2% @ 62 and employee-paid contribution rates as determined by PEPRA provisions.

2. Determination of Final Compensation. Employees hired prior to May 8, 2011 shall have their final compensation for computing retirement determined based on the average monthly compensation for the highest single year (or consecutive twelve months). New hires after May 8, 2011 will be covered by the retirement formula being based upon the average of the highest three (3) years of service.
3. CalPERS - 4th Level of 1959 Survivor Benefits. The County's CalPERS contract provides the 4th Level of 1959 Survivor Benefits.
4. Pre-Tax of Employee Paid Member Contributions. The County allows employee paid member contributions to CalPERS to be deducted from the employee's pay check on a pre-tax basis as allowed under IRC Section 414 H.
5. All employees of the Sheriff's Office shall pay the full Employee Contribution as required by CalPERS law.

**K. Travel and Per Diem Reimbursement.** The County will pay travel and per diem payments to employees required to travel on County business at the rates established in the County's Personnel Rules. The County will pay for or reimburse an employee for the actual, reasonable, and necessary costs associated with a required P.O.S.T. certified training course.

**L. Sergeant Supervisory Pay Differential.**

1. An employee in a Sergeant job classification should not be set at a lower salary range (F step to F step comparison including subordinates' pay stipends, if appropriate) than the subordinate job classifications he/she is required to supervise. This concept includes as a principle that the Sergeant be responsible for performance evaluations, direction of the work performed, and input into the hiring and discipline process. In order to qualify, a person directing and evaluating the work of a subordinate would have to be of the same profession. That means, for example, that an accountant who supervises a licensed social worker would not qualify because, even if he/she did performance evaluations and assigned work, he/she could not judge the professional aspects of the subordinate's work. Thus, due to the different professions, the supervisor could not qualify because he/she would not be able to oversee or judge the specific professional aspects of the subordinate's job.
2. **Process for Supervisory Pay Differential.** A Sergeant may apply in writing, through the Department Head, to the Director of Support Services for consideration of a pay class stipend if a subordinate job classification is at a salary range higher than the Sergeant's job classification. Such stipends will be granted in half percent (1/2 %) increments. When applied, the effect of this stipend will be that the Sergeant's salary range will be five percent (5%) above the subordinate's salary range (based on F step comparisons including subordinates pay stipends, if appropriate). The pay stipend will be processed as a salary footnote on a Personnel Action Form. The Director of Support Services will review the stipend periodically for continued appropriateness or when job classifications are changed due to reclass, MOU salary and benefit changes, or other such changes. The decision of the Director of Support Services to

grant or not grant a pay stipend is final unless the employee's Department Head appeals to the CEO. The findings of the CEO are final. This process is not subject to the grievance process.

## ARTICLE 8. COMPENSATION

- A. **Wages.** Wages for job classifications in this unit are as shown in Attachments A, B, and C.
- B. During this Agreement, wage schedule increases shall occur at the beginning of the pay period on the following dates with the indicated percentage increases:

Attachment	Applicable Date	Percentage Increase
A	September 1, 2018	Current Salary Range
B	November 11, 2018	3.0%
C	September 1, 2019	4.0%

- C. **Merit Step Increases.** Employees shall be eligible to progress from step to step within the appropriate range depending on merit. Such progression shall not be automatic, but shall be governed by the County's Personnel Rules except that step movement from Step A to Step B shall occur after twelve (12) months.

D. **Work Above Classification.**

1. **Qualification Period.** When an employee is temporarily assigned to the duties of a vacant higher level position, the employee shall, commencing on the eighty-first (81st) hour and effective the first (1st) hour, receive a rate equivalent to that provided for under County promotional rules. To be eligible for the higher rate, the employee must:
  - a. Be assigned in writing by the Department Head with the approval of the County Personnel Office;
  - b. Be assigned for other than training purposes;
  - c. Perform the full regular duties of the higher position; and
  - d. Perform the duties of the higher position for a period of at least eighty (80) work hours, except with an approved interruption. Holidays shall be treated like weekends or comparable regularly scheduled days off.
    - (1) An approved interruption shall be the use of approved leave balances not to exceed an accumulation of sixteen (16) hours during the eighty (80) hour qualification period.
    - (2) Returning to the employee's regularly assigned position for more than sixteen (16) accumulated work hours will cause the eighty (80) hour requirement to begin again if full duties of the higher position are resumed.
  - e. Reestablish eligibility for a higher rate by meeting the above four (4) criteria on a semi-annual basis.

2. **Payment for Hours Worked.** An employee who has qualified for the higher rate shall receive such a rate on an hourly basis only for hours worked while so assigned.
3. **Definition of Vacant Higher Level Position.** A “vacant higher level position,” as referred to herein, is understood to include absences by the incumbent of the higher position of more than eighty (80) working hours including vacation, sick, or other forms of leave.

A “vacant higher level position” may also include a portion of a position in which the incumbent is temporarily unable to perform all of the essential functions of the job due to a documented health condition. In this case, an employee may be assigned to temporarily work out of class to perform the full duties associated with the essential function(s) the incumbent cannot perform, providing that this work accounts for at least twenty-five percent (25%) of the job. The higher rate of pay will apply only to those hours in which the employee working out of class performs duties specific to the essential functions the incumbent cannot perform. The employee assigned to work out of class must work in this capacity for more than two (2) regularly scheduled work weeks, after which out of class pay will apply to the hours worked performing assigned higher level duties effective the first day such work was performed. Additionally, a Department Head must obtain approval from the Director of Support Services, or his/her designee, prior to assigning an employee to work out of class in a position subject to the conditions described in this paragraph.

Note: This section is limited to cases where an employee’s doctor releases the employee to work in a limited capacity (including full-time work doing limited duties, and part-time work doing full or limited duties) and the County determines it can accommodate the employee with a temporary, modified duty assignment and another employee can reasonably be called upon to perform those essential functions of the job that the employee with limitations cannot perform.

**E. Specialty Assignment Pay -- Hourly Differentials.** The following stipends are agreed to be offered for actual hours worked under the described conditions. It is further agreed that no right to such differential exists except as it is connected to the duty performed.

1. **Officer-in-Charge.** Deputy Sheriffs and District Attorney Investigators assigned Officer-In-Charge duties will receive an additional five percent (5%) of base wages while working in such a capacity on an hour for hour basis.
2. **Field Training Officer (FTO).** When a qualified FTO is assigned by Sheriff’s or District Attorney’s management to perform field training duties with respect to a specific trainee, all hours worked in such capacity shall be compensated by an additional five percent (5%) of base wage. Nothing in this section shall be construed to reduce the Sheriff’s or District Attorney’s discretion in reassigning FTO duties.
3. **Certified Instructor Pay.** An officer who is certified to perform the instructor duties for Defensive Tactics; Fire, Life, and Safety Officer; Canine; and Rangemaster and

Firearms shall receive an additional five percent (5%) of base wage for each hour of such duty performed.

**F. Specialty Assignment Pay -- Other Differentials.**

1. Payment for Canine Assignment and Care of Patrol Dogs. Employees in canine assignments shall be compensated an additional ten (10) hours per pay period at one and one-half (1-1/2) times the prevailing federal or state minimum hourly wage (as may be amended) during the time a patrol dog is assigned to them. Compensation (example below) shall be considered full pay in lieu of any other overtime compensation for all home duties including feeding and watering, exercising, grooming, bathing, bonding, training, arranging for and transporting for veterinary care, and other routine maintenance of the canine. Expenses for travel necessary for extraordinary veterinary care shall be reimbursed pursuant to the County's Travel Policy.

Example:

Minimum Hourly Wage	Minimum Wage Overtime Rate	Compensation Per Pay Period	Annualized Compensation
\$8.00	\$12.00	\$120.00	\$3,120

2. Detective/Coroner Assignment. During the period of time an employee is assigned by management and works as a Detective or Deputy Coroner Investigator, the employee will receive five percent (5%) in addition to the employee's normal base salary. In addition to the foregoing, an employee placed in an assignment where the duties are primarily investigative in nature, may petition the Sheriff for consideration of payment of five percent (5%) in addition to the employee's normal base salary. The decision of the Sheriff shall be final and not subject to the Grievance Procedure of this Agreement.
3. Resident Deputy Assignment. During the period of time a Deputy Sheriff is assigned by management to live in and service a specific unincorporated community as a Resident Deputy on a continuous basis, the employee will receive five percent (5%) in addition to the employee's normal base salary. Beginning June 29, 2014, this section shall apply to deputies assigned to the Burney station.
4. Resident Deputy Housing Allowance. During the period of time a Deputy Sheriff is assigned by Management to live in and service a specific unincorporated community as a Resident Deputy on a continuous basis, the employee will receive \$5,000 per year housing allowance, paid with regular payroll in equal installments. If an employee is placed on unpaid status, the employee is not eligible to receive the installment.
5. Reassignment. It is agreed that any reassignment that results in a loss of Specialty Pay pursuant to this section is not in and of itself disciplinary in nature. However, the parties agree that such reassignment may be appealed within seven (7) calendar days

from notice to the affected employee by requesting an administrative hearing before the Sheriff, or his/her designee, whose decision shall be final and binding.

**G. P.O.S.T./Education Pay.**

1. Intermediate P.O.S.T. Certificate. Any unit member who attains or possesses an Intermediate P.O.S.T. Certificate shall be eligible to receive an additional four and one-half percent (4.5%) of salary as P.O.S.T. pay, providing the employee has completed at least six (6) months with his/her respective department. Initial eligibility shall require an "overall" performance evaluation of "meets expected standards" for the previous six (6) month period. Eligibility shall not be earlier than the beginning of the payroll period following the date stated on the P.O.S.T. Certificate.
2. Advanced P.O.S.T. Certificate. Any unit member who attains or possesses an Advanced P.O.S.T. Certificate shall be eligible to receive an additional three and one-half percent (3.5%) of salary as P.O.S.T. pay under the same conditions as above, for a maximum of eight percent (8.0%) above base salary.
3. Reinstatement. Persons who are rehired, and immediately previous to leaving County employment were receiving P.O.S.T. pay, shall be deemed to satisfy the above criteria at the appropriate level.

**H. Standby and Callback.**

1. Assignment Pay. A Department Head, or his/her designee, may assign employees to standby. Sheriff's Office employees assigned standby shall be compensated at a rate of \$3.00 per hour while so assigned. District Attorney employees assigned standby shall be compensated at a rate of \$2.50 per hour while so assigned. Standby duty pay shall cease during the hours for which callback is paid.
2. Requirements. In order for an employee to become eligible for standby pay, the employee must be assigned to standby status by the Department Head requiring the employee to:
  - a. Review the projected standby assignment schedule within the deadlines established by the applicable department;
  - b. Wear a County-provided pager, or be available by telephone during standby assignment;
  - c. Contact the department/dispatch and respond to the callback location within the time period established by the Department Head;
  - d. Respond promptly to callbacks during scheduled standby time unless the employee has notified the department of the name of another qualified employee who will respond;

- e. Refrain from activities that impair the employee's ability to perform assigned duties;
  - f. Request mileage reimbursement for callback responses performed in non-County vehicles within one (1) month after mileage costs are incurred;
  - g. Receive permission to transport non-County employees in County vehicles no later than the last working day prior to standby assignment; and
  - h. Accept the applicable standby pay as referred to in subsection 1 as full consideration for any inconvenience the standby assignment may pose.
3. Distinguished from Subject to Call. Standby status is to be distinguished from uncompensated status of being "subject to call," wherein an employee returns to work during off-duty hours in response to being called, but is not required to meet the standby criteria.
4. Callback from Standby. Any employee, when called back to duty from standby status, shall be compensated for the hours worked at one and one-half (1-1/2) times the equivalent hourly rate of their regular salary. The minimum for each callback from standby duty shall be two (2) hour. Such time worked shall not include travel time between an employee's residence and the employee's regularly assigned work location.
5. Pay for Callback While Not on Standby.
- a. Any unit employee not on standby status who is called back to work shall be credited with a minimum of three (3) hours of time worked. Nothing shall prevent management from assigning such an employee to perform work during this period of time, or longer if needed.
  - b. Should callback time become contiguous with regular work hours, time worked shall not be credited as callback and the minimum time period shall not apply.
6. Callback from Vacation. An employee called in to work during the employee's regularly scheduled vacation period shall be compensated at a rate of one and one-half (1-1/2) times his/her regular rate of pay for all time worked at the County's request in accordance with existing policy. "Regularly scheduled vacation period" means vacation approved at least twenty-four (24) hours in advance.
7. Court Cancellation. An employee shall receive a minimum of four (4) hours of straight time compensation if Court appearance is cancelled within 48 hours of scheduled appearance.



**I. Shift Differential.**

1. Swing Shift. That regularly assigned shift during which at least fifty percent (50%) of the hours occur between the hours of 1600 and 0030. Unit members assigned to the swing shift shall receive an additional seventy-five cents (\$0.75) for each hour so worked.
2. Graveyard Shift. That regularly assigned shift during which at least fifty percent (50%) of the hours occur between the hours of 0030 and 0900. Unit members assigned to the graveyard shift shall receive an additional one dollar (\$1.00) for each hour so worked.
3. Twelve (12) hour Shifts. Unit members who work a twelve (12) hour shift schedule shall receive an additional seventy-five cents (\$0.75) for each hour worked between 1600 hours and 2400 hours (midnight) above their normal hourly pay, and one dollar (\$1.00) for each hour worked between 2400 hours (midnight) and 0800 hours above their normal hourly pay. This shall apply to all qualifying shifts within the normal shift schedule.
4. Applicability. Except as required by the FLSA, such differentials shall not be considered part of the regular base wages and therefore not applicable to vacation, sick leave, and other forms of non-work pay.

**J. Retirement.** County retirement is provided through the California Public Employees Retirement System (CalPERS). Except for the Deputy Sheriff Trainee, employees hired prior to the May 8, 2011 contract amendment between the County and CalPERS are covered under the Safety retirement provisions with a 3% @ age 50 benefit. Employees hired after the May 8, 2011 contract amendment between the County and CalPERS shall be included in the Safety retirement provisions with a 3% @ 55 benefit. Employee-paid contributions to CalPERS for Safety retirement benefits are nine percent (9%) of Persable compensation. Employees hired on or after January 1, 2013 are covered under the California Public Employees Pension Reform Act (PEPRA) enactment with a benefit formula of 2.7% @ 57 or as determined by CalPERS in compliance with California state law and employee-paid contribution rates as determined by PEPRA provisions. See Attachment D.

1. Trainees. Deputy Sheriff Trainees hired prior to May 8, 2011 are covered under the miscellaneous provisions with a 2% @ 55 benefit, Employees hired after May 8, 2011 and before January 1, 2013 are covered under the miscellaneous provisions with a 2% @ age 60 benefit, Employees hired January 1, 2013 or after are covered by the benefits 2% @ 62 and employee-paid contribution rates as determined by PEPRA provisions.

2. **Determination of Final Compensation.** Employees hired prior to May 8, 2011 shall have their final compensation for computing retirement determined based on the average monthly compensation for the highest single year (or consecutive twelve months). New hires after May 8, 2011 will be covered by the retirement formula being based upon the average of the highest three (3) years of service.
3. **CalPERS - 4th Level of 1959 Survivor Benefits.** The County's CalPERS contract provides the 4th Level of 1959 Survivor Benefits.
4. **Pre-Tax of Employee Paid Member Contributions.** The County allows employee paid member contributions to CalPERS to be deducted from the employee's pay check on a pre-tax basis as allowed under IRC Section 414 H.
5. All employees of the Sheriff's Office shall pay the full Employee Contribution as required by CalPERS law.

**K. Travel and Per Diem Reimbursement.** The County will pay travel and per diem payments to employees required to travel on County business at the rates established in the County's Personnel Rules. The County will pay for or reimburse an employee for the actual, reasonable, and necessary costs associated with a required P.O.S.T. certified training course.

**L. Sergeant Supervisory Pay Differential.**

1. An employee in a Sergeant job classification should not be set at a lower salary range (F step to F step comparison including subordinates' pay stipends, if appropriate) than the subordinate job classifications he/she is required to supervise. This concept includes as a principle that the Sergeant be responsible for performance evaluations, direction of the work performed, and input into the hiring and discipline process. In order to qualify, a person directing and evaluating the work of a subordinate would have to be of the same profession. That means, for example, that an accountant who supervises a licensed social worker would not qualify because, even if he/she did performance evaluations and assigned work, he/she could not judge the professional aspects of the subordinate's work. Thus, due to the different professions, the supervisor could not qualify because he/she would not be able to oversee or judge the specific professional aspects of the subordinate's job.
2. **Process for Supervisory Pay Differential.** A Sergeant may apply in writing, through the Department Head, to the Director of Support Services for consideration of a pay class stipend if a subordinate job classification is at a salary range higher than the Sergeant's job classification. Such stipends will be granted in half percent (1/2 %) increments. When applied, the effect of this stipend will be that the Sergeant's salary range will be five percent (5%) above the subordinate's salary range (based on F step comparisons including subordinates pay stipends, if appropriate). The pay stipend will be processed as a salary footnote on a Personnel Action Form. The Director of Support Services will review the stipend periodically for continued appropriateness or when job classifications are changed due to reclass, MOU salary and benefit

changes, or other such changes. The decision of the Director of Support Services to grant or not grant a pay stipend is final unless the employee's Department Head appeals to the CEO. The findings of the CEO are final. This process is not subject to the grievance process.

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

**BOARD MEETING DATE:** August 20, 2019  
**CATEGORY:** Consent - Health and Human Services-5.  
**SUBJECT:**

Qualtrics, LLC Survey Agreements

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

**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, (530) 245-6269

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

RECOMMENDATION

Approve and authorize the: (1) Chairman to sign the following agreements with Qualtrics LLC (Qualtrics) for an online survey software application: (a) Qualtrics Master Service Agreement (MSA) with no compensation to administer the Qualtrics Service Order for the period of three years effective date of signing; (b) Qualtrics Business Associate Agreement (BAA) for a period of three years effective date of signing; and (c) Qualtrics Service Order agreement (Order) in an amount not to exceed \$79,806 to develop, maintain, and host the survey website for a period of one year effective date of signing with two automatic one-year renewals; (2) Health and Human Services Agency (HHSA) Director, and other department heads, to authorize select staff to sign the Qualtrics online Service-Specific Terms and the online Terms of Service in order for staff to access the online survey software; (3) approve and authorize the HHSA Director, or any HHSA Branch Director designated by the HHSA Director, to sign amendments to the Qualtrics MSA, Order, BAA, and other subsequent and related documents, including retroactive, that do not result in a functional or substantial change to the original intent of the MSA, BAA, and Order, and that otherwise comply with Administrative Policy 6-101, *Shasta County Contracts Manual*; and (4) department heads to execute a MSA and Order for their department provided County Counsel has reviewed and approved as to form, County Information Technology and County Risk Management have approved, and maximum compensation does not exceed \$5,000 per Fiscal Year per department.

SUMMARY

Approval of Recommendation will enable the Shasta County Health and Human Services Agency (HHSA) to use Qualtrics as a data collection and online survey tool to support its community outreach activities and evaluate and improve HHSA

Programs.

**DISCUSSION**

Qualtrics is a web-based survey hosting service that allows users to develop, format, and distribute surveys; collect survey data; create data reports; and export data for further analysis. It has the additional capability of functioning as a database tool, enabling users to set up data entry forms to input data collected in hard copy format that can then be analyzed and reported on. Qualtrics was selected after a lengthy process in which numerous vendors provided demonstrations and price quotes. Qualtrics was determined to be the best fit for product, price and ability to comply with Shasta County’s technological requirements for an online survey provider. In the past, HHSA used Survey Monkey to conduct surveys with employees, partners, clients, and the community. Since 2006, HHSA has set up nearly 400 survey tools to collect, analyze, and report data with the goal of conducting needs assessments and evaluating and improving programs. Examples include the 2016 Public Health “Community Health Survey” that gathered community input for a health assessment that is currently in development; a survey gathering feedback from the medical community on the HHSA Provider Newsletter; a community survey gathering feedback for the Healthy Shasta Program on use of bike and walking trails in the community; training needs assessments and evaluations conducted with employees and partner organizations; client feedback gathered in Customer Courtesy Surveys; and employee feedback gathered within internal surveys. In addition to using it as a survey hosting service, HHSA will use Qualtrics as a database tool, saving staff time and resources that could otherwise be spent developing proprietary software applications and/or databases. The HHSA has several ongoing grant projects that require collection of surveys from clients, the community, and partners. Performing this work this via a paper format is much more time consuming and less efficient than using an application such as Qualtrics. All departments which execute the MSA and the Order for the department’s use are required to deidentify all sensitive, confidential, or protected information entered into and gathered from the Qualtrics system.

**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 agreements and online Terms of Services as to form. Risk Management and County Information Technology has reviewed and approved the agreements and the online Terms of Services. This recommendation has been reviewed by the County Administrative Office.

**FINANCING**

The services provided for under the proposed agreements are funded through a combination of federal and state sources with a local share of cost met largely through Realignment. Funding has been included in HHSA’s Fiscal Year 2019-20 Adopted Budget. There is no additional General Fund impact associated with the recommendation.

**ATTACHMENTS:**

Description	Upload Date	Description
MSA.BAA.HHSA.BSS.Qualtrics.Survey Services.1922	8/9/2019	MSA.BAA.HHSA.BSS.Qualtrics.Survey Services.1922
Order.HHSA.BSS.Qualtrics.Survey Services. 1922	8/9/2019	Order.HHSA.BSS.Qualtrics.Survey Services. 1922



## Master Services Agreement

Page 1 of 15

This Master Services Agreement (this “**Agreement**”) is effective as of August 20, 2019 (the “**Effective Date**”), by and between Qualtrics, LLC (“**Qualtrics**”) and the **County of Shasta, a political subdivision of the State of California, through its Health and Human Services Agency (“Subscriber,”** and each of Qualtrics and Subscriber, a “**Party**,” and collectively, the “**Parties**”). This Agreement is a framework document to establish a Services-based relationship between the Parties.

**Recitals**

**A.** Under this Agreement, Subscriber may order and Qualtrics may provide two types of services (together, “**Services**”):

**1. Subscription Services**, which are the series of proprietary computer software programs developed by Qualtrics as delivered to Subscriber that facilitate and automate the process of conducting surveys, polls, intercepts, and reports (“**Software**”), products and related systems, security, updates and improvements thereto, and support services accessed by Subscriber using a web browser and the Internet under an Application Service Provider (ASP) model. Subscription Services are specified in a service order (“**Service Order**”) and are purchased on an annual or multi-year basis as set forth in a Service Order.

**2. Professional Services**, which are Services other than Subscription Services that Qualtrics performs or provides, including the development and delivery of the codes developed as an extension to the Qualtrics platform to provide custom functionality. (“**Deliverables**”), specified in a statement of work (“**SOW**,” and each Service Order, SOW or other ordering document, an “**Order**”), which SOW may contain additional terms. Professional Services are purchased on a project basis.

**B.** The Services are not specific Services to which Qualtrics Service-Specific Terms relate unless it is specifically stipulated by the SOW or Order.

**C.** Each Order will reference this Agreement and will be subject to the terms hereof.

**D.** Subscriber desires to use the Services set forth in an Order, and Qualtrics desires to provide such Services to Subscriber, pursuant to the terms and conditions of this Agreement.

**E.** The Parties shall enter into a business associate agreement, titled “Qualtrics Business Associate Agreement”, attached hereto as **Exhibit “C”** and incorporated herein.

**F.** The Agreement includes the following documents, each of which is incorporated by reference:

- (1) **Exhibit A** - Insurance
- (2) **Exhibit B** – Qualtrics Incident Response and Service Levels

**Agreement**

In consideration of the mutual promises set forth herein, together with other good and valuable consideration, the receipt and sufficiency of which the Parties acknowledge, Qualtrics and Subscriber agree as follows:

**SECTION 1 LICENSE OF SUBSCRIPTION SERVICES AND RESTRICTIONS**

**Section 1.1 License.** Pursuant to the terms of this Agreement, effective upon the Parties’ execution of an applicable Order, Qualtrics hereby grants to Subscriber a limited, non-exclusive, non-transferable (except pursuant to the Assignment section below), revocable, worldwide license to use the Subscription Services and the Deliverables, each as applicable, for Subscriber’s internal business purposes, including responses by external respondents, during the term set forth in the applicable Order. Subscriber is responsible for creating and maintaining user accounts and all use of its license, and for ensuring that those accounts are protected with passwords to prevent unauthorized use.

**Section 1.2 Restrictions.** Notwithstanding anything herein to the contrary, Subscriber shall not: (a) sell, resell, rent, or lease the Subscription Services; (b) permit direct or indirect access to or use of any

## Master Services Agreement

Service in a way that (i) circumvents a contractual usage limit or (ii) violates this Agreement or an Order; (c) access or use any of Qualtrics' intellectual property except as provided herein; or (d) permit third parties to use the Subscription Services without obtaining the prior written consent of Qualtrics, except that Subscriber may allow third parties to use the Subscription Services if such third parties are providing services to Subscriber (but not for such third parties' own use) and such third party is not a direct competitor of Qualtrics as can be reasonably determined. Qualtrics, in its sole discretion, may restrict access to Subscriber's account after providing notice to Subscriber of unauthorized access or use and allowing Subscriber a reasonable period to cure such unauthorized access or use.

**Section 1.3 Insurance.** Qualtrics shall maintain in place and effect during the term of this Agreement the minimum insurance coverage outlined in **Exhibit A** attached hereto.

### SECTION 2 SUPPORT AND MAINTENANCE

**Section 2.1** During the term of the applicable Order (the "**Order Term**") and on the condition that Subscriber has paid all undisputed fees due and owing to Qualtrics and is otherwise in material compliance with the terms of this Agreement, Qualtrics shall provide the support and maintenance services to Subscriber set forth in Section 2.2 and Section 2.3.

**Section 2.2 Technical Support.** Qualtrics shall respond to technical support requests via phone and email 24 hours a day, 7 days a week, excluding holidays on December 24<sup>th</sup>, 25<sup>th</sup>, 31<sup>st</sup>, and January 1<sup>st</sup>, and make reasonable, good faith efforts to correct errors as outlined in **Exhibit B**. Subscriber shall provide Qualtrics with information as Qualtrics reasonably requests to enable Qualtrics to verify and reproduce the reported error. Online support materials for the Subscription Services ("**Online Information**") are included with the Subscription Services and are available at [www.qualtrics.com/support](http://www.qualtrics.com/support).

**Section 2.3 Contacts.** Each Party shall appoint a contact person for each Order, as specified in such Order, who will be the other Party's principal contact to resolve issues related to the applicable Services. Either Party may change its contact person by providing notice thereof to the other Party. Subscriber shall designate one person to be responsible for administering its account and all its users (such person, the "**Brand Administrator**").

**SECTION 3 FEES.** During an Order Term, Subscriber shall pay Qualtrics the fees and charges specified on the applicable Order. Except to the extent Subscriber provides Qualtrics with a valid tax exempt certificate, Subscriber is responsible for all applicable taxes on the fees and charges paid by Subscriber, including any and all sales, use, and value-added taxes (which will be itemized on the applicable invoice), but not any taxes imposed on Qualtrics income. Fees for Services shown on an Order do not include any applicable sales or use taxes.

**SECTION 4 OWNERSHIP OF INTELLECTUAL PROPERTY.** Qualtrics and its licensors exclusively own all right, title, and interest in and to the Software, the Deliverables (which, for the avoidance of doubt, do not include Data (as defined below)) and any Services-related suggestions, ideas, enhancements, requests, feedback, and recommendations provided by Subscriber to Qualtrics during the Term. Any transaction contemplated hereby or by any Order is not a sale and does not convey to Subscriber any rights of ownership in or related to the Services or the Deliverables, or intellectual property rights of Qualtrics. Qualtrics' logo and the product names associated with the Services are trademarks of Qualtrics (or its licensors, where applicable) and no right or license is granted to Subscriber to use them.

### SECTION 5 SUBSCRIBER DATA

**Section 5.1 General.** As between the Parties, Subscriber owns all right, title and interest in and to all survey responses, reports, and any other information input or generated on behalf of Subscriber in connection with the Services ("**Data**"). Subscriber is solely responsible for the accuracy, quality, integrity, legality, reliability, classification, and intellectual property right to use Data and shall obtain and maintain all consents necessary for using and processing the Data in accordance herewith. Notwithstanding the

## Master Services Agreement

foregoing, Data shall be deemed to be Subscriber's Confidential Information (as defined below), and Qualtrics shall not use Data for any purpose other than performing its obligations hereunder or as otherwise agreed to in writing by the Parties. Notwithstanding the foregoing, Subscriber hereby grants to Qualtrics a non-exclusive, worldwide, royalty-free, fully paid up, sublicensable (directly and indirectly), transferrable, perpetual and irrevocable license to anonymize and aggregate the Data and use such anonymized and aggregated data ("**Usage Data**") for Qualtrics' business purposes. Qualtrics shall own all right, title and interest in Usage Data. Usage Data will not include personally identifiable information or Data unique to the Subscriber. Usage Data shall not be considered Confidential Information of Subscriber.

**Section 5.2 Data Security.** Qualtrics shall maintain appropriate technical and organizational security measures to protect Data against: (a) accidental destruction, loss, and alteration; and (b) unauthorized disclosure of, or access to, Data transmitted, stored or otherwise processed as set forth herein. Qualtrics uses secure hosting facilities that are independently audited using the SSAE-16 methodologies. Qualtrics shall comply with applicable data processing laws relating to the processing, transmission, and disclosure of Data.

**Section 5.3 Incidents.** Either Party shall, as expeditiously as possible but no later than 2 business days after discovery thereof, notify the other Party of: (a) any loss, unauthorized disclosure, or unauthorized use of Data; or (b) any access, acquisition or misappropriation of Data by third parties, including any intrusion into a computer system used to process Data or unauthorized access to the information storage; or (c) any other disclosure of Data in violation of this Agreement (collectively, "**Security Breach**"). In the event of a Security Breach, (a) each Party shall take such steps as are necessary to: (i) promptly mitigate the effects of such Security Breach and prevent a recurrence thereof; and (ii) comply with applicable laws relating to such Security Breach. If a Security Breach was caused by Qualtrics' errors or omissions, a Qualtrics case manager will conduct a formal investigation, and will deliver an official written report to the Subscriber within 2 weeks of the incident. If a Security Breach was due to the Subscriber action or inaction, Qualtrics will provide reasonable assistance to mitigate further exposure and attempt to determine the root of cause (if unknown).

**Section 5.4 Data Transfer.** Qualtrics is strictly a data processor, not a data controller for the processing of the Data in order to provide the Services. Subscription Services are self-service ("do-it-yourself") products in which only Subscriber determines what data to collect, from whom, from where, for what purpose, and when to delete it. Qualtrics shall (a) store and process all Data in a single geographical region as specified on an Order and (b) not transfer Data out of that region. Qualtrics is responsible for the daily backup of Data for disaster recovery purposes only and the deletion of such backups. Subscriber is responsible for routine backup and deletion of Data.

## SECTION 6 TERM AND TERMINATION

**Section 6.1 Term.** The initial term of this Agreement shall be for one year beginning on the Effective Date. The term of this Agreement shall be automatically renewed for two additional one-year terms at the end of the initial term under the same terms and conditions, unless written notice of non-renewal is provided by either Party to the other Party at least 30 days prior to the expiration of the initial term or then current term. Within three years from Effective Date the term of this Agreement shall be automatically terminated upon expiration. Each Order still in effect as of the expiration of this Agreement will remain in effect after such expiration, subject to the terms and conditions of this Agreement, until the expiration or termination of such Order.

**Section 6.2 Termination.** Either Party may immediately terminate this Agreement or any Order for cause upon notice if the other Party: (a) materially breaches this Agreement, or any Order provisions, or the Contract and such breach is not cured within 30 days after the breaching Party receives notice thereof from the other Party (or 10 business days in the case of payment breach); or (b) becomes insolvent, acknowledges insolvency in any manner, ceases to do business, makes an assignment for the benefit of its creditors, or files a petition in bankruptcy.



## Master Services Agreement

Notwithstanding the foregoing, Subscriber shall not be obligated for providing its responsibilities hereunder for any future Subscriber fiscal year unless or until Subscriber's Board of Supervisors appropriates funds for the Subscriber's responsibilities in this Agreement in the Subscriber's budget for that Subscriber fiscal year (on the condition that Subscriber uses commercially reasonable efforts to obtain funds for contractually committed payment obligations). In the event that funds are not appropriated for this Agreement, then this Agreement shall end as of June 30 of the last Subscriber fiscal year for which funds for the Subscriber's responsibilities in this Agreement were appropriated. For the purposes of this Agreement, Subscriber fiscal year commences on July 1 and ends on June 30 of the following year. Subscriber shall notify Qualtrics in writing of such non-appropriation at the earliest possible date.

Subscriber may terminate this Agreement or any Order for convenience on 30 days written notice provided that Subscriber has no right to a refund of fees prepaid by the Subscriber.

**Section 6.3 Termination of Professional Services.** Except as otherwise specified, obligations for Professional Services expire automatically upon (a) fulfillment of the last milestone as stated in the applicable Order; (b) the termination of the applicable Order in accordance with the terms thereof; or (c) the termination or expiration of Subscriber's Subscription Services. If custom functionality developed under an Order, in whole or in part, becomes available as part of a standard Qualtrics product or paid features maintained by Qualtrics, then (i) Qualtrics may migrate the Subscriber to use such functionality or feature on the standard Qualtrics product, and (ii) Qualtrics is not required to maintain that custom functionality under such Order.

**Section 6.4 Effect of Termination.** Following any termination of this Agreement, Qualtrics shall discontinue providing Services, and Subscriber shall cease using Services. Within 30 days after the end of the term or termination of this Agreement, (a) Subscriber shall pay to Qualtrics all outstanding undisputed fees payable as of the effective date of termination and (b) Qualtrics shall refund any pro-rated unused fees prepaid by Subscriber if Subscriber terminates this Agreement for cause or pursuant to a Force Majeure Event (defined below). If this Agreement is terminated for cause or pursuant to a Force Majeure Event, each Order in effect will also terminate.

**Section 6.5 Subscriber Right to Access Data After Termination.** Upon the termination of all Subscription Services, Qualtrics shall make available to Subscriber a portal whereby Subscriber may download and delete Data for a period of 30 days. Qualtrics is not required to retain Data after such 30-day period has ended.

## SECTION 7 REPRESENTATIONS AND WARRANTIES

**Section 7.1 Mutual.** Each Party represents and warrants to the other Party that:

- (a) it has the power and authority to enter into this Agreement and perform its obligations hereunder, and such performance will not breach any separate agreement by which it is bound; and
- (b) it will comply with all applicable present and future federal laws, state laws, local laws and regulations in the operation of its business that relates to the work or services to be provided pursuant to this Agreement.

**Section 7.2 Qualtrics. Non-Discrimination.**

- (a) Qualtrics 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 (to the

## Master Services Agreement

extent applicable), or on the basis of any other status or conduct protected by law to the extent applicable.

- (b) Qualtrics represents that Qualtrics is in compliance with and agrees that Qualtrics 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, in each case to the extent applicable.
- (c) To the extent required by applicable law, (1) no funds or compensation received by Qualtrics under this Agreement shall be used by Qualtrics for sectarian worship, instruction, or proselytization, and (2) no funds or compensation received by Qualtrics under this Agreement shall be used to provide direct, immediate, or substantial support to any religious activity.

**Section 7.3 Qualtrics.** Qualtrics warrants to Subscriber that:

- (a) it will use commercially reasonable efforts to ensure that Software and any updates to the Software will not introduce any malicious code that could disrupt any software or system used by Subscriber in connection with the Subscription Services;
- (b) it will implement appropriate technical and organizational security measures designed to protect Data against theft, unauthorized access, copying, and distribution;
- (c) the Subscription Services will materially comply with the Online Information;
- (d) it will abide by all principles in the Qualtrics Security White Paper (<http://www.qualtrics.com/docs/QualtricsSecurityWhitepaper.pdf>), the URL for which will remain active throughout the Term, and which will only be updated as required to reflect improved security and operational procedures; and
- (e) it will comply with all applicable data privacy laws as a data processor.
- (f) Qualtrics, and Qualtrics's officers, employees, and agents performing the work or services required by this Agreement, shall possess and maintain all necessary licenses, permits, certificates, and credentials required by applicable laws.

**Section 7.4 Qualtrics.** Compliance with Child, Family, and Spousal Support Reporting Obligations.

Qualtrics' shall comply with applicable state and federal child, family, and spousal support reporting requirements regarding Qualtrics' employees and requirements to implement lawfully served wage and earnings assignment orders or notices of assignment relating to child, family, and spousal support obligations.

**Section 7.5 Qualtrics.** Conflicts of Interest.

To the extent required by applicable law, Qualtrics and Qualtrics' 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 7.6 Qualtrics.** Compliance with Political Reform Act.

