

City Council Regular Meeting Agenda



November 18, 2025

6:00 PM

City of Turlock Yosemite Room

156 S. Broadway, Turlock, California

Mayor
Amy Bublak

Council Members
Kevin Bixel
Cassandra Abram

Erika Phillips
Rebecka Monez
(Vice Mayor)

Interim City Manager
Sue Borrego
City Clerk
Nichole Fiez
City Attorney
George A. Petrulakis

SPEAKER CARDS: To accommodate those wishing to address the Council and allow for staff follow-up, speaker cards are available for any agenda item or any other topic delivered under Public Comment. Please fill out and provide the Comment Card to the City Clerk or Police Officer.

NOTICE REGARDING NON-ENGLISH SPEAKERS: The Turlock City Council meetings are conducted in English and translation to other languages is not provided. Please make arrangements for an interpreter if necessary.

EQUAL ACCESS POLICY: If you have a disability which affects your access to public facilities or services, please contact the City Clerk's Office at (209) 668-5540. The City is committed to taking all reasonable measures to provide access to its facilities and services. Please allow sufficient time for the City to process and respond to your request.

NOTICE: Pursuant to California Government Code Section 54954.3, any member of the public may directly address the City Council on any item appearing on the agenda, including Consent Calendar and Public Hearing items, before or during the City Council's consideration of the item. Members of the public will be allowed three (3) minutes for comments.

AGENDA PACKETS: Prior to the City Council meeting, a complete Agenda Packet is available for review on the City's website at www.cityofturlock.org and in the City Clerk's Office at 156 S. Broadway, Suite 230, Turlock, during normal business hours. Materials related to an item on this Agenda submitted to the Council after distribution of the Agenda Packet are also available for public inspection in the City Clerk's Office. Such documents may be available on the City's website subject to staff's ability to post the documents before the meeting.

1. **CALL TO ORDER**
2. **SALUTE TO THE FLAG**
3. **ROLL CALL AND DECLARATION OF CONFLICTS**
4. **APPROVAL OF AGENDA AS POSTED OR AMENDED**

This is the time for the City Council to remove items from the agenda or to change the order of the agenda. Matters may be taken up out of order of the established agenda by a four-fifths vote of the City Council.

**CITY OF TURLOCK
CITY COUNCIL
REGULAR MEETING AGENDA
Tuesday, November 18, 2025**

Next City Council Resolution: 2025-193

Next Ordinance: 1337-CS

5. PROCLAMATIONS, RECOGNITIONS, APPOINTMENTS, ANNOUNCEMENTS, PRESENTATIONS, AND BRIEFINGS

- A. Presentation: Roads Program - Geer Road

6. PUBLIC PARTICIPATION

Pursuant to California Government Code Section 54954.3(a), this portion of the meeting is set aside for members of the public to address the City Council on matters that are not listed on tonight's agenda but are within the subject matter jurisdiction of the City Council. Speakers will be allowed up to three (3) minutes for their comments. Speakers who wish to address a matter listed later on the agenda may be asked to wait until that item is heard. Comments on matters outside the Council's subject matter jurisdiction may be ruled out of order by the presiding officer and not permitted to continue. Pursuant to Government Code Section 54954.2(a)(3), the City Council may not take action or engage in substantive discussion on items not listed on the posted agenda. However, the Council or staff may briefly respond to public comments, refer matters to staff, or request that a topic be placed on a future agenda.

7. CITY MANAGER REPORTS/UPDATES

City Manager reports/updates are provided for informational purposes only and no action or discussion may be undertaken. The City Manager may direct department heads to provide reports/updates at the City Manager's request.

- A. Monthly Department Reports

8. CONSENT CALENDAR

All matters listed under the Consent Calendar are considered routine and will be enacted by one motion with no separate discussion. Any item may be removed from the Consent Calendar and considered separately at the request of the Mayor or any Councilmember. Prior to Council action, members of the public may address the Council on the Consent Calendar. If during their Consent Calendar comments, a member of the public requests removal of an item for separate consideration, the Mayor or a Councilmember may do so. Public comment on the Consent Calendar is limited to one (1) minute per speaker, regardless of the number of items addressed by the speaker.

- A. Accepting the Weekly demands of October 17, 2025 through November 6, 2025 in the amount of \$5,732,520.04, the Payroll register for July and September 2025, and the Investment Report for October 2025 in the amount of \$315,966,175.47
- B. Accepting the Minutes of the October 28, 2025 Regular City Council Meeting and the October 30, 2025 Special City Council Meeting
- C. Awarding bid and approving an agreement with Machado and Sons Construction for City Utility Trench Repair 2025 in the amount of \$155,011.00 (Engineering)
- D. Approving Contract Change Order No. 2 with SoCal Pacific Construction, Corp. for City Project No. 23-027, "Secondary Clarifier No. 4 Recoating", bringing the revised contract total to \$290,510.00 (Engineering)

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- E. Authorizing the Interim City Manager to execute a Memorandum of Understanding with the Stanislaus Regional Water Authority regarding the preparation of a Joint 2025 Urban Water Management Plan (Municipal Services)
- F. Adopting the updated Housing Rehabilitation Program and the First Time Homebuyer Secondary Financing Program Policies and Procedures Manuals for the Housing Program Services Division (Housing)
- G. Approving the purchase renewal of backup software and support with Savant Solutions for an amount not to exceed \$61,908.55 (Information Technology)

9. FINAL READINGS

10. PUBLIC HEARINGS

- A. Adopting the Procurement Manual and the First Reading of an Ordinance Amending Turlock Municipal Code Title 2, Chapter 7, regarding purchasing system to standardize and update the procurement and contracting process (Finance)

11. ACTION ITEMS

- A. Appropriating \$299,399 in ARPA funds and approving an agreement, in a form approved by the City Attorney, with QWAKE Technologies for helmet camera equipment, software, and training (Fire)
- B. Approving an agreement, in form approved by the City Attorney, with StanCOG to receive \$454,769 in REAP 2.0 funds and authorizing the Interim City Manager to contract with Dyett & Bhatia and Professional Planners to prepare a Master plan and zoning updates for the seven unincorporated county islands (Development Services)
- C. Accepting the City of Turlock's audited Financial Statements and related reports for the Fiscal Year Ended June 30, 2024 (Finance)
- D. Approving an agreement with Solid Networks Inc. for the purchase of co-managed project support and professional services for Microsoft 365 for an initial three-year term of \$186,000 (Information Technology)
- E. Increase Turlock Partnership Incentive Program grant from \$1,000 to \$3,500 to better support new businesses. (Economic Development)

12. COUNCILMEMBER COMMENTS, ANNOUNCEMENTS AND FUTURE ITEMS

13. CLOSED SESSION

- A. Conference with Legal Counsel – Anticipated Litigation, Cal. Gov't Code §54956.9(d)(2) "For the purposes of this section, litigation shall be considered pending when any of the following circumstances exist... A point has been reached where, in the opinion of the legislative body of the local agency on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the local agency." Potential Case(s): One (1)

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B. Conference with Labor Negotiators, Cal. Gov't Code §54957.6(a)

“Notwithstanding any other provision of law, a legislative body of a local agency may hold closed sessions with the local agency's designated representatives regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits of its represented and unrepresented employees, and, for represented employees, any other matter within the statutorily provided scope of representation.”

Agency Designated Representative: Interim City Manager, Sue Borrego

Employee Organization: Turlock Management Association-Public Safety

Employee Organization: Turlock Associated Police Officers

14. REPORTS FROM CLOSED SESSION

15. ADJOURNMENT

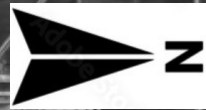
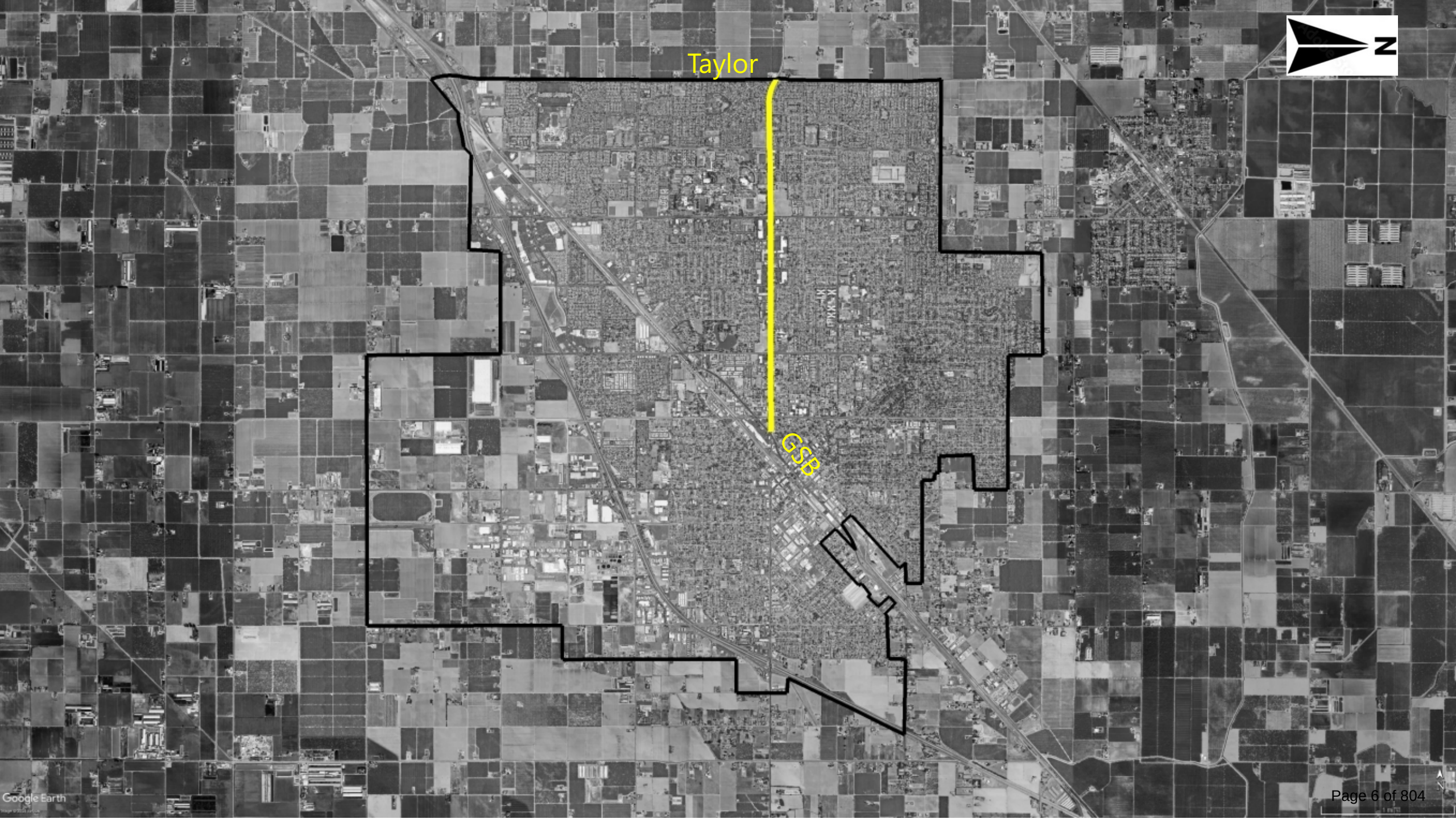
Welcome to Geer Road Pavement Rehabilitation Project (N. Golden State Blvd to Taylor Road)



MARK THOMAS

City Council Presentation

November 18, 2025





Meeting Agenda



- Project Overview/Objective
- Existing Condition
- Proposed Improvements
- Construction Packages
- Managing Construction
- Project Funding
- Project Schedule



Project Objective



- Pavement Rehabilitation
- Fill in Sidewalk Gaps Where Appropriate
- ADA Compliance
- Consistent with City's Active Transportation Plan (ATP) and General Plan (GP)



Where Are We Now?





Where Are We Now?





Existing Condition



Distressed Pavement



Gutter Drainage



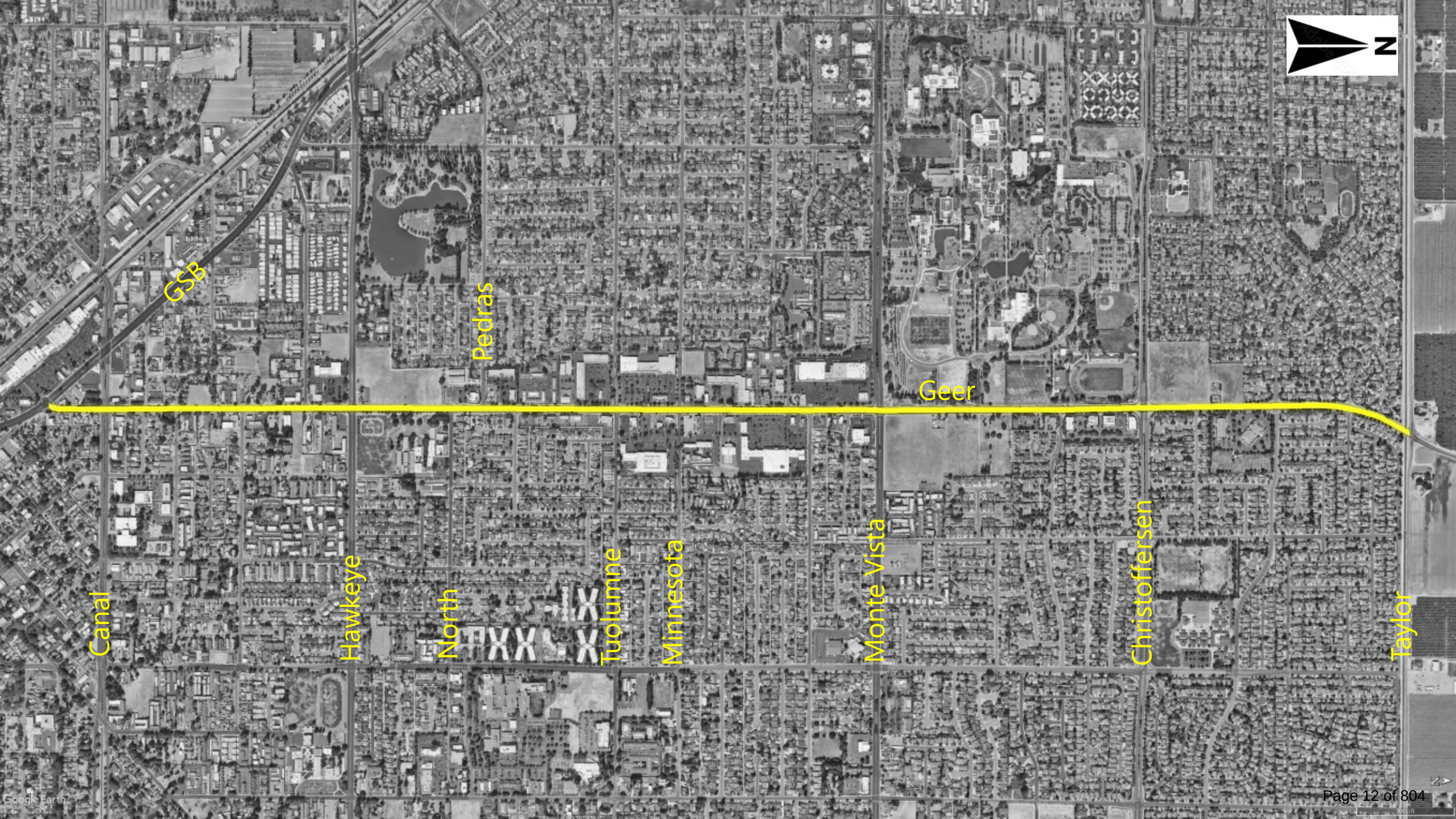
ADA Compliance



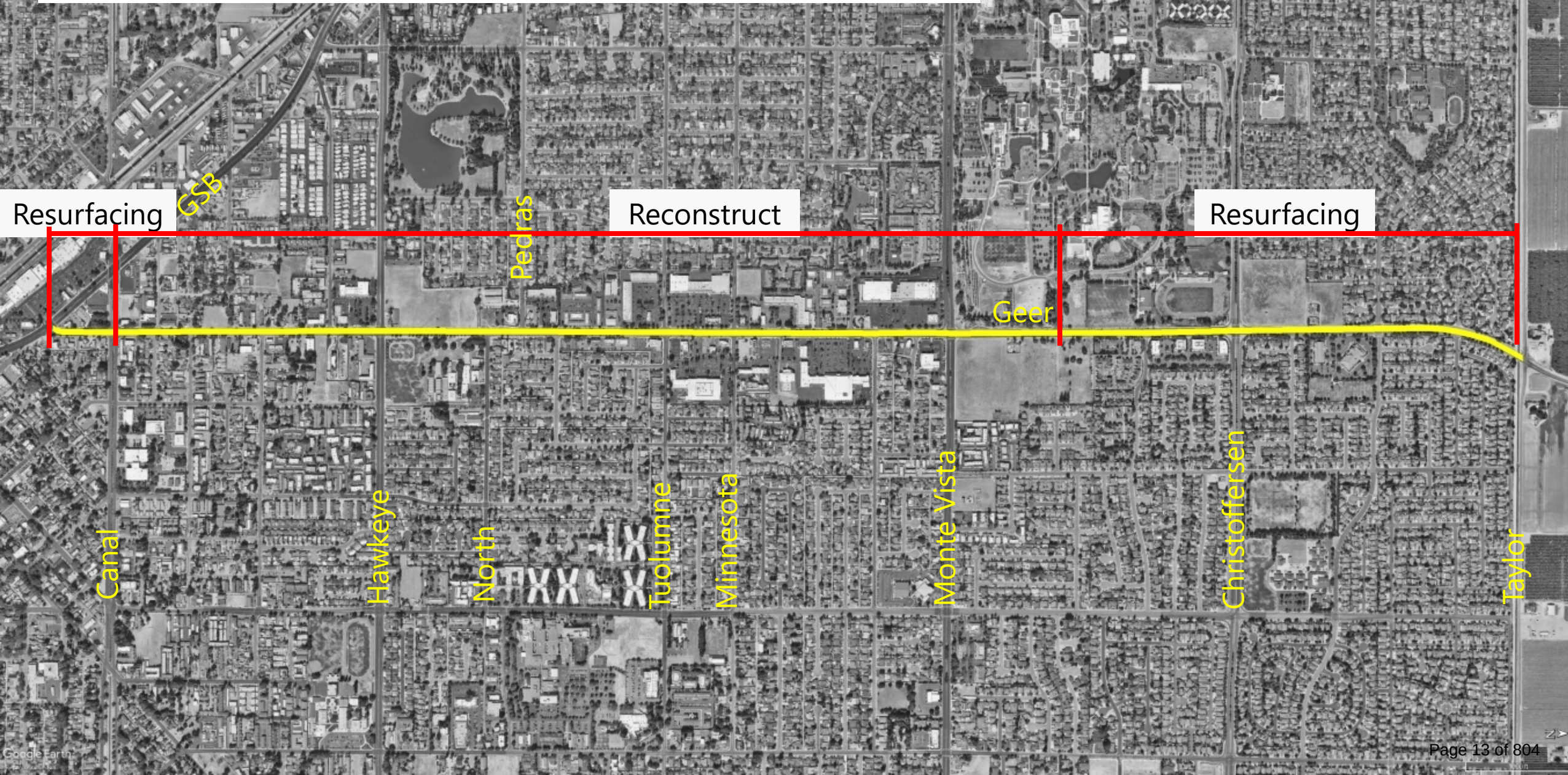
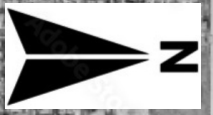
Uneven Sidewalk