**Section 7.7** To the extent required by applicable law, Qualtrics shall comply with the California Political Reform Act (Government Code, sections 81000, et seq.) and with all regulations adopted by the Fair Political Practices Commission pursuant thereto, with regard to any obligation on the part of Qualtrics to

## Master Services Agreement

disclose financial interests and to recuse from influencing any Subscriber decision which may affect Qualtrics's financial interests. **Subscriber.** Subscriber warrants to Qualtrics that:

- (a) it will not: (i) use (or allow use of) the Services in any manner prohibited by this Agreement; (ii) reverse engineer the Services; (iii) tamper with the security of the Software; or (iv) interfere with or disrupt the integrity or performance of the Services;
- (b) it will use commercially reasonable efforts to prevent its employees and other third parties from (i) gaining unauthorized access to the Services; or (ii) making unauthorized copies of the Software, and, if any such unauthorized duplication or use is discovered, it will promptly notify Qualtrics and take prompt actions to resolve the issue;
- (c) it will not use the Services to (i) send irrelevant or inappropriate messages to third parties (e.g., "spam"); (ii) send or store malicious code; or (iii) upload content that (A) infringes, misappropriates, or otherwise violates any third party's intellectual property right or (B) aggravates, harasses, threatens, defames or abuses Qualtrics or third parties; and
- (d) it will comply with applicable data privacy laws as a data controller.

### **Section 7.8      Infringement.**

- (a) Qualtrics represents and warrants that the Software and any Deliverables do not infringe any third party's intellectual property rights, except to the extent such infringement results from (i) content uploaded to or collected into the Software by Subscriber or a third party acting under Subscriber's license, (ii) Qualtrics' compliance with instructions or specifications provided by Subscriber, or (iii) the combination of the Software or any Deliverables with other content, services, or products not supplied by Qualtrics.
- (b) Except with respect to indemnification for third-party claims as set forth in **Error! Reference source not found.**, as Subscriber's sole remedy and Qualtrics' sole liability for Qualtrics' breach of Section 7.8(a), Qualtrics shall, at its option and sole cost and expense: (i) obtain the right for Subscriber to continue to use the Software or Deliverables as licensed by this Agreement; (ii) modify or replace the Software or Deliverables, in whole or in part, to seek to make the Software or Deliverables (as so modified or replaced) non-infringing, while providing materially equivalent features and functionality, in which case such modifications or replacements will constitute Software or Deliverables under this Agreement; or (iii) if in Qualtrics' discretion the options set forth in clauses (i) and (ii) are not commercially reasonable, by notice to Subscriber, terminate this Agreement and any applicable Orders with respect to all or part of the Services, and require Subscriber to immediately cease any use of the Services or any specified part or feature thereof, in which case Qualtrics shall refund to Subscriber a prorated portion of Subscriber's prepaid unused fees for the discontinued features of the Services.

**Section 7.9      Breach by Subscriber.** In the event of a breach of this Section 7 by Subscriber, Qualtrics may suspend user accounts or remove any content after providing notice to Subscriber of such breach and allowing Subscriber a reasonable period to cure such breach.

**Section 7.10      Limitation of Warranties.** EXCEPT AS SET FORTH IN THIS SECTION 7, EACH PARTY EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES RELATED TO THE SUBJECT MATTER OF THIS AGREEMENT, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, INCLUDING IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT, TITLE AND MERCHANTABILITY, AND ALL WARRANTIES ARISING FROM COURSE OF DEALING, USAGE OR TRADE PRACTICE. EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION 7 AND EXHIBIT B, ALL SERVICES PROVIDED BY QUALTRICS HEREUNDER ARE STRICTLY ON AN "AS IS" BASIS, AND QUALTRICS DOES NOT MAKE ANY WARRANTIES, REPRESENTATIONS, OR COVENANTS WITH RESPECT TO ANY THIRD-PARTY CONTENT OR PRODUCTS, EXPRESS OR IMPLIED.

## Master Services Agreement

### SECTION 8 CONFIDENTIAL INFORMATION

**Section 8.1 Definitions.** As used herein, “**Recipient**” means the Party receiving Confidential Information from the other Party; “**Discloser**” means the Party providing Confidential Information to the other Party; and “**Confidential Information**” means each Order, the Services, Data, the substantive terms of this Agreement, and any other information, written or oral, that should reasonably be expected by the Recipient to be confidential. Confidential Information does not include information which (a) becomes generally available to the public in any manner or form through no fault of Recipient or its employees, agents, or representatives, but only from the date that it becomes so available, (b) was rightfully in possession of Recipient without obligation of confidentiality prior to receipt thereof from Discloser, (c) is independently developed by Recipient without benefit of any Confidential Information, (d) is rightfully received by Recipient from another source on a non-confidential basis, or (e) is released for disclosure with Discloser’s prior written consent.

**Section 8.2 Use and Disclosure.** Recipient shall keep the Confidential Information of Discloser confidential and not disclose to any person or use for any purpose, except as expressly permitted by this Agreement, any Confidential Information of Discloser, except that Recipient may disclose Confidential Information to those employees, independent contractors, and advisors who have a need to know such information for Recipient to perform its obligations or exercise its rights hereunder, and who are bound to keep such information confidential. Recipient shall give Discloser’s Confidential Information at least the same level of protection as Recipient gives its own Confidential Information of similar nature, but not less than a reasonable level of protection. Recipient shall maintain Confidential Information in a safe and secure place and not copy Confidential Information except to the extent necessary for the purposes hereof. All confidentiality obligations will survive termination of this Agreement until the information covered hereby no longer meets the definition of Confidential Information. Upon written request from Discloser and subject to any legal obligation to preserve Confidential Information (e.g., litigation hold), Recipient shall promptly return or destroy all Confidential Information (other than Data). Recipient may disclose Confidential Information as required to comply with binding orders of governmental entities that have jurisdiction over it or as otherwise required by law, on the condition that the Recipient, (a) to the extent permitted by law, gives the Discloser reasonable notice to allow the Discloser to seek a protective order or other appropriate remedy, (b) discloses only such information as is required by the governmental entity or otherwise required by law, and (c) uses commercially reasonable efforts to obtain confidential treatment for any Confidential Information so disclosed.

**Section 8.3 Injunctive Relief.** Because money damages may not be a sufficient remedy for any breach of the obligations in this Section 8, Discloser is entitled to seek specific injunctive relief as a remedy for any such breach.

### SECTION 9 LIMITATION OF LIABILITY

**Section 9.1** IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER UNDER ANY LEGAL OR EQUITABLE THEORY, INCLUDING BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE FOR ANY INDIRECT, PUNITIVE, SPECIAL, EXEMPLARY, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY TYPE OR KIND (INCLUDING LOSS OF BUSINESS, DATA, REVENUE, PROFITS, USE, DIMINUTION IN VALUE OR OTHER ECONOMIC ADVANTAGE) ARISING OUT OF, OR IN ANY WAY CONNECTED WITH, THE SERVICES OR THIS AGREEMENT, INCLUDING THE USE OR INABILITY TO USE THE SERVICES, ANY CONTENT OBTAINED FROM OR THROUGH THE SERVICES, AND ANY INTERRUPTION, INACCURACY, ERRORS, OR OMISSIONS, EVEN IF A PARTY HAS BEEN SPECIFICALLY ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

**SECTION 9.2** THE TOTAL AGGREGATE LIABILITY OF EITHER PARTY UNDER ANY ORDER (INCLUDING THIS AGREEMENT AS APPLIED THERETO) SHALL NOT EXCEED THE FEES ACTUALLY PAID BY SUBSCRIBER TO QUALTRICS UNDER SUCH ORDER IN THE 12-MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO SUCH CLAIM, EXCEPT THAT THE TOTAL AGGREGATE LIABILITY OF EITHER PARTY UNDER ANY ORDER

## Master Services Agreement

(INCLUDING THIS AGREEMENT AS APPLIED THERETO) FOR BREACHES OF THE CONTRACT SHALL NOT EXCEED 5X THE FEES ACTUALLY PAID BY SUBSCRIBER TO QUALTRICS UNDER SUCH ORDER IN THE 12-MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO SUCH CLAIM.

**SECTION 9.3** THE LIMITATION OF LIABILITY IN SECTION 9.1 DOES NOT APPLY TO SECTION 5 AND SECTION 8 (SUBSCRIBER DATA AND CONFIDENTIAL INFORMATION) OF THIS AGREEMENT AND THE CONTRACT AND THE LIMITATIONS OF LIABILITY IN SECTION 9.1 AND SECTION 9.2 DO NOT APPLY TO **ERROR! REFERENCE SOURCE NOT FOUND.** (INDEMNIFICATION) OF THIS AGREEMENT, AND ANY FEES PAYABLE HEREUNDER. EACH PARTY SHALL USE REASONABLE EFFORTS TO MITIGATE ANY POTENTIAL DAMAGES OR OTHER ADVERSE CONSEQUENCES ARISING FROM OR RELATING TO THE SERVICES.

**SECTION 10 INDEMNIFICATION.** Each Party (the “**Indemnifying Party**”) shall indemnify and hold the other Party (the “**Indemnified Party**”), and if applicable, its licensors and affiliates and each of their officers, directors, and employees harmless from and against any and all costs, damages, losses, liabilities, and expenses (including reasonable attorneys’ fees and costs) incurred as a result of third-party claims to the extent arising out of or in connection with infringement or alleged infringement of any third party’s intellectual property right due to the Indemnifying Party’s actions or inactions. The Indemnified Party shall: (a) promptly give notice of the claim to the Indemnifying Party; (b) give the Indemnifying Party sole control of the defense and settlement of the claim, unless otherwise mutually agreed upon in writing or Indemnifying Party fails to assume its obligation to defend and/or Indemnified Party is required to do so to protect its interest or Indemnifying Party fails to assume its obligation to defend and/or Indemnified Party is required to do so to protect its interest; (c) provide to the Indemnifying Party all available information and assistance; and (d) not compromise or settle such claim. Notwithstanding the foregoing, the Indemnifying Party is in no way obligated to the Indemnified Party or any third party under this Section to the extent that a claim is based upon any one of the following: (i) content uploaded to or collected into, or modification of, the Services by a party other than the Indemnifying Party; (ii) the Indemnifying Party’s compliance with instructions or specifications provided by the Indemnified Party; or (iii) the combination of content, services or products with other content, services or products not supplied by the Indemnifying Party. Each party shall promptly notify the other in writing of any claim covered by this indemnity or the indemnity set forth below. Promptly after receipt of such notice, the indemnifying party shall assume the defense of such claim with counsel reasonably satisfactory to the other party. If the indemnifying party fails, within a reasonable time after receipt of such notice, to assume the defense with counsel reasonably satisfactory to the other party, then such other party shall have the right to undertake the defense, compromise and settlement of such claim for the account and at the expense of the indemnifying party. The indemnified party shall provide reasonable assistance to the indemnifying party, at the indemnifying party’s cost and expense, in connection with any claim. Notwithstanding the foregoing, if the indemnified party in its sole discretion so elects, such indemnified party may also participate in the defense of such claims on a non-controlling basis by employing counsel at its expense, without waiving the indemnifying party’s obligations to indemnify or defend. A Party shall neither settle nor compromise any claim or consent to the entry of any judgment without the prior written consent of the other party and without an unconditional release of all liability by each claimant or plaintiff with respect to such other party.

### SECTION 11 GENERAL

**Section 11.1 Choice of Law and Jurisdiction.** This Agreement, any Order, and all claims arising out of or related thereto will be governed by the laws of the United States of America and the State of Delaware, without reference to rules governing choice of law. Except for the right of either Party to apply to any court for a temporary restraining order, a preliminary injunction, or other equitable relief to preserve the status quo or prevent irreparable harm, any dispute that arises between the Parties concerning this Agreement or any Order, forum and venue will be laid exclusively in the state and federal courts located nearest to Wilmington, Delaware, and such courts shall have exclusive jurisdiction over any dispute concerning this Agreement or any Order. The Parties hereby consent to the personal jurisdiction of such courts and expressly

## Master Services Agreement

waive all defenses of lack of personal jurisdiction and forum non-conveniens and agree that process may be served on either Party in a manner authorized by applicable law or court rule. The Parties hereby expressly disclaim the application of the Uniform Computer Information Transaction Act and the United Nations Convention on the International Sale of Goods to this Agreement or any Order.

**Section 11.2 Force Majeure.** Neither Party will be liable for any delays in, or failures of, performance under this Agreement or any Order, except for payments, to the extent that performance of such Party's obligations or attempts to cure any breach under this Agreement or any Order are delayed or prevented as a result of any event or circumstance beyond the reasonable control of such Party ("**Force Majeure Event**"), except that the other Party may terminate this Agreement or any affected Order upon 30 days' notice if the circumstances causing non-performance can reasonably be expected to continue for more than one calendar month.

**Section 11.3 Entire Agreement; Amendment; Counterparts.** This Agreement, the attached Exhibits and the Service Order executed hereunder, constitute the entire agreement between the Parties concerning the subject matter hereof and thereof and supersede all written or oral prior agreements or understandings with respect thereto, including any proposals, price quotes, click-wrap agreements, purchase order terms and conditions or non-disclosure agreements. All Exhibits and Orders are hereby incorporated into this Agreement as if set forth herein in full. In the event of any conflicts between the terms of this Agreement and the terms of any Exhibit, Order, or other document binding and applicable to the Parties, the terms of this Agreement control unless expressly stated otherwise. 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 may be agreed to in writing between Qualtrics and the HHSA Director or any HHSA Branch Director designated by the HHSA Director. This Agreement or any Order shall be executed by the Parties in counterparts, each of which shall be an original, and all of which together shall constitute one and the same instrument.

**Section 11.4 Language.** This Agreement, the attached Exhibits and each Order have been prepared and written in English. Any non-English translation thereof is provided for convenience only and is not valid or legally binding.

**Section 11.5 Construction.** The Parties intend this Agreement, the attached Exhibits, and each Order to be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting an instrument or causing any instrument to be drafted. Unless the context requires otherwise, as used herein, (a) the words "include," "includes," and "including" are deemed to be followed by the words "without limitation," (b) the word "or" is not exclusive, and (c) the words "herein," "hereof," "hereto," "hereunder," and similar words refer to this Agreement as a whole.

**Section 11.6 Severability.** If any one or more of the provisions of this Agreement or any Order is held invalid, illegal, or unenforceable, such invalid, illegal, or unenforceable provision will be modified by the Parties if it is possible and mutually agreed in writing, to the minimum extent necessary to make it valid and enforceable, or if it cannot be so modified, then severed, and the remaining provisions contained herein or therein will not in any way be affected or impaired and remain in full force and effect.

**Section 11.7 Waiver.** Neither Party's failure to enforce strict performance of any provision of this Agreement or any Order will constitute a waiver of a right to subsequently enforce such a provision. No modification, extension, or waiver of this Agreement or any Order will be valid unless made in writing and signed by an authorized representative of the Party to be charged. No written waiver will constitute, or be construed as, a waiver of any other obligation or condition of this Agreement or any Order.

**Section 11.8 Assignment.** Neither Party may assign this Agreement or any Order, by operation of law or otherwise, without the prior written consent (not to be unreasonably withheld or delayed) of the other Party, except that either Party may assign this Agreement without consent to (a) an affiliate of such Party or

## Master Services Agreement

(b) its successor in a merger, acquisition, or other change of control, including the sale of all or substantially all of its assets, stock, or business to which this Agreement or the applicable Order relates, in each case on the condition that the assignee is not a direct competitor of the non-assigning Party. Qualtrics may use partners to perform certain portions of the Services, but Qualtrics remains responsible for all of Qualtrics' obligations hereunder.

**Section 11.9 No Agency.** Neither this Agreement nor any Order will be construed to create an agency, franchise, representative, joint venture, employment relationship, or partnership between the Parties. The Parties are and remain independent contractors. Neither Party has the authority to bind the other or to incur any liability or otherwise act on behalf of the other. Qualtrics shall, during the entire term of this Agreement, be construed to be an independent contractor. Nothing in this Agreement is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, or to allow Subscriber to exercise discretion or control over the professional manner in which Qualtrics performs the work or services that are the subject matter of this Agreement; provided, however, that the work or services to be provided by Qualtrics shall be provided in a manner consistent with the professional standards applicable to such work or services. The sole interest of Subscriber is to ensure that the work or services shall be rendered and performed in a competent, efficient, and satisfactory manner. Qualtrics shall not be eligible for coverage under Subscriber's workers' compensation insurance plan nor shall Qualtrics be eligible for any other Subscriber benefit.

**Section 11.10 Survival.** Each Party's obligation under Section 6.4, Section 8, Section 9, **Error! Reference source not found.**, and Section 11 will survive the term or termination of this Agreement for a period of two years, except that Qualtrics' obligations related to the storage and protection of Data will continue perpetually with respect to any Data that has not been permanently destroyed within its Service.

**Section 11.11 Cumulative Remedies.** Except as expressly set forth herein or in any Order, the rights and remedies provided hereunder are cumulative and are in addition to and not in substitution for any other rights and remedies available at law, in equity or otherwise.

**Section 11.12 Notices.** Each Party shall cause all notices it delivers to the other Party hereunder and under each Order to be in writing and sent (i) by a delivery service with provisions for a receipt, to the physical address listed on the signature page hereto; or (ii) by email to [notice@qualtrics.com](mailto:notice@qualtrics.com) for notices going to Qualtrics, or to the email address listed for Subscriber in the applicable Order for notices going to Subscriber. Except as otherwise provided herein, any notice or other communication is effective only (a) upon receipt (or rejection) by the receiving Party and (b) if the Party giving notice has complied with the requirements of this Section.

**Section 11.13 No Third-Party Beneficiaries.** Except as otherwise set forth herein, this Agreement is for the sole benefit of the Parties and their permitted successors and assigns, and nothing herein is intended to or should confer upon any other individual or entity any legal or equitable right, benefit, or remedy of any nature whatsoever.

**Section 11.14 Export Controls.** Qualtrics provides services and uses software and technology that may be subject to export laws and regulations of the United States and other jurisdictions. Each Party represents that it is not named on any U.S. government denied-party list. Subscriber shall not permit access to or use of any Service in a U.S. embargoed country or in violation of any U.S. export law or regulation.

**Section 11.15 Access to Records; Records Retention.**

- (a) Subscriber shall have remote access to books, documents, papers, and records of Qualtrics that are directly pertinent to Subscriber's payment for the Services described herein for the purpose of auditing or examining the activities of Qualtrics or Subscriber. Except where longer retention is required by federal or state law, Qualtrics shall maintain all records for five years after

## Master Services Agreement


Subscriber makes final payment hereunder. This provision shall survive the termination, expiration, or cancellation of this Agreement.

- (b) Qualtrics shall maintain appropriate records to ensure a proper accounting of all funds and expenditures pertaining to the work performed or the services provided pursuant to this Agreement. Qualtrics shall maintain records providing information that account for all funds and expenses related to the provision of services provided pursuant to this Agreement. Remote access to these records shall be provided to Subscriber during working days, 8:00 a.m. to 5:00 p.m. upon 30 days' notice by Subscriber.
- (c) Qualtrics agrees to repay Subscriber the full amount of payment received for duplicate billings, erroneous billings, or false or deceptive claims.



## Master Services Agreement

The Parties have executed this Master Services Agreement as of the Effective Date.

<b>Qualtrics, LLC</b>	<b>Subscriber</b>
By: 	By:
Name: <del>Mark Greer</del> <u>Michael Robertson</u>	Name: Leonard Moty
Title: <del>Senior</del> Corporate Counsel	Title: Chairman, Board of Supervisors County of Shasta, State of California
	<b>ATTEST:</b> Lawrence G. Lees Clerk of the Board Supervisors  By: _____ Deputy
Date: <u>August 8, 2019</u>	Date:
<b>Address:</b> Qualtrics, LLC Attn: Legal Department 333 W River Park Dr. Provo, UT 84604 United States	<b>Address:</b> HHSA Business and Support Services Attn: Contracts Unit P.O. Box 496005 Redding, CA 96049-6005

Approved as to form:

RUBIN E. CRUSE, JR.  
County Counsel

By:  8/7/19

Alan B. Cox  
Deputy County Counsel

RISK MANAGEMENT APPROVAL

By:  08/07/19

James Johnson  
Risk Management Analyst

INFORMATION TECHNOLOGY APPROVAL

By:  8-07-2019

Tom Schreiber  
Chief Information Officer

**Attachments:**

Exhibit A: Insurance

Exhibit B: Service Level Agreement/Incident Response

Exhibit C: Business Associate Agreement

## Exhibit A

### Insurance

Qualtrics shall at its own expense secure and continuously maintain throughout the term of this Agreement the following insurance with companies qualified to do business in the jurisdiction in which the services will be performed and rating A-VII or better in the current Best's Insurance Reports published by A.M. Best Company.

1. Worker's Compensation Insurance, which shall fully comply with the statutory requirements of all applicable state and federal laws.
2. Commercial General Liability Insurance with a combined single limit of liability of \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury, death, property damage, personal injury, and products.
3. Business Automobile Liability Insurance covering all owned and non-owned and hired vehicles used by Qualtrics with a combined single limit of liability of \$1,000,000 for injury and/or death and/or property damage.
4. Excess (Umbrella) coverage with respect to Sections 1, 2, and 3 above with a per occurrence limit of \$5,000,000.
5. Cyber and Errors and Omissions (Professional Liability) Insurance with limit of \$5,000,000, covering liabilities arising from a) product or service financial injury caused by a product or service defect or performance failure; b) technology-related injury caused by any errors or omissions and all series of continuous, repeated or related acts, errors or omissions; and c) breach mitigation and notification expenses related to a privacy breach. Coverage also includes reasonable legal litigation expenses.
6. Crime Insurance (Employee Dishonesty) with limit of \$1,000,000.

## Exhibit B

## Qualtrics Incident Response and Service Levels

## Incident Response

1. An **"Incident"** is declared by Qualtrics when any of the following occurs:
  - a. A malfunction, disruption, or unlawful use of the Service;
  - b. The loss or theft of Data from the Service;
  - c. Unauthorized access to Data, information storage, or a computer system; or
  - d. Material delays or the inability to use the Service.
2. An Incident involving the loss or unauthorized access of Data, not due to Subscriber's errors or omissions, will always be categorized as Code Red. In such a case, Subscriber will be notified as expeditiously as possible after a disclosure is discovered. Qualtrics will conduct a formal investigation and will deliver an official written report to Subscriber within two weeks of the Incident.
3. Incidents are prioritized as set forth in the Incident Level Table below.

## Service Levels

1. **Availability.** Qualtrics will use commercially reasonable efforts to ensure that the Subscription Services will be available at all times, excluding when the Subscription Services are unavailable due to (a) required system maintenance as determined by Qualtrics (**"Scheduled Maintenance"**); and (b) causes outside of the reasonable control of Qualtrics that could not have been avoided by its exercise of due care, including any outages caused by: (i) the failure of any third party vendors; (ii) the Internet in general; (iii) a Subscriber-caused event; or (iv) any Force Majeure Event (**"Availability"**).
2. **Scheduled Maintenance.** A minimum of five days' advance notice will be provided by email to Subscriber for all Scheduled Maintenance exceeding two hours. For Scheduled Maintenance lasting less than two hours, notice will be displayed on the login page.
3. **Downtime.** **"Downtime"** is defined as the Subscription Services having no Availability, expressed in minutes.
4. **Remedies for Downtime.** If Downtime exceeds a certain amount per month, Subscriber will be entitled, upon written request, to a credit (**"Fee Credit"**) based on the formula: Fee Credit = Fee Credit Percentage set forth below \* (1/12 current annual Fees paid for Software affected by Downtime). All times listed immediately below are per calendar month.
  - a. If Downtime is 30 minutes or less, no Fee Credit Percentage is awarded.
  - b. If Downtime is from 31 to 120 minutes, Subscriber is eligible for a Fee Credit Percentage of 5%.
  - c. If Downtime is from 121 to 240 minutes, Subscriber is eligible for a Fee Credit Percentage of 7.5%.
  - d. If Downtime is 241 minutes or greater, Subscriber is eligible for a Fee Credit Percentage of 10.0%
  - e. If Downtime is 241 minutes or greater or Scheduled Maintenance is greater than 8 hours in each of three consecutive months, Subscriber is eligible for a pro-rated refund and may terminate this Agreement for cause.
5. **Fee Credits.** Except as specified in Section 4.e above, Fee Credits will be Subscriber's sole and exclusive remedy in the event of any failure to meet the Service Levels. Fee Credits will be applied to Subscriber's next invoice.

## Incident Level Table

## Exhibit B

Incident Level	Typical Conditions	Resolution Response
4	A minor issue affecting an individual user that may not be reproducible.	Addressed by support team for workaround or other resolution.
3	The problem is reproducible and has an impact on usability of the product, though a workaround exists to garner full functionality.	Addressed in a subsequent release in a reasonable timeframe.
2	A product is effectively unusable on a widespread basis; survey taking experience significantly affected.	Corrected as expeditiously as possible after code is developed and tested.
Code Red	Loss of a key functionality or access to Service. Data loss due to unauthorized access. A suspected/actual data breach or security threat. Survey taking severely hindered or impossible.	Full engineering efforts directed toward resolution. After hours, Engineer-on-call will be contacted and will work nonstop until resolution is met.

## EXHIBIT C



## QUALTRICS BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“Contract”), effective on August 20, 2019, (“Effective Date”), is entered into by and between Qualtrics, LLC (“Qualtrics”), and County of Shasta, a political subdivision of the State of California, through its Health and Human Services Agency (“Customer”), each a “Party” and collectively the “Parties”.

### RECITALS

WHEREAS, the Parties entered into an agreement, titled “Master Services Agreement”, effective on [DATE], providing for services (the “Services”) to be performed by Qualtrics for or on behalf of the Customer (the “Agreement”); and

WHEREAS, Customer is a Covered Entity or Business Associate under the Administrative Simplification subtitle of the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act and otherwise, and its implementing regulations at 45 CFR Parts 160, 162, and 164 (collectively, “HIPAA”); and

WHEREAS, Qualtrics may create, receive, maintain, or transmit Protected Health Information (“PHI”) (as defined herein) in its performance of the Services described in the Agreement; and

WHEREAS, HIPAA requires Customer to obtain certain satisfactory assurances from Qualtrics regarding the safeguarding of such PHI; and

WHEREAS, the Parties intend for this Contract to constitute such satisfactory assurances; and

WHEREAS, Customer acknowledges that Qualtrics neither declares nor classifies any Data entered into its Services since the Customer's users control all aspects of the Data input.

THEREFORE, in consideration of the Parties’ continuing obligations under the Agreement, the Parties agree to the provisions of this Contract in order to address the HIPAA requirements.

### **1. PERMITTED USES AND DISCLOSURES OF PROTECTED HEALTH INFORMATION**

1.1 Services. Qualtrics may use and/or disclose PHI as necessary to provide the Services, except that Qualtrics may not use or disclose any PHI in a manner that would violate HIPAA if done by Customer. All other uses not authorized by this Contract are prohibited. Moreover, Qualtrics may not use or disclose PHI other than as permitted or required by this Contract or as Required by Law.

1.2 Business Activities of Qualtrics. Unless otherwise limited herein, Qualtrics may:



- a. Use the PHI in its possession for its proper management and administration and to fulfill any legal responsibilities of Qualtrics provided that such uses are permitted under state and federal confidentiality laws.
- b. Disclose the PHI in its possession for the purposes set forth in Section 1.2(a) above to third parties provided that (i) the disclosures are Required by Law or (ii) Qualtrics has received from the third party written assurances regarding its confidential handling of such PHI and that its use and further disclosure will only be as Required by Law or for the purpose to which it was disclosed, and the third party agrees in writing to notify Qualtrics of any instances of which it becomes aware if the confidentiality of the information has been breached.
- c. Consistent with the Agreement, Qualtrics may use PHI to create de-identified, aggregate data. Anonymized and aggregated metrics that do not identify an individual or Customer shall be and remain the property of the Qualtrics and Qualtrics may use such anonymized and aggregated metrics for any lawful purpose consistent with the Contract.
- d. Notwithstanding anything to the contrary contained herein, Qualtrics shall comply with all standards, requirements and addressable implementation specifications for a “business associate” under HIPAA.

## **2. RESPONSIBILITIES OF QUALTRICS WITH RESPECT TO PHI**

Qualtrics hereby agrees to the following:

- 2.1 Shall use and disclose the PHI only in the amount minimally necessary to perform the services of the Agreement, provided that such use or disclosure would not violate HIPAA if done by the Customer.
- 2.2 Shall within the incident report timeframe specified in the Agreement, report to the Customer, in writing, any use and/or disclosure of the PHI that is not permitted or required by this Contract of which it becomes aware.
- 2.3 Establish procedures for mitigating, to the extent practicable, any known deleterious effects from any improper use and/or disclosure of PHI that Qualtrics reports to the Customer.
- 2.4 Use appropriate administrative, technical and physical safeguards to maintain the privacy and security of the PHI and to prevent uses and/or disclosures of such PHI other than as provided for in this Contract.
- 2.5 Require all of its subcontractors that create, receive, maintain, or transmit PHI on Qualtrics’ behalf to agree, in writing, to adhere to the same restrictions and conditions that apply to Qualtrics pursuant to this Contract.



- 2.6 In accordance with United States laws, make available all internal practices, records, books, agreements, policies and procedures relating to the use and/or disclosure of PHI to the Secretary of Health and Human Services for purposes of determining the Customer's and Qualtrics' compliance with HIPAA.
- 2.7 Upon Customer's request, Qualtrics shall provide to Customer an accounting of each disclosure of PHI made by Qualtrics or its employees, agents, representatives, or subcontractors that is subject to 45 CFR Section 164.528. Qualtrics shall implement a process that allows for an accounting to be collected and maintained for any disclosure of PHI for which Customer is required to maintain. Qualtrics shall include in the accounting: (a) the date of the disclosure; (b) the name, and address if known, of the entity or person who received the PHI; and (c) a brief statement of the purpose of the disclosure. The Parties acknowledge that Qualtrics generally does not know the nature of the information maintained through the Service and therefore it shall be solely the Customer's responsibility to describe the PHI that was disclosed. For each disclosure that requires an accounting under this section, Qualtrics shall document the information specified in (a) through (c), above, and shall securely retain this documentation for the period of time necessary for the Customer to be able to comply with 45 CFR Section 164.528. Qualtrics must act on the request no later than the earlier of thirty (30) days after receipt of such request.
- 2.8 Immediately report to the Customer any Security Incident or Security Breach of which it becomes aware, provided that this section shall hereby serve as notice and no additional reporting shall be required, of any unsuccessful attempts at unauthorized access, use, disclosure, modification or destruction of Customer's PHI or unsuccessful interference with systems operations in an information system that involves Customer's PHI. . If a Security Incident occurs, a Qualtrics case manager will conduct a formal review, and provide the finding to the Customer. If a Security Breach occurs and it was caused by Qualtrics' errors or omissions, a Qualtrics case manager will conduct a formal investigation, and will deliver an official written report to the Customer within 2 weeks of the Security Breach. If a Security Breach was due to the Customer action or inaction, Qualtrics will provide reasonable assistance to mitigate further exposure and attempt to determine the root of cause.
- 2.9 Comply with the applicable requirements of the Security Standards for Protection of Electronic Protected Health Information at 45 CFR Part 164 Subpart C (the "Security Rule").
- 2.10 Ensure that any subcontractor that creates, receives, maintains, or transmits Electronic PHI on Qualtrics' behalf agrees to comply with the applicable provisions of the Security Rule.
- 2.11 Notify the Customer of any breach of unsecured PHI. Qualtrics further agrees to make available in a reasonable time and manner any information needed by Customer to respond to individuals' inquiries regarding said breach. All notifications shall be made without unreasonable delay and in no case later than the earlier of sixty (60) calendar days after the discovery of the Breach or the date required for the Customer to comply with its obligations under law.





- 2.12 Comply with any and all privacy and security provisions not otherwise specifically addressed in this Contract made applicable to Qualtrics by HIPAA.
- 2.13 To the extent Qualtrics is to carry out one or more of Customer's obligation(s) under Subpart E of 45 CFR Part 164, comply with the requirements of Subpart E that apply to the Customer in the performance of such obligation(s).

### **3. RESPONSIBILITIES OF THE CUSTOMER WITH RESPECT TO PHI**

The Customer hereby agrees to the following:

- 3.1 Be responsible for using appropriate safeguards to maintain and ensure the confidentiality, privacy and security of PHI transmitted to Qualtrics pursuant to this Contract, in accordance with the standards and requirements of the Privacy Rule, until such PHI is received by Qualtrics, and in accordance with any specifications set forth in any attachment to this Contract.
- 3.2 Be responsible for managing all of its users of the Services including their qualified access, password restrictions, inactivity timeouts, downloads, and their ability to download and otherwise process PHI.
- 3.3 Delete, de-identify or anonymize all PHI data in Qualtrics' Services when such data are no longer needed, and within thirty (30) days of the termination of the Agreement.
- 3.4 Provide Qualtrics with a copy of its notice of privacy practices produced in accordance with 45 CFR Section 164.520, as well as any subsequent changes or limitation(s) to such notice, to the extent such changes or limitations may affect Qualtrics' use or disclosure of PHI. Customer shall provide Qualtrics with any changes in, or revocation of, permission to use or disclose PHI, to the extent it may affect Qualtrics' permitted or required uses or disclosures. To the extent that it may affect Qualtrics' permitted use or disclosure of PHI, Customer shall notify Qualtrics of any restriction on the use or disclosure of PHI that Customer has agreed to in accordance with 45 CFR Section 164.522. Customer may effectuate any and all such notices of non-private information via posting on Customer's web site.
- 3.5 Reimburse Qualtrics for all reasonable costs related to a query, audit, or investigation triggered by this Contract that are due to Customer's actions or inactions, and are outside the scope of the Services normally performed. Such costs may include, but not be limited to, lost employee productivity, employee wages, and any external consultant required to prepare or interact with auditors.
- 3.6 Customer shall not request or cause Qualtrics to make use of or disclosure of PHI that would violate HIPAA if performed by Customer.

### **4. REPRESENTATIONS AND WARRANTIES**

Mutual Representations and Warranties of the Parties. Each Party represents and warrants to the other party that it is duly organized, validly existing, and in good standing under the laws of the jurisdiction in which it is organized or licensed, it has the full power to enter into this Contract and to perform its obligations hereunder, and that the performance by it of its obligations under this Contract have been duly authorized by all necessary corporate



or other actions and will not violate any provision of any license, corporate charter or bylaws.

## **5. TERM AND TERMINATION**

- 5.1 Term. This Contract shall become effective on the Effective Date and shall continue in effect until all obligations of the Parties have been met, unless terminated as provided in this Section 5. In addition, certain provisions and requirements of this Contract shall survive its expiration or other termination in accordance with Section 7.1 herein.
- 5.2 Termination by the Customer. As provided under 45 C.F.R. §164.504(e)(2)(iii), the Customer may immediately terminate this Contract, the Agreement, and any related agreements if the Customer makes the determination that Qualtrics has breached a material term of this Contract. Alternatively, the Customer may choose, in its discretion, to: (i) provide Qualtrics with 30 days written notice of the existence of an alleged material breach; and (ii) afford Qualtrics an opportunity to cure said alleged material breach upon mutually agreeable terms. Nonetheless, in the event that mutually agreeable terms cannot be achieved within 30 days, Qualtrics must cure said breach to the satisfaction of the Customer within 30 days. Failure to cure in the manner set forth in this paragraph is grounds for the immediate termination of this Contract.
- 5.3 Automatic Termination. This Contract will automatically terminate without any further action of the Parties upon the termination or expiration of the Agreement.
- 5.4 Effect of Termination. Upon the event of termination pursuant to this Section 4, Qualtrics agrees to return or destroy all PHI pursuant to 45 C.F.R. §164.504(e)(2)(I), if it is feasible to do so. Prior to doing so, Qualtrics further agrees to recover any PHI in the possession of its subcontractors or agents. If Qualtrics determines that it is not feasible to return or destroy said PHI, Qualtrics will notify the Customer in writing. Upon mutual agreement of the Parties that the return or destruction is not feasible, Qualtrics further agrees to extend any and all protections, limitations and restrictions contained in this Contract to Qualtrics' use and/or disclosure of any PHI retained after the termination of this Contract, and to limit any further uses and/or disclosures to the purposes that make the return or destruction of the PHI infeasible. If it is infeasible for Qualtrics to obtain, from a subcontractor or agent any PHI in the possession of the subcontractor or agent, Qualtrics must provide a written explanation to the Customer and require the subcontractors and agents to agree to extend any and all protections, limitations and restrictions contained in this Contract to the subcontractors' and/or agents' use and/or disclosure of any PHI retained after the termination of this Contract, and to limit any further uses and/or disclosures to the purposes that make the return or destruction of the PHI infeasible. Without limiting the foregoing, Qualtrics will at all times comply with the requirements of HIPAA, the HITECH Act and HIPAA Rules with respect to any PHI it creates, receives, maintains or transmits on behalf of the Customer prior to termination which obligation shall survive after termination.