Sidewalk Gaps



Pavement Rehabilitation

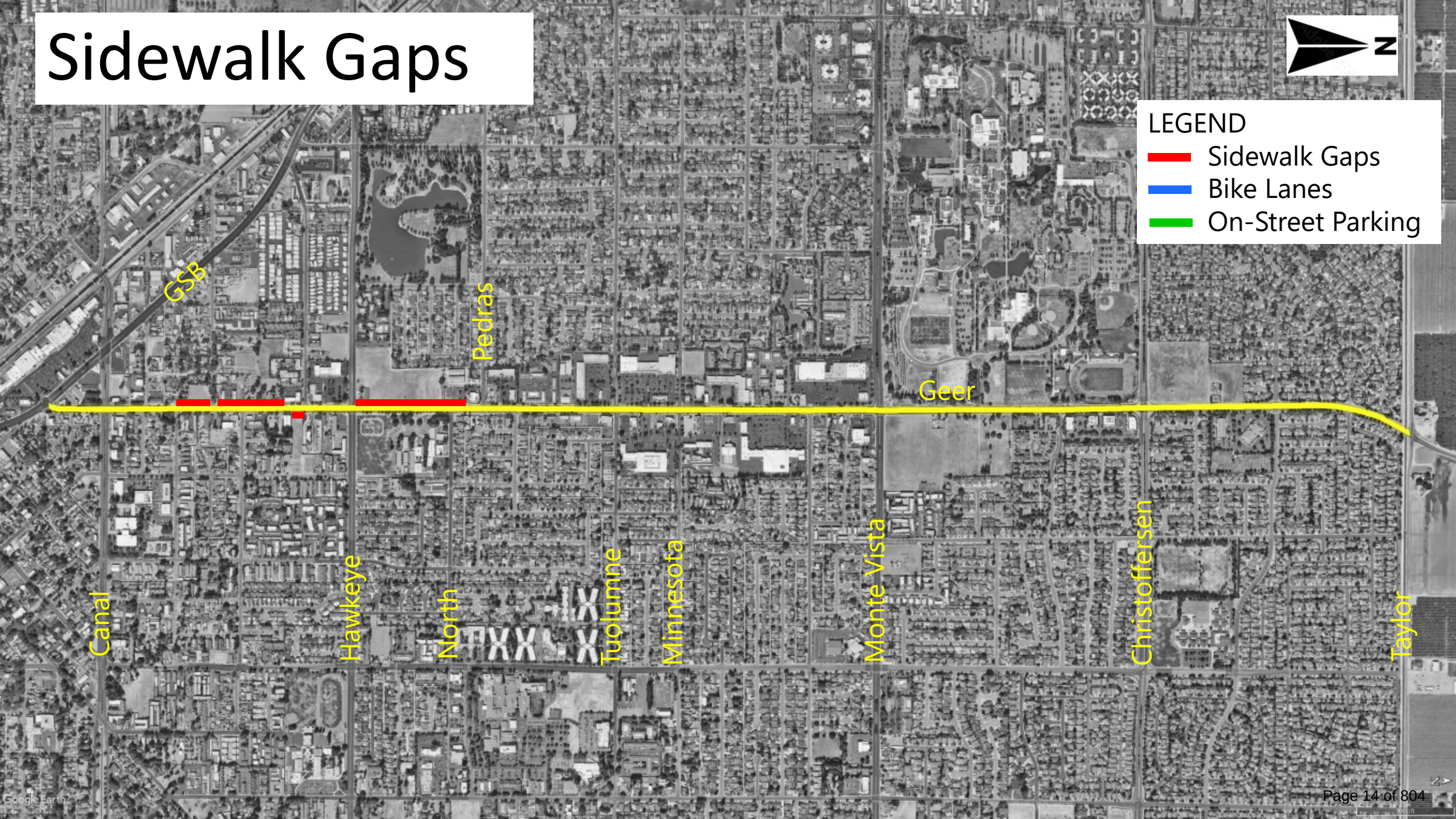


Sidewalk Gaps



LEGEND

-  Sidewalk Gaps
-  Bike Lanes
-  On-Street Parking

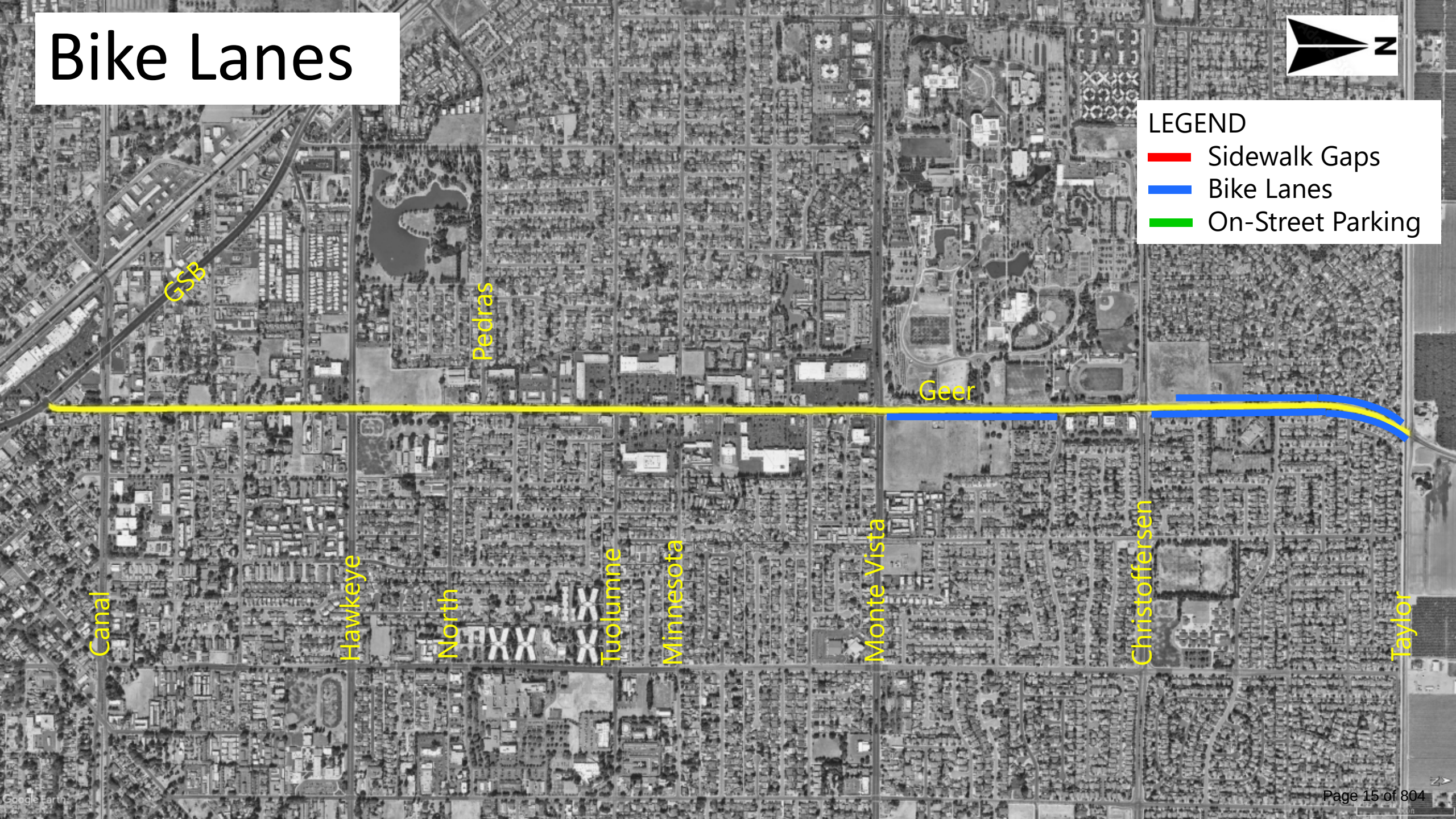


Bike Lanes

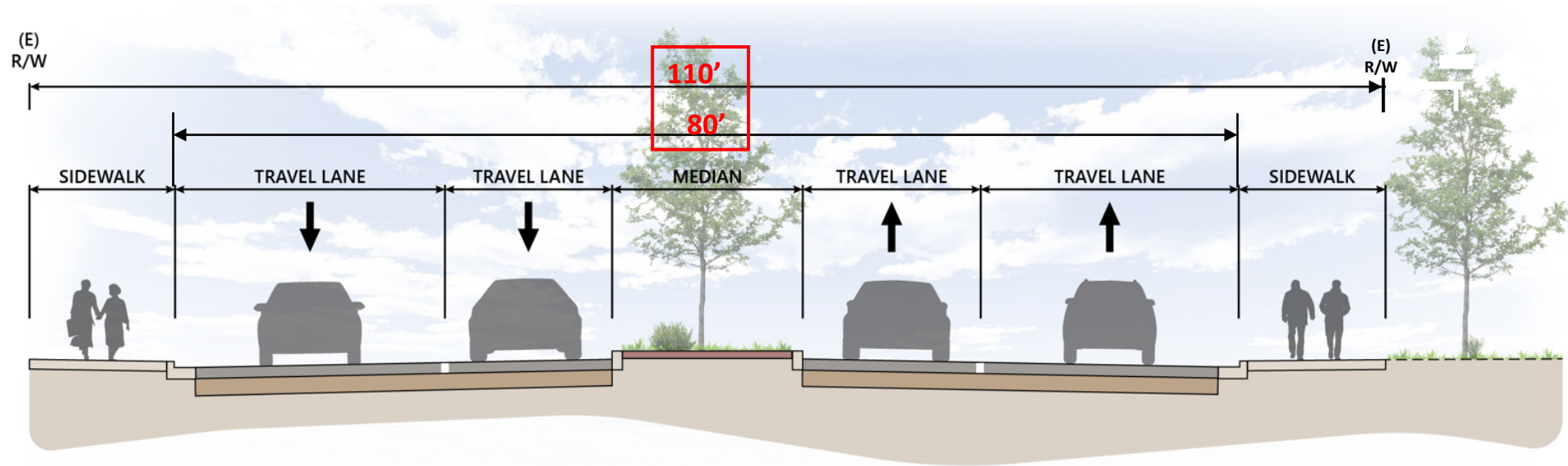


LEGEND

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-  Bike Lanes
-  On-Street Parking



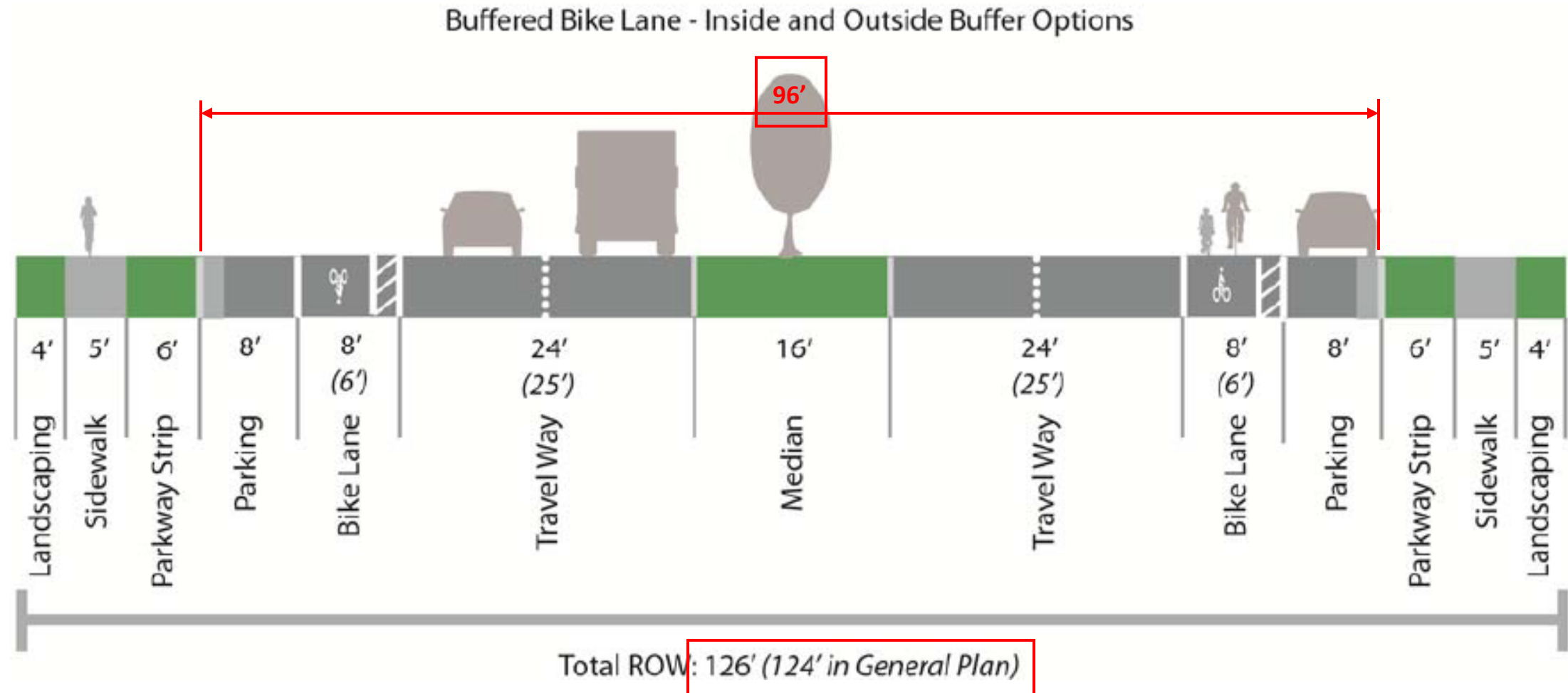
Typical Cross Section



Existing Corridor

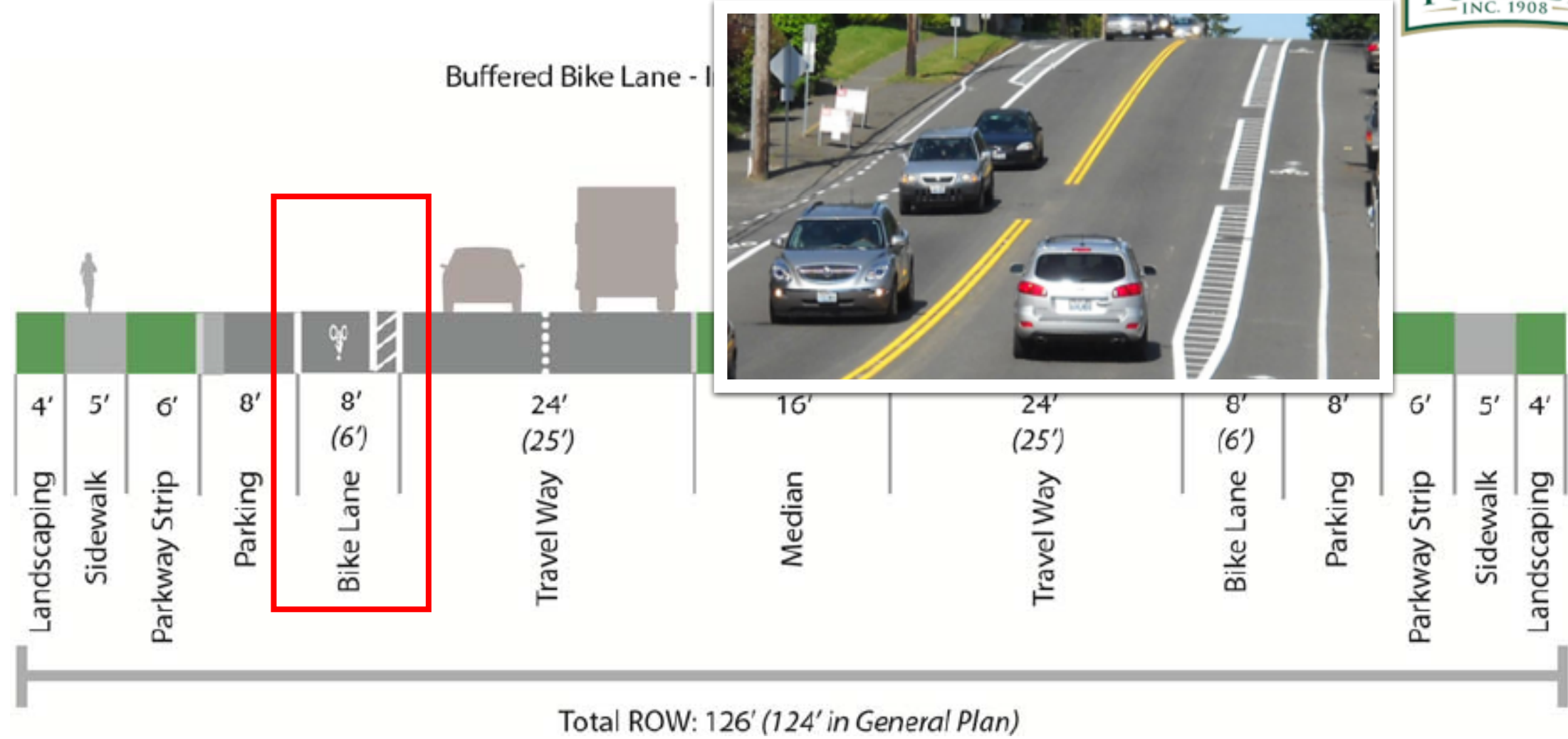


Typical Cross Section





Typical Cross Section

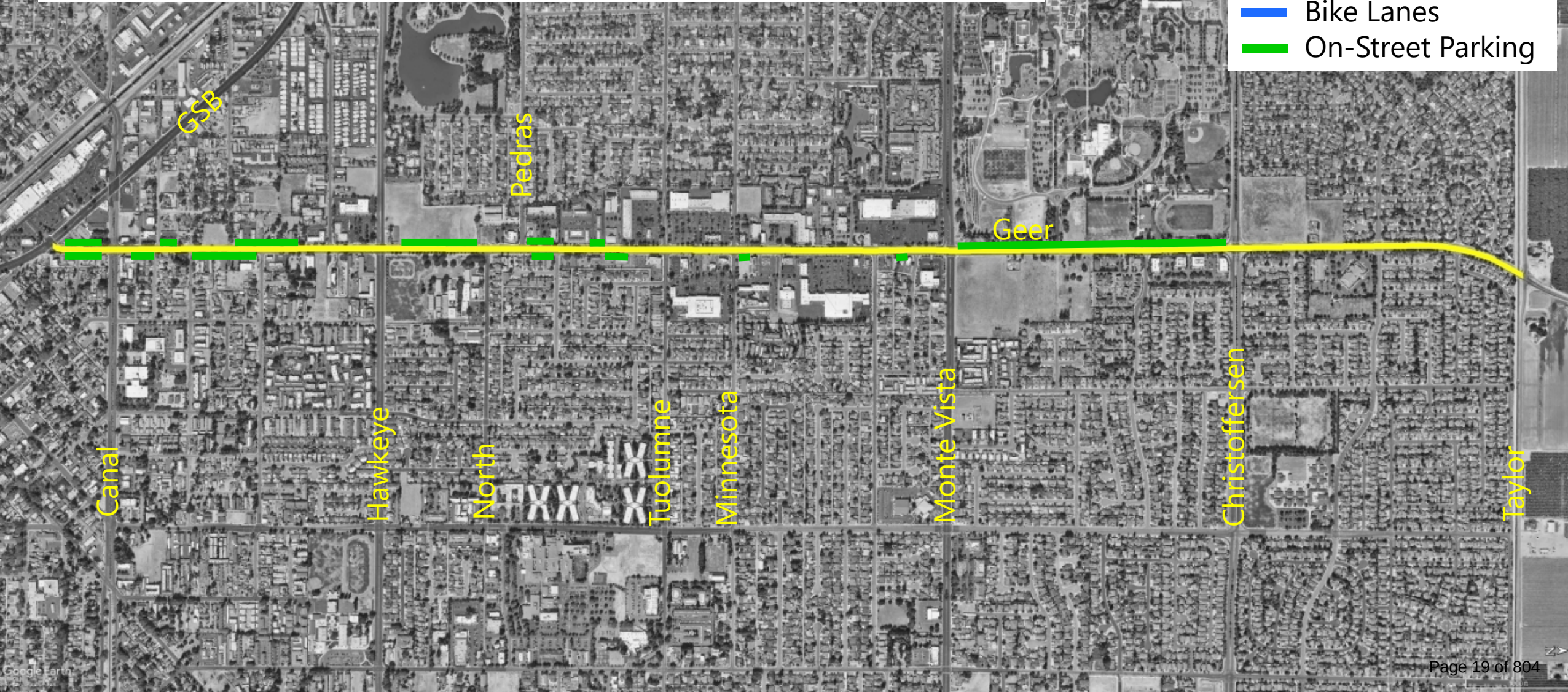


On-street Parking Impacted by Application of Bike Lanes



LEGEND

-  Sidewalk Gaps
-  Bike Lanes
-  On-Street Parking

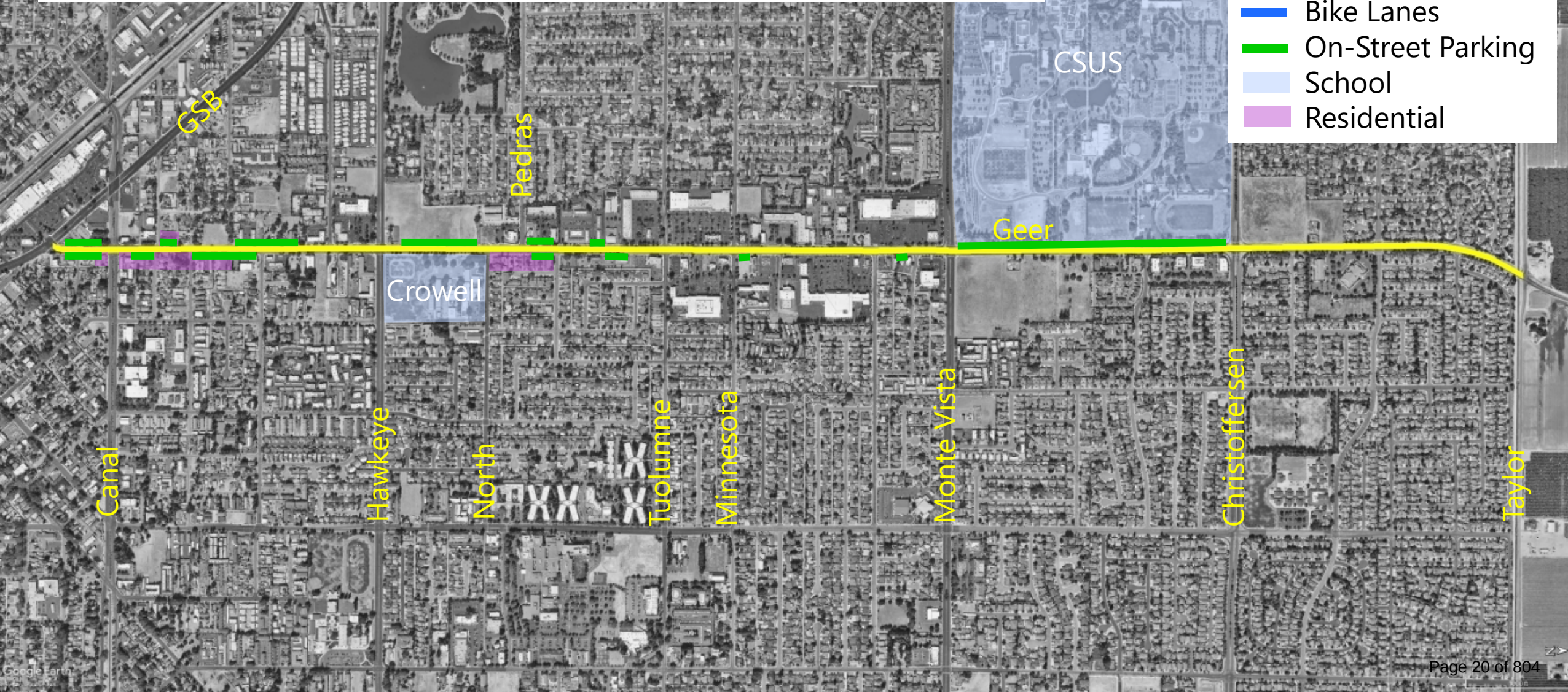


On-street Parking Impacted by Application of Bike Lanes

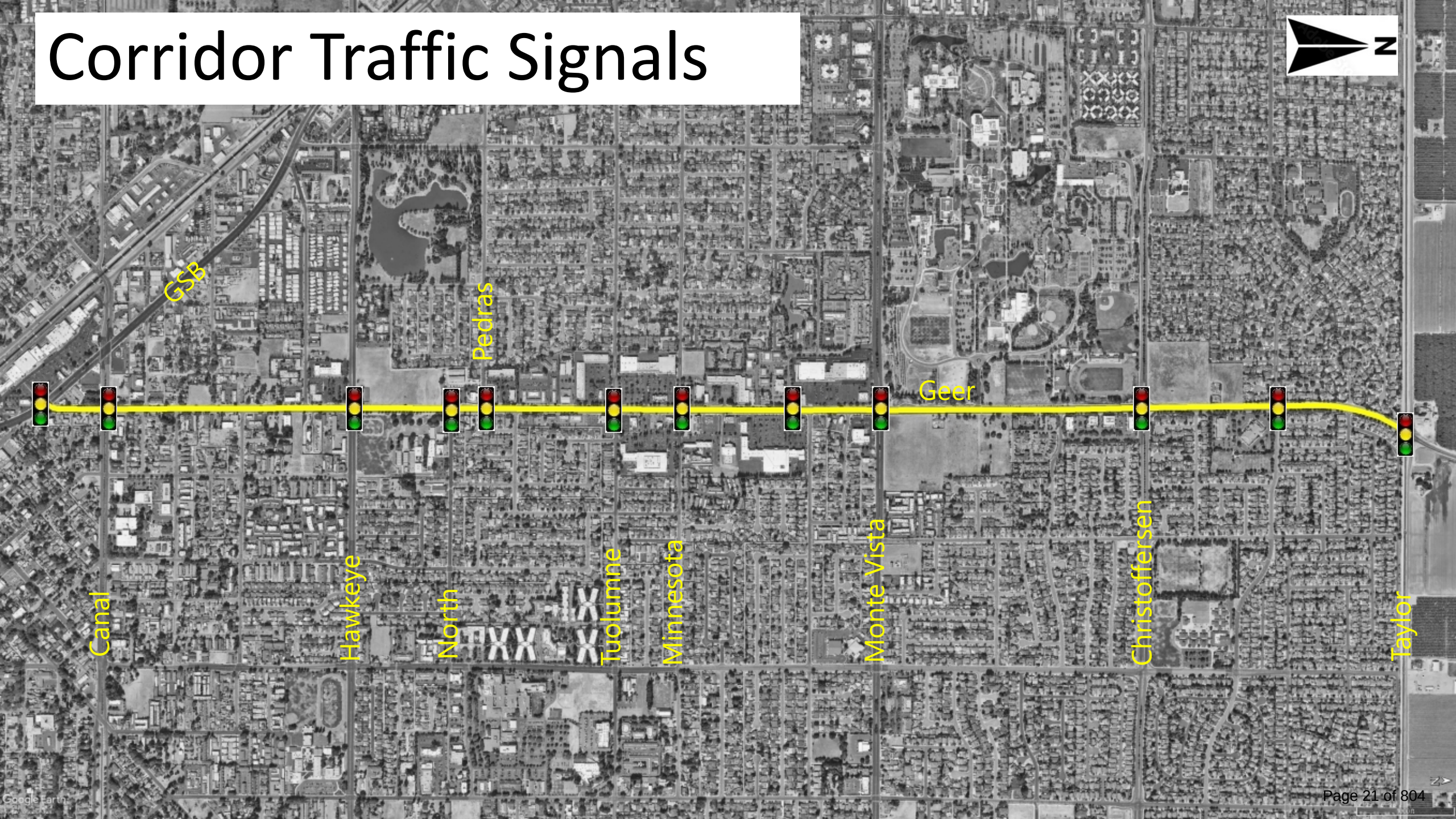


LEGEND

- █ Sidewalk Gaps
- █ Bike Lanes
- █ On-Street Parking
- █ School
- █ Residential