## 6. REMEDIES

In the event of a breach or threatened breach by either Party of the covenants contained herein, the Parties shall be entitled to seek appropriate equitable relief against the other Party (including its employees and agents) from such breach or threatened breach, including but not limited to a temporary restraining order. Nothing contained herein shall be construed to prohibit either Party from pursuing any other remedies available to it for such breach or threatened breach, including recovery of damages.

## 7. MISCELLANEOUS

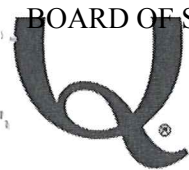
- 7.1 Survival. The respective rights and obligations of Qualtrics and Customer under this Contract shall survive termination of this Contract so long as any PHI or Electronic PHI is retained in the Service.
- 7.2 Amendments; Waiver. This Contract may not be modified, nor shall any provision hereof be waived or amended, except in a writing duly signed by authorized representatives of the Parties. A waiver with respect to one event shall not be construed as continuing, or as a bar to or waiver of any right or remedy as to subsequent events.
- 7.3 No Third Party Beneficiaries. Nothing express or implied in this Contract is intended to confer, nor shall anything herein confer, upon any person other than the Parties and the respective successors or assigns of the Parties, any rights, remedies, obligations, or liabilities whatsoever.
- 7.4 Notices. Any notices to be given hereunder to a Party shall be made in the manner and in accordance with the terms set forth in the Contract.
- 7.5 Counterparts; Facsimiles. This Contract may be executed in any number of counterparts, each of which shall be deemed an original. Facsimile copies hereof shall be deemed to be originals.
- 7.6 Regulatory References. A reference in this Contract to a section in HIPAA, HIPAA Rules, or the HITECH Act means the section as in effect or as amended or modified from time to time, including any corresponding provisions of subsequent superseding laws or regulations.
- 7.7 Miscellaneous. The terms of this Contract are hereby incorporated into the Agreement. Any ambiguity in this Contract shall be resolved to permit Customer to comply with HIPAA, HIPAA Rules and the HITECH Act. The terms of this Contract govern in the event of any conflict or inconsistency between this Contract and the Agreement, and/or any Order, and/or any other agreements, provided the terms of the Agreement that are not modified by this Contract shall remain in full force and effect in accordance with the terms thereof. This Contract shall be governed by, and construed in accordance with, the laws of the State of Delaware, exclusive of conflict of law rules. Each party to this Contract hereby agrees and consents that any legal action or proceeding with respect to this Contract shall only be brought in the federal or state courts in Utah County, Utah. The Agreement together with



this Contract constitutes the entire agreement between the parties with respect to the subject matter contained herein, and this Contract supersedes and replaces any former Qualtrics agreement or addendum entered into by the parties.

## 8. DEFINITIONS

- 8.1 Electronic PHI. “Electronic PHI” shall have the meaning set out in its definition in 45 CFR § 160.103, as such provision is currently drafted and as it is subsequently updated, amended, or revised, as limited to the information that Qualtrics creates, receives, uses, maintains, or transmits from or on behalf of Customer.
- 8.2 Data means all survey responses, reports, and any other information input or generated on behalf of Customer in connection with the Services;
- 8.3 Security Incident means any discovery of malfunction of the tool or a deliberate or accidental mishandling of Data;
- 8.4 Security Breach means (a) any loss, unauthorized disclosure, unauthorized use, or unauthorized disruption of Data; or (b) any access, acquisition or misappropriation of Data by third parties, including any intrusion into a computer system used to process Data or unauthorized access to the information storage; or (c) any other disclosure of Data in violation of this Contract.
- 8.5 PHI. PHI shall have the same meaning as “protected health information” as set forth in 45 CFR §160.103, but limited to the information that Qualtrics creates, receives, uses, maintains, or transmits on behalf of Customer.
- 8.6 Other terms. All other capitalized terms used, but not otherwise defined, in this Contract shall have the same meaning given to those terms by HIPAA as in effect or as amended from time to time.



IN WITNESS WHEREOF, each of the undersigned has caused this Contract to be duly executed in its name and on its behalf effective as of the Effective Date.

**CUSTOMER:**

By: \_\_\_\_\_

Name: Leonard Moty

Title: 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 8/7/19  
Alan B. Cox  
Deputy County Counsel

**RISK MANAGEMENT APPROVAL**

By: James Johnson 08/07/19  
James Johnson  
Risk Management Analyst

**INFORMATION TECHNOLOGY  
APPROVAL**

By: Tom Schreiber 8-7-2019  
Tom Schreiber  
Chief Information Officer

**QUALTRICS:**

By: Michael Richardson  
Name: ~~Mark Creer~~ Michael Richardson  
Title: ~~Senior~~ Corporate Counsel  
Date: August 8, 2019

**Master Services Agreement referenced**

This Qualtrics Service Order ("**Service Order**") is entered into by and between Qualtrics, LLC ("**Qualtrics**") and the **County of Shasta, a political subdivision of the State of California, through its Health and Human Services Agency ("Subscriber")** as of this **August 20, 2019 ("Starting Date")** pursuant and subject to the terms of that certain Master Services Agreement ("**Agreement**") between the Parties and dated **August 20, 2019**. This Service Order shall comprise part of the Agreement, the terms and conditions of which are hereby incorporated in full by this reference. Capitalized terms used but not otherwise defined in this Service Order shall have the meanings ascribed to such terms in the Agreement. Subscriber agrees that Qualtrics may use partners for certain portions of the Services.

The quote attached to this Service Order sets forth the certain specific Services, which Qualtrics will provide to Subscriber, the time during which Qualtrics will provide such Services, and the fees payable to Qualtrics by Subscriber therefor. Prices shown do not include any sales or use taxes that may apply. This Service Order is not an invoice. This Service Order has been prepared and written in English. Any non-English translation of this Service Order is provided for convenience only and is not valid or legally binding. In case of a conflict between this Service Order and any translation, the English version will control.

This Service Order includes the sections noted below.



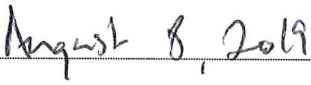
- Qualtrics Services;
- Subscription and Renewal;
- Termination;
- Support and Training;
- Academic License;
- Compensation;
- Payment Terms;
- Region of Data Center; and
- Additional Terms.

*[Remainder Intentionally Left Blank; Signature Page Follow]*



# Qualtrics Service Order

## Signature Page

<b>Qualtrics, LLC</b>	<b>Subscriber:</b>
By (signature):* 	By (signature): _____
Name: <del>Mark Greer</del> 	Name: Leonard Moty
Title: <del>Senior</del> Corporate Counsel	Title: Chairman, Board of Supervisors, County of Shasta, State of California
Date: 	Date: _____
	<b>ATTEST:</b> Lawrence G. Lees Clerk of the Board of Supervisors  By: _____ Deputy

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

By:  8/7/19

Alan B. Cox  
 Deputy County Counsel

### RISK MANAGEMENT APPROVAL

By:  08/07/19

James Johnson  
 Risk Management Analyst

### INFORMATION TECHNOLOGY APPROVAL

By:  8-7-2019

Tom Schreiber  
 Chief Information Officer

<b>Qualtrics Primary Contact</b>	<b>Subscriber Primary Contact</b>
Name: <b>Bryce Latimer</b>	Name: <b>Michael Conti</b>
Phone: <b>801-319-7201</b>	Phone: <b>530 225-3682</b>
Email: <b>brycel@Qualtrics.com</b>	Email: <b>mconti@co.shasta.ca.us</b>



1. **QUALTRICS SERVICES:** Develop, maintain, and host the website that includes all survey, intercept, panel, and assessment development tools, e-mail delivery, online analysis tools, online libraries, tutorials and support facilities. System updates, disaster recovery backup, and maintenance are included. The Services are not specific Services to with Qualtrics Service-Specific Terms relate. The initial term of this Service Order shall be for one year beginning on the Starting Date. The term of this Service Order shall be automatically renewed for two additional one-year terms at the end of the initial term under the same terms and conditions, unless written notice of non-renewal is provided by either Party to the other Party at least 30 days prior to the expiration of the initial term or then current term.
2. **TERMINATION:** Notwithstanding any termination for convenience rights in this Service Order or a Master Services Agreement, Subscriber may terminate this Service Order for convenience provided all fees are paid as set forth herein.
3. **SUPPORT AND TRAINING:** Qualtrics will provide online tutorials and respond to e-mails and phone calls 24 hours a day, 7 days a week, excluding major international holidays. Standard (non-custom) trainings are provided via webinars and other online training materials. The webpage [www.qualtrics.com/support](http://www.qualtrics.com/support) has training materials, support contact information and materials, and a portal to submit support tickets. Custom trainings can be provided upon request by the Subscriber for an additional fee, either via online webinar or on-site. The request shall constitute a new Order. Fees for such custom training will be agreed by Qualtrics and Subscriber upon the request.
4. **ACADEMIC LICENSE (if applicable):** If you are an academic institution on an academic license, your use of the Services is restricted to academic or research purposes. Services may be used only by students, staff or faculty of your institution. Commercial use of the Services is prohibited and includes, without limitation, use of the Services on behalf of other institutions or entities for compensation.
5. **COMPENSATION:** Qualtrics shall be paid \$25,315 for the Services described in the Section 1 of this Service Order for the initial term of this Service Order. Thereafter compensation may be increased no greater than five percent (5%) at each renewal upon Qualtrics written request provided by Qualtrics to Subscriber at least 40 days prior to the expiration of the initial term or then current term of this Service Order. In no event shall maximum amount payable under this Service Order or under the Agreement exceed \$79,806.
6. **PAYMENT TERMS:** 30 days following invoice
7. **REGION OF DATA CENTER:** ☒ U.S. ☐ E.U. ☐ Canada ☐ Australia
8. **ADDITIONAL TERMS**

**TO BE COMPLETED BY SUBSCRIBER**

<b>Purchase Order Required?</b>	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (enter number if available):
<b>Email Address for Invoice Submission</b>	hhsafiscal@co.shasta.ca.us
<b>Billing Address for Invoice</b>	Shasta County Health and Human Services Agency (HHSa) Business and Support Services, Attn: Accounts Payable P.O. Box 496005 Redding, CA 96049-6005
<b>Invoicing Instructions (if applicable)</b>	Qualtrics will submit invoices on a billhead or invoice regularly used in the conduct of business of the vendor along with any supporting documentation and/or receipts. Subscriber shall make payment within 30 days of vendors correct and approved billhead or invoice.





Q-1179633

Stephanie Taylor

Expiration Date: 30-Aug-2019

TERM	12
START DATE	30-Aug-2019
END DATE	29-Aug-2020

**PRICING**

RC5 State of the Art

RC Core Number of Responses: up to 40000

Advanced Security Management

Admin User (Unlimited)

Advanced Question Types

Advanced Quotas

Branded URL

Custom Theme

iQ Directory - RC Advanced

Offline App

ExpertReview - Compliance Assist

Screen Out Reporting

SMS

Stats IQ (Describe and Relate)

Stats IQ (Pivot and Regression)

<b>TOTAL AMOUNT DUE TO QUALTRICS</b>	<b>USD \$25,315.00</b>
Not including services (shown below)	

RC Self Service Implementation	\$0.00
--------------------------------	--------

TERM	12
START DATE	30-Aug-2019
END DATE	29-Aug-2020



Q-1179633

**PRICING**

Fee

BAA - Legal Services

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**TOTAL AMOUNT DUE TO QUALTRICS**

Not including services (shown below)

USD \$25,315.00

---

RC Self Service Implementation

\$0.00

Kind regards,  
Cody Abrams  
Account Manager

**TERMS & CONDITIONS**

Prices shown do not include sales tax, GST, HST, VAT or other taxes that may apply. Applicable taxes will be presented on the invoice.

Unless inserted as part of a Service Order, this quote does not constitute a contract and is based on current information about the project requirements. Timelines for associated projects will be provided in a separate Statement of Work. Unless inserted as part of a Service Order, actual costs may change once project requirements and timelines are finalized.

Software total above does not include any additional services fees that may be applicable.

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

**BOARD MEETING DATE:** August 20, 2019

**CATEGORY:** Consent - Health and Human Services-6.

**SUBJECT:**

AGREEMENT WITH COMMON CENTS SYSTEMS, INC

**DEPARTMENT:** Health and Human Services Agency-Public Health

**Supervisory District No. :** ALL

**DEPARTMENT CONTACT:** Brandy Isola, MPH, Interim Public Health Branch Director (530) 245-6869

**STAFF REPORT APPROVED BY:** Brandy Isola, MPH – Interim Public Health Branch Director

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

**RECOMMENDATION**

Approve and authorize the Chairman to sign an agreement with Common Cents Systems, Inc. in an amount not to exceed \$230,000 (\$72,750 to be paid in advance) to provide a Laboratory Information Management System software license and maintenance services for a period of one year from date of signing, with two automatic one-year renewals.

**SUMMARY**

The Health and Human Services Agency - Public Health Laboratory (PHL) is modernizing its data information system with a new software system to improve customer services and worker efficiency.

**DISCUSSION**

The PHL uses Laboratory Information Management System (LIMS) software to manage all patient information and laboratory testing results. A well-functioning LIMS system is critical to the efficient operation of a PHL. The LIMS software currently used by the PHL has become outdated and does not meet state requirements for electronic reporting. To provide better customer service, improve laboratory efficiency and meet state reporting requirements, the PHL is requesting approval to purchase LIMS software from a new vendor. HHSA-Public Health received quotes from three LIMS vendors. Common Cents Systems, Inc. was the vendor that was best able to meet the project requirements. If approved, the new LIMS software will allow us to connect to the California Department of Public Health and meet electronic reporting requirements. It will also provide a web portal where PHL customers can access their laboratory results through a secure website.

The agreement also authorizes the Health and Human Services Agency Director, or his/her designated Branch Director or Deputy Branch Director, limited authority to sign prospective and retroactive amendments during the term of the agreement that do not result in a substantial or functional change to the original intent of the agreement and do not change the maximum compensation by more than \$23,000, so long as they otherwise comply with Administrative Policy 6-101, Shasta County Contracts Manual.

**ALTERNATIVES**

Alternatives include not approving the agreement, amending the terms of the agreement, or requesting new quotes from LIMS vendors.

**OTHER AGENCY INVOLVEMENT**

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

**FINANCING**

The funds associated with the recommendation have been included in the department’s Fiscal Year 2019-20 Adopted Budget. There is no additional impact to the General Fund with approval of this recommendation.

**ATTACHMENTS:**

Description	Upload Date	Description
HHSA-PH – COMMON CENTS SYSTEMS, INC. AGREEMENT	8/9/2019	HHSA-PH – COMMON CENTS SYSTEMS, INC. AGREEMENT

WITHHOLDING

**PERSONAL SERVICES AGREEMENT BETWEEN THE COUNTY OF SHASTA AND  
COMMON CENTS SYSTEMS, INC.**

This agreement is entered into between the County of Shasta, through its Health and Human Services Agency ("HHSA"), a political subdivision of the State of California ("County") and Common Cents Systems, Inc. ("Consultant") (collectively, the "Parties" and individually a "Party") for the purpose of providing the HHSA-Public Health Laboratory with a Laboratory Information Management System (LIMS).

**Section 1. RESPONSIBILITIES OF CONSULTANT.**

Pursuant to the terms and conditions of this agreement, Consultant shall:

- A. Provide County with one non-exclusive, non-transferrable license to the Apollo LIMS Base Software ("Software"). The Software is owned by Consultant and is protected by U.S. copyright laws and international treaty provision. Consultant retains proprietary rights to the Software program to third parties. Software license provided to County will include access for four concurrent users.
- B. Provide County with one non-exclusive, non-transferrable, license to the Apollo Web Portal ("Portal") as listed in Exhibit A, Quote for ApolloLIMS, attached and incorporated herein. The Portal will include Reporting, Order Entry, and Requisition modules. The Portal access provided to County will include access for seven concurrent users.
- C. Provide County with one Panther Instrument Interface as listed in Exhibit A.
- D. Provide County with Apollo eXchange products as listed in Exhibit A. This shall include the California Reportable Disease Information Exchange ("CalREDIE") Electronic Laboratory Reporting ("ELR") Interface with California Department of Public Health ("CDPH").
- E. Provide County with Apollo LIMS Bioterrorism module and its components as listed in Exhibit B, Quote for Bioterrorism Module, attached and incorporated herein.
- F. Provide unlimited software and technical support to County via telephone and internet. Consultant shall provide software and technical support within one business day from the time Consultant is contacted by County for support, Monday through Friday, 8:00 a.m. - 5:30 p.m., Central Time, excluding New Year's Day, Martin Luther King, Jr. Day, Lincoln's Birthday, and President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, the day after Thanksgiving, Christmas Eve, Christmas Day, or the closest business day should any of the excluded days fall on a weekend.



WITHHOLDING

- (1) Telephonic Customer Support includes basic help desk response, troubleshooting, remedial software remedies, answering questions relating to Software, researching LIMS issues and assisting the site in routine LIMS system maintenance.
- G. Provide written notice allowing County 20 days from the date of receipt of the written notice to fulfill its responsibility to maintain backups and computer/network maintenance. Consultant shall be released from any responsibility to provide software and technical support if County fails to remedy its failure to maintain backups and computer/network maintenance within 20 days of receipt of such notice from Consultant. Consultant assumes no responsibility for County data that is lost or damaged due to lack of complete and accurate backups.
- H. Refund a portion of the annual compensation in the event this agreement is terminated by either Party. The refund shall be determined by multiplying the number of days remaining in the agreement, from the first day after termination through December 31<sup>st</sup> of that calendar year, by \$69.58 per day, (annual cost of \$25,396.32 divided by 365 days=\$69.58 per day, times the number of days remaining in the agreement).
- I. Use commercially reasonable efforts to assist in replacing or regenerating data lost or damaged while resident in the Software.
- J. Provide an electronic copy of the Software User Manual to County in either PDF or Word Format.
- K. Maintain an escrow account that lists the County as a beneficiary and includes a current and complete source code version of the Software, in addition to the object code version. County agrees that said source code is the sole and complete property of Consultant. In the event that Consultant shall be adjudicated to be in default in respect to any obligation to provide maintenance, support, or enhancements under this agreement, or in the event that Consultant is adjudicated bankrupt by order of the Bankruptcy Court following the voluntary or involuntary filing of a petition under the Federal Bankruptcy Act, then County shall have the right to modify the source code for their own use. Under no circumstances shall County have the right to transfer, sell, or disclose the source code to any other party. Consultant shall provide County the name of the software escrow company, and provide documentation the source code has been deposited into the escrow account, within 30 days of final execution of this agreement.
- L. Provide "Software Maintenance," which is defined as any regularly scheduled release of updates and enhancements to the portions of the Software that County

WITHHOLDING

has licensed. Updates and enhancements will be made available to County, and the decision to utilize new functionality will be made by County. In the event that a software defect is identified and reported, Consultant will either issue a remediation release or incorporate the remediation into the next scheduled release depending on the nature and severity of the defect reported.

- M. At the written request of County, and at an additional cost as specified in Section 3., schedule and conduct on-site training to County staff on how to use the Software.
- N. At the written request of County, and at an additional cost as specified in Section 3., provide on-site software and technical assistance to County for the Software.
- O. Consultant will direct all local issues to the County's LIMS Administrator who will attempt to reproduce and document the issue.

## **Section 2. RESPONSIBILITIES OF COUNTY.**

Pursuant to the terms and conditions of this agreement, County shall:

- A. Compensate Consultant as prescribed in sections 3 and 4 of this Agreement and shall monitor the outcomes achieved by Consultant.
- B. Maintain a daily backup of data in the Software and County computer/network maintenance.
- C. Provide reasonable diagnostic testing, network administration and maintenance, file server, and workstation hardware support for any problems encountered in the use of the Software.
- D. Provide Consultant with access to the Software for debugging and testing purposes. At no time will Consultant have access to servers or workstations without the express permission of County. Consultant shall have access only to the required files and folders needed for maintenance and software upgrades.
- E. Provide and maintain all server hardware, workstation hardware and the transition control protocol/internet protocol ("TCP/IP") network. In addition, County is responsible for maintaining the operating system on its servers and workstations. County is also responsible for implementing and maintaining a means to allow the Consultant to gain remote access to the County's network to provide support.
- F. Acquire and maintain all required certifications and licenses required to work with CalREDIE.



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- G. Manage and allow remote access to Shasta Test database on a server identified by County for Consultant Software. County shall provide Consultant access via Wi-Fi or Ethernet connections if on-site support is needed.
- H. Designate a County employee as the County's LIMS Administrator to handle tasks such as user security and routine file definition. All local issues will be directed to the LIMS Administrator who will attempt to reproduce and document the issue.
- I. Maintain Logical Observation Identifiers Names and Codes ("LOINC") codes in Software, including additions and revisions, available at [Loinc.org](http://loinc.org).
- J. Maintain Systematized Nomenclature of Medicine ("SNOMED") codes in the Software, including additions and revisions, maintained by the U.S. National Library of Medicine, <http://www.nlm.nih.gov/research/umls/Snomed/snomedmain.html>.

### **Section 3. COMPENSATION.**

- A. Consultant shall be compensated as follows:
  - (1) \$145,410.00 for the services Software Licensing and Software Implementation as described in this agreement (with 50 percent paid in advance);
  - (2) \$26,425.32 annually for maintenance; and
  - (3) \$125.00 per hour, with a minimum of eight hours for optional on-site training services as described in Sections 1.M. and 1.N., not to exceed \$5,314.04 for the term of the agreement.
- B. In no event shall the maximum amount payable under this agreement exceed \$230,000.00.
- C. Consultant's violation or breach of agreement terms may result in fiscal penalties, withholding of compensation, or termination of agreement.
- D. Consultant shall be paid via electronic invoice payment; automated clearing house (ACH), County credit card, or Commerce Bank virtual card. ACH payments require submission of the completed Auditor-Controller ACH/Direct Deposit authorization form with first claim for payment.

### **Section 4. BILLING AND PAYMENT.**

- A. Consultant shall submit to County's HHSA, Attn: Accounts Payable, P.O. Box 496005, Redding, CA 96049-6005 an itemized statement or invoice of services pursuant to Section 3.A.(1) for 50% of the Licensing and Implementation fee



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(\$72,750) within five days after execution of agreement and an itemized statement or invoice of services rendered for the remaining 50% of the Licensing and Implementation Fee (\$72,750) within five days after completion of the services prescribed in section 1. For services compensated pursuant to Sections 3.A.(2) and 3.A.(3) Consultant shall submit an itemized statement or invoice within five days after completion of the services. 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.**

The initial term of this agreement shall be for one year as of the last date it has been signed by both Parties. The term of this agreement shall be automatically renewed for two additional one-year terms at the end of the initial term, under the same terms and conditions. Notwithstanding the foregoing, County shall not be obligated for payments hereunder 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 Consultant in writing of such non-appropriation at the earliest possible date.

**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.

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- 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 County's Executive Officer, HHSA Director or any HHSA Branch Director designated by the HHSA Director.
- 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.

**Section 7. ENTIRE AGREEMENT; AMENDMENTS; HEADINGS; EXHIBITS/APPENDICES.**

- 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 change the maximum compensation by more than \$23,000 payable under this agreement may be agreed to in writing between Consultant and Shasta County HHSA Director or any HHSA Branch Director designated by the HHSA Director Shasta County 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.**

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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.**

- A. 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.
  
- B. County shall withhold seven percent of all income paid to Consultant under this agreement for payment and reporting to the California Franchise Tax Board because Consultant does not qualify as: (1) a corporation with its principal place of business in California, (2) a partnership with a permanent place of business in California, (3) a corporation qualified to do business in California by the Secretary of State, or (4) an individual with a permanent residence in the State of California.

**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



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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 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.



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- 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. Without limiting any of the obligations or liabilities of Consultant, Consultant shall carry and maintain Cyber Liability insurance with limits of not less than \$1,000,000 for each occurrence and an annual aggregate of \$2,000,000 covering claims involving privacy violations, information theft, damage to or destruction of electronic information, intentional and/or unintentional release of private information, alteration of electronic information, extortion and network security. Such coverage is required only if any products and/or services related to information technology (including hardware and/or software) are provided to County and for claims involving any professional services for which Consultant is engaged with or providing to County for as long as respective, applicable statute(s) of limitation or response are in effect relating to the specific purposes of this Agreement to cover any and all claims.
- E. 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.
- F. 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

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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.



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- (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.

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- 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.



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**Section 16. LICENSES AND PERMITS.**

Consultant, and Consultant's officers, employees, 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: Branch Director  
 HHSA Public Health Branch  
 Attn: Contracts Unit  
 2650 Breslauer Way  
 Redding, CA 96001  
 Phone: 530-225-3761  
 Fax: 530-225-3743

If to Consultant: Dylan Morse  
 P.O. Box 110514  
 Nashville, TN 37222  
 Phone: 615-834-7666

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- 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. 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



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consent of the other Party or as required by law. This provision shall survive the termination, expiration, or cancellation of this agreement.

**Section 25. HIPAA ADDENDUM.**

Attached to this agreement, and incorporated by reference, is an Addendum that constitutes a Business Associate Agreement as required by the federal Health Insurance Portability and Accountability Act.

**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. 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, 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.

**Section 28. APPLICATION OF OTHER AGREEMENTS.**

Consultant and Consultant's officers, agents, employees, and volunteer, and any of Consultant's subcontractors shall comply with all terms and provisions imposed upon any subcontractor of County by California Department of Public Health (CDPH) Local Funding Agreement Number 17-10196 ("LFA 17-10196"). The CDPH "LFA 17-10196" is available at: [http://www.co.shasta.ca.us/index/hhsa\\_index/Health\\_and\\_Safety/emergency\\_prep/hospital\\_prep/shasta-county-hpp-contract-information](http://www.co.shasta.ca.us/index/hhsa_index/Health_and_Safety/emergency_prep/hospital_prep/shasta-county-hpp-contract-information). Should Consultant be unable to access the electronic version of the CDPH LFA 17-10196, County will provide Consultant with a hard copy version upon written request.

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*SIGNATURE PAGE FOLLOWS*

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**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: \_\_\_\_\_

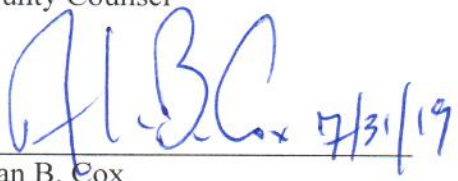
\_\_\_\_\_  
LEONARD MOTY, CHAIRMAN  
Board of Supervisors  
County of Shasta  
State of California

ATTEST:

LAWRENCE G. LEES  
Clerk of the Board of Supervisors

\_\_\_\_\_  
Deputy

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

  
\_\_\_\_\_  
Alan B. Cox  
Deputy County Counsel

**RISK MANAGEMENT APPROVAL**

  
\_\_\_\_\_  
James Johnson  
Risk Management Analyst

**INFORMATION TECHNOLOGY APPROVAL**

  
\_\_\_\_\_  
Tom Schreiber  
Chief Information Officer

**CONSULTANT**

Date: 08/07/19

  
\_\_\_\_\_  
Dylan Morse  
Vice President of Finance, Common Cents, Inc.

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## Exhibit A



## Common Cents Systems, Inc.

TO: Pepper Stockton, PhD, PHM

May 2, 2019

FROM: Dylan Morse

RE: Quote for ApolloLIMS (CASR\_20190502b)

Based upon the updated requirements presented we have updated the quote as follows:

<b>Shasta Co PHL</b>			
Apollo LIMS Base License (4 Users)	\$ 71,480.00	1	\$ 71,480.00
<b>Apollo Web Portal</b>			
- Apollo Web Portal - Reporting	\$ 11,520.00	1	\$ 11,520.00
- Apollo Web Portal - Order Entry	\$ 9,995.00	1	\$ 9,995.00
- Apollo Web Portal - Web Requisition	\$ 4,995.00	1	\$ 4,995.00
- Apollo Web Portal - Web Requisition #2	\$ 4,995.00	1	\$ 4,995.00
- Apollo Web User(s)	\$ 995.00	7	\$ 4,895.00
<b>Apollo Lab Automation</b>			
- Panther Instrument Interface	\$ 4,995.00	1	\$ 4,995.00
<b>Apollo eXchange</b>			
- Cal-Redie Results Reporting	\$ 4,995.00	1	\$ 4,995.00
<b>Apollo Misc</b>			
- Database License	\$ 430.00	13	\$ 5,590.00
Sub-Total			\$ 123,430.00
Implementation Fee			\$ 24,686.00
CaPHLD Courtesy Discount			\$ (24,686.00)
Grand Total			\$ 123,430.00
Monthly Maintenance			\$ 1,872.41

Please have this quote replace quote CASHT\_20180926. If you have any additional questions or need any further information, please don't hesitate to reach out.

Regards,

Dylan Morse  
VP of Finance  
Common Cents Systems, Inc.

*Common Cents Systems, Inc.*  
*PO Box 110514 Nashville TN 37222*  
*All quotes valid for 60 days*



WITHHOLDING

## Exhibit B



## Common Cents Systems, Inc.

Date: August 31st, 2018

To: Pepper Stockton - Shasta County Public Health Lab

From: Rob Ringerberg

Re: Quote for BioTerrorism Module

As requested here is a quotation for the development and implementation of Automated Bioterrorism Testing and Results Reporting Interface at the Humboldt County Public Health Laboratory. Please let me know if you have any questions.

<b>Product</b>	Automated Bioterrorism Testing and Results Reporting Interface		
<b>Description</b>	The Shasta County Public Health Laboratory is a LRN_B Testing Laboratory and is currently underway with an implementation for ApolloLIMS for testing and reporting. They would like to make their system more robust and improve BT reporting.		
<b>Software Required</b>	ApolloLIMS (currently in progress)		
<b>Hardware</b>	It is anticipated that the existing ApolloLIMS hardware would support this project.		
<b>Project Components</b>	<b>Price</b>	<b>Qty</b>	<b>Total</b>
Bioterrorism File Defn	Included from Apollo Install now underway		
Bioterrorism Data Entry	\$ 4,995.00	1	\$ 4,995.00
Bioterrorism Report	\$ 2,500.00	1	\$ 2,500.00
Instrument Interface to ABI 7500 #1	\$ 4,995.00	1	\$ 4,995.00
Instrument Interface to ABI 7500 #2	\$ 4,495.00	1	\$ 4,495.00
LIMS Interface to CDC or Replacement	\$ 4,995.00	1	\$ 4,995.00
Project Management	Included from Apollo install now underway		
<b>Project Total</b>			<b>\$ 21,980.00</b>

\*\* All ApolloLIMS software products are subject to Software Support and Maintenance fees. Software Support and Maintenance is calculated at 18% of the Software License Price. Monthly Software Support and Maintenance fees are calculated as follows: \$21,980.00 x 18% = \$3,956.40 / 12 = \$329.70.

The project will begin on a mutually agreed upon date after a signed quotation or purchase order has been received and specifications have been secured.

<b>Approved By Customer</b>	Please return approved quotes via fax (615-832-9767) or email to <a href="mailto:sales@apolloilms.com">sales@apolloilms.com</a> .
Name:	
Title:	
Date:	

*Common Cents Systems, Inc.*  
All quotes valid for 60 days from date issued

AGR.PH.CommonCents.1821.D1  
DB#:2756-24-2018-1  
CC#:41122,41174

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**ADDENDUM TO CONTRACT/AGREEMENT  
(HIPAA Business Associate Agreement)**

This Addendum is attached to, and incorporated into the Agreement, entitled Common Cents Systems, Inc. between the County of Shasta and Common Cents Systems, Inc., dated the last date signed by both Parties.

**Definitions.**

All terms and phrases used, but not otherwise defined in this Addendum, shall have the same meaning as those terms are defined in 45 Code of Federal Regulations, subtitle A, subchapter C, parts 160 and 164. All section references in this Addendum are to Title 45 of the Code of Federal Regulations unless otherwise specified.

- (a) Business Associate. "Business Associate" shall mean the Party with whom County of Shasta is contracting, as referenced above.
- (b) Underlying Agreement. "Underlying Agreement" shall mean the agreement or contract between the County of Shasta and the Business Associate, to which this Addendum is attached and incorporated.
- (c) Covered Entity. "Covered Entity" shall mean the covered components of the County of Shasta hybrid entity which are subject to the standards for privacy and security of Title 45, Code of Federal Regulations, subchapter C, Parts 160 and 164.

**Obligations and Activities of Business Associate.**

**Business Associate shall:**

- (a) Not use or disclose Protected Health Information (PHI), or Electronic Protected Health Information (EPHI), other than as permitted or required by this Addendum or as required by law.
- (b) Use appropriate safeguards and comply with Subpart C of Title 45, Code of Federal Regulations, Part 164 with respect to EPHI, to prevent use or disclosure of PHI or EPHI other than as provided for by this Addendum and the Underlying Agreement.
- (c) If a pattern of activity or practice of an agent, including a subcontractor, constitutes a material breach or violation of the requirements of this Addendum and/or the Underlying Agreement, cure the breach or end the violation, as applicable, and if such steps are unsuccessful, terminate the subcontract or other agreement.

AGR.PH.CommonCents.1821.D1  
DB#:2756-24-2018-1  
CC#:41122,41174

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- (d) Report, within five business days, to Covered Entity's Privacy and/or Security Officer any use or disclosure of PHI or EPHI not provided for by this Addendum and/or the Underlying Agreement of which it becomes aware, including breaches of unsecured PHI as required in Section 164.410. A report including at least the following information: (a) a brief description of what happened, including the date of the breach and the date of the discovery of the breach, if known; (b) a description of the types of unsecured protected health information that were involved in the breach, including the approximate number of individuals affected (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved); (c) a brief description of what the Covered Entity involved is doing to investigate the breach, to mitigate harm to individuals, and to protect against any further breaches. Business Associate shall provide the report to Covered Entity's Privacy and/or Security Officer no later than fifteen business days from the date the breach was discovered or, if exercising due diligence, should have been discovered.
- (e) Business Associate is responsible for any and all costs related to notification of individuals or next of kin (if the individual is deceased) as required in Section 164.412, of any Security or Privacy breach reported by Business Associate to Covered Entity.
- (f) Ensure that any agent, including a subcontractor, to whom it provides PHI or EPHI received from, or created or received by Business Associate on behalf of Covered Entity, agrees to the same restrictions and conditions that apply through this Addendum and the Underlying Agreement to Business Associate with respect to such information.
- (g) Provide access, at the request of Covered Entity, and in the time and manner designated by Covered Entity, to PHI and EPHI information in a designated record set, to Covered Entity or, as directed by Covered Entity, to an individual in order to meet the requirements under Section 164.524.
- (h) Make any amendment(s) to PHI and EPHI in a designated record set that the Covered Entity directs or agrees to make pursuant to Section 164.526 at the request of Covered Entity or an individual, and in the time and manner designated by Covered Entity.
- (i) Make internal practices, books, and records, including policies and procedures and PHI and EPHI, relating to the use and disclosure of PHI and EPHI received from, or created or received by Business Associate on behalf of, Covered Entity available to the Covered Entity, or to the Secretary (i.e., the federal Secretary of Health and Human Services [HHS], or to any officer or employee of HHS to the authority

WITHHOLDING

involved has been delegated), in a time and manner designated by the Covered Entity or the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the law.

- (j) Document disclosures of PHI and EPHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures in accordance with Section 164.528.
- (k) Provide to Covered Entity or an individual, in the time and manner designated by Covered Entity, information collected regarding disclosures of PHI and EPHI, to permit Covered Entity to respond to a request by an individual for an accounting of disclosures in accordance with Section 164.528.
- (l) Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of PHI and EPHI that it creates, receives, maintains, or transmits on behalf of the Covered Entity, as required by law. In addition, Business Associate shall ensure that any agent, including a subcontractor, to whom it provides PHI or EPHI agrees to implement reasonable and appropriate safeguards to protect it.
- (m) Ensure that all employees of Business Associate that handle or access PHI or EPHI undergo annual training regarding the safeguarding of PHI and EPHI.
- (n) To the extent Business Associate is to carry out one or more of Covered Entity's obligation(s) under Subpart E of Title 45, Code of Federal Regulations, Part 164, comply with the requirements of Subpart E that apply to Covered Entity in the performance of such obligations.

#### **Permitted Uses and Disclosures by Business Associate.**

Except as otherwise limited in this Addendum and the Underlying Agreement, Business Associate may use or disclose PHI and EPHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Underlying Agreement, provided that such use or disclosure would not violate the law if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.

#### **Obligations of Covered Entity.**

- (a) Covered Entity shall notify Business Associate of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with Section 164.520, to the extent that such limitation(s) may affect Business Associate's use or disclosure of PHI and EPHI.



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- (b) Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by individual to use or disclose PHI and EPHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI and EPHI.
- (c) Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI and EPHI that Covered Entity has agreed to in accordance with Section 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI and EPHI.

**Permissible Requests by Covered Entity.**

Covered Entity shall not request Business Associate to use or disclose PHI and EPHI in any manner that would not be permissible under the law if done by Covered Entity.

**Term and Termination.**

The provisions of this Addendum shall supersede the provisions of the Underlying Agreement insofar as they relate to the term and termination of the Underlying Agreement.

- (a) Term. The provisions of this Addendum shall be effective as of the Effective Date of the Underlying Agreement and shall terminate when all of the PHI and EPHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity or, if it is infeasible to return or destroy, protections are extended to such information, in accordance with the termination provisions in this Addendum.
- (b) Termination for Cause. Upon County of Shasta's knowledge of a material breach by Business Associate of the provisions of this Addendum, County of Shasta may terminate this Addendum and the Underlying Agreement immediately upon oral notice.
- (c) Effect of Termination.
  - (1) Except as provided in paragraph (c)(2) of this provision, upon termination of this Addendum and the Underlying Agreement, for any reason, Business Associate shall return or destroy, in a confidential manner, all PHI and EPHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI and EPHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of said PHI and EPHI.
  - (2) In the event that Business Associate determines that returning or destroying the PHI and EPHI is infeasible, Business Associate shall provide to Covered

WITHHOLDING

Entity notification of the conditions that make return or destruction infeasible. Upon the agreement of Covered Entity that return or destruction is infeasible, Business Associate shall extend the protections of this Addendum to such PHI and EPHI and limit further uses and disclosures to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI and EPHI.

### Miscellaneous

- (a) Amendment. The Parties agree to take such action as is necessary to amend this Addendum and the Underlying Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, and the regulations enacted pursuant thereto. Any such amendment may be signed on behalf of the County of Shasta by the County Executive Officer, or his or her designee(s), provided that such amendment is in substantially the same format as the County of Shasta's standard format amendment contained in the Shasta County Contracts Manual (Administrative Policy 6-101) and is approved by County Counsel as to form.
- (b) Survival. The respective rights and obligations of Business Associate under the provision of this Addendum entitled "Effect of Termination" shall survive the termination of the Underlying Agreement.
- (c) Interpretation. Any ambiguity in this Addendum and the Underlying Agreement shall be resolved to permit Covered Entity to comply with the Privacy Rule.
- (d) Indemnification. To the fullest extent permitted by law, Business Associate shall indemnify and hold harmless Covered Entity, 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 Business Associate, or by any of Business Associate's subcontractors, any person employed under Business Associate, or under any subcontractor, or in any capacity, except when the injury or loss is caused by the sole negligence or intentional wrongdoing of Covered Entity. Business Associate shall also, at Business Associate's own expense, defend the Covered Entity, its elected officials, officers, employees, agents, and volunteers against any claim, suit, action or proceeding brought against Covered Entity, its elected officials, officers, employees, agents, and volunteers arising from the work or the provision of services undertaken pursuant to this agreement by Business Associate,

WITHHOLDING

or any of Business Associate's subcontractors, any person employed under Business Associate, or under any subcontractor, or in any capacity.



REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

**BOARD MEETING DATE:** August 20, 2019

**CATEGORY:** Consent - Health and Human Services-7.

**SUBJECT:**

CalHome Program Disaster Assistance, Round 2 application in the amount of \$3,600,000 to provide Owner-Occupied Rehabilitation assistance including manufactured home replacement.

**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**

Adopt a resolution which: (1) Authorizes the Director of Housing and Community Action Agency Programs (Director) to submit and sign an application, the Standard Agreement, and any subsequent amendments, as well as any other documents required by the California Department of Housing and Community Development in an amount not to exceed \$3,600,000 for CalHome Program Disaster Assistance, Round 2 funding (Program) to provide owner-occupied rehabilitation assistance for low-income homeowners who were affected by the Carr Fire for the period 36 months from the date of the award letter; and (2) agrees the County will use CalHome funds for eligible activities in accordance with Program regulations.

**SUMMARY**

Upon approval of the recommendation, a grant application will be submitted to the California Department of Housing and Community Development (HCD) requesting CalHome Program Disaster Assistance, Round 2 funding to receive \$3,600,000 for Owner-Occupied Rehabilitation, including manufactured home replacement.

**DISCUSSION**

The California Department of Housing and Community Development (HCD) published a Notice of Funding Availability (NOFA) in the amount of \$100 million in funding available in order to assist the following 12 counties impacted by 2017 and 2018 disasters: Butte, Lake, Los Angeles, Mendocino, Napa, Nevada, Orange, San Diego, Santa Barbara, Shasta, Sonoma, and Ventura. HCD has allocated the CalHome Funds available in this NOFA by the percentage of structures destroyed within each county.

The NOFA offers owner-occupied housing rehabilitation as an eligible activity. The proposed grant application requests funds for this activity. Grant funds would be utilized in the unincorporated area of Shasta County affected by Federal Disaster Declaration DR-4382. If awarded, the activity would provide replacement of manufactured housing to low-income households whose homes were destroyed in the fire. Financial assistance would be provided in the form of a zero percent loan to individual households to replace their homes destroyed in the Carr Fire. The deferred-payment loan would be due and payable

in 30 years. Independent building contractors, licensed by the State of California, will perform the work. It is anticipated that upon completion of the grant activity, 30 manufactured home units will be replaced. The quality of life for the home’s occupants will improve. This construction work will be monitored by the Community Action Agency as it occurs. Upon completion of each unit an on-site inspection of each housing unit will be documented by the Community Action Agency that the expected outcomes have been achieved. The grant application is due to HCD on September 3, 2019. HCD intends to award funds in December 2019. This is a non-competitive over-the-counter grant application process. Once awarded, the grant term will likely expire January 2023.

The Resolution is a form required by the State, which the State prohibits from being modified by the County. Nonetheless, if the Resolution is adopted by the Board and the State approves the grant application, then any grant agreement required by the State, and subsequent amendments, including retroactive, will be subject to and must otherwise comply with Administrative Policy 6-101, Shasta County Contracts Manual and be approved as to form by County Counsel.

**ALTERNATIVES**

The Board of Supervisors could decline to adopt the resolution or provide alternate direction to staff.

**OTHER AGENCY INVOLVEMENT**

County Counsel has approved the Resolution as to form. The County Administrative Office has reviewed the recommendation.

**FINANCING**

CalHome Program Disaster Assistance, Round 2 is funding allocated by the California Department of Housing and Community Development. If the application is successful, a CalHome Program Disaster Assistance grant of \$3,600,000 could be awarded. Funds will be provided monthly on a reimbursement basis.

Should this grant application be 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 one for one match requirement for this grant application. There is no additional General Fund impact associated with approval of the recommendation.

**ATTACHMENTS:**

Description	Upload Date	Description
Resolution	8/13/2019	Resolution
CalHome Application	8/13/2019	CalHome Application
CalHome Program Narrative	8/13/2019	CalHome Program Narrative
CalHome Loan Service Reuse Plan	8/13/2019	CalHome Loan Service Reuse Plan

**RESOLUTION NO. 2019-\_\_\_\_\_**

**THE GOVERNING BOARD OF THE  
COUNTY OF SHASTA**

HEREBY AUTHORIZES THE SUBMITTAL OF AN APPLICATION TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR FUNDING UNDER THE CALHOME PROGRAM; THE EXECUTION OF A STANDARD AGREEMENT IF SELECTED FOR SUCH FUNDING AND ANY AMENDMENTS THERETO; AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE CALHOME PROGRAM.

**WHEREAS:**

- A. County of Shasta, a political subdivision of the State of California, wishes to apply for and receive an allocation of funds through the CalHome Program: and
- B. The California Department of Housing and Community Development (hereinafter referred to as "HCD") has issued a Notice of Funding Availability ("NOFA") on May 3, 2019 for the CalHome program established by Chapter 84, Statutes of 2000 (SB 1656 Alarcon), and codified in Chapter 6 (commencing with Section 50650) of Part 2 of Division 31 of the Health and Safety Code (the "statute"). Pursuant to the statute, HCD is authorized to approve funding allocations utilizing monies made available by the State Legislature to the CalHome program, subject to the terms and conditions of the statute and the CalHome Program Regulations adopted by HCD in April 2004: and
- C. The County of Shasta wishes to submit an application to obtain from HCD an allocation of CalHome funds in the amount of \$3,600,000.

**IT IS NOW THEREFORE RESOLVED THAT:**

1. The County of Shasta shall submit to HCD an application to participate in the CalHome Program in response to the NOFA issued on May 3, 2019 which will request a funding allocation for the following activities: Owner-Occupied Rehabilitation Assisting low-income homeowners who were affected by the Federal Disaster Declaration DR-4382 Carr Fire (including manufactured home replacement). Upon completion of the grant activity, 30 manufactured home units will be assisted with CalHome funds up to \$100,000 per unit. Located in the unincorporated areas of the County of Shasta.
2. If the application for funding is approved, the County of Shasta hereby agrees to use the CalHome funds for eligible activities in the manner presented in the application as approved by HCD and in accordance with program regulations cited above. The application in full is incorporated as part of the Standard Agreement. Any and all activities funded, information provided, and timelines represented in the application are enforceable through the Standard Agreement. The County of Shasta acknowledges and



Resolution No. 2019-\_\_\_\_\_

August 20, 2019

Page 2 of 2

agrees that it may be required to execute any and all other instruments necessary or required by HCD for participation in the CalHome Program.

3. The County of Shasta authorizes Laura Burch, Director of Housing and Community Action Programs to execute in the name of the County of Shasta, the application, the Standard Agreement, and any subsequent amendments or modifications thereto, as well as any other documents required by HCD for participation in the CalHome Program, and any amendments thereto.

**PASSED AND ADOPTED** this 20th day of August, 2019, by the following vote:

AYES: \_\_\_\_\_ NAYS: \_\_\_\_\_ ABSTAIN: \_\_\_\_\_ ABSENT: \_\_\_\_\_

The undersigned Chairman of the Board of Supervisors of the County of Shasta there before named does hereby attest and certify that the foregoing is a true and fully copy of a resolution of the Governing Board adopted at a duly convened meeting on the date above-mentioned, which has not been altered, amended or repealed.

---

Signature

Date

Overview - Activity Type and Applicant Information								Rev. 513119
<p><i>When opening this file, a yellow banner at the top may appear with a button that says "Enable Content" or "Enable Editing". It is essential for full worksheet functionality that you click this box so that the macros are enabled. Macros do not work with Microsoft's Excel version for Apple Mac. Please complete this form using a PC.</i></p>								
Applicant Name: I § 7750(a) <b>County of Shasta</b>		Applicant's I Locality: I City/Redding		FEMA Disaster! DR-4382		Declarations: I		
Address 1450 Court Street, Suite 108		County Shasta		State CA		Zip 96001		
Auth Rep Name I Lawrence G. Lees		Auth Rep Email 111ees@co.shasta.ca.us		Auth Rep Phone 530-225-5561				
Contact Name I Laura Burch		Contact Email 11burch@co.shasta.ca.us		Contact Phone 530-225-5160				
§7750(c) Applicant certifies it has the authority to undertake the activities applied for; that it does not have any unresolved HCD audit findings nor pending lawsuits; that if the application is for a construction project, construction work has not yet begun; and that it agrees to comply with all program requirements.							Yes	
File Name: I App - Eligibility 7750(c)		If you answered "No" above, explain details on a separate sheet of paper.				Attached and on USB?		
§7750(a) Indicate all Legislators who represent any portion of the proposed service area. If you have vacancies in your legislative seats, list your district number and address.								
Members of the State Assembly		Members of the State Senate		Members of the the U.S. House of Representatives				
District#	Name	District#	Name	District#	Name			
1	Vacant	1	Brian Dahle	1	Doug LaMalfa			
§7719 Applicant certifies CalHome funds will not be used for any of the costs in §7719 that may be incurred in the local program or the project.								Yes
§7720 Applicant certifies individual households who receive benefits of CalHome funds will meet the eligibility requirements of §7720.								Yes
§7721 Applicant certifies it will implement the proposed local programs or projects and also be responsible for the activity requirements of 1., 7721.								Yes
Eligible Activities §7718								
Applicants may include Project activities or up to two Program activities in an application. Applicants may not apply for both Project activities and Program activities. If applying for the Technical Assistance to Self-Help Housing Project activity, the Applicant must also apply for the Homeownership Project Development Loan activity. (See NOFA)								
Program Activities:		Owner-Occupied Rehabilitation (Article 5)						
Project Activities:								
Eligible Activities must assist counties impacted by the disasters outlined in the NOFA. I		Assisted County:		Shasta				
Please select the county activities proposed in this application will assist to the right. I		Approximate Allocation:		\$7,000,000				
Total Uses of Funds §7719								
Activity Type:	CalHome Funds Request:	CalHome Funds Eligible:	Approximate Allocation Remaining:					
First-Time Homebuyer for Mortgage Assistance §771B(a)(1)	\$0	\$0						
Owner-Occupied Rehabilitation §771B(a)(2)	\$3,600,000	\$3,600,000						
Technical Assistance for Shared Housing Programs §771B(a)(4)	\$0	\$0						
<b>PROGRAM ACTIVITY TOTAL:</b>	<b>\$3,600,000</b>	<b>\$3,600,000</b>	<b>\$3,400,000</b>					
Homeownership Project Development Loans §7718(b)	\$0	\$0						
Technical Assistance for Self-Help Housing Projects §771B(a)(3)	\$0	\$0						
<b>PROJECT ACTIVITY TOTAL:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>					
<b>TOTAL FUNDS REQUEST:</b>	<b>\$3,600,000</b>	<b>\$3,600,000</b>	<b>\$3,400,000</b>					
Selection Criteria §7751								
(minimum points required = 550; max points= 1,000)								
Rating Factors (red shading indicates minimum score has not been achieved)	MA	OOR	SHP	POL	SHTA	Self-Score Points		
Capability §7751(b)(1) - 400 Points Max	0	400	0	0	0	400		
Community Need §7751(b)(2) - 150 Points	0	150	0	0	0	150		
Feasibility §7751(b)(3) - 250 Points	0	250	0	0	0	250		
Community Revitalization §7751(b)(4) - 100 Points	0	0	0	0	0	0		
Volunteer, Self-Help Labor or Youth Construction §7751(b)(5) - 100 Points	0	0	0	0	0	0		
Performance Penalty §7751(c) - Negative 50 Points	0	0	0	0	0	0		
<b>Self-Scoring Total - (Minimum 550)</b>	<b>0</b>	<b>BOO</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>BOO</b>		
General Applicant Eligibility Requirements §7717								
<b>Locality Applicant</b> (b)(1)-(2) Has the applicant been operating as a housing developer or housing program administrator for a minimum of two years prior to the date of application?								Yes
File Name:	A\I\I - Resolution	Provide a copy of the County Resolution §7750(b). (Sample linked in cell to the left)				Attached and on USB?		Yes
File Name:	A\I\I - STD-204	All payees must submit a Payee Data Record (STD-204). (Sample linked in cell to the left)				Attached and on USB?		Yes
File Name:	A\I\Q - Government TIN Form	Locality Applicants must submit a Government TIN Form. (Form linked in cell to the left)				Attached and on USB?		Yes
File Name:	App - Reuse Acct Plan	Provide a Reuse Account Plan that complies with §7724 requirements				Attached and on USB?		Yes
<b>Nonprofit Corporation Applicant</b> (a)(2) indicate qualifying I								
File Name:	App - Experience	Provide copy of Grant's Agreement, Memorandum of Understanding, Contract with Locality to demonstrate how Applicant meets the §7717(a)(2) requirement.				Attached and on USB?		N/A
(b)(1)-(2) Has the Applicant been operating as a housing developer or housing program administrator for a minimum of two years prior to the date of application?								
(b)(3) Has Applicant's tax exempt purposes for the two years prior to the date of application included the activity for which it is applying?								
(b)(4) The Applicant certifies they are financially stable to administer funds for activities in which they are applying?								
File Name:	App - Financial Stmtnts	§7717(b)(4) Financial Statements (for last 2 fiscal years, one of which must be audited)				Attached and on USB?		
File Name:	App - Articles of Inc	Articles of Incorporation (Corp. Code §154, 200 & 202) as certified by CA Secretary of				Attached and on USB?		
File Name:	App - Cert of Amend Articles	religious corps.), §7810-7820 (mutual benefit corps.), or §12500-12510 (general				Attached and on USB?		
File Name:	App - Restated Articles	Restated Articles of Inc. - Corp. Code §5811, 5815, 5819 (public benefit and religious corps.), §781 7815 and 7819 (mutual benefit corps.) and §12501, 12506 and 12510 (general cooperative corps).				Attached and on USB?		
File Name:	App-Bylaws	Bylaws and any amendments thereto - Corp. Code §207(b), 211 and 212				Attached and on USB?		
File Name:	App - IRS 501C3	IRS Approval of 501(c)(3) Status				Attached and on USB?		
File Name:	App - SOS Letter	Secretary of State Letter of Good Standing				Attached and on USB?		
File Name:	App - Board of Directors	List of Name of Board of Directors				Attached and on USB?		
File Name:	App - Signature Block	Signature Block in MS Word. Will be used in HCD legal docs such as Standard Agreement				Attached and on USB?		
File Name:	App - Cert and Legal	A completed and signed Certification and Legal Disclosure is required. In addition, a wet signature original of each signed Certification & Legal Disclosure must be submitted.				Attached and on USB?		
File Name:	A\I\I - STD-204	All payees must submit a Payee Data Record (STD-204). (Sample linked in cell to the left)				Attached and on USB?		
File Name:	App - Reuse Acct Plan	Provide a Reuse Account Plan that complies with §7724 requirements				Attached and on USB?		

# BOARD OF SUPERVISORS REGULAR MEETING - August 20, 2019

File Name: App - Resolution

§7750(b) Provide a Nonprofit Governing Board Resolution. (Sample linked in cell to the left) Attached and on USB?

<b>Owner-Occupied Rehabilitation (OOR) Program - Article 5</b>						Rev. 5/3/19
OOR Activity(ies) §7718(a)(2) :		OOR Activity #1	OOR - manufactured housing	Proposed # of Assisted non-manufactured units		0 OOR
		Activity #2	OOR - manufactured housing	Proposed # of Assisted manufactured units		0
Number of Assisted units to be assisted with this application for CalHome funds:		30		<b>Approximate Allocation Remaining:</b>		<b>\$3,400,000</b>
		<b>OOR Funds Request</b>		<b>OOR Maximum Eligible</b>		
OOR Funds:		\$3,000,000		\$3,000,000		
OOR Activity Delivery Fee: §7729(d) (see NOFA)		\$600,000		\$600,000		
<b>Total OOR Funds:</b>		<b>\$3,600,000</b>		<b>\$3,600,000</b>		
Will the program be operated entirely within federally defined Qualified Census Tracts (QCT)? (Only select 'Yes' if ALL units to be assisted with CalHome funds shall be located in QCTs)		No		If the program will be operated entirely within a QCT, specify those tracts to the right.		
Will the program be operated entirely within a formerly designated redevelopment area previously under the jurisdiction of a local Redevelopment Agency? (Only select 'Yes' if ALL units to be assisted with CalHome funds shall be located in a formerly designated redevelopment area)						No
Does the program meet a legislatively mandated priority for funds allocated to the CalHome Program?						No
<b>File Name:</b>	<b>OOR Community Revitalization</b>	Documentation verifying the QCTs listed are current and federally recognized, or redevelopment area map that indicates property location(s), or documentation verifying the project meets a legislatively mandated priority.			Attached and on USB?	<b>NIA</b>
§7751(b)(1)(C) Do you have prior experience with or a plan to provide loan servicing/ management?						Yes
If Yes, how many homebuyer loans underwritten & closed on projects it's developed, which included preparation of loan documents within the last four (4) years?						11
a. Total number of homebuyer loans closed for which the applicant was the named beneficiary on the documents within the past four (4) years:						a. 5
b. As of the CalHome NOFA issuance date, the total number of homebuyer loans in the applicant's portfolio:						b. 288
c. Number of loans identified in (b) above that are being serviced by the applicant:						c. 288
d. Number of loans identified in (b) above that are being serviced by a third party on behalf of the applicant:						d. 0
e. As of the CalHome NOFA issuance date, the total number of homebuyer loans the applicant is servicing for another entity:						e. 95
<b>File Name:</b>	OOR Loan Servicing	Submit a narrative identifying how loans will be serviced, how servicing activities will be funded or provided and procedures for implementing loan servicing operations. In addition to the narrative, attach either: 1) a budget that provides an identified source of financing, for a period of at least 5 years, for contracting loan servicing with a third party who is in the business of loan servicing; 2) a commitment letter from a third party, who is in the business of loan servicing, willing to provide loan servicing at no cost to the applicant; or 3) the resume of a current employee(s) of the applicant that describes the employee(s)'s experience in homeowner loan servicing.			Attached and on USB?	Yes
§7750(d) Provide a brief description of the proposed program including: amount applied for, number of units or households to be assisted, income levels of households to be assisted, description of prior experience with the type of program applied for, and geographic location of the activities.						
The CalHOME program funds will be used to assist homeowners that were affected by the Federal Disaster DR-4382 by providing low interest rate loans to low-income households to replace their destroyed homes. All loans will have a maximum loan amount of \$100,000 with a 30 year term.						
§7750(d) Include Non-CalHome MA funding sources, descriptions, proposed lien positions, and amount in lines 1 through 6 below:						
Non-CalHome OOR Funding Sources and Source				Proposed Lien Position		Amount
1	Shasta Regional Community Foundation/Community Disaster Relief Fund			Grant		<b>\$300,000</b>
2						
3						
4						
5						
6						
§7750(1) Provide a brief description of how you will comply with the requirements for local administration set forth in §7721 applicable to the program or project being applied						
Shasta County will comply with all CalHOME and State of California regulations and requirements for administering the OOR program, including marketing, determining household eligibility, loan servicing and reuse requirements, and owner occupied rehabilitation construction requirements. Shasta County will comply with all record keeping, reporting, and fiscal requirements in manner consistent with all applicable state statutes, rules, regulations, laws, and Program rules. The Shasta County Auditor-Controller will oversee the fiscal compliance.						
§7732 The applicant shall have successfully administered a local owner-occupied rehabilitation (OOR) program for a minimum of two years within the four years immediately preceding the application. Indicate qualifying experience below: <b>(include the county where the program was administered in the dropdown under header Admin Years Assisted County)</b>						
Describe the OOR Program(s) you have successfully administered within the last four years		Admin Years Assisted County		Rehabs Completed		Administration within last four years
						Admin Years
		13.75		24		13.75
11-CalHOME-8241 (extended)		Shasta		3		1.92
CDBG PI		Shasta		4		4.33
14-CDBG-9887 City of Shasta Lake		Shasta		7		3.16
HOME PI City of Anderson		Shasta		10		4.33



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§7725(a)(2) We certify the OOR CalHome Program loans to individual borrowers when considered with other available financing and assistance shall not exceed the minimum amount necessary to fund eligible rehabilitation costs only, in accordance with program requirements.	Yes
§7733 Applicant certifies the CalHome funds in support of an OOR program will be only be used for these eligible costs?	Yes
§7734 Applicant certifies it will be responsible for these OOR administrative activities?	Yes
§7735 Applicant certifies it will develop and employ OOR underwriting guidelines as required in §7735(a) and shall comply with any additional underwriting requirements as deemed necessary by HCD. The OOR guidelines must be submitted to and approved by HCD prior to execution of the Standard Agreement.	Yes
§7735(b) Prior to commencement of rehabilitation work, Applicant will obtain an appraisal meeting all these requirements?	Yes
<b>Selection Criteria §7751</b>	
<b>Total Self Score (minimum points required= 550; max points without bonus= 1,000)</b>	<b>800</b>
<b>Rating Factors (red shading indicates minimum score has not been achieved)</b>	<b>Points</b>
<b>Capability §7751(b)(1) - 400 Points Max (see NOFA)</b> Capability to operate the local the proposed program, administer and conduct the self-help technical assistance project, or develop the type of homeownership project proposed in the application as follows (up to 400 points): (A) prior experience with administration/implementation of the type of program proposed in the application; or (B) prior experience in developing the type of homeownership development project or self-help technical assistance homeownership project as proposed in the application; and (C) prior experience with loan servicing or a plan to provide loan servicing/management capabilities. Number of rehab/reconstructed units assisted within the last four years.	<b>400</b>
<b>Community Need §7751(b)(2) - 150 Points</b> Community need in a geographic area of the proposed local program or project will be based on one or more of the following factors: poverty level and overpayment for housing by low-income households, age of housing stock in the jurisdiction, numbers and percentages of substandard housing units, overcrowding of housing by tenure (including rental and ownership housing) in the jurisdiction, and percentages of households that are below poverty level and who are overcrowded and living in substandard housing Approved Regulations by tenure, as reflected in U.S. Census data; and the ratio between the median home sales price and the median household income in the jurisdiction. The specific community need factors that will apply to each activity will be identified in the NOFA.	<b>150</b>
<b>Feasibility §7751(b)(3) - 250 Points</b> Feasibility for applications proposing a homeownership development project or a self-help technical assistance homeownership project will be based on U.S. Census Bureau data regarding percentage of low-income homeownership in a jurisdiction and the ratio of the CalHome appraised value limits relative to the CalHome median income for a four person household. The higher the percentage of low-income homeowners, the higher the points awarded. The higher the ratio of housing cost to income, the higher the points awarded.	<b>250</b>
<b>Community Revitalization §7751(b)(4) - 100 Points</b> Contributes to community revitalization defined as a program or project will be considered to contribute towards community revitalization if all units to be assisted with CalHome Program funds are, or will be, located within a federally defined Qualified Census Tract or a designated redevelopment area under the jurisdiction of a successor to a local redevelopment agency or meets a legislatively mandated priority for funds allocated to the CalHome Program.	<b>0</b>
<b>Volunteer Labor, Self-Help Labor or Youth Construction Skills Training Program §7751(b)(5) - 100 Points</b> Applications applying for homeownership development projects, self-help technical assistance homeownership projects, or a mortgage assistance local program for new construction housing or acquisition with rehabilitation when the recipient is acquiring and rehabilitating properties for sale to first-time homebuyers, will receive up to 100 points to the extent that they are utilizing: (A) volunteer or self-help construction labor, where a minimum of five hundred (500) hours of on-site construction labor per assisted unit is provided; or (B) labor provided by youth participating in a construction skills training program, where a minimum of five hundred (500) hours of on-site construction labor per assisted unit is provided. The five hundred (500) hours of construction training labor must be provided by the 16 to 24 year old program participants.	<b>0</b>
<b>Performance Penalty §7751(c) - A deduction to the total score will be applied for failure to meet CalHome Program Performance Goals pursuant to §7755.</b>	<b>0</b>

**Applicant Certification and Commitment of Responsibility**

Rev. 5/3/19

As the official designate by the governing body, I hereby certify that if approved by HCD for a CalHome Program funding allocation, the  
**(applicant name)** County of Shasta  
 assumes the responsibilities specified in the CalHome Program Regulations and certifies that:

- A. It possesses the legal authority to apply for the allocation and to execute their proposed program or project §7750(c);
- B. Before committing funds to a homebuyer/homeowner, it will evaluate the funding eligibility in accordance with CalHome Program Regulations and will not invest any more CalHome funds in combination with other governmental assistance than is necessary to provide affordable housing;
- C. The Applicant does not have any unresolved audit findings for prior HCD or federally-funded housing or community development projects or programs §7750(c);
- D. There are no pending lawsuits that would impact the implementation of this program or project §7750(c);
- E. It will comply with all requirements as set forth in the NOFA and the statutes and regulations governing the CalHome Program including, but not limit to, Housing Element, Climate Adaptation (specifically Executive Order B-30-15), Long-Term Resiliency Standards and Fire and Flood Requirements;
- F. The information, statements, and attachments contained in this application are, to the best of my knowledge and belief, true and correct;
- G. It has the ability to perform the duties for the activity(s) applied for in accordance with §7718;
- H. Construction work has not begun, and will not begin, prior to the date that HCD makes an award of CalHome Funds §771B(c);
- I. If awarded, the Recipient, shall implement the local program or project and be responsible for all the activities outlined in §7721(a), including items 1(1) & 1(2) below;
  - 1. §7721(a)(5) Maintain complete and accurate records of all CalHome Program loan disbursements and repayments to ensure adherence to proper accounting procedures for the CalHome Program loans, which may be verified by the Department and may be subject to a fiscal and programmatic audit;
  - 2. §7721(a)(6) Comply with reporting requirements pursuant to §7754;
- J. §7725(a) CalHome Program loans to individual borrowers shall not exceed the amount published in the current NOFA or, when considered with other available financing and assistance, the minimum amount necessary;
- K. Homeowner and Homebuyer Loan Terms and Loan-to-Value Limits shall follow the regulations outlined in §7726 and §7727.
- L. The information, statements, and attachments contained in this application are, to the best of my knowledge and belief, true and correct.

I authorize the Department of Housing and Community Development to contact any agency, whether or not named in this application, which may assist in determining the capability of the Applicant. All information contained in this application is acknowledge to be public information. (This certification must be signed by the person authorized in the Resolution).

**\*Signature:** \_\_\_\_\_

**Title:** \_\_\_\_\_ D i r e c t o r \_\_\_\_\_

*\*Must be signed by authorized signatory per the resolution.*

**Type Name:** Laura Burrch

**Date:** \_\_\_\_\_

## Program Narrative

The Shasta County Department of Housing and Community Action Programs (Department) is seeking funding to administer an Owner-Occupied Rehabilitation program. The Department is requesting \$3,000,000 to assist 30 manufactured housing units, and \$600,000 for Activity Delivery Fee costs associated with implementing and administering the program. The owner-occupied rehabilitation program will seek to offer homeowners who lost their homes in the 2018 California Wildfires (DR-4382) a low interest gap loan up to \$100,000 for the purchase of a new manufactured home to replace the destroyed structure. All the new manufactured homes will be placed and installed on permanent foundations. It is anticipated each borrower will request the full amount as the cost of a new manufactured home and installation costs are projected to be more than \$100,000. The program will provide replacement of 30 destroyed homes. Each borrower through their application will demonstrate annual income below 80% AMI. The program will serve homeowners in the unincorporated area of Shasta County that experienced home loss from the devastation of the Carr Fire, the state's seventh largest and eighth most destructive fire that killed eight people and destroyed more than 1,800 structures, including more than 1,100 homes and 162 mobilehomes. While much of this devastation occurred in the unincorporated area of Keswick, northeast of Redding (Census Tracts 106.03 and 124), and surrounding areas, where the program will largely serve, the program will also serve other regions of the county where qualified applicants have experience home loss.

Assistance will be provided to homeowners in the form of a loan. All loans will be at the fixed interest rate of 0% for a 30-year period. All loans will be deferred. Upon receiving a complete application and all supporting documents from potential borrowers, a determination that the work to be completed is both eligible and feasible is made. All loans must be approved by the housing loan committee. This loan committee consists of members representing the City of Anderson, a local bank, a non-profit affordable housing corporation, and the Housing Authority. Loan committee reviews and votes on all completed applications. A loan may not be executed without loan committee approval.

The Shasta County Department of Housing and Community Action Programs (Department) will administer this program. The Department currently administers programs such as the Section 8 Housing Choice Voucher rental assistance program, Emergency Housing and Assistance Program, Emergency Food and Shelter Board Program, Community Services Block Grant, Community Development Block Grant (CDBG), HOME Investment Partnerships Program and CalHome Program. Over the last twenty-eight years, the Department has operated both an owner-occupied housing rehabilitation program and a first-time homebuyer program using CDBG, HOME, SHHRP, CHRP-0 and CalHome funds.

In 2013, the Department operated an Owner-Occupied Rehabilitation program that replaced 10 mobile homes in one park. These were all single wide mobile homes that were either 2-bedroom 1 bath or 2-bedroom 2 bath. The Department procured a general contractor who was responsible for the demolition of the dilapidated mobile home, ordering, transportation, set-up, and warranty work of the new mobile home. Mobile homes that were replaced were dated between 1972 and 1984. Riverland Mobile Home Park (Park) owners provided storage pods for the tenants to move their belongings into while the new mobile home was being placed. Each tenant was able to stay with relatives during the replacement of the mobile home. The Park funded and completed minor repairs to the lot during the process such as tree trimming, power replacement, porch demolition, and plumbing relocation as needed. The local Housing & Community Development Codes and Standards District Office provided title searches to the Department on the existing mobile homes free of charge and played an instrumental part in scheduling inspections and Certificate of Occupancy.



Staff that will administer the program includes two housing and community program specialists, a health and safety inspector, and a fiscal employee. The team is supervised by the Director of the Department of Housing and Community Action Programs. The team is responsible for marketing the program, ensuring that each applicant is income-qualified, and servicing all outstanding loans until repaid by the borrowers.

I. Introduction

- A. The purpose of this plan is to establish guidelines for the administration and utilization of loan repayments of principal and interest received by the County of Shasta (County) through its Department of Housing and Community Action Programs (Department) as a result of activities funded under the California CalHome Program (CalHome).
- B. All repayments of loan principal and any loan interest shall be deposited into a separately maintained CalHome reuse Project Ledger governed by a reuse plan approved by the California Department of Housing and Community Development (HCD).
- C. CalHome was established by SB 1656 (Alarcon), which created Chapter 6 (commencing with Section 50650) and added it to Part 2 of Division 31 of the Health and Safety Code.

II. Definition of Program Income

- A. Program Income (PI) is defined as the gross income which is received by the jurisdiction that has been directly generated from the use of CalHome funds. Most commonly, PI is generated from payments of principal and interest on loans made using CalHome funds.
- B. Other examples of PI include:
  - 1. Interest earned on PI pending its disposition; and
  - 2. Interest earned on funds that have been placed in a Reuse Project and Activity Account.
- C. The actual amount accounted for as CalHome PI shall be directly proportionate to the actual percentage of CalHome participation in a project.
- D. If CalHome loan funds are allocated for a project but not spent, they shall be returned to the County's CalHome loan pool as unspent (unused) funds.

III. Reuse limits

- A. All assistance provided to activities under this Reuse Plan shall be used for activities that are located within the County's unincorporated boundaries.
- B. The PI shall provide one hundred percent (100%) benefit to the Targeted Income Group (TIG), defined as households with an annual income that is eighty percent (80%) or less of the County median income as determined annually by HCD for the County.
- C. CalHome funding of loans using PI funds will be consistent with the most recent CalHome Program Guidelines adopted by the County.

IV. Eligible use of funds

- A. Loans to individual homeowners or homebuyers as allowed pursuant to CalHome Program requirements;

- B. The cost of the Homebuyer Education provided pursuant to the requirements of the CalHome Program, for each first-time homebuyer receiving mortgage assistance from the reuse account;
- C. A CalHome loan processing activity delivery fee, housing rehabilitation processing activity delivery fee, and other activity delivery fees, as applicable, in accordance with CalHome Program requirements; and
- D. General Administration costs are not eligible except for up to 5% of funds deposited may be used towards the costs of loan servicing by the County or the cost of third-party loan servicing contracted by the County.

V. CalHome reuse account requirements

- A. All PI will be deposited into the Project and Activity Ledger specifically designated for CalHome funds so that it will be separated from any other funding source. The Project and Activity Ledger will provide:
  - 1. A tracking system to ensure reuse of funds are used for appropriate activities (described in more detail in County's Long-Term Loan Serving Plan);
  - 2. Appropriate reporting ability;
  - 3. Timely processing; and
  - 4. Any accrued interest earned on CalHome funds is to accrue to the CalHome Reuse Project and Activity Ledger.
- B. The Department will monitor the reuse Project and Activity Ledger according to the most current CalHome requirements.

VI. Tracking CalHome PI

- A. All PI will be tracked by one or more of the following:
  - 1. Borrower Name
  - 2. Grant Agreement
  - 3. Site Address
  - 4. Amount
  - 5. Interest rate
- B. As CalHome loans are paid in full, all principal and interest from the payoff will be deposited into the CalHome Reuse Project and Activity Ledger for future projects to take place.

Shasta County Department of Housing and Community Action Programs, hereinafter referred to as the "Department", has entered into a contractual relationship with the California Department of Housing and Community Development ("HCD") to administer the CalHome program as described in the CalHome Owner Occupied Rehabilitation Program Guidelines. This Loan Servicing plan is to serve as a guide for Department staff to perform all loan servicing functions for CalHome funded loans.

#### **I. MONITORING**

- A. Since Department's CalHome homeowner occupied rehabilitation program offers only deferred payment loans (DPLs), monitoring of delinquent payments will not be necessary.
- B. Annual Verification - During the term of the loan, borrowers will be mailed a notice and required to submit to the Department the following:
  - 1. Shasta County Property Status Certification Form (See Exhibit A)
  - 2. A copy of current utility bill (water or trash bills are not accepted)

#### **II. OCCUPANCY CHANGES**

- A. If the borrower wants to convert the property to a rental unit, the loan is due and payable.
- B. If the borrower desires to convert the property to any commercial or nonresidential use, the loan is due and payable.
- C. If the borrower sells or transfers title to the property or discontinues residence there, the loan becomes due and payable.
- D. There are only four types of transfers allowed under CalHome Guidelines that will not trigger repayment of the loan (these are listed in the promissory note). These transfers are allowed without regard to the income level of the person(s) to whom the property is being transferred and are explained below in Section IX TITLE TRANSFERS AND ASSUMPTIONS.