Corridor Traffic Signals



Rectangular Rapid Flashing Beacons



Left-Turn Pocket Extensions



Southbound
Left-Turn Lane
Extension

Northbound
Left-Turn Lane
Extension

GSB

Pedras

Geer

Canal

Hawkeye

North

Tuolumne

Minnesota

Monte Vista

Christoffersen

Taylor

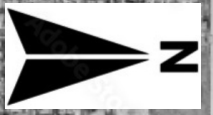


Construction Packages



- Construction Package 1 & 2 (2026 to 2027)
 - N. Golden State Blvd to W. Hawkeye Ave
 - W. Hawkeye Ave to W. Monte Vista Ave
- Construction Package 3 (2027 to 2028)
 - W. Monte Vista Ave to W. Taylor Rd

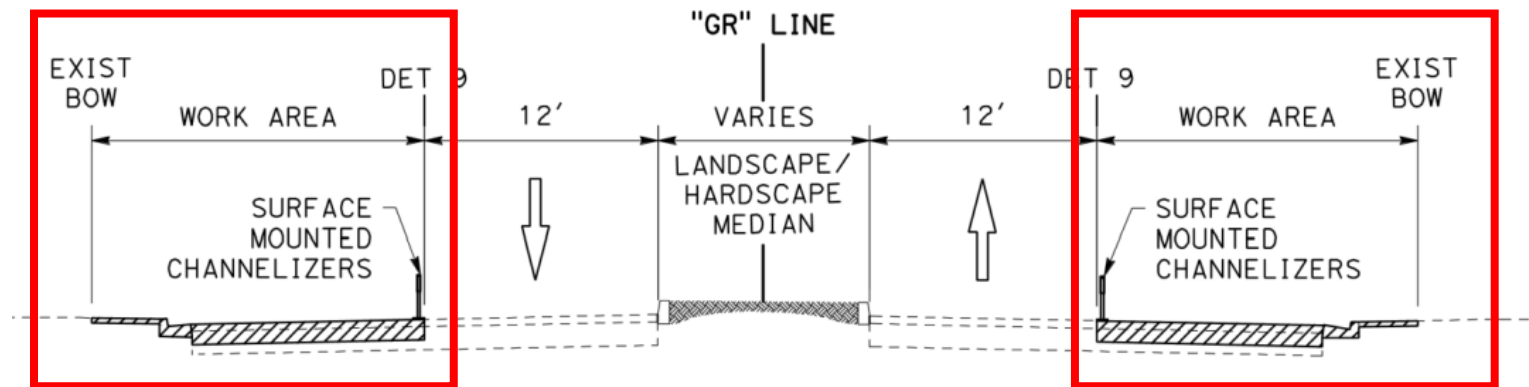
Construction Packages



Managing Construction



➤ Construction Staging

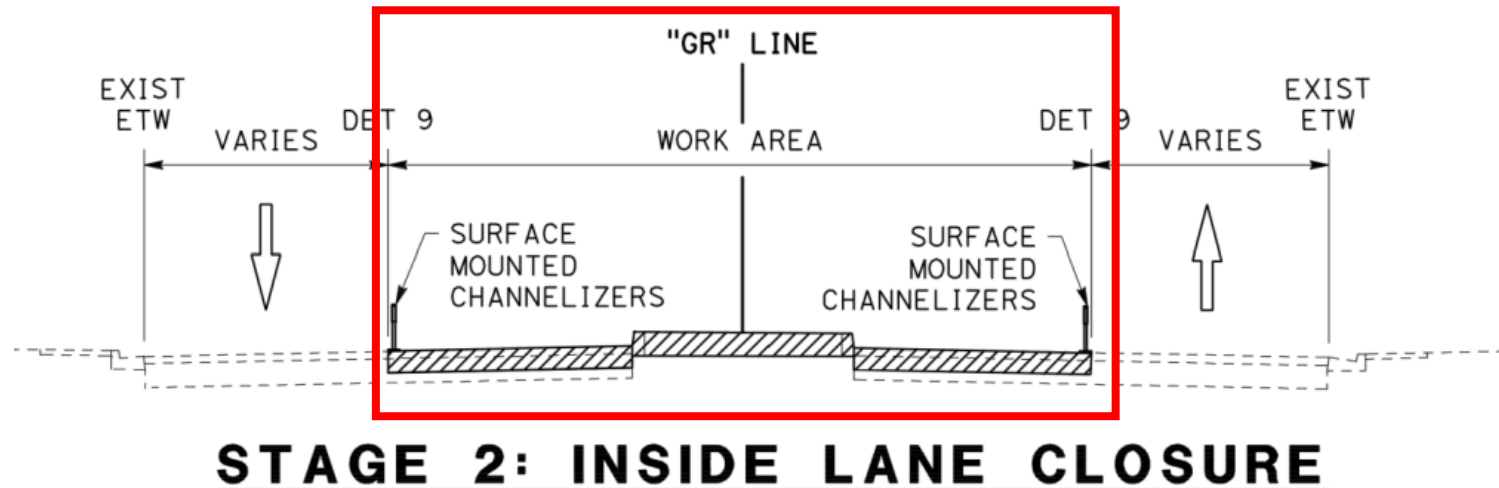


STAGE 1: OUTSIDE LANE CLOSURE

Managing Construction



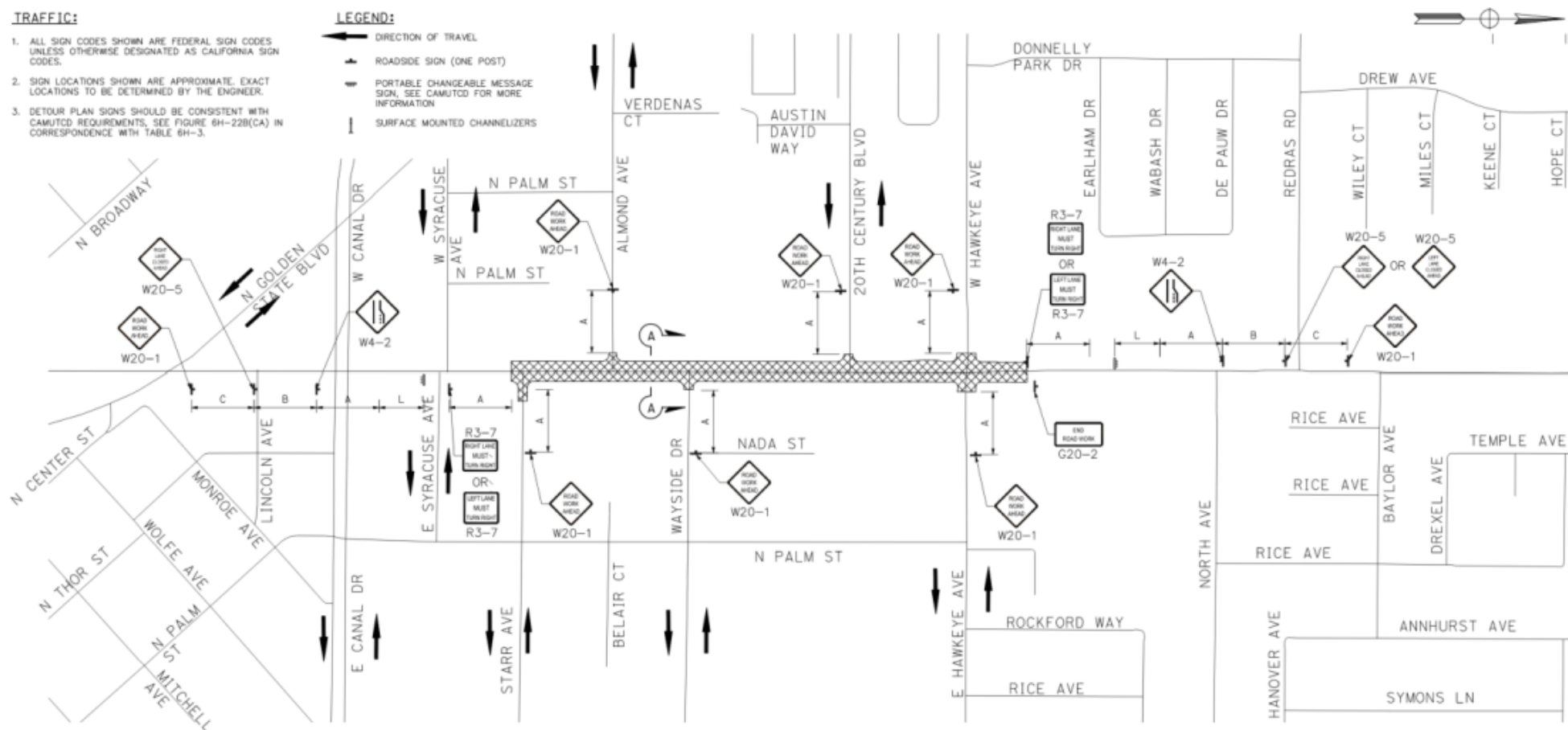
➤ Construction Staging



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Construction Traffic Information Signage