#### **III. HAZARD INSURANCE**

- A. Loans are required to have the Department listed as an Additional Loss Payee on borrower's insurance for hazard, and if required, flood coverage.
  - 1. Fire Insurance - The borrower shall maintain fire insurance on the property for the duration of the loan. This insurance must be in an amount adequate to cover all encumbrances on the property, but not less than replacement value. The insurer must identify the Department as a loss payee for the amount of the loan. The premium may be paid from the rehabilitation for the first year. A binder of insurance shall be provided to the Department.
  - 2. Flood Insurance - In areas designated as flood prone by the U.S. Department of Housing and Urban Development, the borrower is required to maintain flood insurance in an amount adequate to secure the rehabilitation loan and all other encumbrances. This policy must designate the Department as loss payee for the

amount of the loan. The premium may be paid from the rehabilitation loan for the first year. A binder of insurance shall be provided to the Department.

- B. The borrower is required to submit proof annually that the property is insured in the manner described below. Renewal notice or phone verification from the insurance company will suffice.
1. Department's staff will review insurance companies' annual statements for each current borrower regarding the status of hazard and any required flood insurance coverage and files will be checked periodically to confirm that evidence of insurance exists.
  2. Staff will also maintain a tracking/tickler system to confirm receipt of the annual verification documents. The dates of Renewal or Reinstatement will be entered into Department's loan servicing database to provide a tracking system for late or non-existing Insurance.
  3. When Notices of Cancellation or Expiration are received by the Department, an initial reminder letter will inquire about current status and to inquire whether borrower is experiencing financial hardship. A period of fifteen (15) days is given to correct the deficiencies.
  4. A Second Notice about required insurance should be mailed approximately twenty (20) days after the first. This notice informs borrower that failure to obtain the required insurance may constitute a breach of contract and warns that evidence of insurance must be received within fifteen (15) days, or their file will be forwarded to the Department's Director to determine a course of action.
  5. The two-stage notification process above allows approximately fifty (50) days for borrower to reinstate insurance. In the event the owner fails to make premium payments in a timely fashion for fire insurance or for any required flood insurance, the County, at its option, may make such payments to secure necessary protection. Should the County make any payments, the County may, upon notice to the participant, add such payments to the principal that the participant is obligated to repay the County under this program.
  6. If the borrower demonstrates the inability to maintain the required insurance, Department may offer an additional loan from current funding sources (CDBG, HOME, CDBG Program Income) to the borrower for a one-year term for the purpose of obtaining the required insurance. CalHome funding is an ineligible source of funds for this purpose.

#### IV. PROPERTY TAXES AND UTILITIES

Borrower must pay all property taxes on time. Taxes are subject to reassessment and possible increase after property has been rehabilitated. Whenever possible, borrower should set up an escrow account with their first mortgagee to budget for taxes and insurance and ensure that both are paid on time. Borrower must also pay all utility bills on time, especially in communities where sewer and water

hook-ups are limited and nonpayment would result in disconnection. Staff will verify payment of property taxes by working with the tax collectors database annually.

**V. COLLECTION AND RECEIPT OF PAYMENTS**

- A. Voluntary payments may be made on a deferred payment loan at any time without penalty in order to reduce the balance owed on the loan.
- B. All voluntary payments will be limited to one or two times per year. If the borrower would like to make monthly payments, amortized loan documents will be completed, and the file will be sent to AmeriNational Community Services. Department will track all voluntary payments on the loan spreadsheet.
- C. Staff accepts loan payments and posts the payment on the borrower's spreadsheet.
- D. Loan payments are posted to a CalHome reuse Project Ledger and spent appropriately as described in County's CalHome Reuse Plan.
- E. Loan balance is available to properly calculate payoff demands for full repayment.

**VI. NOTICE OF DEFAULT OF FORECLOSURE OR SALE OF PROPERTY**

- A. County as Junior Lien holder

It is the County's policy to prepare and record a "Request for Notice" on all senior liens (any lien prior to the County's lien) placed on properties financed by a loan or loans *through* State Housing and Community Development (HCD) programs. This document requires any senior lien holder to notify the County of initiation (recordation of a "Notice of Default") of a foreclosure, or sale of the property. The County may cancel the foreclosure by "reinstating" the senior lien holder. The reinstatement amount must be obtained by contacting the senior lien holder. This amount will include all delinquent payments, late charges, advances (hazard insurance premiums, property taxes, property protection costs, etc.), and foreclosure fees (fees for legal counsel, recordings, certified mail, etc.).

Once the County has the information on the reinstatement amount, staff must then determine if it is cost effective to protect its position by reinstating the senior lien holder, keeping them current by submitting a monthly payment thereafter, initiate foreclosure on the property with the possible result of owning the property at the completion of foreclosure, protecting the property against vandalism, and paying marketing costs (readying the home for sale, monthly yard maintenance, paying a real estate agent a sales commission).

If the County makes the determination to reinstate, the senior lien holder will accept the amount to reinstate the loan until five (5) days prior to the set "foreclosure sale date". This "foreclosure sale date" usually occurs about four (4) to six (6) months from the date of recording of the "Notice of Default". If the County fails to reinstate the senior lien holder before five (5) days prior to the foreclosure sale date, the senior lien holder would then require a full payoff of the balance, plus costs, to cancel foreclosure. If the County determines the reinstatement and



maintenance of the property is not cost effective and allows the senior lien holder to complete foreclosure, the County's loan could be eliminated due to insufficient sales proceeds.

**B. County as Senior Lien holder**

When the County is in a first position, or the senior lien holder, the assisted property and homeowner will be monitored for compliance with all loan conditions. If homeowner defaults on any conditions, attempts will be made to assist him or her in bringing and keeping the loan in compliance. If homeowners are in default on any conditions for 90 days or more at this time, the County may consider foreclosure. County staff will consider the following factors before initiating foreclosure:

- Can the loan default (brought current or paid off) by the owner without foreclosure?
- Can the owner refinance with a commercial lender and payoff the County loan?
- Can the owner sell the property and payoff the County loan?
- Does the balance warrant foreclosure? (If the balance is under \$5,000, the expense of foreclosure may not be worth pursuing.)
- Will the sales price of the home "as is" cover the principal balance owing, necessary advances (to maintain fire insurance, maintain or bring current delinquent property taxes, monthly yard maintenance, periodic inspections of the property to prevent vandalism, etc.), foreclosure, and marketing costs?

If the balance is substantial and all of the above factors have been considered, the County may decide to proceed with foreclosure. The Director of the Department will review the account and make the decision for foreclosure action. The account will also be reviewed by County Counsel. The owner must receive, by certified mail, a thirty-day notification of foreclosure initiation. This notification must include the exact amount of funds to be remitted to the County to prevent foreclosure (such as funds to pay off a DPL).

At the end of thirty days, the County may contact a reputable foreclosure service or local title company to prepare and record foreclosure documents and make all necessary notifications to the borrower and junior lien holders. The service will advise the County of all required documentation to initiate foreclosure (Note and Deed of Trust usually) and funds required from the borrower to cancel foreclosure proceedings. The service will keep the County informed of the progress of the foreclosure proceedings.

Staff will be advised to refuse any partial payments on the account. The only acceptable payment is a full payment of the amount owed, which includes fees for legal counsel and fees expended to the foreclosure service or title company to initiate foreclosure documents. If the borrower makes arrangements to pay in full, the loan is reinstated and foreclosure proceedings canceled. However, failure to pay in full will result in the completion of foreclosure, and the

property will revert to the beneficiary (the County). The County will sell the property as quickly as possible with resulting funds being utilized according to the CalHome Reuse Account Plan.

#### **VII. DEMANDS, PAYOFFS, AND RECONVEYANCES**

- A. If loan recipient desires to pay off his or her loan, staff will access the spreadsheet to ascertain information on the amount of the loan outstanding and then issue a demand for payment as required by law.
- B. Upon receipt of the demand amount in full, staff shall prepare and forward the Full Reconveyance on the property.
- C. Staff will update borrower's record in the database to show the loan as paid off and no future verifications of occupancy, income eligibility or insurance reminders will be sent.
- D. Unused funds will be credited toward principal balance upon the last payment being released. These unused funds will be put towards another CalHome project.

#### **VIII. SUBORDINATION REQUESTS**

When a borrower wishes to refinance the property, they must request subordination of County's loan. Subordination may be approved under the conditions outlined in the CalHome Program Guidelines.

#### **IX. TITLE TRANSFERS AND ASSUMPTIONS**

- A. As stated previously, County's responsibility is to ensure that households with income less than eighty percent (80%) of the County's median income continue to benefit from the projects funded by CalHome.
- B. By statute, CalHome funded loans are not assumable.
- C. There are only four types of transfers allowed under CalHome Guidelines that will not trigger repayment of the loan (these are listed in the promissory note). These transfers are allowed without regard to the income level of the person(s) to whom the property is being transferred.
  - 1. The transfer of the Property to the surviving joint tenant by devise, descent or operation of the law, on the death of a joint tenant;
  - 2. A transfer of the Property where the spouse becomes an owner of the property;
  - 3. A transfer of the Property resulting from a decree of dissolution of marriage, legal separation or from an incidental property settlement agreement by which the spouse becomes an owner of the Property; or
  - 4. A transfer to an inter-vivos trust in which the Borrower is and remains the beneficiary and occupant of the property.

Wendy Taylor

Loan Servicing Experience

Wendy Taylor has been employed with Shasta County Housing and Community Action Programs for 17 years. She has over 30 years of lending and loan servicing experience with federal and state programs including HOME, CDBG, CalHOME. Wendy has operated both homebuyer assistance and owner occupied rehabilitation programs for 17 years and is familiar with the requirements. Shasta County has purchased a loan servicing software program to assist with loan servicing requirements.

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

**BOARD MEETING DATE:** August 20, 2019

**CATEGORY:** Consent - Public Works-8.

**SUBJECT:**

Fall River Mills Airport – Hangar Lease

**DEPARTMENT:** Public Works

**Supervisory District No. :** 3

**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 and authorize the Chairman to sign a fixed hangar lease agreement with Marshall Grant for Hangar No. 9 at the Fall River Mills Airport in the amount of \$250 per month for the period September 1, 2019 through March 31, 2022.

**SUMMARY**

A lease agreement is proposed for a fixed hangar at Fall River Mills (FRM) Airport.

**DISCUSSION**

The County owns nine fixed hangars at the FRM Airport. Hangar No. 9 has been vacant for five months. A new lease is proposed for \$250 per month.

The Board may lease real property to a third party per Policy 6-101. The Board shall adopt a resolution with a property description, public notice, sealed bidding and oral bids. Airport leases are not specifically addressed. Government Code 25536 provides that the Board may lease County-owned airport property by four-fifths vote without compliance with the aforementioned notice and bidding procedures.

**ALTERNATIVES**

The Board may direct staff to seek alternate terms or decline to lease the hangar at this time.

**OTHER AGENCY INVOLVEMENT**

County Counsel has approved the lease agreement as to form. Risk Management has reviewed and approved the lease agreement. The County Administrative Office has reviewed this recommendation.

**FINANCING**

Lease revenue is included in the Adopted 2019/20 FRM Airport budget. There is no General Fund impact.

**ATTACHMENTS:**

Description	Upload Date	Description
Grant Lease Agreement	8/8/2019	Grant Lease Agreement

**FALL RIVER MILLS COUNTY AIRPORT  
FIXED HANGAR  
LEASE AGREEMENT**

THIS LEASE is entered into between the County of Shasta, a political subdivision of the State of California through the Department of Public Works ("Lessor"), and Marshall Grant, hereinafter referred to as ("Lessee").

1. DESCRIPTION:

Lessor hereby leases to Lessee and Lessee hereby leases from Lessor, that certain real property known as Hangar No. 9 or alternate space provided by Lessor and acceptable to Lessee, at the Fall River Mills County Airport, County of Shasta. See attached Exhibit A for hangar location.

2. TERM:

The premises are leased for a term commencing on **September 1, 2019 and ending on March 31, 2022**, unless terminated earlier pursuant to the provisions of this lease except that if any such date falls on a Saturday, Sunday or holiday, then this lease shall end at 12:00 p.m. on the preceding business day.

3. RENT:

A. The monthly rent of this lease is \$250.00 per month beginning on the date this lease commences. All rent payable pursuant to this lease is payable in advance to the Lessor and delivered to the Public Works Director no later than the first of each month during the term of this lease.

B. Lessee shall pay to Lessor \$50.00 as a late fee in any month where the monthly rent is not received by Lessor before the tenth of the month in which it is due. Lessor and Lessee agree that determining the amount of actual damages resulting from late payment of rent is impracticable or extremely difficult to fix and, therefore, agree that \$50.00 shall be presumed to be the amount of damage sustained by a breach of the requirement to pay rent as provided in subdivision A. of this section.

C. If the term begins (or ends) on other than the first (or last) day of the calendar month, the rent payment for the partial month shall be prorated on a per diem basis based upon the number of days of occupancy during the month.

4. USE AND OCCUPANCY:

A. Lessee is leasing the premises in its present condition as of the date of execution of this lease.



- B. Lessee shall use and occupy the premises for the sole purpose of storage of an aircraft owned by Lessee. The premises shall be used for no other purpose without the written consent of Lessor.
- C. **Lessee shall report the N number of the aircraft** stored pursuant to this lease within 5 calendar days of (1) the commencement date of this lease; or (2) storage of an aircraft with a new N number. Lessee shall report the N number of the aircraft stored pursuant to this lease on or before April 1<sup>st</sup> of each subsequent calendar year following commencement of this lease.
- D. Lessee shall not conduct or permit to be conducted any business or sale on said premises, and no overhaul or repair work, or fueling or defueling, shall take place in the hangar.
- E. **Lessee shall supply Lessor with keys or combination codes to any locks placed on entry doors.** If Lessee fails to supply Lessor with keys or combination codes, Lessor may remove and replace lock(s), at Lessee's expense, at a cost of \$100.00 per lock. No notice by Lessor is required.

5. CARE AND REPAIR OF PREMISES:

Lessee shall not commit, or allow to be committed, any waste upon said premises or any nuisance or other act which may disturb the quiet enjoyment of any other hangar tenant. Lessee agrees to keep the premises air and water tight during the tenancy. Lessee shall immediately repair any damage to the premises caused by Lessee or Lessee's agents, employees, visitors, or licensees.

6. TERMINATION:

- A. After the original term of this lease, Lessee agrees to vacate the premises peaceably, and any holding over shall be on a month-to-month tenancy at the then lease rate, and all other provisions of this lease shall remain in full force and effect on a month-to-month tenancy unless and until either party gives thirty (30) days written notice to the other, and Lessee's tenancy shall terminate thirty (30) days following the last day of the month in which such notice is given.
- B. In the event that Lessee ceases to use the hangar for aircraft storage for a continuous period of six (6) months, Lessor shall be entitled to terminate the lease in accordance with the notice set forth in subsection 6.A. of this lease.
- C. Lessor shall have the right to terminate this lease upon thirty (30) days written notice. Lessor's right to terminate this lease or accept Lessee's surrender of the premises may be exercised by the Shasta County Board of Supervisors, Shasta County Executive Officer or his or her designee or the Lessor's Public Works Director.

- D. Upon termination of this lease, any personal property found in the leased hangar space may be stored by the Lessor for not in excess of thirty (30) days after notice and all costs of storage shall be paid by Lessee. Property not claimed by Lessee within the thirty (30) day period may be disposed of by Lessor without any obligation to deliver the property to Lessee or to reimburse Lessee for the value thereof. In the alternative, Lessor may sell all such property and offset any amounts due Lessor against the proceeds of such sale. Costs of disposal or sale shall be paid by Lessee.

7. ALTERATIONS:

- A. Lessee, with Lessor's prior written consent, may make any alterations to the premises, or any part thereof that Lessee deems appropriate and necessary. All improvements made by Lessee to the premises which are attached to the premises so that they cannot be removed without material injury to the premises shall become the property of Lessor upon installation. Not later than the last day of the term, Lessee shall, at Lessee's expense, remove all of Lessee's personal property and other improvements made by Lessee which have not become the property of Lessor including, but not limited to, trade fixtures, cabinet work, moveable paneling, partitions and the like; repair all injury done or in connection with the installation or removal of such property and improvements and surrender the premises in as good a condition as it was at the beginning of the term. Reasonable wear and damage not due to the misuse or neglect of Lessee or Lessee's agents, employees, visitors, or licensees is excepted.
- B. Lessor reserves the exclusive rights to the structural parts and surfaces of the premises, and Lessee shall not place, or permit to be placed, upon any part of said premises any picture, sign, marquee or appurtenance which advertises or communicates any content, either verbal or pictorial, which is visible from the outside of the hangar space. Lessor may enter upon said premises and remove the same if Lessee violates this provision.

8. GOVERNMENTAL REQUIREMENTS:

Lessee shall, at its sole cost and expense, comply with the laws, regulations, or ordinances of all municipal, state and federal authorities now in force, or which may hereafter be in force pertaining to the premises, occasioned by or affecting the use to which the premises are to be put by Lessee.

9. ASSIGNMENT AND SUBLETTING:

Lessee shall not assign this lease, or any interest therein, and shall not lease or sublet the premises, or any part thereof, or any right or privilege appurtenant thereto, without the written consent of Lessor. Consent to one assignment or subletting shall not be construed as consent to any subsequent assignment or subletting. Unless such consent has been obtained, any assignment or transfer, or attempted assignment or transfer of this lease or any interest herein, or subletting, either by voluntary or involuntary act of Lessee, or by

operation of law or otherwise, shall, at the option of Lessor, terminate this lease, and any such purported assignment, transfer or subletting without such consent shall be null and void.

10. INDEMNITY:

Lessee shall indemnify and hold Lessor harmless from and defend against any and all claims, suits, actions, costs, expenses (including but not limited to reasonable attorney's fees of Lessor Counsel and counsel retained by Lessor, expert fees, litigation costs, and investigation costs), damages, judgments or decrees for any injury, death, or damage to any person or property occurring in, on, or about the premises when such injury, death, or damage is caused in part or in whole by the neglect, fault, or omission of any duty with respect to the same by Lessee, its agents, contractors, subcontractors or employees except when the injury or loss is caused by the sole negligence or intentional wrongdoing of Lessor. Lessee shall further indemnify and hold Lessor harmless from and against any and all claims, suits, actions, costs, expense (including but not limited to reasonable attorney's fees of County Counsel and counsel retained by Lessor, expert fees, litigation costs, and investigation costs), damages, judgments or decrees arising from any breach or default in the performance of any obligation on Lessee's part to be performed under the terms of this lease, or arising from any negligence or wrongdoing of Lessee, or any of its agents, contractors, subcontractors or employees. If an action or proceeding is brought against Lessor by reason of any such claim, Lessee, upon notice from Lessor, shall defend the same at Lessee's expense provided, however, that Lessee shall not be liable for damage or injury occasioned by the sole active or sole passive negligence or intentional acts of Lessor or its agents or employees. Lessor shall be required to provide notice to the Lessee within 10 days of receipt or notice of any claim.

11. INSURANCE:

A. Lessee shall obtain, from an insurance carrier authorized to transact business in the State of California, and maintain continuously during the term of this lease and any extension of this lease:

1. A policy of Airport Premises Liability Insurance for the building and premises with limits of no less than \$1 million per occurrence.
2. If Lessee is operating aircraft, a policy of Aircraft Liability Insurance coverage with limits of no less than \$1 million per occurrence.
3. If Lessee is storing third-party aircraft, a policy of Hangarkeepers' Liability Insurance coverage, with limits of no less than \$1 million per occurrence.
4. If Lessee is operating a flight school or flying club, conducting aircraft fueling or refueling operations, a policy of Comprehensive Airport Liability Insurance coverage, including coverage for owned and non-

owned aircraft, with limits of no less than \$1 million per occurrence and \$3 million aggregate.

B. With regard to all insurance coverage required by this agreement:

1. Any deductible or self-insured retention exceeding \$25,000 for Lessee shall be disclosed to and be subject to approval by the Lessor's Risk Manager prior to the effective date of this lease.
2. Lessee shall provide Lessor an endorsement or amendment to Lessee's policy of insurance as evidence of insurance protection before the effective date of this lease. The endorsement or amendment shall name Lessor, its elected officials, officers, employees, agents, and volunteers as additional insureds. If the endorsement or amendment does not reflect the limits of liability provided by the policy, Lessee shall also provide Lessor a certificate of insurance reflecting those limits.
3. The insurance coverage required by this lease shall be in effect at all times during the terms of this lease. In the event any insurance coverage expires at any time during the term of this lease, Lessee shall provide, 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 lease or for a period of not less than one year. In the event Lessee 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 lease, Lessor may, in addition to any other remedies it may have, terminate this lease upon 30 days' notice.

C. Lessee releases Lessor from liability for loss or damage covered by Lessee's fire and extended insurance coverage and waives subrogation rights of the insurer.

12. DAMAGES:

Lessee, as a material part of the consideration to be rendered to Lessor under this lease, hereby waives all claims against Lessor for damages to goods, wares and merchandise in, upon, or about the premises, and for injuries to persons in or about said premises, from any cause other than Lessor's sole negligence or intentional wrongdoing.

13. CONDITION OF PREMISES:

On the last day of the term or upon earlier termination of this lease, Lessee shall peaceably and quietly leave; surrender and yield up to Lessor said premises in good order, condition and repair, reasonable use and wear thereof excepted.

14. DEFAULT:

If either the Lessor or Lessee fails to comply with any of the material provisions of this lease, notice of such default shall be served on the defaulting party pursuant to the notice provisions of Section 20 of this lease and the defaulting party shall have ten (10) days from receipt of the notice of default to cure said breach. In the event the default is not cured within the ten (10) day period, the noticing party may terminate the lease.

15. RIGHT OF ENTRY:

Lessee shall permit Lessor and its employees or agents to enter into and upon the premises at all reasonable times for the purpose of inspecting the same or for the purpose of maintaining the building in which the hangar is situated and for the purpose of making repairs or alterations. The Lessee shall supply Lessor with keys to any locks placed on entry doors.

16. TAX LIABILITY:

Pursuant to Revenue and Taxation Code § 107.6, Lessee is advised that a possessory interest subject to property taxation may be created by Lessee's acceptance of this lease. Lessee shall be responsible for and pay possessory interest tax and other taxes as may be applied to or result from this lease.

17. GOVERNING LAW:

All questions with respect to construction of this lease and the rights and liabilities of the parties hereto shall be governed by the laws of the State of California. Any litigation shall be venued in Shasta County.

18. INUREMENT:

Subject to the restrictions on assignments as herein contained, this lease shall inure to the benefit of, and shall be binding upon the assigns, successors in interest, personal representatives, estates, and heirs of the respective parties hereto.

19. ENTIRE DOCUMENT:

A. This lease constitutes the entire agreement between the parties pertaining to the subject matter contained in it as it relates to all prior and contemporary agreements, representations, and understandings of the parties. No supplement, modification, or amendment of this lease shall be binding unless executed in writing by all of the parties.

B. No waiver of the provisions of this lease shall be deemed, or shall, constitute a waiver of any other provision, nor shall it be binding unless executed in writing by the party making the waiver.

- C. Minor amendments which do not result in substantial or functional change to the original intent of this lease and do not cause a decrease in the maximum amount payable under it may be agreed to in writing between Lessee and the Lessor's Public Works Director.

20. NOTICES:

All notices required by law or by this lease to be given to either party may be given personally or by depositing the same in the United States mail, postage prepaid, and addressed to either party as set forth below and, in that event, notice shall be deemed to have been given three days after mailing.

If to Lessor: Shasta County Department of Public Works  
1855 Placer Street  
Redding, CA 96001  
(530) 225-5661; Fax (530) 225-5667

If to Lessee: Marshall Grant  
10860 Pine Cone Drive  
Truckee, CA 96161  
(916) 315-1336

21. ATTORNEY FEES:

If any legal action is brought by either party hereto for the enforcement or interpretation of this lease, for remedy due to its breach, recovery of the premises or in any other way arising from the terms of this lease, the prevailing party shall be entitled to recover reasonable attorney fees (including fees of County Counsel), costs and other litigation expenses which shall become a part of any judgment in the action.

22. SEVERABILITY:

If any portion of this lease 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 lease, or the application thereof, shall not be invalidated there and shall remain in full force and effect to the extent that the provisions of this lease are severable.

***SIGNATURE PAGE FOLLOWS***



IN WITNESS WHEREOF, the parties have executed this lease on the dates set forth below. By their signatures below, each signatory represents that he/she has the authority to execute this lease 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:  
RUBIN E. CRUSE, JR.  
County Counsel

RISK MANAGEMENT APPROVAL

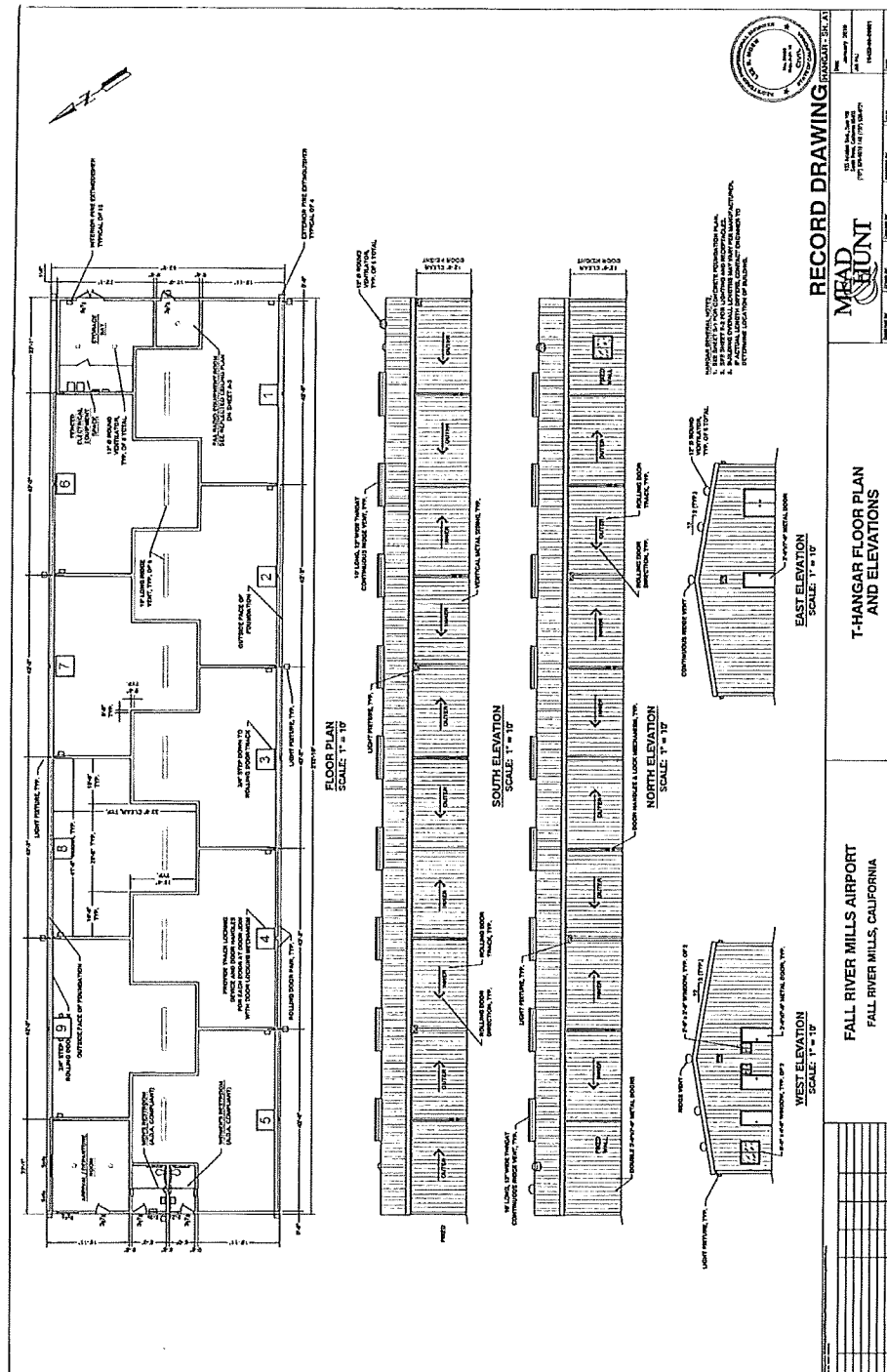
By: David M. Yorton, Jr. 8/7/19  
David M. Yorton, Jr.  
Senior Deputy County Counsel

By: James Johnson 08/07/19  
James Johnson  
Risk Management Analyst III

LESSEE

By: Marshall Grant  
Print Name: Marshall Grant  
Date: 8/1/19  
Aircraft N Number: 58596

EXHIBIT A



REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

**BOARD MEETING DATE:** August 20, 2019

**CATEGORY:** Consent - Resource Management-9.

**SUBJECT:**

Retroactive agreement with SHN Consulting Engineers and Geologists, Inc. for the Final Environmental Impact Report for the Tierra Robles Planned Development Project.

**DEPARTMENT:** Resource Management

**Supervisory District No. :** 3 and 4

**DEPARTMENT CONTACT:** Paul A. Hellman, Director of Resource Management (530) 225-5789

**STAFF REPORT APPROVED BY:** Paul A. Hellman, Director of Resource Management (530) 225-5789

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. in an amount not to exceed \$40,000 to provide planning support services related to completion of the Final Environmental Impact Report for the Tierra Robles Planned Development Project for the period March 19, 2019 through December 31, 2019.

**SUMMARY**

N/A

**DISCUSSION**

The Department of Resource Management entered into an agreement with Kimley-Horn and Associates (EIR Consultant) to prepare an Environmental Impact Report (EIR) for the Tierra Robles Planned Development Project (Project), a 166-lot single-family residential development on an approximately 715-acre site located between the unincorporated communities of Bella Vista and Palo Cedro. Subsequent to the execution of the agreement between the County and the EIR Consultant, Bruce Grove, Project Manager, terminated employment with the EIR Consultant and commenced employment with SHN Consulting Engineers and Geologists, Inc. (SHN). As a result of the numerous comment letters received on the Draft and Final EIR's, it was determined that the scope of work for the EIR Consultant's PSA was in need of amendments. Rather than amending the EIR Consultant's agreement, it was determined that it would be more appropriate for the County and SHN to enter into a separate agreement for this additional work since it would be performed and managed by Mr. Grove as an employee of SHN. The proposed agreement would allow SHN to provide planning support services related to completion of the Final EIR, including payment of compensation for services rendered by SHN during the retroactive term of the agreement. If the Board approves the agreement, SHN will be compensated for services rendered and will continue providing support

services related to the completion of the Final EIR. All compensation for services rendered will be paid by the applicant in accordance with the terms of the existing agreement between the County and 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 SHN 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 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 agreement, 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. Any proposed increase in SHN's compensation would require an amendment to the proposed agreement . The County administrative costs of preparing an amendment and amended cost of SHN’s agreement would be the sole responsibility of the applicant.

**ATTACHMENTS:**

Description	Upload Date	Description
SHN Agreement - Tierra Robles	8/12/2019	SHN Agreement - Tierra Robles

**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 related to completion of the Final Environmental Impact Report for the Tierra Robles Planned Development Project (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 related to the Final Environmental Impact Report for the Tierra Robles Planned Development Project (FEIR), including but not limited to the following tasks:
    - (a) Preparation of the Mitigation and Monitoring Program, Responses to Comments, and Executive Summary (including Errata to the Draft EIR Text).
    - (b) Assist County as requested to address comments regarding the FEIR received subsequent to the completion of the FEIR.
    - (c) Prepare CEQA findings and a statement of overriding considerations in accordance with CEQA Guidelines sections 15091 and 15093.
    - (d) Attend Planning Commission and Board of Supervisors meetings for the purpose of making presentations to and responding to questions from these bodies.

**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 sum not to exceed \$40,000 for all services described in this agreement satisfactorily provided and all costs incurred by Consultant in

satisfactorily providing the services described herein at the rates described in Exhibit A 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.**

Consultant shall submit to Resource Management Department, Deputy Director – Administration, on or before the 10<sup>th</sup> of 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.

**Section 5. TERM OF AGREEMENT.**

This agreement shall commence on March 19, 2019 and shall end on December 31, 2019.

**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: Paul Hellman, Director of Resource Management  
Shasta County Resource Management Department  
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: 8/9/19

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

By: \_\_\_\_\_  
James R. Ross  
Assistant County Counsel

**RISK MANAGEMENT APPROVAL**

Date: 8/9/19

By: \_\_\_\_\_  
James Johnson, Risk Management Analyst III

**CONSULTANT**

Date: 8/8/19

By: \_\_\_\_\_  
MARK CHANEY, Principal Scientist

Tax I.D.#: 94-2571944

**EXHIBIT A**  
**PAYMENT SCHEDULE**

1. The hourly rates for personnel providing the services described in this agreement are:

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
  
2. Notwithstanding anything to the contrary, payment of Consultant's monthly itemized statement or invoice of services pursuant to this agreement shall be limited to:
  - A. Up to \$30,000 for those billing cycles from commencement of the contract through attendance at the Planning Commission hearing on the Final EIR.
  - B. \$5,000 following attendance at the Planning Commission hearing on the Final EIR through submittal of the CEQA Findings and Statement of Overriding Considerations to the Board of Supervisors.
  - C. \$5,000 upon attendance at the Board of Supervisors meeting on the Final EIR.

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 not to exceed amount.

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

**BOARD MEETING DATE:** August 20, 2019

**CATEGORY:** Consent - Resource Management-10.

**SUBJECT:**

Amendment to the agreement with Kimley-Horn and Associates, Inc. for the Tierra Robles Planned Development Project.

**DEPARTMENT:** Resource Management

**Supervisory District No. :** 3 and 4

**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 an amendment, effective date of signing, to the agreement with Kimley-Horn and Associates, Inc., with no change in compensation to prepare environmental documents for the Tierra Robles Planned Development Project which extends the term of the agreement to December 31, 2019, or certification of the Final Environmental Impact Report and acceptance by County of the Final Mitigation Monitoring and Reporting Program, whichever occurs first.

**SUMMARY**

N/A

**DISCUSSION**

The County entered into an agreement (Agreement) with Kimley-Horn and Associates, Inc. (Kimley-Horn) on November 3, 2015 for the purpose of preparing environmental documents for the Tierra Robles Planned Development Project (Project), consisting of a 166-lot single-family residential development on an approximately 715-acre site located between the unincorporated communities of Bella Vista and Palo Cedro.

The first amendment to the Agreement was entered into on May 22, 2018 to increase compensation for the services to be provided, to modify the term of the Agreement, and to add services to be provided. The term of the Agreement commenced on November 3, 2015 and ended on June 30, 2019 since the Final Environmental Impact Report (EIR) had not been certified and the Final Mitigation Monitoring and Reporting Program (MMRP) had not been accepted by that date. Kimley-Horn has continued to prepare environmental documents for the Project subsequent to June 30, 2019.

The proposed amendment would extend the term of the Agreement to December 31, 2019 or certification of the Final EIR and acceptance by the County of the Final MMRP, whichever occurs first, to allow for Kimley-Horn to complete the scope of work of the Agreement to the greatest extent possible.

An agreement with SHN Consulting Engineers and Geologists, Inc. to provide planning support services related to completion of the Final EIR for the Project is proposed as a separate agenda item.

**ALTERNATIVES**

The following alternatives are available: (1) Choose not to approve the amendment to the Agreement, which would not allow for Kimley-Horn to invoice the County for any work performed after June 30, 2019; or (2) ask for more information or request changes to the Second Amendment to the Agreement; or (3) take no action.

**OTHER AGENCY INVOLVEMENT**

County Counsel has approved the amendment to the agreement as to form. Risk Management has reviewed and approved the amendment to 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 approving this amendment to the agreement. Costs of the proposed amendment to the agreement, including any associated County administrative costs, would be borne entirely by the applicant in accordance with the funding agreement executed between the County and the Project Applicant. Any proposed increase in consultant compensation would require a subsequent amendment to the agreement. The County administrative costs of preparing an amendment and amended cost of Kimley-Horn’s Agreement would be the sole responsibility of the Project Applicant.

**ATTACHMENTS:**

Description	Upload Date	Description
Second Amendment to Agreement	8/9/2019	Second Amendment to Agreement

**SECOND AMENDMENT TO THE AGREEMENT BETWEEN  
THE COUNTY OF SHASTA AND KIMLEY-HORN AND ASSOCIATES, INC.,  
FOR THE PURPOSE OF PREPARING ENVIRONMENTAL DOCUMENTS  
FOR THE TIERRA ROBLES PROJECT**

This Second Amendment 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 Kimley-Horn and Associates, Inc., a North Carolina corporation (“Consultant”).