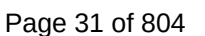
Managing Construction



➤ Construction Traffic Information Signage



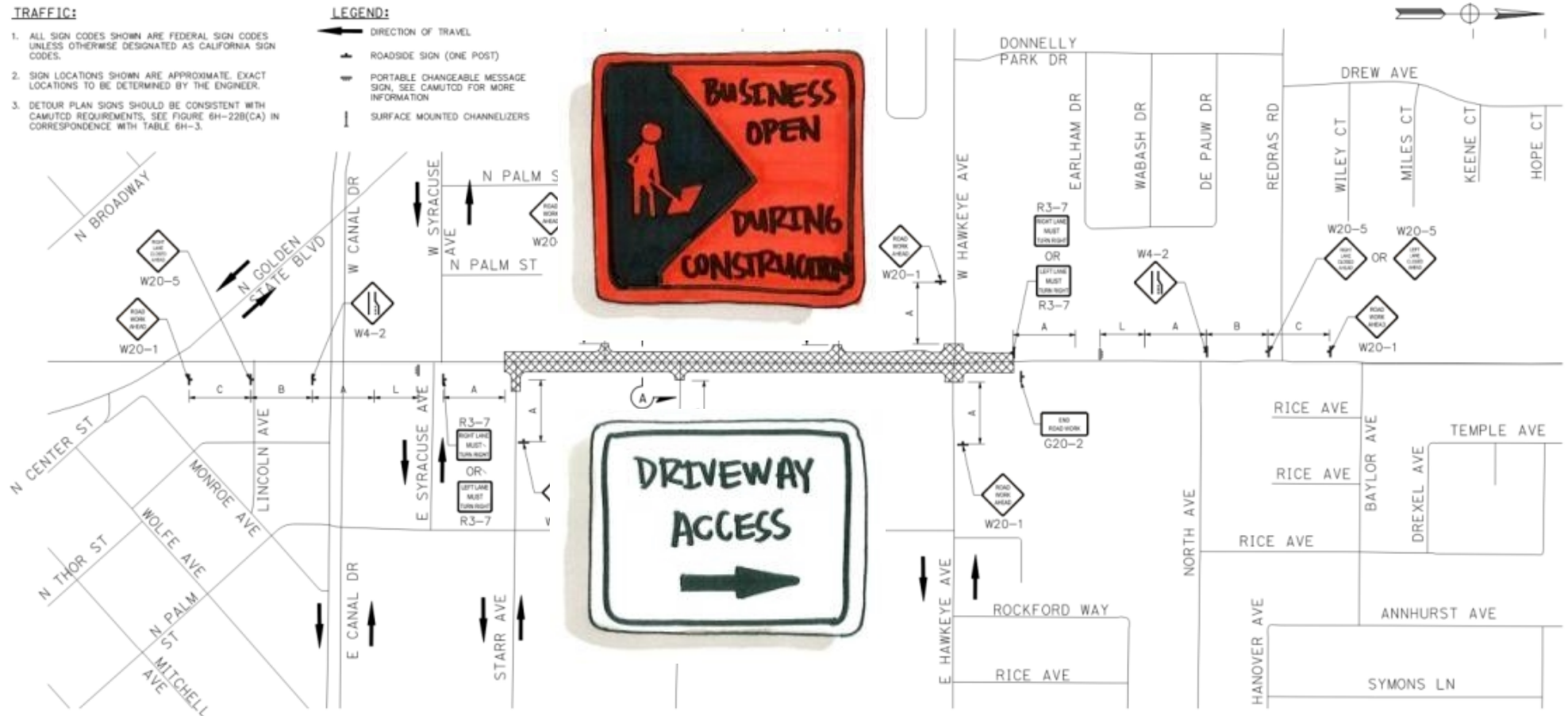
GEER ROAD IMPROVEMENTS



Managing Construction



➤ Construction Traffic Information Signage





Project Funding



- Construction Cost
 - Package 1 - \$6.6M
 - Package 2 - \$7.7M
 - Package 3 - \$7.9M
- Measure A
- Surface Transportation Block Grant (STBG)
 - \$4.8M Awarded
 - \$2M Grant Application – Notification Winter 25/26





Project Schedule



- Preliminary Engineering
- Public Meeting #1
- City Council Presentation
- Final Design
- Public Meeting #2
- City Council Presentation
- Bidding
- Begin Construction

September 2023 – March 2024

April 2024

May 2024

Summer 2024 – Winter 2025

October 2025

November 2025

Winter 2025

Spring 2026

Project Schedule



- | | |
|-----------------------------|-----------------------------|
| ➤ Preliminary Engineering | September 2023 – March 2024 |
| ➤ Public Meeting #1 | April 2024 |
| ➤ City Council Presentation | May 2024 |
| ➤ Final Design | Summer 2024 – Winter 2025 |
| ➤ Public Meeting #2 | October 2025 |
| ➤ City Council Presentation | November 2025 |
| ➤ Bidding | Winter 2025 |
| ➤ Begin Construction | Spring 2026 |

Project Schedule



- Preliminary Engineering September 2023 – March 2024
- Public Meeting #1 April 2024
- City Council Presentation May 2024
- Final Design Summer 2024 – Winter 2025
- Public Meeting #2 October 2025
- City Council Presentation November 2025
- Bidding Winter 2025
- Begin Construction Spring 2026

Project Schedule



➤ Preliminary Engineering	September 2023 – March 2024
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➤ City Council Presentation	November 2025
➤ Bidding	Winter 2025
➤ Begin Construction	Spring 2026

Project Schedule



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Project Schedule



- | | |
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| ➤ Begin Construction | Spring 2026 |

Comments



Comment Card

or

Email: dan@portcitymarketing.com



QUESTIONS



TURLOCK FIRE DEPARTMENT

October 2025

Deputy Fire Chief, Shanon Evans

OPERATIONS DIVISION

TOTAL CALL
VOLUME:
686



Total Fire (NFIRS
Series 100):
14

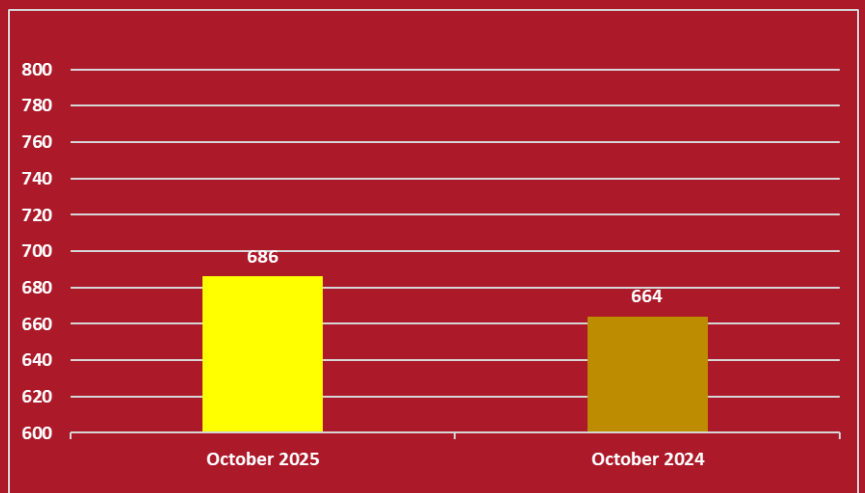


Total EMS:
431

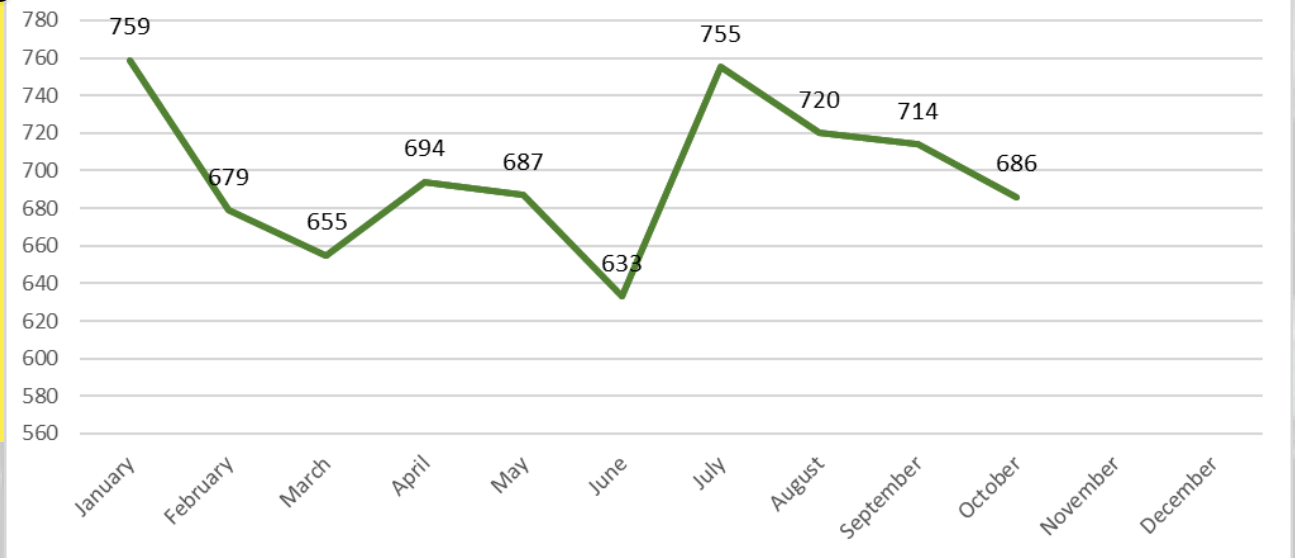


Total
Public Service:
116

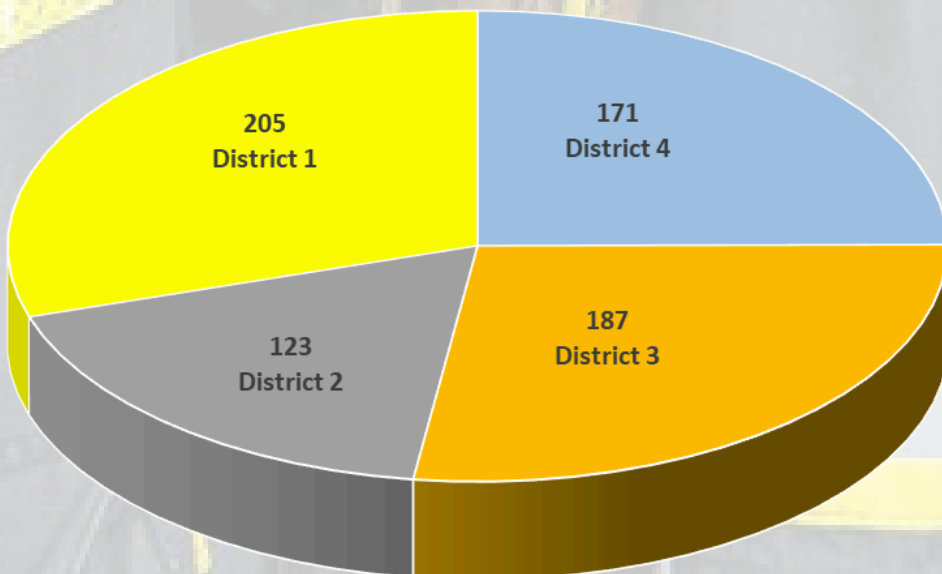
October 2024 vs
October 2025



Monthly Call Volume Comparison



CALLS BY DISTRICT



FIRE PREVENTION DIVISION



Type of Inspection	Total
Occupancy	3
Re-inspections	9
Hydrant Flows	5
Final Fire Alarm/Final Sprinkler	9
Building Finals	11
Hydro/Visual	1
School Inspections, Care Facilities and STD850	5
All other Inspections	15
Green Sheet Plan Reviews	16
Pre-Developments	6



Stanislaus Regional FIU October 2025



DETAILS: During the month of October 2025, the FIU's call volume fell dramatically below the previous month's total responses.

The FIU conducted a total of 30 fire investigations during the month (the previous month of September was 50), the breakdown of the calls is as follows:

Calls by jurisdiction: Modesto FD 10, Ceres 5, Oakdale's 1, Salida 0, Turlock city 2, and the County 12.

17 were structure fires, 2 vegetation fires, 4 vehicle fires, and 7 were trash/dumpster/other fires/criminal enforcement actions/investigator follow-ups.

Investigators were able to determine that 12 fires were confirmed arsons, 12 accidental, and 3 were undetermined. Investigators were canceled a total of 2 times.

Investigators conducted or were involved in 3 arson/warrant arrests within the jurisdictions of the city of Modesto.

There are multiple cases in Modesto and the County jurisdictions where criminal follow-ups and investigations are pending.

Unfortunately, on Halloween the FIU responded to a fatal fire response involving an occupied motor home in the Turlock Rural FPD response area. Located within the motor home was a solo elderly male victim. The FIU was supported by the Stanislaus County Sheriff's Department, Coroner's Unit, and a Crime Scene Technician. This investigation is on-going.

The FIU asks that the Fire and LEO jurisdictions direct any arson related video or arson related tip info to their public account: Info@stanfiu.org or 209.525.5530. We welcome any inquiries and remain committed to serving the communities throughout the county. #StanFIU

Stanislaus Regional Fire Investigation Unit

Investigations for Turlock City FD

October 2025

AR= Arson, AC= Accidental, UN= Undetermined

Date	Sta #	Agency	IF #	Invest	Location	AR	AC	UN	Property	Dispo	\$ Loss	O&C
10/22/2025	34	TUR	25-459	SS	3642 Heirloom Court				Struct Resid	Can	\$0.00	CC Can
10/28/2025	31	TUR	25-464	SS	705 Lander Ave			1	Struct Comm	Closed	\$1,000.00	CC

City Council Staff Update

November 18th, 2025



From: Nick Showalter, IT Director

Prepared by: Nick Showalter, IT Director

Agendized by: Susan E. Borrego, Interim City Manager

Subject: Website, EOC, Software, Cybersecurity, M365, Training

For October 2025, the Information Technology (IT) Department has the following to report:

New Website Project

The new website has been developed and moved into the Content Management System (CMS) integration phase, where the editing tools are enabled for updating content such as text, pictures, and more. The next phase of the project will be the content migration phase.

Audio/Video – City Council Chambers and Emergency Operations Center

The EOC audio/video equipment components are currently being ordered and prepared with the vendor. IT Staff will be scheduling a kick-off meeting with Police Department staff and the vendor performing the installation. IT Staff are also working with the City Clerk's Office to plan upgrades for the City Council Chambers audio-video and streaming system to meet Senate Bill 707 requirements.

Police Department Software Implementations

IT Staff continued to assist the Police Department with multiple software implementations. IT Staff also performed upgrades and set up integrations to existing software that will enhance data accessibility, analysis, and efficiency of public safety operations.

Cybersecurity and Email Security Feature Implementations

IT Staff completed the implementation of new cybersecurity, computer security, and email security services, significantly enhancing the City's defensive posture and threat detection capabilities through advanced configurations and automation.

SRWA Technology Review with Jacobs

IT staff collaborated with SRWA staff and Jacobs to review existing operational and business technologies. Jacobs completed scheduled maintenance on operational

systems and shared information on the configuration and status of business technology components.

Microsoft 365 Implementation

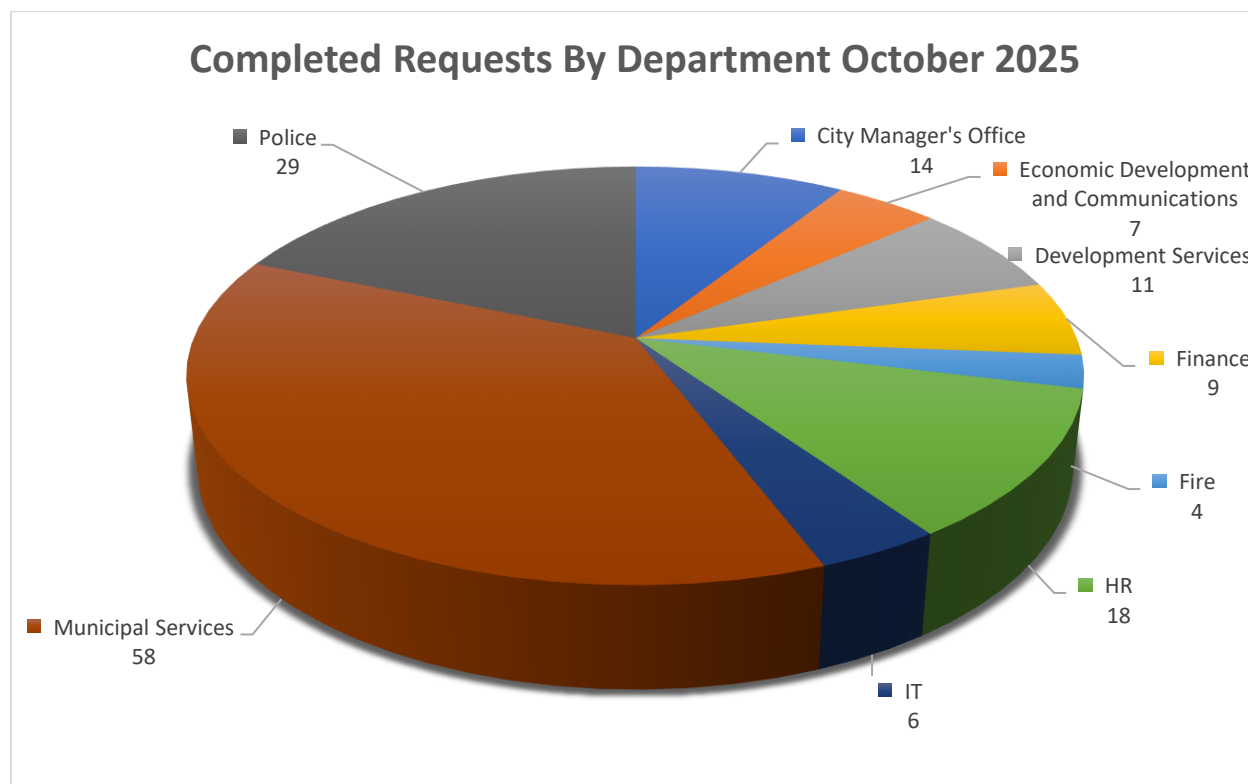
IT Staff obtained the necessary documentation for processing the proposal for professional services to aid in configuring the Microsoft 365 environment with existing security services and mailbox migration. This effort will advance the City's transition to a modern, secure, collaboration cloud platform.

Municipal Information Systems Association of California (MISAC) Conference

IT Leadership attended the MISAC 2025 conference with municipal IT leaders from across the state. This year's conference focused on cybersecurity and business continuity, artificial intelligence and data science, digital transformation, governance and compliance, public safety technologies, and professional development for municipal IT leaders.

Completed IT Requests*

IT staff completed **156 requests** for service during October 2025.



*Resolved requests shown are estimated and do not include ad hoc phone and verbal requests or certain long-term projects.



CITY OF TURLOCK LEADERSHIP ACADEMY & TEAMWORK SUMMIT

IN PARTNERSHIP WITH

LEADERGOV



Leadergov Training and Topic of the Month:

Through the City of Turlock's partnership with Leadergov for professional learning and development, the IT Department reviewed a topic on **Effective Team Feedback**. This topic covered the different types of feedback, principles of effective feedback, and benefits for leaders and teams.

Funds with HUD:

Prepared:

10/31/2025

Stanislaus Housing Consortium

CHDO	-
Administrative Funds	650,283.01
HOME	4,942,436.78
	5,592,719.79

CDBG-CV 645,763.38

CDBG 796,249.45

HOME-ARP

Administrative and Planning Funds	465,613.25
Home Activities Funds	4,531,689.15
	4,997,302.40

Notes: -Funds stated above do not reflect expenditures that
have not been submitted for reimbursement
-CHDO funds were transferred into HOME funds

Funds with California Department of Housing and Community Development:

Permanent Local Housing Allocation (PLHA) pending application 469,237.00

Funds with City:

Stan County HOME Lead Consortium Fund 254	-
CDBG (with City) Fund 255	(27,928.52)
HOME Consortium Fund 256	555,523.96
State HOME Fund 257	
State Home Funds	2,792,465.89
Cal HOME Program	1,561,153.79
HEAP	91,053.02
	4,444,672.70
Housing Stimulus Fund 258	36,737.92
HOME-ARP Fund 259	(134,593.60)
PLHA-Permanent Local Housing Allocation Fund 260	928,900.56
Successor Agency - LMI Fund 625	1,973,756.20

TOTAL OF ALL FUNDS:	\$ 20,278,341.24
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Notes:

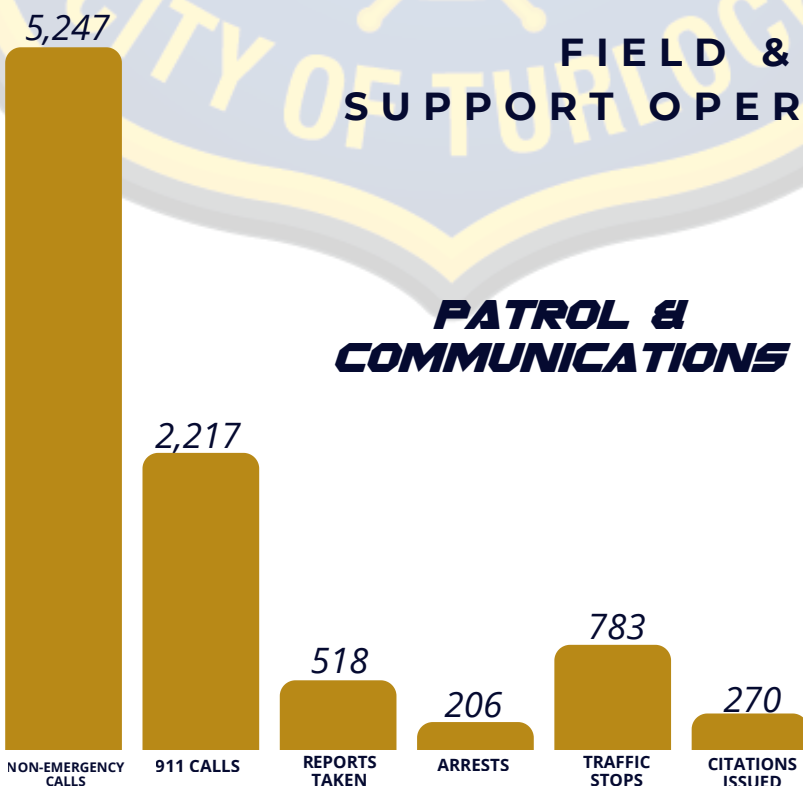
MONTHLY CITY MANAGER'S REPORT

OCTOBER 2025

- On **October 11**, Turlock Animal Services hosted their "Fall in Love" Adoption Event! It was a great turn out.
- On **October 27**, Officer Elias Pasillas was sworn in as our newest police officer. He is joining us from a neighboring agency. Congrats and welcome, Elias!
- On **October 29**, members of TPD's Crime Prevention Unit paid a visit to Osborn Elementary's Red Ribbon Week
- On **October 30**, we hosted our second annual Trick or Treat & Meet event! It was a huge success and easily surpassed last year's festivities.