**RECITALS**

WHEREAS, County and Consultant have previously entered into an agreement on November 3, 2015 for the purpose of preparing environmental documents for the Tierra Robles project (the “Original Agreement”); and

WHEREAS, County and Consultant entered into the First Amendment to the Agreement on May 22, 2018 to increase compensation for the services to be provided, to modify the term of the Agreement, and to add services to be provided (the “First Amendment”); and

WHEREAS, the Original Agreement and the First Amendment shall be referred to as the “Agreement”; and

WHEREAS, County and Consultant desire to further modify the term of the Agreement.

NOW, THEREFORE, the Agreement is amended as follows:

I. Section 5, “Term of Agreement” is amended to read in its entirety as follows:

5. **TERM OF AGREEMENT**

This agreement shall commence on November 3, 2015, and shall end upon: (1) certification of the Final EIR and acceptance by County of the Final MMRP, or (2) December 31, 2019, whichever first occurs.

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 Consultant.

IV. **EFFECTIVE DATE**

Unless otherwise provided, this Second Amendment shall be deemed effective as of the last date it is signed by both Parties.

**IN WITNESS WHEREOF**, the Parties hereto have executed this Second Amendment to the Agreement. By their signatures below, each signatory represents that he/she has the authority to execute this Second 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

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Deputy

Date: \_\_\_\_\_

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

By: \_\_\_\_\_  
James R. Ross  
Assistant County Counsel

**CONSULTANT**

Kimley-Horn and Associates, Inc.,  
A North Carolina Corporation  
Federal Tax ID # 56-0885615

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Matthew Weir, Vice President

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Alex Jewell, Assistant Secretary



REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

**BOARD MEETING DATE:** August 20, 2019

**CATEGORY:** Consent - Resource Management-11.

**SUBJECT:**

First amendment to agreement with Fountain Wind, LLC for the Fountain Wind Project.

**DEPARTMENT:** Resource Management

**Supervisory District No. :** 3

**DEPARTMENT CONTACT:** Paul A. Hellman, Director of Resource Management (530) 225-5789

**STAFF REPORT APPROVED BY:** Paul A. 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 an amendment to the agreement with Fountain Wind, LLC to consent to and allows for Fountain Wind, LLC to receive and assume all rights, duties, and obligations of the agreement between the County of Shasta and Pacific Wind, LLC effective the date the County receives a fully executed Assignment Agreement.

**SUMMARY**

N/A

**DISCUSSION**

The Department of Resource Management is currently in contract with Environmental Science Associates (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 County and Pacific Wind Development, LLC (Applicant), on November 13, 2018, executed an agreement (Applicant Agreement) that set forth the rights, duties, and obligations of the Applicant with respect to the preparation of the EIR, including the obligation to provide funds to compensate the Consultant and pay administrative costs incurred by the County. The Applicant Agreement prohibits the Applicant from assigning its interest therein to another party without prior written consent from the County.

On July 22, 2019, the Applicant requested consent to assign its interest in the Project to Fountain Wind, LLC (Proposed Applicant) which was formed as a project specific entity for the purpose of continuing the Project application and EIR processes. The Applicant and Proposed Applicant are both subsidiaries of Avangrid Renewables, LLC.

If the proposed amendment to the Applicant Agreement is approved by the Board, it would serve as the required written consent and allow the Applicant to assign all rights, duties, and obligations of the Applicant Agreement to the Proposed Applicant. The proposed amendment would be deemed effective upon the County's receipt of an assignment

document executed between the Applicant and Proposed Applicant.

**ALTERNATIVES**

The following alternatives are available: (1) Choose not to approve the proposed amendment; (2) ask for more information or request changes to the proposed amendment; or (3) take no action.

**OTHER AGENCY INVOLVEMENT**

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

**FINANCING**

No additional impact to the General Fund is anticipated as a result the Amendment. Costs of the Applicant Agreement, including any associated County administrative costs, would be entirely provided by the Applicant until such time as the County receives a copy of the Assignment, after which the Proposed Applicant would assume all rights, duties, and obligations of the Applicant Agreement, including payment of associated costs.

**ATTACHMENTS:**

Description	Upload Date	Description
Applicant Agreement	8/12/2019	Applicant Agreement
First Amendment to Applicant Agreement	8/12/2019	First Amendment to Applicant Agreement
Applicant Request for Consent to Assign Interest in Applicant Agreement	8/12/2019	Applicant Request for Consent to Assign Interest in Applicant Agreement

**AGREEMENT BETWEEN THE COUNTY OF SHASTA AND  
PACIFIC WIND DEVELOPMENT, LLC TO PROVIDE FUNDING FOR PREPARATION  
OF ENVIRONMENTAL DOCUMENTS FOR THE  
FOUNTAIN WIND PROJECT**

This agreement is entered into between the County of Shasta ("County"), a political subdivision of the State of California, through its Department of Resource Management ("Resource Management") and Pacific Wind Development, LLC, a California limited liability company ("Applicant") for the purpose of providing funding for an Environmental Impact Report ("EIR"), and associated Mitigation Monitoring and Reporting Plan ("MMRP") for the Fountain Wind ("Project") to be prepared by Environmental Science Associates, a California Corporation, ("Consultant") pursuant to a separate written agreement between County and Consultant (the "Consultant Contract.")

**Section 1.     RESPONSIBILITIES OF APPLICANT.**

Pursuant to the terms and conditions of this agreement, Applicant shall:

- A.     Furnish to County all information reasonably necessary to facilitate fulfillment of the Consultant Contract and completion by Consultant of the EIR and MMRP for the Project, including but not limited to the following biological and environmental survey reports:

Site Characterization Study  
Nocturnal Migrant Memo  
Rare Plant/ Natural Vegetation Community Mapping  
Avian Use Survey  
Bat Acoustic Survey  
Raptor Nest Surveys  
Foothill yellow-legged frog and Cascades frog habitat assessments and surveys 2018  
Willow Flycatcher Memo  
Northern Goshawk Memo  
Great Gray Owl Memo  
Visual Resource Analysis  
Phase 1a cultural  
Phase 1b cultural  
Jurisdictional Waters Delineation  
Sound Analysis

- B.     Submit finalized biological and environmental survey reports on or before the date of the Kick-Off meeting.
- C.     For reports which are not able to be finalized by the date of the kick off meeting, such reports shall be submitted on or before December 31, 2018.
- D.     Cause funds to be deposited with County in accordance with Section 3 of this Agreement.

**Section 2.     RESPONSIBILITIES OF COUNTY.**

Pursuant to the terms and conditions of this agreement, the County will be responsible for administration of the Consultant Contract, and review of the documents produced by Consultant. On a quarterly basis, any costs incurred by County shall be deducted from the Agreement Deposits (as defined in section 3.G) and an accounting status of the Agreement Deposits shall be provided to the Applicant. In the case of costs expended against billings from Consultant, the amount of such billing statements shall be provided to the Applicant on a quarterly basis. The Applicant shall not be entitled to any detail revealing the substantive contents, or "detail of billings" pertaining to advisement to the County by Consultant's attorney(s) or County's attorney(s), but shall be entitled to an accounting of the total amounts paid to such attorneys or reimbursement to the County General Fund for the provision of legal advice by County Counsel.

**Section 3.     DEPOSITS AND COSTS.**

- A.     Applicant shall, at any time prior to the commencement of preparation of the EIR and MMRP, make an initial deposit (the "Initial Administration Deposit") with Resource Management of \$20,000 for the administration of the Consultant Contract, the environmental review process for the Project, and the processing of the land use applications for this Project. County acknowledges that Applicant paid the Initial Administration Deposit in full on September 5, 2017. At any time prior to the commencement of preparation of the EIR and MMRP, Applicant shall make an additional deposit of \$379,324.80, which is 80 percent of the total contract price for preparation of the EIR and MMRP pursuant to the Consultant Contract. Prior to Consultant starting preparation of the Final EIR and MMRP, Applicant shall make an additional deposit of \$94,831.20, which is 20 percent of the total contract price for preparation of the EIR and MMRP pursuant to the Consultant Contract. The deposits of \$379,324.80 and \$94,831.20, shall be collectively referred to as the "Contract Deposits."
- B.     County and Applicant agree that the Contract Deposits of \$474,156 and the Initial Administration Deposit of \$20,000 constitute only preliminary estimates of the costs associated with the preparation of the EIR, MMRP, and related administration costs and that additional deposits ("Additional Deposits") related to the Consultant Contract costs and County's administrative costs may be required by County in the future to complete the EIR, the MMRP, the environmental review process for the Project, and the processing of the land use applications for the Project.
- C.     The withdrawal of funds by County from the Agreement Deposits shall include costs of administrative review, consulting fees, legal review costs, and any other actual costs incurred in relation to the Consultant Contract, the EIR preparation, the MMRP preparation, the environmental review process for the Project, and the processing of the land use applications for the Project. Costs shall include the total dollar amount of all County personnel time (computed on the basis of hours spent multiplied by the salary and benefit rate paid by the County); all fees and costs charged by Consultant and contract personnel; amounts expended for legal fees, photocopies, telephone calls, fax charges, postage, trip expenses; and any and all other costs incurred or expended



by the County in direct connection with the Project.

- D. Applicant shall be responsible for paying to County all of the County's costs (including, but not limited to, legal fees) related to preparation of the EIR and MMRP, environmental review process, the Consultant Contract, administration of the Consultant Contract for the Project and the processing of the land use applications for the Project. In the event that costs exceed, or in the opinion of the County's Environmental Review Officer (ERO) are expected to exceed, the amount of the deposits as prescribed in Section 3.A., above, County shall make a written request for an additional deposit of funds ("Additional Deposits") to cover such costs, or may bill Applicant for costs accrued but unpaid, or both. In the event Applicant refuses to make deposits or pay costs incurred, County may close the Project application processing and may seek recovery from Applicant for all costs incurred, and Applicant's rights and responsibilities shall be governed under section 3.E of the Agreement.
- E. In the event Applicant does not make deposits as requested or pay costs incurred pursuant to the terms hereof, the processing of the EIR and MMRP for the Project may be suspended by County. The refusal or failure to make a requested deposit or pay costs incurred within 45 days after written request therefore shall constitute an abandonment of the Project by Applicant and shall terminate all processing of the EIR, MMRP, and land use applications for the Project. County shall not be liable for such termination.
- F. If the actual costs of the County (including, but not limited to, legal fees) related to preparation of the EIR, the preparation of the MMRP, environmental review process, the Consultant Contract, administration of the Consultant Contract for the Project, and the processing of the land use applications for the Project, are less than the Agreement Deposits, the excess amount will be returned to Applicant.
- G. For the purposes of this Agreement, the Contract Deposits, the Initial Administration Deposit, and the Additional Deposits, may be referred to collectively as the "Agreement Deposits."

**Section 4. TERM OF AGREEMENT.**

This agreement shall commence as of the last date it has been signed by both Parties and shall terminate upon expiration all applicable statutes of limitation related to third party challenges to certification of the Final EIR, third party actions concerning the MMRP, and third party actions concerning the land use applications or entitlements for the Project.

**Section 5. TERMINATION OF AGREEMENT.**

- A. If Applicant materially fails to perform Applicant's responsibilities under this agreement to the satisfaction of County, or if Applicant fails to fulfill in a timely and professional manner Applicant's responsibilities under this agreement, or if Applicant 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 Applicant. If termination for cause is given by County

to Applicant and it is later determined that Applicant 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. County shall pay Consultant from the funds deposited by Applicant, for all work satisfactorily completed as of the date of such notice.

- B. County may terminate this agreement without cause on 10 days written notice to Applicant. County shall pay Consultant from the funds deposited by Applicant, for all work satisfactorily completed as of the date of such notice.
- C. County may terminate this agreement upon 10 business days written notice should funding cease or be materially decreased due to insufficient funds in the Agreement Deposits. Applicant shall have the right to cure such deficiency within said ten-day period and thereby reinstate the agreement.
- D. Either party may terminate this agreement on 30 days written notice. County shall pay Consultant from the funds deposited by Applicant for all work satisfactorily completed as of the date of such notice.
- E. Should this Agreement be terminated, County shall pay Consultant from the Agreement Deposits for all work satisfactorily completed as of the date of such notice. Should the amount in the Agreement Deposits not be sufficient to pay Consultant in full, then Applicant shall pay to County the balance of the amount due Consultant within 30 days of the date County mails or personally delivers demand for such payment to the Applicant. For the purposes of paying Consultant in full, this provision shall survive the termination, expiration, or cancellation of this Agreement.
- F. County's right to terminate this agreement may be exercised by the Shasta County Board of Supervisors, by County's Director of Resource Management or his/her designee, or by County's Administrative Officer or his/her designee.

**Section 6. 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. Applicant shall be entitled to no other benefits other than those specified herein. Applicant specifically acknowledges that in entering into and executing this agreement, Applicant 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 Applicant and the Director of Resource Management, 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.

**Section 7. NONASSIGNMENT OF AGREEMENT; NON-WAIVER.**

Inasmuch as this agreement is intended to secure funding by Applicant for an EIR, and associated MMRP for the Project – to be prepared by Consultant, Applicant 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 8. INDEMNIFICATION.**

- A. To the fullest extent permitted by law, Applicant shall defend, indemnify, and hold harmless County, its elected officials, officers, employees, attorneys, agents, volunteers, and Boards Commissions 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 any claim, action, or proceeding brought by third parties to attack, set aside, void, or annul County's approval of the Project and/or approval or certification of the environmental documents appurtenant to the Project. This obligation to defend, indemnify, and hold harmless shall include, but not be limited to, damages, costs, expenses, attorneys' fees (including, but not limited to, attorneys' fees of County Counsel and counsel retained by County expert fees, litigation costs, and investigation costs), and expert witness fees, whether or not there is or has been concurrent passive or active negligence on the part of County, its elected officials, officers, employees, attorneys, agents, volunteers, and Boards Commissions.
- B. County shall promptly notify Applicant of any such claim, action, or proceeding and County shall cooperate fully in the defense. Furthermore, nothing set forth in this agreement shall prohibit County from participating in the defense of any claim, action, or proceeding if County elects to. The provision shall survive the termination, expiration or cancellation of this Agreement.

**Section 9. APPLICABLE LAW; VENUE.**

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 10. 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: Paul A. Hellman  
Director of Resource Management  
1855 Placer Street, Suite 201  
Redding, CA 96001

If to Applicant: Pacific Wind Development, LLC  
1125 NW Couch Street, Suite 700  
Portland, Oregon 97209

- B. 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 Shasta County Board of Supervisors, by County Director of Resource Management or his/her designee, or by County Executive Officer or his/her designee.

**Section 11. 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 Civil Code section 1654.

**Section 12. 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 13 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 14. 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.

**Section 15. AGREEMENT EXECUTION:**

This agreement may be executed in one or more counterparts, all of which taken together, shall constitute one and the same instrument when each Party has signed at least one counterpart. Facsimile signatures or signatures transmitted via pdf document shall be treated as originals for all purposes.

IN WITNESS WHEREOF, County and Applicant 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: NOV 13 2018



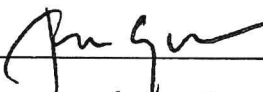

LES BAUGH, Chairman  
Board of Supervisors,  
County of Shasta  
State of California

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

By:   
DEPUTY

APPLICANT  
Pacific Wind Development, LLC

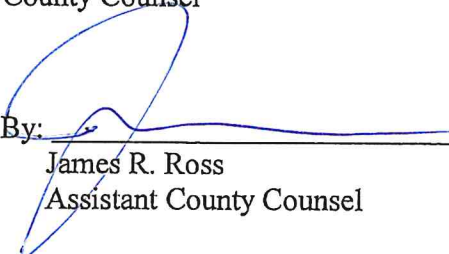
Date: 11/05/18

  
Jesse Gronner  
Authorized Representative  
  
Paul Dixon  
Authorized Representative


LEGAL  


Approved as to form:

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

**FIRST AMENDMENT TO THE AGREEMENT BETWEEN  
THE COUNTY OF SHASTA AND PACIFIC WIND DEVELOPMENT, LLC TO  
PROVIDE FUNDING FOR PREPARATION OF ENVIRONMENTAL DOCUMENTS  
FOR THE FOUNTAIN WIND PROJECT**

This First Amendment ("First Amendment") is entered into between the County of Shasta ("County"), a political subdivision of the State of California, and Fountain Wind LLC, a Delaware limited liability company, ("Fountain Wind"), as the successor in interest of Pacific Wind Development, LLC, a California limited liability company ("Applicant").

**RECITALS**

WHEREAS, County and Applicant previously entered into an agreement that commenced on November 13, 2018 (the "Agreement"), to provide for the purpose of providing funding for planning support services to be provided by SHN Consulting Engineers and Geologists for the preparation of the Fountain Wind Project Environmental Impact Report pursuant to a separate written agreement between County and SHN Consulting Engineers and Geologists; and

WHEREAS, Fountain Wind is the successor in interest of Applicant, as achieved through that certain assignment document set forth on Exhibit A, attached hereto and incorporated herein (the "Fountain Wind Assignment"); and

WHEREAS, the Agreement requires the consent of County to any assignment, transfer, delegation, or sublet of any interest by Applicant to another party; and

WHEREAS, Fountain Wind seeks to assume all rights, duties, and obligations of Applicant under the Agreement; and

WHEREAS, County's acknowledgement of and consent to the assumption by Fountain Wind of all rights, duties, and obligations of Applicant under the Fountain Wind Assignment does not constitute a review of nor an opinion about the legal sufficiency or effect of the Fountain Wind Assignment; and

WHEREAS, County and Fountain Wind desire to execute this First Amendment to memorialize the receipt and assumption by Fountain Wind of all of the rights, duties, and obligations under the Agreement.

NOW, THEREFORE, the parties agree and the Agreement is amended as follows:

- I. Upon the Effective Date of this First Amendment, Fountain Wind shall receive and assume all rights, duties, and obligations under the Agreement.
- II. Upon the Effective Date of this First Amendment, throughout the Agreement, all references to Applicant shall be replaced by a reference to Fountain Wind.
- III. Section 10, "Notices," of the Agreement is amended in its entirety upon the Effective Date of this First Amendment to read as follows:

**Section 10. 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: Paul A. Hellman  
Director of Resource Management  
1855 Placer Street, Suite 201  
Redding, CA 96001

If to Pacific Wind: Pacific Wind Development, LLC  
1125 NW Couch Street, Suite 700  
Portland, Oregon 97209

If to Fountain Wind:  
or "Applicant" (after  
the Effective Date) Fountain Wind LLC  
Attn: Land Management  
1125 NW Couch Street, Suite 700  
Portland, Oregon 97209

Copy To:

Fountain Wind LLC  
Attn: Contracts Administration  
1125 NW Couch Street, Suite 700  
Portland, Oregon 97209

- B. 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 Shasta County Board of Supervisors, by County Director of Resource Management or his/her designee, or by County Executive Officer or his/her designee.

IV. Section 15, "Agreement Execution," of the Agreement is amended in its entirety upon the Effective Date of this First Amendment to read as follows:

**Section 15. AGREEMENT EXECUTION.**

This agreement and any amendments thereto may be executed in one or more counterparts, all of which taken together, shall constitute one and the same instrument when each Party has signed at least one counterpart. Facsimile signatures or signatures transmitted via pdf document shall be treated as originals for all purposes.

V. **AMENDMENT EXECUTION.**

This First Amendment may be executed in one or more counterparts, all of which taken together, shall constitute one and the same instrument when each party has signed at least one counterpart. Facsimile signatures or signatures transmitted via pdf document shall be treated as originals for all purposes.

VI. **REAFFIRMATION**

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

VII. **ENTIRE AGREEMENT**

The Agreement, as amended, and any attachments, constitute the entire understanding between County and Fountain Wind with respect to the matters contained in such Agreement.

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**VIII. EFFECTIVE DATE**

This First Amendment shall be deemed effective upon County's receipt of the Fountain Wind Assignment executed by both Applicant and Fountain Wind which transfers all rights, duties, and obligations of Applicant to Fountain Wind. County consents to the Fountain Wind Assignment attached hereto as Exhibit A. For purposes of this First Amendment and notwithstanding any other provision of this Amendment or the Agreement, the effective date of this First Amendment shall be the date the County actually receives a copy of the Assignment Agreement (the "Effective Date"). In the event an executed Assignment Agreement is not received by the County within twenty days of execution of this First Amendment, then this First Amendment shall be null and void and shall have no effect.

**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

**FOUNTAIN WIND**  
Fountain Wind LLC

\_\_\_\_\_  
Authorized Signatory,  
Fountain Wind LLC

\_\_\_\_\_  
Authorized Signatory  
Fountain Wind LLC

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

By: \_\_\_\_\_  
James R. Ross  
Assistant County Counsel

8/20/19



**Exhibit A**

**ASSIGNMENT AND ASSUMPTION AGREEMENT  
OF SHASTA COUNTY USE PERMIT APPLICATION UP-16-007 AND  
OF AGREEMENT BETWEEN THE COUNTY OF SHASTA AND  
PACIFIC WIND DEVELOPMENT, LLC TO PROVIDE FUNDING FOR  
PREPARATION OF ENVIRONMENTAL DOCUMENTS  
FOR THE FOUNTAIN WIND PROJECT**

This Assignment and Assumption Agreement (this “Agreement”) is made and entered into on \_\_\_\_\_, 2019 (the “Effective Date”), by and between Pacific Wind Development LLC, an Oregon limited liability company (“Assignor”), and Fountain Wind LLC, a Delaware limited liability company (“Assignee” and together with Assignor, the “Parties” and each, a “Party”).

**RECITALS**

- A. **WHEREAS**, Assignor is developing that certain proposed 200 MW electricity generation facility located in Shasta County, California (“Shasta County”), commonly known as the Fountain Wind Project (the “Fountain Wind Project”);
- B. **WHEREAS**, Assignor is the applicant with respect to that certain Use Permit application, submitted to Shasta County on or about July 7, 2017, and determined to be complete by Shasta County as defined by the Permit Streamlining Act on or about December 6, 2017, commonly known as UP-16-007 for the Fountain Wind Project, also including, but not limited to, Assignor being identified as the applicant under related supporting Environmental Impact Report and associated Mitigation Monitoring and Reporting Plan studies, reports, and documentation, and including all other supporting studies, reports, documentation, and similar materials related to such UP-16-007 application (collectively, as amended, restated, modified, updated, or supplemented from time to time, the “Fountain Wind Use Permit Application Documentation”);
- C. **WHEREAS**, Assignor is identified as the applicant under that certain Agreement Between the County of Shasta and Pacific Wind Development, LLC to Provide Funding for Preparation of Environmental Documents for the Fountain Wind Project, fully mutually executed as of November 13, 2018, by and between Assignor and Shasta County (the “Operative Funding Agreement”);
- D. **WHEREAS**, Assignor wishes to transfer and convey to Assignee, which is a project-specific limited liability company established to advance the development of the Fountain Wind Project, all of Assignor’s rights and obligations under the Fountain Wind Use Permit Application Documentation and the Operative Funding Agreement; and
- E. **WHEREAS**, Assignor and Assignee wishes to receive Shasta County consent to this Agreement.



## AGREEMENT

NOW, THEREFORE, for and in consideration of the sum of Ten Dollars (\$10.00), the premises and the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by each Party, Assignor and Assignee do hereby agree as follows:

1. Transfer. As of the Effective Date, Assignor hereby transfers, conveys and assigns to Assignee all of Assignor's (a) rights, title and interest in, to and under and (b) duties and obligations under the Fountain Wind Use Permit Application Documentation and the Operative Funding Agreement, and in the case of clause (b), arising from and after the Effective Date.

2. Assumption. Assignee hereby accepts and consents to the foregoing assignment and, in consideration thereof, assumes and agrees to observe, perform and fulfill all of Assignor's duties and obligations under the Fountain Wind Use Permit Application Documentation and the Operative Funding Agreement arising from and after the Effective Date.

3. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns.

4. Counterparts and Execution by Electronic Mail. This Agreement may be executed in any number of counterparts, each of which when taken together shall be deemed to be one and the same instrument. The exchange of copies of this Agreement and of signature pages by electronic mail transmission, including PDF, shall constitute effective execution and delivery of this Agreement and may be used in lieu of the original Agreement for all purposes. Signatures to this Agreement transmitted by electronic mail transmission shall be deemed to be original signatures for all purposes.

5. Miscellaneous.

a. This Agreement supersedes and replaces any existing agreement entered into between the Parties relating generally to the same subject matter.

b. This Agreement shall be for the benefit of Assignor and Assignee, and there are no third party beneficiaries of this Agreement.

c. This Agreement may be modified or waived only by a separate writing signed by both Assignor and Assignee.

d. If any provision of this Agreement is determined to be invalid or unenforceable, the validity or enforceability of the other provisions shall not be affected.

**e. IN NO EVENT SHALL EITHER ASSIGNOR OR ASSIGNEE BE LIABLE FOR ANY LOST OR PROSPECTIVE PROFITS OR ANY OTHER SPECIAL, PUNITIVE, EXEMPLARY, CONSEQUENTIAL, INCIDENTAL OR INDIRECT LOSSES OR DAMAGES (IN TORT, CONTRACT, OR OTHERWISE) UNDER OR IN RESPECT TO THIS AGREEMENT.**

*[Signature Pages Follow]*

**IN WITNESS WHEREOF**, Assignor and Assignee have caused this Agreement to be duly executed and delivered as of the Effective Date. 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.

**ASSIGNOR:**

**Pacific Wind Development LLC,  
an Oregon limited liability company**

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ASSIGNEE:**

**Fountain Wind LLC,  
a Delaware limited liability company**

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_



RE: Fountain Wind Project consent  
to transfer applicant

July 22, 2019

Lio Salazar  
Senior Planner  
Shasta County Department of Resource Management  
Planning Division  
1855 Placer Street Suite 103  
Redding, CA 96001

Dear Mr. Salazar,

On July 7, 2017 Pacific Wind Development LLC, an Oregon limited liability company (a subsidiary of Avangrid Renewables, LLC), submitted an application for a major Use Permit (16-007) for the construction and operation of a wind energy generation facility in eastern Shasta County, commonly known as Fountain Wind. On December 6, 2017 the application was determined to be complete by Shasta County as defined by the Permit Streamlining Act (California Government Code Section 65920 et seq.).

Pacific Wind Development LLC requests consent to transfer the Fountain Wind application from Pacific Wind Development LLC to Fountain Wind LLC, a Delaware limited liability company, so that the project may be developed under a project specific LLC.

Please provide your acknowledgment of consent regarding such application transfer below and return same to my attention, and further advise on the preferred process for permit application transference.

Thank you,

A handwritten signature in blue ink, appearing to read "K. Goland", is written over a horizontal line.

Kristen Goland  
Western Region Permit Manager  
Avangrid Renewables

Shasta County hereby provides its consent to the proposed transfer of existing application for that certain major Use Permit (16-007) from Pacific Wind Development LLC, an Oregon limited liability company to Fountain Wind LLC, a Delaware limited liability company:

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Avangrid Renewables**  
1125 NW Couch Street, Portland, OR 97219  
Telephone 503.478.6360, Cell 508.397.6130  
[www.avangridrenewables.us](http://www.avangridrenewables.us), [Kristen.Goland@avangrid.com](mailto:Kristen.Goland@avangrid.com)



REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

**BOARD MEETING DATE:** August 20, 2019

**CATEGORY:** Consent - Other Departments-12.

**SUBJECT:**

California Department of Forestry and Fire Protection, Volunteer Fire Assistance Program Grant Agreement and Resolution.

**DEPARTMENT:** County Service Area No. 1-County Fire

**Supervisory District No. :** All

**DEPARTMENT CONTACT:** Julia Hayen, (530) 225-2516

**STAFF REPORT APPROVED BY:** Bret Gouvea, Fire Chief

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

**RECOMMENDATION**

Adopt a resolution to approve and authorize the Chairman to sign an agreement with the California Department of Forestry and Fire Protection, in an amount not to exceed \$19,755.00 including dollar for dollar County matching funds for a total of \$39,510.00 for the purchase of wildland fire and structural fire personal protective equipment for the period date of signing through June 30, 2020.

**SUMMARY**

The Shasta County Fire Department (SCFD) provides fire protection to the unincorporated areas of Shasta County. SCFD has successfully competed for a grant for the purchase of structural and wildland fire protective clothing.

**DISCUSSION**

A grant request was submitted to the California Department of Forestry and Fire Protection (CAL FIRE), Volunteer Fire Assistance Program (VFA). The purpose of this grant program through the VFA is to increase volunteer firefighter safety and enhance the fire protection capabilities of volunteer fire departments.

In 2018, SCFD/ CAL FIRE dispatched approximately 13,772 calls for service which included medical, structure fire and wildland fire responses. Many parts of California have experienced exceptional drought conditions for several years, and Shasta County has recently experienced exceptional wildland fire destruction, along with many other parts of California.

This VFA grant will be used to purchase several types of protective clothing. Volunteer firefighters use different types of protective equipment for different types of calls. Heavy, padded turnouts are used to protect firefighters from heat and injury during structure fires and traffic accidents. Lighter weight protective pants and jackets made from fire resistant Nomex fabric are used while fighting fires on wildland incidents. This grant will provide twenty (20) sets of wildland fire protective pants and jackets as well as ten (10) sets of heavy padded structure fire turnouts. It will also purchase twenty (20) fire shelters for wildland firefighting.

All of the wildland fire protective clothing funded by the grant will meet the National Fire Protection Association (NFPA) standard 1977, current edition for 2016. NFPA is the trade association that maintains internationally recognized publications and standards to minimize the effects of fire and other hazards. The NFPA process to create and update standards is accredited by the American National Standards Institute (ANSI). The coats and pants are created from Nomex IIIA to better resist heat and fire, and have additional modifications to improve firefighter safety including a single layer sleeve to reduce heat related illnesses, and improved shaping for a better fit allowing more ergonomic movement during wear.

Acceptance of the VFA grant requires a 50% County match, a resolution of the Board of Supervisors, and signature of a grant agreement with the term of the grant from date of signing through June 30, 2020.

### **ALTERNATIVES**

The Board could decline acceptance of the grant revenue. The Board could request additional information on the grant or proposed use of the revenue.

### **OTHER AGENCY INVOLVEMENT**

County Counsel has 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**

County Fire anticipated \$10,000 in revenue for this VFA grant and included it, with corresponding expenditures, in the Fiscal Year (FY) 2019/20 Adopted Budget. The VFA Grant is awarded at a 50% match of SCFD funds for a total purchase cost of \$39,510.00. Though more than anticipated, the total matching funds of \$19,755 needed for the grant are available in the department's FY 2019/20 Adopted Budget. There is no net change to the County Fire FY 2019/20 budget. There is no additional General Fund impact.

### **ATTACHMENTS:**

Description	Upload Date	Description
Grant Resolution	8/8/2019	Grant Resolution
Grant Agreement	8/13/2019	Grant Agreement



**RESOLUTION NO. 2019 \_\_\_\_**

**A RESOLUTION OF THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SHASTA  
APPROVING AN AGREEMENT WITH THE STATE OF CALIFORNIA  
DEPARTMENT OF FORESTRY AND FIRE PROTECTION  
FOR THE PROVISION OF MINOR EQUIPMENT PURSUANT TO  
THE VOLUNTEER FIRE ASSISTANCE PROGRAM OF  
THE COOPERATIVE FORESTRY ASSISTANCE ACT OF 1978**

**WHEREAS**, the Volunteer Fire Assistance Program Agreement between the State of California Department of Forestry and Fire Protection and the County of Shasta, through its Shasta County Fire Department/County Service Area (CSA) #1, ("Agreement #7FG19114") awards, during the term of the agreement (date of signing through June 30, 2020), a grant in an amount not to exceed \$19,755.00 including dollar for dollar County matching funds for a total of \$39,510.00 pursuant to the Volunteer Fire Assistance Program of the Cooperative Fire Assistance Act of 1978; and

**WHEREAS**, with this grant, Shasta County Fire Department will be able to purchase 20 sets of Wildland Personal Protective Equipment, 20 Fire Shelters, and 10 sets of Structural Protective Equipment, which will enhance safety for the volunteer firefighters, allow them to better serve the citizens of Shasta County, and allow Shasta County Fire Department to meet personal safety equipment guidelines.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of the County of Shasta, acting on behalf of CSA #1, hereby approves Agreement #7FG19114 and authorizes the Chairman of the Board of Supervisors to sign the grant agreement in the amount of \$19,755 and to remit the required 50 percent match in county funds in the amount of \$19,755, for a total not to exceed \$39,510.

**DULY PASSED AND ADOPTED** this 20th day of August 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

State of California  
Dept. of Forestry and Fire Protection (CAL FIRE)  
Cooperative Fire Programs  
GRANT AGREEMENT

APPLICANT: Shasta County Fire Department

PROJECT TITLE: Volunteer Fire Assistance Program

GRANT AGREEMENT: 7FG19114

**PROJECT PERFORMANCE PERIOD IS from Upon Approval through June 30, 2020.**

Under the terms and conditions of this Grant Agreement, the applicant agrees to complete the project as described in the project description, and the State of California, acting through the Dept. of Forestry & Fire Protection, agrees to fund the project up the total state grant amount indicated.

**PROJECT DESCRIPTION:** Cost-share funds awarded to provide assistance to rural areas in upgrading their capability to organize, train, and equip local forces for fire protection.

Total State Grant not to exceed **\$19,755.00** (or project costs, whichever is less)

*\*The Special and General Provisions attached are made a part of and incorporated into this Grant Agreement.*

Shasta County Fire Department

Applicant

STATE OF CALIFORNIA  
DEPARTMENT OF FORESTRY  
AND FIRE PROTECTION

By

Signature of Authorized Representative

Title Chairman, Board of Supervisors  
County of Shasta, State of California

By

Title: **Gabrielle Avina**  
**Staff Chief, Cooperative Fire Programs**

Date

Date

**CERTIFICATION OF FUNDING**

AMOUNT OF ESTIMATE FUNDING <b>\$19,755.00</b>	GRANT AGREEMENT NUMBER <b>7FG19114</b>		PO ID	
ADJ. INCREASING ENCUMBRANCE <b>\$ 0.00</b>	SUPPLIER ID			
ADJ. DECREASING ENCUMBRANCE <b>\$ 0.00</b>	PROJECT ID 354019DG2012128		ACTIVITY ID SUBGNT	
UNENCUMBERED BALANCE <b>\$19,755.00</b>	GL UNIT <b>3540</b>	BUD REF <b>001</b>	FUND <b>0001</b>	ENY <b>2019</b>
REPORTING STRUCTURE <b>35409206</b>	SERVICE LOC	ACCOUNT <b>5340580</b>	ALT ACC <b>5340580002</b>	

I hereby certify upon my personal knowledge that budgeted funds are available for this encumbrance.

SIGNATURE OF CAL FIRE ACCOUNTING OFFICER

*APPROVED AS TO FORM*  
*David M. Yorton, Jr.*  
**DAVID M. YORTON, JR.**  
County Deputy County Counsel

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DATE

RISK MANAGEMENT APPROVAL

BY:

*James Johnson*  
**James Johnson**

7FG19114

**VOLUNTEER FIRE ASSISTANCE PROGRAM  
TERMS AND CONDITIONS**

**DEPARTMENT OF FORESTRY AND FIRE PROTECTION**

**STATE OF CALIFORNIA  
Natural Resources Agency**

**Agreement for the Volunteer Fire Assistance Program of the  
Cooperative Forestry Assistance Act of 1978**

THIS AGREEMENT, made and entered into **ON THE LAST SIGNATORY DATE ON PAGE 6**, by and between the STATE of California, acting through the Director of the Department of Forestry and Fire Protection hereinafter called "STATE", and \_County of Shasta, through its\_\_

\_\_Fire Department\_\_\_\_\_ hereinafter called "LOCAL AGENCY", covenants as follows:

**RECITALS:**

1. STATE has been approved as an agent of the United States Department of Agriculture, (USDA), Forest Service for the purpose of administering the Cooperative Forestry Assistance Act (CFAA) of 1978 (PL 95-313, United States Code, Title 16, Chapter 41, Section 2010 et seq., Volunteer Fire Assistance Program), hereinafter referred to as "VFA", and
2. The VFA has made funds available to STATE for redistribution, under certain terms and conditions, to LOCAL AGENCY to assist LOCAL AGENCY to upgrade its fire protection capability, and
3. LOCAL AGENCY desires to participate in said VFA.

NOW THEREFORE, it is mutually agreed between the parties as follows:

4. **APPROVAL:** This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. LOCAL AGENCY may not commence performance until such approval has been obtained.
5. **TIMELINESS:** Time is of the essence in this Agreement.
6. **FORFEITURE OF AWARD:** LOCAL AGENCY must return this Agreement and required resolution properly signed and executed to STATE at the address specified in paragraph 11, with a postmark no later than December 1, 2019 or LOCAL AGENCY will forfeit the funds.
7. **GRANT AND BUDGET CONTINGENCY CLAUSE:** It is mutually understood between the parties that this Agreement may have been written for the mutual benefit of both parties before ascertaining the availability of congressional appropriation of funds, to avoid program and fiscal delays that would occur if the Agreement were executed after that determination was made.

This **Agreement** is valid and enforceable only if sufficient funds are made available to the STATE by the United States Government for the State Fiscal Year 2019 for the purpose of this program. In addition, this **Agreement** is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms, or funding of this **Agreement** in any manner.

The parties mutually agree that if the Congress does not appropriate sufficient funds for the program, this **Agreement** shall be amended to reflect any reduction in funds.

The STATE has the option to invalidate the **Agreement** under the 30-day cancellation clause or to amend the **Agreement** to reflect any reduction in funds.

8. **REIMBURSEMENT:** STATE will reimburse LOCAL AGENCY, from funds made available to STATE by the Federal Government, an amount not to exceed on a 50/50 matching funds basis, for the performance of specific projects and/or purchase of specific items identified in Proposed Project, Application for Funding, attached hereto. **Reimbursement will be only for those projects accomplished and/or items purchased between THE LAST SIGNATORY DATE ON PAGE 1 and JUNE 30, 2020.** This sum is the sole and maximum payment that STATE will make pursuant to this Agreement. **LOCAL AGENCY must bill STATE at the address specified in paragraph 11, with a postmark no later than September 1, 2020 in order to receive the funds.** The bill submitted by LOCAL AGENCY must clearly delineate the projects performed and/or items purchased. A vendor's invoice or proof of payment to vendor(s) must be included for items purchased.
9. **LIMITATIONS:** Expenditure of the funds distributed by STATE herein is subject to the same limitations as placed by the VFA, upon expenditure of United States Government Funds. Pursuant to Title 7 of the Code of Federal Regulations, Section 3016.32 subject to the obligations and conditions set forth in that section; title to any equipment and supplies acquired under this **Agreement** vests with the LOCAL AGENCY. For any equipment items over \$5,000, the federal government may retain a vested interest in accordance with paragraph 16 below.
10. **MATCHING FUNDS:** Any and all funds paid to LOCAL AGENCY under the terms of this **Agreement**, hereinafter referred to as "VFA Funds", shall be matched by LOCAL AGENCY on a dollar-for-dollar basis, for each project listed on attachment(s) hereto identified as "Proposed Project". No amount of unpaid "contributed" or "volunteer" labor or services shall be used or consigned in calculating the matching amount "actually spent" by LOCAL AGENCY. LOCAL AGENCY shall not use VFA Funds as matching funds for other federal grants, including Department of Interior (USDI) Rural Fire Assistance grants, nor use funds from other federal grants, including USDI Rural Fire Assistance grants, as matching funds for VFA Funds.

7FG19114

11. ADDRESSES: The mailing addresses of the parties hereto, for all notices, billings, payments, repayments, or any other activity under the terms of the Agreement, are:

LOCAL AGENCY: Shasta County Fire Department  
875 Cypress Ave.  
Redding, CA 96001  
Attention: Julia Hayen  
Telephone Number(s): (530) 225-2516  
FAX Number: (530) 225-2514  
E-mail Julia.Hayen@fire.ca.gov

STATE: **Department of Forestry and Fire Protection**  
**Grants Management Unit, Attn: Megan Esfandiary**  
**P. O. Box 944246**  
**Sacramento, California 94244-2460**  
**PHONE: (916) 653-3649**

12. PURPOSE: Any project to be funded hereunder must be intended to specifically assist LOCAL AGENCY to organize, train, and/or equip local firefighting forces in the aforementioned rural area and community to prevent or suppress fires which threaten life, resources, and/or improvements within the area of operation of LOCAL AGENCY.
13. COMBINING: In the event funds are paid for two or more separate, but closely related projects, the 50/50 cost-sharing formula will be applied to the total cost of such combined projects.
14. OVERRUNS: In the event that the total cost of a funded project exceeds the estimate of costs upon which this Agreement is made, LOCAL AGENCY may request additional funds to cover the **Agreement** share of the amount exceeded. However, there is no assurance that any such funds are, or may be, available for reimbursement. Any increase in funding will require an amendment.
15. UNDERRUNS: In the event that the total cost of a funded project is less than the estimate of costs upon which this **Agreement** is made, LOCAL AGENCY may request that additional eligible projects/items be approved by STATE for **Agreement** funding. However, there is no assurance that any such approval will be funded. Approval of additional projects/items, not listed on the Proposed Project application, made by STATE, will be in writing and will require an amendment.
16. FEDERAL INTEREST IN EQUIPMENT: The Federal Government has a vested interest in any item purchased with VFA funding in excess of \$5,000 regardless of the length of this **Agreement**, until such time as the fair market value is less than \$5,000. The VFA percentage used to purchase the equipment will be applied to the sale price and recovered for the Government during the sale. This percentage will remain the same even following depreciation. The Federal Government may not have to be reimbursed if the disposal sale amounts to a fair market value of less than \$5,000. LOCAL AGENCY will notify STATE of the disposal of such items.

7FG19114

17. EQUIPMENT INVENTORY: Any single item purchased in excess of \$5,000 will be assigned a VFA Property Number by the STATE. LOCAL AGENCY shall forward a copy of the purchase documents listing the item, brand, model, serial number, any LOCAL AGENCY property number assigned, and a LOCAL AGENCY contact and return address to STATE at the address specified in paragraph 11. The STATE will advise the LOCAL AGENCY contact of the VFA Property Number assigned.
18. AUDIT: LOCAL AGENCY agrees that the STATE, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this **Agreement**. LOCAL AGENCY agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. LOCAL AGENCY agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, LOCAL AGENCY agrees to include a similar right of the State of California to audit records and interview staff in any subcontract related to performance of this **Agreement**. (GC 8546.7, PCC 10115 et seq., CCR Title 2, Section 1896).
19. DISPUTES: In the event of any dispute over qualifying matching expenditures of LOCAL AGENCY, the dispute will be decided by STATE and its decision shall be final and binding.
20. INDEMNIFICATION: LOCAL AGENCY agrees to indemnify, defend, and save harmless, the STATE, its officers, agents, and employees, from any and all claims and losses, accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this **Agreement**, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by LOCAL AGENCY in the performance of this **Agreement**.
21. DRUG-FREE WORKPLACE REQUIREMENTS: LOCAL AGENCY will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:
  - a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
  - b. Establish a Drug-Free Awareness Program to inform employees about:
    - 1) the dangers of drug abuse in the workplace;
    - 2) the person's or organization's 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 for drug abuse violations.

c. Every employee who works on the proposed **Agreement** will:

- 1) receive a copy of the company's drug-free workplace policy statement; and,
- 2) agree to abide by the terms of the company's statement as a condition of employment on the **Agreement**.

Failure to comply with these requirements may result in suspension of payments under the **Agreement** or termination of the **Agreement** or both and LOCAL AGENCY may be ineligible for funding of any future State **Agreement** if the department determines that any of the following has occurred: (1) the LOCAL AGENCY has made false certification, or violated the certification by failing to carry out the requirements as noted above. (GC 8350 et seq.)

22. **TERM:** The term of the Agreement SHALL COMMENCE ON THE LAST SIGNATORY DATE ON PAGE 1 and continue through June 30, 2020.
23. **TERMINATION:** This **Agreement** may be terminated by either party giving 30 days written notice to the other party or provisions herein amended upon mutual consent of the parties hereto.
24. **AMENDMENTS:** No amendment or variation of the terms of this **Agreement** shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or **Agreement** not incorporated in the **Agreement** is binding on any of the parties.
25. **INDEPENDENT CONTRACTOR:** LOCAL AGENCY, and the agents and employees of LOCAL AGENCY, in the performance of this **Agreement**, shall act in an independent capacity and not as officers or employees or agents of the STATE or the Federal Government.



REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

**BOARD MEETING DATE:** August 20, 2019

**CATEGORY:** Regular - General Government-2.

**SUBJECT:**

N/A

**DEPARTMENT:** Clerk of the Board

**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?
No Vote	No General Fund Impact

**RECOMMENDATION**

- (1) Receive a legislative update and consider action on specific legislation related to Shasta County's legislative platform; and  
(2) receive Supervisors' reports on countywide issues.

**SUMMARY**

N/A

**DISCUSSION**

N/A

**ALTERNATIVES**

N/A

**OTHER AGENCY INVOLVEMENT**

N/A

**FINANCING**

N/A

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

**BOARD MEETING DATE:** August 20, 2019

**CATEGORY:** Regular - General Government-3.

**SUBJECT:**

Update Administrative Manual policy 2-103 Budgetary Reserves

**DEPARTMENT:** Auditor-Controller  
Administrative Office

**Supervisory District No. :** All

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

**STAFF REPORT APPROVED BY:** Brian Muir

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

**RECOMMENDATION**

Adopt a Policy Resolution to update Administrative Policy 2-103, *Shasta County Budgetary Reserves*.

**SUMMARY**

N/A

**DISCUSSION**

The revisions to Administrative Manual policy 2-103 Budgetary Reserves will bring the County's reserve level into alignment with Government Finance Officer's Association (GFOA) best practices and will establish how reserves can be spent down and subsequently replenished.

GFOA recommends a minimum reserve amount of 16.6% or two months of revenues/expenditures. Although the recommendation calls for a minimum of two months (2 months/12 months=16.6%), it specifies that in many cases the reserve for some counties could justifiably be even greater than 35 percent. Some justifications for requiring a higher reserve are; being a smaller county; being prone to natural disasters; etc. Based on the size of Shasta County and our low risk factor for financial instability, we feel that the low to moderate level of risk (17-25%) is appropriate at this time. In addition to establishing a reserve level, GFOA also recommends including in the policy, how funds can be withdrawn from the reserve, and a requirement to restore the reserve in a timely manner.

**ALTERNATIVES**

The Board could decline to approve the recommended changes, which is not in alignment with GFOA best practices; this would leave the county at risk by not having adequate budgetary reserves.

**OTHER AGENCY INVOLVEMENT**

The Auditor and County Administrative office have worked together to draft recommended changes to Administrative Manual policy 2-103.

**FINANCING**

There is no general fund impact associated with this policy until funds are utilized or replenished in the reserve. Subsequent Board action is required for those events.

**ATTACHMENTS:**

Description	Upload Date	Description
Policy 2-103 REDLINE	7/23/2019	Policy 2-103 REDLINE
Policy 2-103	7/23/2019	Policy 2-103
Policy Resolution 2-103	8/9/2019	Policy Resolution 2-103

COUNTY OF SHASTA		Number
ADMINISTRATIVE MANUAL		2-103
SECTION:	Finance and Budget	Budgetary Reserves
INITIAL ISSUE DATE:	December 4, 2007	
LATEST REVISION DATE:	July 13, 2012	
PAGE NO:	Page 1 of 2	

## **PURPOSE**

To outline the policies and procedures adopted by the Board of Supervisors regarding provisions for budgetary reserves.

## **BACKGROUND**

Governments should maintain a prudent level of financial resources to protect against reducing service levels or incurring debt because of temporary revenue shortfalls or unpredicted one-time expenditures.

## **POLICY**

The County shall maintain a budget unit for the purpose of designating funds to be held in reserve for cash flow purposes, revenue shortfalls, or unpredicted one-time expenditures.

1. A General Reserve cash fund has been established in the County General Fund.
2. In accordance with the Government Finance Officer's Association (GFOA) recommendation for low to moderate level of risk, the General Reserve shall have a target balance of five-17-25% percent of unrestricted-projected General Fund expendituresresources.
3. In years where the General Reserve is less than the target balance, the County Executive Officer may recommend increases to the Reserve from unanticipated one-time resources.
- ~~4.~~ Once the target balance is achieved, the General Reserve shall be maintained at a minimum balance of \$10 million at all times for cash-flow purposes and can be spent down a maximum of
- ~~4.~~ \$2 million per fiscal year over three years, with no more than 40% of the reserve being utilized in any one year.
- ~~5.~~ In the event that the General Reserve is spent down, it will be replenished over the same number of years, beginning in the next fiscal period after it was last used.
- ~~5.6.~~ Except in cases of a legally declared emergency, as defined in Government Code section 29127, the General Reserve may only be established, canceled, or decreased at the time of adopting the budget as provided in Government Code section 29088. The General Reserve may be increased any time during the fiscal year by a four-fifths vote of the Board of Supervisors.
- ~~6.7.~~ The General Reserve fund shall be the last resort in balancing the County budget.

COUNTY OF SHASTA		Number
ADMINISTRATIVE MANUAL		2-103
SECTION:	Finance and Budget	Budgetary Reserves
INITIAL ISSUE DATE:	December 4, 2007	
LATEST REVISION DATE:	July 13, 2012	
PAGE NO:	Page 2 of 2	

7.8. The General Reserve may be used as a resource for "dry-period" financing for special districts under the Board of Supervisors, as well as select districts and/or agencies in the county at any time upon written request.

8.9. Requests for loans for "dry-period financing" for special districts under the Board of Supervisors as well as select districts and agencies in the county shall be reviewed by the County Executive Officer; approval requires a four-fifths vote of the Board of Supervisors.

### **RESPONSIBLE DEPARTMENTS**

County Administrative Office  
Auditor-Controller  
Treasurer-Tax Collector

### **REFERENCES**

Administrative Update--07/13/2012  
BOS Policy Resolution No. 2011-07--09/13/11  
BOS Policy Resolution No. 2007-09--12/4/07  
Government Code sections 23010, 29085, 29086, 29088, 29127  
Education Code section 42620

COUNTY OF SHASTA		Number
ADMINISTRATIVE MANUAL		2-103
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### **PURPOSE**

To outline the policies and procedures adopted by the Board of Supervisors regarding provisions for budgetary reserves.

### **BACKGROUND**

Governments should maintain a prudent level of financial resources to protect against reducing service levels or incurring debt because of temporary revenue shortfalls or unpredicted one-time expenditures.

### **POLICY**

The County shall maintain a budget unit for the purpose of designating funds to be held in reserve for cash flow purposes, revenue shortfalls, or unpredicted one-time expenditures.

1. A General Reserve cash fund has been established in the County General Fund.
2. In accordance with the Government Finance Officer's Association (GFOA) recommendation for low to moderate level of risk, the General Reserve shall have a target balance of 17-25% of projected General Fund expenditures.
3. In years where the General Reserve is less than the target balance, the County Executive Officer may recommend increases to the Reserve from unanticipated one-time resources.
4. Once the target balance is achieved, the General Reserve shall be maintained at a minimum balance of \$10 million at all times for cash-flow purposes and can be spent down over three years, with no more than 40% of the reserve being utilized in any one year.
5. In the event that the General Reserve is spent down, it will be replenished over the same number of years, beginning in the next fiscal period after it was last used.
6. Except in cases of a legally declared emergency, as defined in Government Code section 29127, the General Reserve may only be established, canceled, or decreased at the time of adopting the budget as provided in Government Code section 29088. The General Reserve may be increased any time during the fiscal year by a four-fifths vote of the Board of Supervisors.
7. The General Reserve fund shall be the last resort in balancing the County budget.

COUNTY OF SHASTA		Number
ADMINISTRATIVE MANUAL		2-103
SECTION:	Finance and Budget	Budgetary Reserves
INITIAL ISSUE DATE:	December 4, 2007	
LATEST REVISION DATE:	July 13, 2012	
PAGE NO:	Page 2 of 2	

8. The General Reserve may be used as a resource for "dry-period" financing for special districts under the Board of Supervisors, as well as select districts and/or agencies in the county at any time upon written request.
9. Requests for loans for "dry-period financing" for special districts under the Board of Supervisors as well as select districts and agencies in the county shall be reviewed by the County Executive Officer; approval requires a four-fifths vote of the Board of Supervisors.

### **RESPONSIBLE DEPARTMENTS**

County Administrative Office  
Auditor-Controller  
Treasurer-Tax Collector

### **REFERENCES**

Administrative Update--07/13/2012  
BOS Policy Resolution No. 2011-07--09/13/11  
BOS Policy Resolution No. 2007-09--12/4/07  
Government Code sections 23010, 29085, 29086, 29088, 29127  
Education Code section 42620



**POLICY RESOLUTION NO. 2019-\_\_\_\_\_**

**A RESOLUTION OF THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SHASTA  
TO ADOPT REVISIONS TO ADMINISTRATIVE POLICY 2-103,  
SHASTA COUNTY BUDGETARY RESERVES POLICY**

**WHEREAS**, a budgetary reserve policy is used to protect against reducing service levels or incurring new debt because of revenue shortfalls or unpredicted one-time expenditures; and

**WHEREAS**, an adequate budgetary reserve policy signals to the rating agencies and the capital markets that a government is well managed and therefore is likely to meet its debt obligations in a timely manner; and

**WHEREAS**, periodically the Board of Supervisors, upon recommendation of staff, amends the provisions of Administrative Policy 2-103 to follow best practices, ensure compliance with state and federal laws, and conform its provisions to actual County practice.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of the County of Shasta, State of California, hereby adopts the policy as amended attached hereto as Exhibit A, to reflect the best practices as recommended by the Government Finance Officers' Association.

**NOW, THEREFORE, BE IT FURTHER RESOLVED** that the Board of Supervisors of the County of Shasta, State of California, hereby allows non-substantive modifications, such as, but not limited to, format, grammar, references, title changes, to Administrative Policy 2-103, *Budgetary Reserve Policy*, without the necessitation of a policy resolution approved by the Board.

**DULY PASSED AND ADOPTED** this 20th day of August, 2019 by the Board of Supervisors of the County of Shasta by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:  
RECUSE:

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

ATTEST:

Resolution No. 2019-\_\_\_\_\_

Page 2

LAWRENCE G. LEES  
Clerk of the Board of Supervisors

By: \_\_\_\_\_

Deputy

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

**BOARD MEETING DATE:** August 20, 2019

**CATEGORY:** Regular - Law and Justice-4.

**SUBJECT:**

Real Estate Fraud Investigation Unit FY 2018-19 Annual Report

**DEPARTMENT:** District Attorney

**Supervisory District No. :** All

**DEPARTMENT CONTACT:** Cindy Wilson, Staff Services Manager (530) 245-6311

**STAFF REPORT APPROVED BY:** Stephanie Bridgett, District Attorney

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

**RECOMMENDATION**

Receive a report on the Fiscal Year 2018-19 Real Estate Fraud Investigations Unit and confirm the effectiveness of the Unit.

**SUMMARY**

N/A

**DISCUSSION**

In 2009, the Board of Supervisors established, by adopting Resolution No. 2009-022, the Real Estate Fraud Prosecution Program and the District Attorney subsequently established the Real Estate Fraud Investigations Unit within the District Attorney's Office. Government Code section 27388 (d) requires the following: "The county board of supervisors shall annually review the effectiveness of the district attorney in deterring, investigating, and prosecuting real estate fraud crimes based upon information provided by the district attorney in an annual report. The district attorney shall submit the annual report to the board on or before September 1 of each year." The attached report provides the information required for the annual report using a standard format provided by the Legislative Analyst's Office (LAO) and provides an overview of the activities of the Investigations Unit in Shasta County.

**ALTERNATIVES**

The Board may choose not to review the report. The Real Estate Fraud Prosecution Trust Fund Committee shall not expend funds held in the trust fund until the report has been submitted.

**OTHER AGENCY INVOLVEMENT**

The Real Estate Fraud Prosecution Trust Fund Committee has reviewed the annual report. The Recommendation has been reviewed by the County Administrative Office.

**FINANCING**

There is no additional General Fund impact associated with this annual report for the Real Estate Fraud Investigation Unit. Total program expenditures for the Real Estate Fraud Investigation Units in Fiscal Year 2018-19 were \$27,346.

**ATTACHMENTS:**

Description	Upload Date	Description
Real Estate Fraud	8/2/2019	Real Estate Fraud

## **NOTICE**

(Pursuant to Section 54954.2 of the Government Code of the State of California)

### **Meeting of the Real Estate Fraud Prosecution Trust Fund Committee**

**August 1, 2019 from 11:00 A.M. – 11:30 A.M.**

The Real Estate Fraud Prosecution Trust Fund Committee welcomes you to its meeting which is held in the District Attorney Conference Room #1, 1355 West St., Redding, California. Your interest is encouraged and appreciated.

**TO ADDRESS THE COMMITTEE DURING OPEN TIME:** Persons wishing to address the Committee are requested to declare to the secretary their intent to speak prior to the beginning of the meeting. If you have documents to present for the members of the Committee to review, please provide a minimum of five copies. Copies may be made for a fee at the Law Library in the basement of the Courthouse. When the Chair announces the public comment period, please approach the rostrum and, after receiving recognition from the Chair, give your name and comments. Each speaker is allocated three minutes to speak. **Comments should be limited to matters within the jurisdiction of the Committee.** Pursuant to the Brown Act (Govt. Code section 54950 et seq.) **action or Committee discussion cannot be taken** on open time matters other than to receive the comments and, if deemed necessary, to refer the subject matter to the appropriate department for follow-up and/or to schedule the matter on a subsequent Committee Agenda.

- I. CALL TO ORDER**
- II. PUBLIC COMMENT PERIOD**
- III. REGULAR CALENDAR**
  - a. Approve minutes from the August 8, 2018 meeting.
  - b. Financial Report on Trust Fund.
  - c. Information regarding FY 18/19 Real Estate Fraud Report.
  - d. Determine next meeting date.
- IV. ADJOURN**

**COMMUNICATIONS** received by the Committee are on file and available for review at 1355 West St., Redding, CA 96001

**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](mailto: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 Committee meetings, please call Denise Black at (530) 245-6310 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.**

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 Committee, are available for public inspection at 1355 West St., Redding, CA 96001.

**REAL ESTATE FRAUD PROSECUTION TRUST FUND COMMITTEE  
MINUTES FROM THE MEETING HELD August 8, 2018 .**

**Members Present:** Stephanie A. Bridgett, District Attorney  
Larry Lees, County Administrative Officer

**Others Present:** Anand "Lucky" Jesrani, Senior Deputy DA (acting as secretary)

**Meeting Called to Order:** 1:31pm

**Public Comments:** None

**Approve Meeting Minutes from *August 18, 2017 meeting***

The meeting of August 8, 2017 were reviewed. Approve without change.  
Moved by Lees/seconded by Bridgett. 2 ayes, 0 nays.

**Financial Report on Trust Fund**

Senior Deputy DA Jesrani reported on the detailed financial report.

**Review FY 17/18 Real Estate Fraud Report for LAO**

Jesrani explained the current report for FY 17/18

**Other items**

**Scheduling of Next Meeting**

TBD.

Meeting adjourned at 1:40pm.



**FISCAL YEAR 2018/2019 REAL ESTATE FRAUD REPORT**  
**July 1, 2018 through June 30, 2019**  
**SHASTA COUNTY DISTRICT ATTORNEY'S OFFICE**  
**(Government Code 27388)**

**I. Case Statistics**

1. Total number of referrals:
  - i. Number of referrals FY 17/18: 17
  - ii. Number of referrals FY 18/19: 16
  - iii. Total number of referrals: 33
2. Total number of investigations:
  - i. Number of criminal investigations FY 17/18: 5
  - ii. Number of criminal investigations FY 18/19: 5
  - iii. Number of criminal investigations: 10
3. Total number of cases filed/filing within 30 days
  - i. FY 17/18: 0
  - ii. FY 18/19: 0
4. Total number of victims in filed cases:
  - i. FY 17/18: 0
  - ii. FY 18/19: 0
5. Total number of cases referred to outside agencies for the filing of civil/criminal complaints in FY 18/19: 1
6. Total Aggregate monetary loss claimed by victims:
  - i. Aggregate money loss suffered by victims for cases entering FY 17/18: \$525,000.00.
  - ii. Aggregate money loss suffered by victims for cases during FY 18/19: \$42,000.
7. Number of convictions/ Resolutions obtained in FY 18/19: 1
  - i. Highlighted Cases:
    - 12RF1026: Michael Browning: Conviction for 487 PC (Grand Theft), term of probation also requires \$25,000.00 in restitution.

**II. Non Case Statistics**

1. Community Outreach/ Education:
  - i. Fraud Prevention Fair March 2019 (Approximately 500 attendees).
  - ii. Fraud presentations in the community:
    1. Senior Citizens of Shasta County
    2. Gatekeeper event for Elder Abuse.
    3. Public Retirees in Shasta County.

4. Carr Fire public outreach with Department of Insurance.
5. Carr Fire public outreach with Contractor State License Board
6. Carr Fire public outreach with Workers Compensation.
7. Carr Fire public outreach with Consumer Fraud.
8. 2019 Senior & Veteran Fraud Prevention Fair
9. Shasta Association of Realtors
10. Redding Rotary
11. Rotary West
12. Community Forum for Rebuilding post Carr Fire
13. State of CA Financial Crimes Symposium
14. Community Connects
15. Peace Officers Research Association of California (PORAC)
16. Rebuild Workshop with County and City Agencies

## REAL ESTATE FRAUD

DA0016

	DESCRIPTION	18-19 budget	Actual 6/30/2019	JOURNAL ENTRIES		Correct
				DR	CR	
	SALARIES					
011000	REGULAR SALARIES	12,067.42	14,844.46			14,844.46
011200	TERMINATION/SPECIAL PAY	0.00				
017000	EXTRA HELP	0.00	446.10			446.10
017502	OVERTIME PAY	0.00				
017509	HOLIDAY OVERTIME PAY	0.00				
017517	CELL/PDA COMM ALLOWANCE PROG	84.00	98.47			98.47
018100	EMPLOYER SHARE OASDI	929.58	1,056.91			1,056.91
018201	EMPLOYER SHARE RETIREMENT	2,326.97	3,375.40			3,375.40
018204	EMPLOYER SHARE DEFERRED COMP	0.00				
018205	401A	0.00				
018300	EMPLOYER SHARE HEALTH INSUR	1,558.99	1,872.29			1,872.29
018301	EMPLOYER SHARE HEALTH INS PERS	271.19				
018307	EMPLYR SHR OTHER POST EMP BEN	362.02	445.35			445.35
018400	EMPLOYER SHR UNEMPLOYMENT INS	18.84	25.50			25.50
018500	WORKERS COMP EXPOSURE	102.07	133.56			133.56
018501	WORKERS COMP EXPERIENCE	181.10	188.66			188.66
	TOTAL SALARIES	17,902.17	22,486.70	0.00	0.00	22,486.70
	SERVICES AND SUPPLIES					
032300	CLOTHING/PERSONAL SUPPLIES XP	8.14	7.70			7.70
032328	CLTHG/PERS SAFETY CLOTHING	3.39				
032500	COMMUNICATIONS EXPENSE	50.85	151.54			151.54
032590	CHGS FAC MGMT COMM	1.43				
032591	CHGS IT COMM	26.78	22.98			22.98
032700	FOOD EXPENSE	2.54				
032900	HOUSEHOLD EXPENSE	0.42				
032992	CHGS FAC MGMT HSHLD XP	99.35	123.06			123.06
033102	INSUR XP LIABILITY EXPOSURE	31.59	41.06			41.06
033103	INSUR XP MISCELLANEOUS	5.68	24.05			24.05
033105	INSUR XP LIABILITY EXPERIENCE	204.97	195.40			195.40
033300	JURY & WITNESS EXPENSE	0.00				
033310	JRY & WTNS PROF WITNESS FEES	0.00				
033500	MAINTENANCE OF EQUIPMENT	4.24				
033592	CHGS IT MNT HARD/SOFTWARE	119.77				
033791	CHGS FAC MGMT MAINT STR	84.75	87.26			87.26
034100	MEMBERSHIPS	33.90				
034309	MISC XP PRIOR PERIOD REV ADJ	0.00				
034395	MISC XP PR PER STL DTE REISSUE	0.00				
034500	OFFICE EXPENSE	110.17	45.90			45.90
034527	OFFICE XP PRINTING	7.63	24.96			24.96
034529	OFFICE XP PUBLICATIONS	33.90				
034535	OFFICE XP EDUCATIONAL ITEMS	0.00				
034537	OFFICE XP BOOKS	0.00				
034590	CHGS OC PHOTOCOPY SVS	5.25				
034591	CHGS OC POSTAGE SVS	20.34				
034592	CHGS OC OTHER MAIL SVS	9.83				
034594	CHGS IT OFFICE EXP	0.00				
034800	PROF & SPECIAL SERVICES	0.00				
034807	PROF BANK SVS	0.00				
034810	PROF CLEANUP SVS	0.00				
034826	PROF LAB SVS	0.00				
034835	PROF PHOTO/FILMING SVS	0.00				
034837	PROF PREEMPLOYMENT SVS	0.00				
034851	PROF TRAINING SVS	0.00				
034852	PROF TRANSCRIBING SVS	0.00				
034854	PROF INTERPRETING SVS	0.00				
034860	PROF BENEFITS ADMIN SVS	203.39	190.08			190.08
034864	PROF CAPITL ASSET DISPOSAL SVS	0.00				
034890	CHGS FAC MGMT PROF SVS	7.38				
034892	CHGS IT PROFESSIONAL SVS	402.54	342.51			342.51
034900	PUBLICATIONS & LEGAL NOTICES	0.00				
035100	RENTS & LEASES OF EQUIPMENT	23.73	35.32			35.32
035300	RENTS & LEASES OF STRUCTURES	0.00				
035329	R/L STR STORAGE FACILITIE	0.00				
035500	MINOR EQUIPMENT	50.85				
035590	CHGS IT SOFTWARE EQP	16.95				
035591	CHGS IT HARDWARE EQP	93.22				
035592	CHGS IT TELECOMM EQP	1.70				
035700	SPECIAL DEPARTMENTAL EXPENSE	0.00				
035740	SP DEPT XP GUN SUPPLIES	8.48				
035754	SP DEPT XP ONLINE DATA SUBSCR	1.70				
035900	TRANSPORTATION & TRAVEL	95.76	2,531.48			2,531.48
035940	TRANS/TRVL FUEL	47.46				
035980	CHGS FLEET TRANS/TRVL	152.54				
035999	TRN/TRV PY EE 1 DAY MEAL REIMB	0.85				
036100	UTILITIES	84.75	69.46			69.46
	TOTAL SERVICES AND SUPPLIES	2,056.18	3,892.76	0.00	0.00	3,892.76
	OTHER CHARGES					
050001	central service cost A-87	640.49	663.00			663.00
050003	building & equipment use A-87	294.92	303.60			303.60
	TOTAL OTHER CHARGES	935.41	966.60	0.00	0.00	966.60
	FIXED ASSETS					
065357	CASE MANAGEMENT SYSTEM	281.69				
	REVENUES					
	MISCELLANEOUS REVENUES					
792522	Contribution from Trust Fund	60,000.00	31,419.90		11,067.30	20,352.60
	TOTAL MISCELLANEOUS REVENUES	60,000.00	31,419.90	0.00	11,067.30	20,352.60
	TOTAL REVENUES	60,000.00	31,419.90	0.00	11,067.30	20,352.60
	TOTAL EXPENSES	21,175.46	27,346.06	0.00	0.00	27,346.06
	TOTAL EXPENSES OVER(UNDER) REVENUE			0.00	11,067.30	6,993.46

**RESOLUTION NO. 2009-022**

**RESOLUTION OF THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SHASTA  
AUTHORIZING IMPOSITION OF A RECORDING FEE TO BE PLACED IN A REAL  
ESTATE FRAUD PROSECUTION TRUST FUND TO BE USED TO DETER,  
INVESTIGATE, AND PROSECUTE REAL ESTATE FRAUD CRIMES**

**WHEREAS**, the citizens of Shasta County are in need of a program to address incidents of real estate fraud perpetrated against individuals, especially those individuals whose residences are in danger of, or are in, foreclosure; and

**WHEREAS**, Government Code section 27388 provides that, upon the adoption of a resolution by the county board of supervisors, a fee up to three dollars (\$3) shall be paid at the time of recording every real estate instrument, paper, or notice within the county, except those expressly exempted from payment of recording fees; and

**WHEREAS**, Government Code section 27388 provides that the fees shall be paid quarterly to the county auditor, after deduction of administrative costs not to exceed 10 percent, in a Real Estate Fraud Prosecution Trust Fund; and

**WHEREAS**, Government Code section 27388 provides that funds placed in, and distributed from, the Real Estate Fraud Prosecution Trust Fund shall be expended for the exclusive purpose of deterring, investigating, and prosecuting real estate fraud crimes; that no money collected shall be expended to offset a reduction in any other source of funds; and that funds from the Real Estate Fraud Prosecution Trust Fund shall be used only in connection with criminal investigations or prosecutions involving recorded real estate documents; and

**WHEREAS**, Government Code section 27388 provides for the creation of a Real Estate Fraud Prosecution Trust Fund Committee composed of the district attorney or representative, county administrative officer or representative, and chief officer responsible for consumer protection within the county or a representative, which will develop written procedures, award funds, review the effectiveness of the program, and report to the Board of Supervisors;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of the County of Shasta directs the Shasta County Assessor-Recorder, in accordance with Government Code section 27388, to impose and collect a three dollar (\$3) fee at the time of recording of every real estate instrument, paper, or notice recorded in Shasta County as defined by Government Code Section 27388, except those expressly exempted from payment of recording fees; and

**BE IT FURTHER RESOLVED** that the funds collected by the Shasta County Assessor-Recorder pursuant to this Resolution shall be paid quarterly to the Shasta County Auditor-Controller to be placed in a Real Estate Fraud Prosecution Trust Fund to be used, after deduction of administrative costs of the County, not to exceed 10% of the fees paid, as directed


Resolution No. 2009-022  
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in Government Code section 27388, for the exclusive purpose of deterring, investigation, and prosecution real estate fraud crimes; and

**BE IT FURTHER RESOLVED** that the Real Estate Fraud Prosecution Trust Fund committee is hereby created and since the County of Shasta lacks a chief officer responsible for consumer protection, the Shasta County Board of Supervisors shall appoint, in accordance with Government Code section 27388, an individual to serve as a member of the Real Estate Fraud Prosecution Trust Fund Committee. The other members include the Shasta County District Attorney or his/her designee, and the Shasta County Administrative Officer or his/her designee. The three members will be directed to implement Government Code section 27388 and to report back yearly to the Board of Supervisors on the status of the program.

**DULY PASSED AND ADOPTED** this 7th day of April, 2009 by the Board of Supervisors of the County of Shasta by the following vote:

AYES: Supervisors Moty, Hawes, Hartman, Baugh, and Kehoe  
NOES: None  
ABSENT: None  
ABSTAIN: None  
RECUSE: None

  
\_\_\_\_\_  
GLENN HAWES, 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 20, 2019

**CATEGORY:** Scheduled Hearings - General Government-5.

**SUBJECT:**

Public Hearing to Consider Implementing AB 1265/SB 1353, Amendments to the Williamson Act for 2020

**DEPARTMENT:** Administrative Office

**Supervisory District No. :** All

**DEPARTMENT CONTACT:** Ayla Tucker, Administrative Analyst (530) 225-5561

**STAFF REPORT APPROVED BY:** Ayla Tucker, Administrative Analyst

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

**RECOMMENDATION**

Take the following actions: (1) Conduct a public hearing to consider implementing, pursuant to subdivision (e) of Government Code section 16142, the provisions authorized in Assembly Bill (AB) 1265 and Senate Bill (SB) 1353 and outlined in subdivision (b) of Government Code Section 51244 and Section 51244.3 (AB 1265/SB 1353 provisions), which will have the following impacts effective January 1, 2020: (a) the implementation would reduce a landowner's Williamson Act property tax benefits, which in most instances will result in an increase in property taxes to the landowner; (b) the implementation would reduce the term of a Williamson Act contract from ten years to nine years; and (c) the implementation would allow increased revenues to be transferred directly into the County's General Fund; (2) adopt a resolution which: (a) finds that, for Fiscal Year (FY) 2018-19, the subvention payment the County received from the State of California pursuant to the Open Space Subvention Act was less than one-half of the County's actual foregone General Fund property tax revenue that resulted from Williamson Act contracts; and (b) states the Board's decision to implement Government Code Section 51244(b) and Government Code Section 51244.3 effective January 1, 2020; (3) direct staff to notify all Williamson Act contracted landowners of the following: (a) the final decision of the Board of Supervisors after the conclusion of the August 20, 2019 public hearing on whether to implement the AB 1265/SB 1353 provisions; and (b) the landowner's right to prevent the reduction in the term of his or her contract due to the implementation of the AB 1265/SB 1353 provisions by serving notice of non-renewal as specified by Government Code Sections 51244, 51245 and Shasta County Resolution No. 2011-103; and (4) direct the County Administrative Office, Assessor-Recorder, Auditor-Controller, Tax Collector and Director of Resource Management to take all necessary steps to implement AB 1265/SB 1353 including but not limited to recording a notice that states the affected parcel numbers and current owner's names, making the appropriate additions to all affected properties assessed values, and modifying the FY 2020-21 tax bills to reflect the assessment changes associated with the reduced tax benefit.

**SUMMARY**

N/A

**DISCUSSION**

On July 15, 2011, AB 1265 was enacted into law with a retroactive effective date of January 1, 2011. AB 1265 provides an opportunity for counties to offset a portion of their loss of Williamson Act related subvention funds by implementing the AB 1265 provisions. On September 13, 2011, the Board implemented the provisions of AB 1265 for the year 2012, which had the following impacts as of January 1, 2012: (1) The implementation reduced a landowner's Williamson Act property tax benefits, which in most instances resulted in an increase in property taxes to the landowner; (2) the implementation reduced the term of a Williamson Act contract from ten years to nine years; and (3) the implementation allowed increased revenues to be transferred directly into the County's General Fund.

Additionally, if a landowner wanted to prevent the reduction in the term of his or her Williamson Act contract with its reduced level of property tax benefits, the landowner had the option to non-renew the contract. AB 1265 provides that a county will not modify or revalue a landowner's contract unless the landowner is given at least 90 days' notice of the opportunity to prevent the modification and revaluation by serving notice of non-renewal.

Pursuant to Resolution 2011-103, adopted by the Board on September 13, 2011 to facilitate implementation of AB 1265, a landowner is provided with at least 90 days' notice of his or her opportunity to prevent the modification and revaluation by serving timely notice of non-renewal of his or her Williamson Act before the contract's annual renewal date.

The Board's implementation of AB 1265 on September 13, 2011 only applied to 2012. The Board implemented AB 1265 for 2013, 2014, 2015, 2016, 2017, 2018, and 2019.

By its terms, AB 1265 was set to expire effective January 1, 2016. However, effective January 1, 2015, the California Legislature adopted SB 1353 which removed the January 1, 2016 expiration date and otherwise maintained the provisions of AB 1265 related to Williamson Act contracts.

The issue now before the Board is the implementation of AB 1265 and SB 1353 for 2019.

AB 1265/SB 1353 is a program that a county can use when state subvention funding falls to less than half of the county's "actual foregone general fund property tax revenue." In such a case, AB 1265/SB 1353 enables a county to shorten its ten year Williamson Act contracts to nine years. Landowners can "opt out" of this approach by non-renewing their Williamson Act contracts instead of accepting the shorter contract terms.

For landowners who accept the shorter term, the Assessor is required to make an addition to the assessed value that reflects the shorter term. The addition is statutorily mandated (under AB 1265/SB 1353) to be 10% of the difference between; (a) the full unrestricted value of the property under Proposition 13 or the market value, whichever is lower, and (b) the restricted value of the property under the Williamson Act.

This means that for every dollar in property taxes that a contracted landowner currently avoids by having their land under contract, AB 1265/SB 1353 requires that ten cents be paid annually to the County. None of the additional revenues generated by AB 1265/SB 1353 are to be shared with the State or other government entities.

For FY 2018-19, Shasta County's actual foregone general fund property tax revenue from Williamson Act contracts was \$233,960. The County received no monies from the State pursuant to the Open Space Subvention Act. As a result, the zero payment from the State of California pursuant to the Open Space Subvention Act, is less than one-half of the County's actual foregone general fund property tax revenue.

The implementation of the AB 1265/SB 1353 provisions requires a majority vote of the Board of Supervisors. Its implementation will be suspended for any subsequent fiscal year in which the Williamson Act related subvention payment from the State for the previous fiscal year exceeds one-half of the foregone general fund property tax revenue that resulted from Williamson Act contracts.

If the Board decides to implement the AB 1265/SB 1353 provisions effective January 1, 2020, that decision only applies to 2020.

There are approximately 659 separate Assessor's Parcels in Shasta County that are subject to Williamson Act contracts.



On July 26, 2019, a total of 659 landowner notices were mailed to all property owners of parcels restricted by a Williamson Act contract. The landowner list was generated from the latest version of the Assessor's data base. As required, the notification included the scheduled public hearing on August 20, 2019 at 9:00 a.m. (or as soon thereafter as may be heard) to consider adoption of the implementation of AB 1265/SB 1353 for 2020. The public hearing notice was published in The Record Searchlight on July 26, 2019.

Following this public hearing, should the Board decide to implement AB 1265/SB 1353, staff will once again mail out notifications as required, to inform landowners of the final decision and their right to file a notice of non-renewal.

Should the County choose to implement the AB 1265/SB 1353 provisions for 2020, the landowner's options are: (1) Accept the new decreased 9-year term and associated 10% decrease in benefits; or, (2) File a Notice of Non-renewal, and accept the property tax consequences of escalating assessed valuation over the remaining term of the contract.

Non-renewal generally places a much higher financial burden on local landowners as assessed values will gradually return to their full unrestricted Proposition 13 amounts. In contrast, AB 1265 and SB 1353 allow landowners to retain 90% of the tax benefits that the Williamson Act currently affords them. For most, if not all, landowners, accepting the 9-year term and associated decrease in benefits would be significantly less of a financial burden than serving a notice of non-renewal.

The AB 1265/SB 1353 provisions do not apply to the following: (a) Contracts that have been non-renewed; (b) contracts with cities; (c) Open-space or agricultural easements; (d) scenic restrictions; (e) wildlife habitat contracts; (f) atypical term contracts, including, but not limited to, 20-year initial term contracts declining to 10 years, or re-encumbrances pursuant to Government Code Section 51295, if the county's board of supervisors determines the application of the AB 1265/SB 1353 provisions to them would be inequitable or administratively infeasible.

If the AB 1265/SB 1353 provisions are implemented by the Board of Supervisors for 2020, the Assessor's Office will be required to make the appropriate addition to the assessed values as of January 1, 2020, and the Auditor's Office and Tax Collector will be required to modify the Fiscal Year 2020-21 tax bills to reflect the assessment changes. The Department of Resource Management and the Assessor-Recorder's Office will process all notices of non-renewal that have been received.

Additionally, AB 1265/SB 1353 [Government Code Section 51244 (b)(2)] requires that in any year in which AB 1265/SB 1353 is implemented, the County shall record a notice that states the affected parcel number or numbers and current owner's names, or, alternatively, the same information for those parcels that are not affected.

**ALTERNATIVES**

The Board may choose not to implement the AB 1265/SB 1353 provisions for 2020.

**OTHER AGENCY INVOLVEMENT**

The County Administrative Office prepared the staff report and resolution. County Counsel has reviewed the resolution and approved it as to form.

**FINANCING**

Costs associated with implementing AB 1265/SB 1353 for 2020 will be funded with General Funds.

**ATTACHMENTS:**

Description	Upload Date	Description
Resolution AB 1265 FY2011	8/28/2018	Resolution AB 1265 FY2011
AB 1265 Legislation	8/28/2018	AB 1265 Legislation
SB 1353 Legislation	8/28/2018	SB 1353 Legislation
Resolution AB1265 Implementation 2020	7/23/2019	Resolution AB1265 Implementation 2020

**RESOLUTION NO. 2011-103**

**A RESOLUTION OF THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SHASTA  
AMENDING ITS UNIFORM WILLIAMSON ACT RULES  
TO FACILITATE IMPLEMENTATION OF AB 1265 (STATS. 2011 C. 90)**

**WHEREAS**, the California Land Conservation Act (the "Williamson Act") was enacted on July 14, 1965, to implement a variety of state farmland preservation policies directed at discouraging the unnecessary and premature conversion of farmland to other uses; and

**WHEREAS**, approximately 187,130 acres in Shasta County are presently conserved by voluntary County and landowner participation in Williamson Act contracts; and

**WHEREAS**, for decades the State has provided subvention funding to replace the property tax revenues that participating jurisdictions like Shasta County lose as a consequence of extending reduced assessments to the owners of contracted lands; and

**WHEREAS**, Shasta County received \$8.00 in State subvention funding in Fiscal Year 2009-10 and \$0.00 in State subvention funding in Fiscal Year 2010-11 for the Williamson Act program, thus shifting the full financial burden of the Williamson Act program to the County at a very difficult financial time; and

**WHEREAS**, Assembly Bill 1265 (Stats. 2011, c. 90) ("AB 1265") is an effort to provide a partial and temporary solution to the elimination of subvention funding; and

**WHEREAS**, AB 1265 authorizes counties to adopt amendments to their uniform Williamson Act rules to facilitate implementation of AB 1265.

**NOW, THEREFORE, BE IT RESOLVED** that the Shasta County Board of Supervisors, State of California, hereby amends the County's uniform Williamson Act rules to facilitate implementation of AB 1265 by adding the following provisions to the County's uniform Williamson Act rules to replace the provisions previously implemented by Resolution No. 2010-122:

**AB 1265 Notices of Non-Renewal**

1. Should the Board of Supervisors, in accordance with Government Code Section 16142(e), implement Government Code Section 51244(b) and Government Code Section 51244.3 for the year 2011 effective January 1, 2011, the following rules shall apply for notices of non-renewal effective for the year 2011:
  - a. A landowner's contract shall not be modified or revalued under Government Code Section 51244(b) and Government Code Section 51244.3 unless the landowner, prior to February 1, 2011, is given at least

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- 60 days' notice of the opportunity to prevent the modification and revaluation by serving notice of non-renewal and the landowner fails to serve notice of non-renewal. This time period shall be referred to as the "Opportunity Time Period." Failure of the landowner to serve notice of nonrenewal within the Opportunity Time Period shall be considered implied consent to the implementation of Government Code Section 51244(b) and Government Code Section 51244.3.
- b. A landowner may withdraw a notice of non-renewal prior to the expiration of the Opportunity Time Period. A landowner who withdraws that notice prior to the expiration of the Opportunity Time Period shall be subject to term modification and additional assessed value pursuant to Government Code Section 51244(b) and Government Code Section 51244.3.
  - c. A landowner's notice of non-renewal served within the Opportunity Time Period (and not withdrawn prior to the expiration of the Opportunity Time Period) shall be considered effective as of January 1, 2011.
  - d. Once served and effective, a landowner's non-renewal notice may not be withdrawn except for cause and with the consent of the County. The County may impose lawful conditions in connection with providing any such consent.
2. Should the Board of Supervisors, in accordance with Government Code Section 16142(e), implement Government Code Section 51244(b) and Government Code Section 51244.3 for the year 2012 or any subsequent year, the following rules shall apply for notices of non-renewal:
- a. A landowner's contract shall not be modified or revalued under Government Code Section 51244(b) and Government Code Section 51244.3 unless the landowner is given at least 90 days' notice of the opportunity to prevent the modification and revaluation by serving notice of non-renewal and the landowner fails to serve notice of non-renewal prior to the annual renewal date of the contract. Failure of the landowner to serve notice of nonrenewal prior to the annual renewal date shall be considered implied consent to the implementation of Government Code Section 51244(b) and Government Code Section 51244.3 for that year.
  - b. A landowner may withdraw a notice of non-renewal prior to the annual renewal date. A landowner who withdraws that notice prior to the annual renewal date shall be subject to term modification and additional assessed value pursuant to Government Code Section 51244(b) and Government Code Section 51244.3.

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- c. A landowner's notice of non-renewal served prior to the annual renewal date (and not withdrawn prior to the annual renewal date) shall be considered effective as of the annual renewal date.
  - d. Once served and effective, a landowner's non-renewal notice may not be withdrawn except for cause and with the consent of the County. The County may impose lawful conditions in connection with providing any such consent.
3. Pursuant to Government Code Section 51244(b)(4), the Board of Supervisors may adopt additional amendments to the County's uniform Williamson Act rules to facilitate implementation of Government Code Section 51244(b) as necessary.

**BE IT FURTHER RESOLVED** that if any provisions of this Resolution or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable.

**DULY PASSED AND ADOPTED** this 13th day of September, 2011 by the Board of Supervisors of the County of Shasta by the following vote:

AYES: Supervisors Hartman, Baugh, Kehoe, Moty, and Hawes  
NOES: None  
ABSENT: None  
ABSTAIN: None  
RECUSE: None



LES BAUGH, CHAIRMAN  
Board of Supervisors  
County of Shasta  
State of California

ATTEST:

LAWRENCE G. LEES  
Clerk of the Board of Supervisors

By:   
Deputy



AB-1265 Local government: Williamson Act. (2011-2012)

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**Assembly Bill No. 1265**

**CHAPTER 90**

An act to amend, repeal, and add Sections 16142, 16142.1, and 51244 of, to add Section 51244.4 to, and to add and repeal Section 51244.3 of, the Government Code, relating to local government, and declaring the urgency thereof, to take effect immediately.

[ Approved by Governor July 13, 2011. Filed with Secretary of State July 15, 2011. ]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 1265, Nielsen. Local government: Williamson Act.

Existing law, the Williamson Act, authorizes a city or county to enter into 10-year contracts with owners of land devoted to agricultural use, whereby the owners agree to continue using the property for that purpose, and the city or county agrees to value the land accordingly for purposes of property taxation. Existing law sets forth procedures for reimbursing cities and counties for property tax revenues not received as a result of these contracts.

This bill would, beginning January 1, 2011, and until January 1, 2016, authorize a county, in any fiscal year in which payments authorized for reimbursement to a county for lost revenue are less than 1/2 of the participating county's actual foregone general fund property tax revenue, to revise the term for newly renewed and new contracts and require the assessor to value the property, as specified, based on the revised contract term. The bill would provide that a landowner may choose to nonrenew and begin the cancellation process. The bill would also provide that any increased revenues generated by properties under a new contract shall be paid to the county.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3 Appropriation: no Fiscal Committee: yes Local Program: no

**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

**SECTION 1.** Section 16142 of the Government Code is amended to read:

**16142.** (a) The Secretary of the Natural Resources Agency shall direct the Controller to pay annually out of the funds appropriated by Section 16140, to each eligible county, city, or city and county, the following amounts for each acre of land within its regulatory jurisdiction that is assessed pursuant to Section 423, 423.3, 423.4, or 423.5, or 426 if it was previously assessed under Section 423.4, of the Revenue and Taxation Code:

(1) Five dollars (\$5) for prime agricultural land, as defined in Section 51201.

(2) One dollar (\$1) for all land, other than prime agricultural land, which is devoted to open-space uses of statewide significance, as defined in Section 16143.

(b) The amount per acre in paragraph (1) of subdivision (a) may be increased by the Secretary of the Natural Resources Agency to a figure which would offset any savings due to a more restrictive determination by the secretary as to what land is devoted to open-space use of statewide significance.

(c) The amount per acre in subdivision (a) shall only be paid for 10 years from the date that the land was first assessed pursuant to Section 426 of the Revenue and Taxation Code, if it was previously assessed under Section 423.4 of that code.

(d) Notwithstanding any other provision of law, for the 2008–09 fiscal year and each fiscal year thereafter, the Controller shall reduce, by 10 percent, any payment made pursuant to this section.

(e) Effective January 1, 2011, if the payment pursuant to this section for the previous fiscal year is less than one-half of the participating county's actual foregone general fund property tax revenue, the county may make a determination to implement subdivision (b) of Section 51244 and Section 51244.3. The implementation of these sections shall be suspended for any subsequent fiscal year in which the payment for the previous fiscal year exceeds one-half of the foregone general fund property tax revenue.

For purposes of this subdivision, a county's actual foregone property tax revenue shall be based on the county's respective share of the general property tax dollars as reflected in the most recent annual report issued by the State Board of Equalization or 20 percent, whichever is higher.

(f) This section shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

**SEC. 2.** Section 16142 is added to the Government Code, to read:

**16142.** (a) The Secretary of the Natural Resources Agency shall direct the Controller to pay annually out of the funds appropriated by Section 16140, to each eligible county, city, or city and county, the following amounts for each acre of land within its regulatory jurisdiction that is assessed pursuant to Section 423, 423.3, 423.4, or 423.5, or 426 if it was previously assessed under Section 423.4, of the Revenue and Taxation Code:

(1) Five dollars (\$5) for prime agricultural land, as defined in Section 51201.

(2) One dollar (\$1) for all land, other than prime agricultural land, which is devoted to open-space uses of statewide significance, as defined in Section 16143.

(b) The amount per acre in paragraph (1) of subdivision (a) may be increased by the Secretary of the Natural Resources Agency to a figure which would offset any savings due to a more restrictive determination by the secretary as to what land is devoted to open-space use of statewide significance.

(c) The amount per acre in subdivision (a) shall only be paid for 10 years from the date that the land was first assessed pursuant to Section 426 of the Revenue and Taxation Code, if it was previously assessed under Section 423.4 of that code.

(d) Notwithstanding any other law, for the 2008–09 fiscal year and each fiscal year thereafter, the Controller shall reduce, by 10 percent, any payment made pursuant to this section.

(e) This section shall become operative on January 1, 2016.

**SEC. 3.** Section 16142.1 of the Government Code is amended to read:

**16142.1.** (a) In lieu of the payments made pursuant to Section 16142, in a county that has adopted farmland security zones pursuant to Section 51296, the Secretary of the Natural Resources Agency shall direct the Controller to pay annually out of the funds appropriated by Section 16140, to each eligible county, city, or city and county, the following amount for each acre of land within its regulatory jurisdiction that is assessed pursuant to Section 423.4 or 426 of the Revenue and Taxation Code, if it was previously assessed under Section 423.4 of that code:

Eight dollars (\$8) for land that is within, or within three miles of the boundaries of the sphere of influence of, each incorporated city.

(b) The amount per acre in subdivision (a) shall only be paid for 10 years from the date that the land was first assessed pursuant to Section 426 of the Revenue and Taxation Code, if it was previously assessed under Section 423.4 of that code. The appropriation authorized by this subdivision shall not exceed one hundred thousand dollars (\$100,000) per year until 2005.

(c) Notwithstanding any other provision of law, for the 2008–09 fiscal year and each fiscal year thereafter, the Controller shall reduce, by 10 percent, any payments made pursuant to this section.

(d) Effective January 1, 2011, if the payment pursuant to this section for the previous fiscal year is less than one-half of the participating county's actual foregone general fund property tax revenue, the county may make a determination to implement subdivision (b) of Section 51244 and Section 51244.3. The implementation of these sections shall be suspended for any subsequent fiscal year in which the payment for the previous fiscal year exceeds one-half of the foregone general fund property tax revenue.

For purposes of this subdivision, a county's actual foregone property tax revenue shall be based on the county's respective share of the general property tax dollars as reflected in the most recent annual report issued by the State Board of Equalization or 20 percent, whichever is higher.

(e) This section shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

**SEC. 4.** Section 16142.1 is added to the Government Code, to read:

**16142.1.** (a) In lieu of the payments made pursuant to Section 16142, in a county that has adopted farmland security zones pursuant to Section 51296, the Secretary of the Natural Resources Agency shall direct the Controller to pay annually out of the funds appropriated by Section 16140, to each eligible county, city, or city and county, the following amount for each acre of land within its regulatory jurisdiction that is assessed pursuant to Section 423.4 or 426 of the Revenue and Taxation Code, if it was previously assessed under Section 423.4 of that code:

Eight dollars (\$8) for land that is within, or within three miles of the boundaries of the sphere of influence of, each incorporated city.

(b) The amount per acre in subdivision (a) shall only be paid for 10 years from the date that the land was first assessed pursuant to Section 426 of the Revenue and Taxation Code, if it was previously assessed under Section 423.4 of that code. The appropriation authorized by this subdivision shall not exceed one hundred thousand dollars (\$100,000) per year until 2005.

(c) Notwithstanding any other law, for the 2008–09 fiscal year and each fiscal year thereafter, the Controller shall reduce, by 10 percent, any payments made pursuant to this section.

(d) This section shall become operative on January 1, 2016.

**SEC. 5.** Section 51244 of the Government Code is amended to read:

**51244.** (a) Each contract shall be for an initial term of no less than 10 years. Each contract shall provide that on the anniversary date of the contract or such other annual date as specified by the contract a year shall be added automatically to the initial term unless notice of nonrenewal is given as provided in Section 51245.

(b) (1) If the county makes a determination pursuant to subdivision (e) of Section 16142 or subdivision (d) of Section 16142.1, contracts shall be for a term of no less than nine years for contracts currently 10 years in length or 18 years for contracts currently 20 years in length, as the case may be. For new contracts entered into during a year in which this subdivision is in effect, the initial contract length shall be either 9 or 18 years. Each contract shall provide, except in the initial year of the determination, that on the anniversary date of the contract or such other annual date as specified by the contract, a year shall be added automatically to the initial term unless notice of nonrenewal is given as provided in Section 51245.

In any subsequent year during the reduced term of contract in which increased revenue is not realized by the county pursuant to Section 51244.3, two or three additional years shall be added to the contract on the next anniversary date, as necessary, to restore the contract to its full 10-year or 20-year contract length.

(2) In any year in which this subdivision is implemented, the county shall record a notice that states the affected parcel number or numbers and current owner's names, or, alternatively, the same information for those parcels that are not affected.

(3) An addition to the assessed value shall be conveyed to the auditor, consistent with the 10-percent reduction in the length of the restriction, equal to 10 percent of the difference between the valuation pursuant to Section 423, 423.3, or 423.5 of the Revenue and Taxation Code, as applicable, and the valuation under subdivision (b) of Section 51 or Section 110.1 of the Revenue and Taxation Code, whichever is lower. If the valuation under subdivision (b) of Section 51 or Section 110.1 of the Revenue and Taxation Code is lower, the addition to the



assessed value shall be zero. The increased amount of tax revenue that results from the decrease in restriction shall be separately displayed on the taxpayer's annual bill.

(4) A landowner may elect to serve notice of nonrenewal instead of accepting a 9-year or 18-year contract, as the case may be. In that case, the additional assessed value shall not be added to the property as provided for in paragraph (3).

For purposes of this subdivision, a landowner may serve notice of nonrenewal at any time. However, a landowner who withdraws that notice prior to the effective date shall be subject to term modification and additional assessed value. Once served and effective, a landowner nonrenewal notice may not be withdrawn except for cause and with the consent of the county. A county may adopt amendments to its uniform rules to facilitate implementation of this subdivision during the 2011–12 fiscal year, and thereafter as necessary.

(5) In addition to any other notice requirements, a county shall provide a landowner under contract with timely written notice of all of the following:

(A) Any initial hearing by the county on a proposal to adopt or rescind the implementation of this subdivision.

(B) Any final decision regarding the adoption or rescission of implementation of this subdivision.

(C) The landowner's right to prevent the reduction in the term of his or her contract pursuant to this subdivision by serving notice of nonrenewal as specified by Section 51245. This notice may be combined with the county's notice in subparagraph (B).

(6) A county shall not modify or revalue a landowner's contract pursuant to this subdivision unless the landowner is given at least 90 days' notice of the opportunity to prevent the modification and revaluation by serving notice of nonrenewal and the landowner fails to serve notice of nonrenewal. The county may use the primary owner of record from the assessment roll to identify landowners entitled to receive notice under this subdivision. A landowner shall be advised of the landowner's right to avoid continued imposition of this subdivision in any future year and thereafter by serving a notice of nonrenewal for that contract year. Failure of the landowner to serve timely notice of nonrenewal in any year shall be considered implied consent to the implementation of this subdivision for that year.

The 90-day notice requirement may be reduced to 60 days if the county adopts a procedure to allow landowners to serve a notice of nonrenewal until February 1, 2012.

(7) This subdivision shall not apply to any of the following:

(A) Contracts that have been nonrenewed.

(B) Contracts with cities.

(C) Open-space or agricultural easements.

(D) Scenic restrictions.

(E) Wildlife habitat contracts.

(F) Atypical term contracts, including, but not limited to, 20-year initial term contracts declining to 10 years, or reencumbrances pursuant to Section 51295, if the county's board of supervisors determines the application of this subdivision to them would be inequitable or administratively infeasible.

(c) This section shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

**SEC. 6.** Section 51244 is added to the Government Code, to read:

**51244.** (a) Each contract shall be for an initial term of no less than 10 years. Each contract shall provide that on the anniversary date of the contract or such other annual date as specified by the contract a year shall be added automatically to the initial term unless notice of nonrenewal is given as provided in Section 51245.

(b) This section shall become operative on January 1, 2016.

**SEC. 7.** Section 51244.3 is added to the Government Code, to read:

**51244.3.** (a) This section shall apply to properties under a 9-year or 18-year contract, as the case may be, pursuant to subdivision (b) of Section 51244. Notwithstanding any other provision to the contrary, increased

revenues generated by those properties shall be allocated exclusively to the respective counties in which those properties are located.

(b) This section shall only apply if the county makes a determination pursuant to either Section 16142 or 16142.1.

(c) This section shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

**SEC. 8.** Section 51244.4 is added to the Government Code, to read:

**51244.4.** Notwithstanding subdivision (c) of Section 51244.3, payments authorized until January 1, 2016, pursuant to Section 16142, 16142.1, 51244, or 51244.3 may be collected after January 1, 2016.

**SEC. 9.** This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

County assessors in counties that participate in the Williamson Act need to be given certainty about the administration of the program by July 1, 2011, in order to properly assess affected properties.



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SB-1353 Local government: Williamson Act. (2013-2014)

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## Senate Bill No. 1353

### CHAPTER 322

An act to amend Section 51244.3 of, to amend and repeal Sections 16142, 16142.1, and 51244 of, and to repeal Section 51244.4 of, the Government Code, relating to local government.

[ Approved by Governor September 15, 2014. Filed with Secretary of State September 15, 2014. ]

### LEGISLATIVE COUNSEL'S DIGEST

SB 1353, Nielsen. Local government: Williamson Act.

Existing law, the Williamson Act, authorizes a city or county to enter into contracts with owners of land devoted to agricultural use, whereby the owners agree to continue using the property for that purpose, and the city or county agrees to value the land accordingly for purposes of property taxation. Existing law sets forth procedures for reimbursing cities and counties for property tax revenues not received as a result of these contracts. Existing law sets forth the term of these contracts at 10 or 20 years, except that until January 1, 2016, a county may, in any fiscal year in which payments authorized for reimbursement to a county for lost revenue are less than 1/2 of the participating county's actual foregone general fund property tax revenue, revise the term for newly renewed and new contracts to either 9 or 18 years. Existing law provides for an addition to the assessed value of properties subject to contracts with a reduced term.

This bill would delete the January 1, 2016, date and thereby authorize a county to utilize the process for revising or entering into contracts so as to specify 9-year or 18-year terms indefinitely. The bill would additionally authorize a county to utilize that process for revising or entering into contracts for land subject to a farmland security zone contract. The bill would also make conforming changes.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

### THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** Section 16142 of the Government Code, as amended by Section 1 of Chapter 90 of the Statutes of 2011, is amended to read:

**16142.** (a) The Secretary of the Natural Resources Agency shall direct the Controller to pay annually out of the funds appropriated by Section 16140, to each eligible county, city, or city and county, the following amounts for each acre of land within its regulatory jurisdiction that is assessed pursuant to Section 423, 423.3, 423.4, or 423.5, or Section 426 if it was previously assessed under Section 423.4, of the Revenue and Taxation Code:

(1) Five dollars (\$5) for prime agricultural land, as defined in Section 51201.

(2) One dollar (\$1) for all land, other than prime agricultural land, which is devoted to open-space uses of statewide significance, as defined in Section 16143.

(b) The amount per acre in paragraph (1) of subdivision (a) may be increased by the Secretary of the Natural Resources Agency to a figure which would offset any savings due to a more restrictive determination by the secretary as to what land is devoted to open-space use of statewide significance.

(c) The amount per acre in subdivision (a) shall only be paid for 10 years from the date that the land was first assessed pursuant to Section 426 of the Revenue and Taxation Code, if it was previously assessed under Section 423.4 of that code.

(d) Notwithstanding any other provision of law, for the 2008–09 fiscal year and each fiscal year thereafter, the Controller shall reduce, by 10 percent, any payment made pursuant to this section.

(e) Effective January 1, 2011, if the payment pursuant to this section for the previous fiscal year is less than one-half of the participating county's actual foregone general fund property tax revenue, the county may make a determination to implement subdivision (b) of Section 51244 and Section 51244.3. The implementation of these sections shall be suspended for any subsequent fiscal year in which the payment for the previous fiscal year exceeds one-half of the foregone general fund property tax revenue.

For purposes of this subdivision, a county's actual foregone property tax revenue shall be based on the county's respective share of the general property tax dollars as reflected in the most recent annual report issued by the State Board of Equalization or 20 percent, whichever is higher.

**SEC. 2.** Section 16142 of the Government Code, as added by Section 2 of Chapter 90 of the Statutes of 2011, is repealed.

**SEC. 3.** Section 16142.1 of the Government Code, as amended by Section 3 of Chapter 90 of the Statutes of 2011, is amended to read:

**16142.1.** (a) In lieu of the payments made pursuant to Section 16142, in a county that has adopted farmland security zones pursuant to Section 51296, the Secretary of the Natural Resources Agency shall direct the Controller to pay annually out of the funds appropriated by Section 16140, to each eligible county, city, or city and county, the following amount for each acre of land within its regulatory jurisdiction that is assessed pursuant to Section 423.4 or 426 of the Revenue and Taxation Code, if it was previously assessed under Section 423.4 of that code:

Eight dollars (\$8) for land that is within, or within three miles of the boundaries of the sphere of influence of, each incorporated city.

(b) The amount per acre in subdivision (a) shall only be paid for 10 years from the date that the land was first assessed pursuant to Section 426 of the Revenue and Taxation Code, if it was previously assessed under Section 423.4 of that code. The appropriation authorized by this subdivision shall not exceed one hundred thousand dollars (\$100,000) per year until 2005.

(c) Notwithstanding any other provision of law, for the 2008–09 fiscal year and each fiscal year thereafter, the Controller shall reduce, by 10 percent, any payments made pursuant to this section.

(d) Effective January 1, 2011, if the payment pursuant to this section for the previous fiscal year is less than one-half of the participating county's actual foregone general fund property tax revenue, the county may make a determination to implement subdivision (b) of Section 51244 and Section 51244.3. The implementation of these sections shall be suspended for any subsequent fiscal year in which the payment for the previous fiscal year exceeds one-half of the foregone general fund property tax revenue.

For purposes of this subdivision, a county's actual foregone property tax revenue shall be based on the county's respective share of the general property tax dollars as reflected in the most recent annual report issued by the State Board of Equalization or 20 percent, whichever is higher.

**SEC. 4.** Section 16142.1 of the Government Code, as added by Section 4 of Chapter 90 of the Statutes of 2011, is repealed.

**SEC. 5.** Section 51244 of the Government Code, as amended by Section 5 of Chapter 90 of the Statutes of 2011, is amended to read:

**51244.** (a) Each contract shall be for an initial term of no less than 10 years. Each contract shall provide that on the anniversary date of the contract or such other annual date as specified by the contract a year shall be added automatically to the initial term unless notice of nonrenewal is given as provided in Section 51245.

(b) (1) If the county makes a determination pursuant to subdivision (e) of Section 16142 or subdivision (d) of Section 16142.1, contracts shall be for a term of no less than 9 years for contracts currently 10 years in length or 18 years for contracts currently 20 years in length, as the case may be. For new contracts entered into during a year in which this subdivision is in effect, the initial contract length shall be either 9 or 18 years. Each contract shall provide, except in the initial year of the determination, that on the anniversary date of the contract or such other annual date as specified by the contract, a year shall be added automatically to the initial term unless notice of nonrenewal is given as provided in Section 51245.

In any subsequent year during the reduced term of contract in which increased revenue is not realized by the county pursuant to Section 51244.3, 2 or 3 additional years shall be added to the contract on the next anniversary date, as necessary, to restore the contract to its full 10-year or 20-year contract length.

(2) In any year in which this subdivision is implemented, the county shall record a notice that states the affected parcel number or numbers and current owner's names, or, alternatively, the same information for those parcels that are not affected.

(3) An addition to the assessed value shall be conveyed to the auditor, consistent with the 10-percent reduction in the length of the restriction, equal to 10 percent of the difference between the valuation pursuant to Section 423, 423.3, 423.4, or 423.5 of the Revenue and Taxation Code, as applicable, and the valuation under subdivision (b) of Section 51 or Section 110.1 of the Revenue and Taxation Code, whichever is lower. If the valuation under subdivision (b) of Section 51 or Section 110.1 of the Revenue and Taxation Code is lower, the addition to the assessed value shall be zero. The increased amount of tax revenue that results from the decrease in restriction shall be separately displayed on the taxpayer's annual bill.

(4) A landowner may elect to serve notice of nonrenewal instead of accepting a 9-year or 18-year contract, as the case may be. In that case, the additional assessed value shall not be added to the property as provided for in paragraph (3).

For purposes of this subdivision, a landowner may serve notice of nonrenewal at any time. However, a landowner who withdraws that notice prior to the effective date shall be subject to term modification and additional assessed value. Once served and effective, a landowner nonrenewal notice may not be withdrawn except for cause and with the consent of the county. A county may adopt amendments to its uniform rules to facilitate implementation of this subdivision during the 2011–12 fiscal year, and thereafter as necessary.

(5) In addition to any other notice requirements, a county shall provide a landowner under contract with timely written notice of all of the following:

(A) Any initial hearing by the county on a proposal to adopt or rescind the implementation of this subdivision.

(B) Any final decision regarding the adoption or rescission of implementation of this subdivision.

(C) The landowner's right to prevent the reduction in the term of his or her contract pursuant to this subdivision by serving notice of nonrenewal as specified by Section 51245. This notice may be combined with the county's notice in subparagraph (B).

(6) A county shall not modify or revalue a landowner's contract pursuant to this subdivision unless the landowner is given at least 90 days' notice of the opportunity to prevent the modification and revaluation by serving notice of nonrenewal and the landowner fails to serve notice of nonrenewal. The county may use the primary owner of record from the assessment roll to identify landowners entitled to receive notice under this subdivision. A landowner shall be advised of the landowner's right to avoid continued imposition of this subdivision in any future year and thereafter by serving a notice of nonrenewal for that contract year. Failure of the landowner to serve timely notice of nonrenewal in any year shall be considered implied consent to the implementation of this subdivision for that year.

The 90-day notice requirement may be reduced to 60 days if the county adopts a procedure to allow landowners to serve a notice of nonrenewal until February 1, 2012.

(7) This subdivision shall not apply to any of the following:

(A) Contracts that have been nonrenewed.

(B) Contracts with cities.

(C) Open-space or agricultural easements.

(D) Scenic restrictions.

(E) Wildlife habitat contracts.

(F) Atypical term contracts, including, but not limited to, 20-year initial term contracts declining to 10 years, or reencumbrances pursuant to Section 51295, if the county's board of supervisors determines the application of this subdivision to them would be inequitable or administratively infeasible.

**SEC. 6.** Section 51244 of the Government Code, as added by Section 6 of Chapter 90 of the Statutes of 2011, is repealed.

**SEC. 7.** Section 51244.3 of the Government Code is amended to read:

**51244.3.** (a) This section shall apply to properties under a 9-year or 18-year contract, as the case may be, pursuant to subdivision (b) of Section 51244. Notwithstanding any other provision to the contrary, increased revenues generated by those properties shall be allocated exclusively to the respective counties in which those properties are located.

(b) This section shall only apply if the county makes a determination pursuant to either Section 16142 or 16142.1.

**SEC. 8.** Section 51244.4 of the Government Code is repealed.

**RESOLUTION NO. 2019-\_\_\_\_\_**

**RESOLUTION OF THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SHASTA  
IMPLEMENTING GOVERNMENT CODE SECTIONS 51244(b) AND 51244.3  
EFFECTIVE JANUARY 1, 2020**

**WHEREAS**, the California Land Conservation Act (the “Williamson Act”) was enacted on July 14, 1965 to implement a variety of state farmland preservation policies directed at discouraging the unnecessary and premature conversion of farmland to other uses; and

**WHEREAS**, approximately 189,115 acres in Shasta County are presently conserved by voluntary County and landowner participation in Williamson Act contracts; and

**WHEREAS**, for decades the State has provided subvention funding to replace the property tax revenues that participating jurisdictions like Shasta County lose as a consequence of extending reduced assessments to the owners of contracted lands; and

**WHEREAS**, Shasta County received \$0.00 in State subvention funding in Fiscal Year 2018-19. The County’s actual foregone general fund property tax revenue for Fiscal Year 2018-19 was \$233,960. Accordingly, the County received less than one-half of the County’s foregone general fund tax revenue; and

**WHEREAS**, Assembly Bill 1265 (Stats. 2011, c. 90)(“AB 1265”) is an effort to provide a partial solution to the elimination of subvention funding; and

**WHEREAS**, Senate Bill 1353 removed the sunset date of January 1, 2016 that was included in AB 1265 and otherwise maintained the provisions of AB 1265 related to Williamson Act contracts; and

**WHEREAS**, the purpose of this Resolution is to make certain findings and take other actions necessary to formally implement AB 1265 and SB 1353 for the year 2020 effective January 1, 2020;

**NOW THEREFORE, BE IT RESOLVED**, the Shasta County Board of Supervisors, State of California, hereby makes the following findings and determinations for the year 2020:

1. The Board of Supervisors finds that during the prior Fiscal Year 2018-19, the payments received by the County pursuant to Government Code Section 16142 amounted to less than one-half of the County’s actual foregone general fund property tax revenue.

Resolution No. 2019-

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2. The Board of Supervisors hereby implements Government Code §§ 51244(b) and 51244.3 for the year 2020 effective January 1, 2020.
3. The County Administrative Office and other County staff are authorized to take such necessary and further actions as are appropriate to implement this Resolution and carry out the intent of the Board of Supervisors.

**BE IT FURTHER RESOLVED**, that if any provisions of this Resolution or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable.

**DULY PASSED AND ADOPTED** this 20<sup>th</sup> 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