Upcoming:

- Operation Blue Santa



FIELD & SUPPORT OPERATIONS

PATROL & COMMUNICATIONS

ANIMAL SERVICES



18

DOGS SEIZED



13

CATS SEIZED



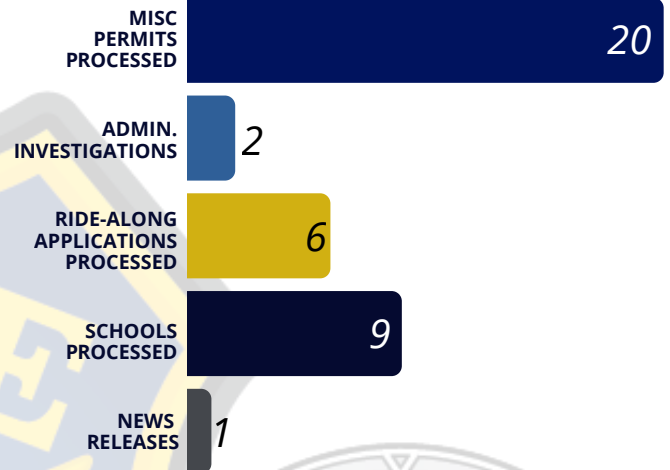
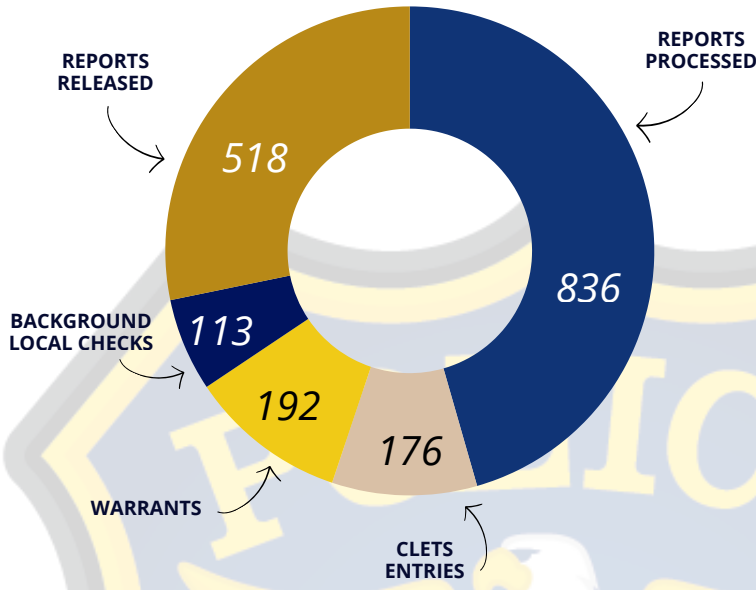
31

ANIMALS ADOPTED/RETURNED TO OWNER/TRANSPORTED TO RESCUE

RECORDS

SPECIAL OPERATIONS

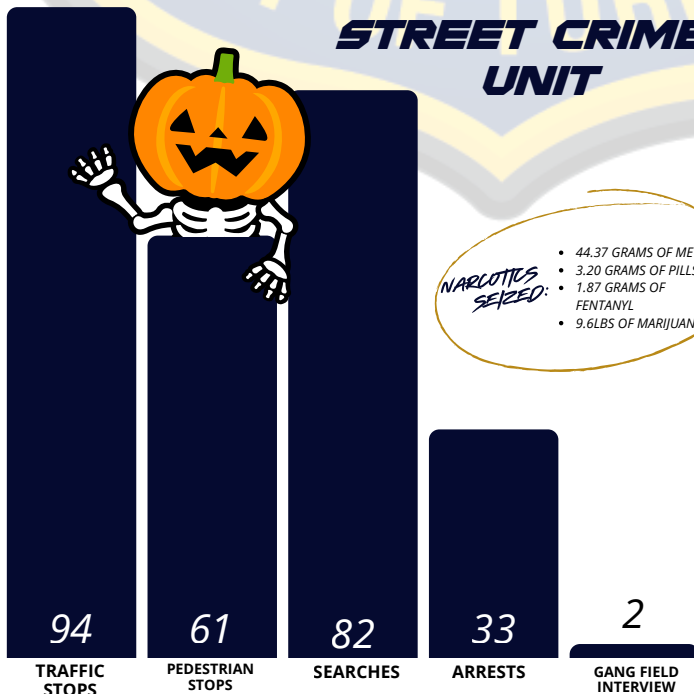
PROFESSIONAL STANDARDS



SOCIAL MEDIA INSIGHTS



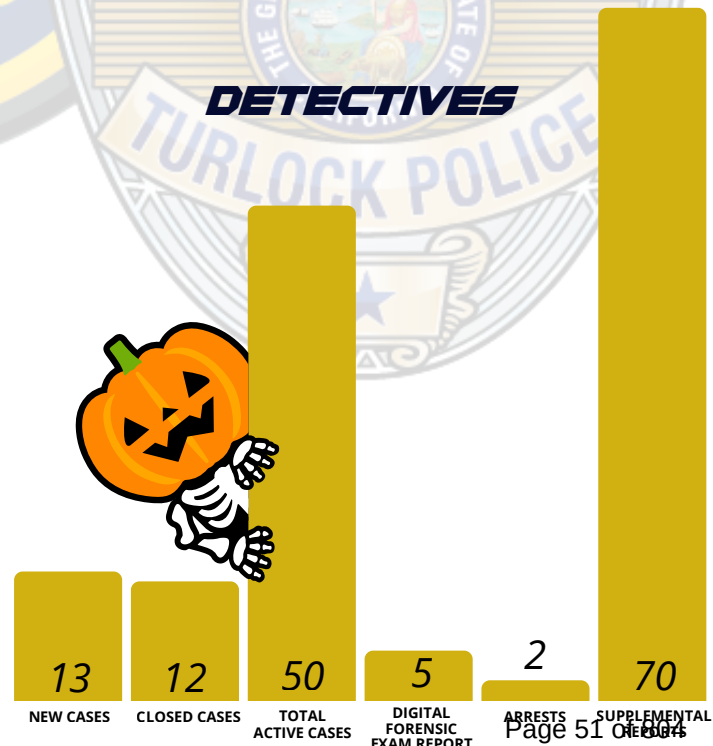
STREET CRIMES UNIT



NARCOTICS SEIZED:

- 44.37 GRAMS OF METH
- 3.20 GRAMS OF PILLS
- 1.87 GRAMS OF FENTANYL
- 9.6LBS OF MARIJUANA

DETECTIVES



ECONOMIC DEVELOPMENT & COMMUNICATIONS



Monthly Report - October 2025



DISCOVER TURLOCK FOR THE HOLIDAYS!

CELEBRATE THE SEASON WITH HOMETOWN CHARM

Holiday Events

- Shop the Blocks | Sunday, 11/02/25
10am - 5pm (Downtown Turlock)
- Turkey Trot Run | Saturday, 11/22/25
Check-in at 8:00am (Donnelly Park)
- Holiday Market | Saturday 11/08/25
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6:30pm (Downtown Turlock)
- Holiday Lights Tour | 12/8-13/25
(Turlock Transit Center)
-

Shopping in

- Downtown Turlock
- Monte Vista Crossings
- Geer Road
- Shop all of Turlock!

Watch The Promo
VIDEO NOW



Local Shopping | Holiday Events | Family Fun

Visit DiscoverTurlock.com



City of Turlock – Economic Development & Communications

Executive Summary – October 2025 Report

Key Highlights

- Conducted 21 business visits in October (68 total FY25–26) as part of the Business Retention & Expansion Program, highlighted Jura’s Pizza’s 46-year milestone and Dave’s Hot Chicken grand opening.
- Hosted the Annual City of Turlock Job Fair on November 5 with 40+ employers and 460+ job seekers, strengthening local employment connections.
- Promoted Fresno State Parent University no-cost virtual courses to build workforce skills and career readiness for Turlock residents.
- Continued marketing the Westside Industrial Specific Plan (WISP), a 2,600-acre industrial hub supporting innovation, sustainability, and quality job creation.
- Highlighted key commercial investment opportunities at 1901 Geer Road and 250 Market Street, driving new business attraction efforts.
- Hosted no-cost workshop on AI Business Solutions Showcase and provided media coverage for the First-Time Homebuyer Workshop.
- Launched the “Discover Turlock for the Holidays” campaign, achieving 379K+ ad impressions and a 75% video completion rate, encouraging residents and visitors to shop and dine locally.
- Supported community engagement events such as Trick-or-Treat & Meet and the Geer Road Pavement Rehabilitation Meeting while continuing LeaderGov professional development to enhance staff leadership and collaboration.

Summary:

October reflected strong momentum across economic development, workforce partnerships, and communications, reinforcing Turlock’s commitment to sustainable growth and community connection.



TURLOCK BY THE NUMBERS

TURLOCK POPULATION

73,100

* POPULATION ERROR
ON AUGUST REPORT

20 MILE POPULATION RADIUS

640,000

CSU STANISLAUS AVERAGE ANNUAL ENROLLMENT

8,000 - 10,000

TURLOCK LABOR FORCE

33,000

Data Sources: ESRI, Placer.AI, CSU Stanislaus



DISCOVER TURLOCK FOR THE HOLIDAYS!
CELEBRATE THE SEASON WITH HOMETOWN CHARM

Holiday Events

- Shop the Blocks | Sunday, 11/02/25
10am - 5pm (Downtown Turlock)
- Turkey Trot Run | Saturday, 11/22/25
Check-in at 8:00am (Donnelly Park)
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Shopping in

- Downtown Turlock
- Monte Vista Crossings
- Geer Road
- Shop all of Turlock!

Watch The Promo
VIDEO NOW

Local Shopping | Holiday Events | Family Fun
Visit DiscoverTurlock.com



General Overview

California sales tax receipts increased by 0.2% over the same quarter from last year, with Northern California reporting a 0.4% increase compared to a 0.2% increase for Southern California. Sales tax receipts for the City of Turlock decreased by 3.0% over the same period.

Economic Activity: Real Gross Domestic Product (GDP) increased at an annual rate of 2.5% in the first quarter of 2025. U.S. inflation ticked up to 2.7% in June of 2025, down 6.4 percentage points from its most recent peak of 9.1% in June of 2022. California's headline inflation increased to 3.0%. (DIR, BEA, BLS, August Finance Bulletin)

Employment: The U.S. unemployment rate remained the same at 4.1% in April of 2025. California's unemployment rate increased by 0.1 percentage point to 5.4% as of June 2025, 0.4 percentage points higher than the September 2023 rate of 5.0% (EDD, BLS, April Finance Bulletin)

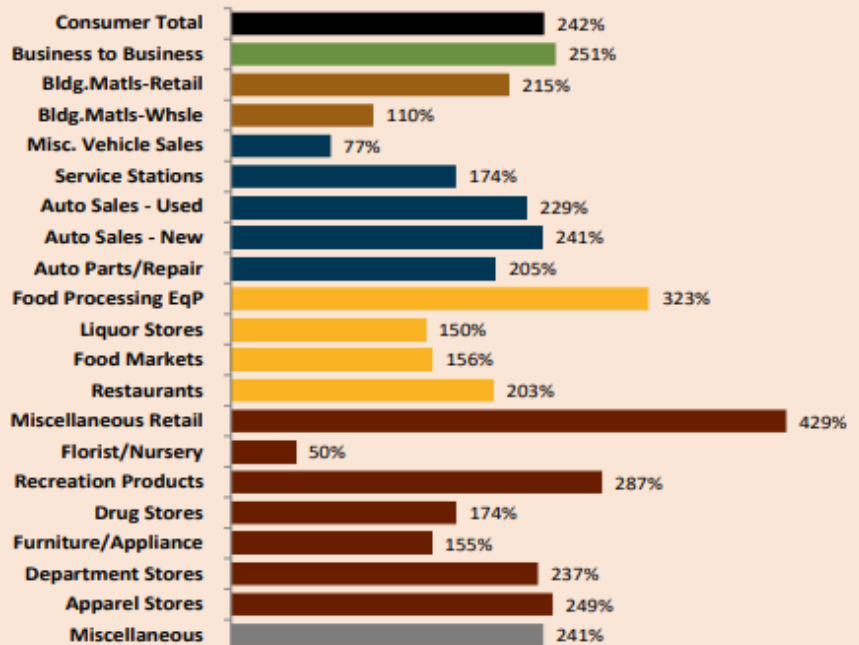
Personal Income: U.S. personal income increased by 4.9% for the first quarter of 2025, compared to same quarter previous year. Compensation of employees increased by 4.8% while personal current taxes increased by 7.9% from the previous period, resulting in a net gain of 4.5% in disposable income. (BEA)

Quarterly Business Activity Performance Analysis

2025Q2 Taxable Sales	\$	486.1 million
2024Q2 Taxable Sales	\$	514.1 million
Percent Change		-5.5%



2nd Quarter 2025 Sales Tax & Capture Gap Analysis Report STANISLAUS COUNTY REGION



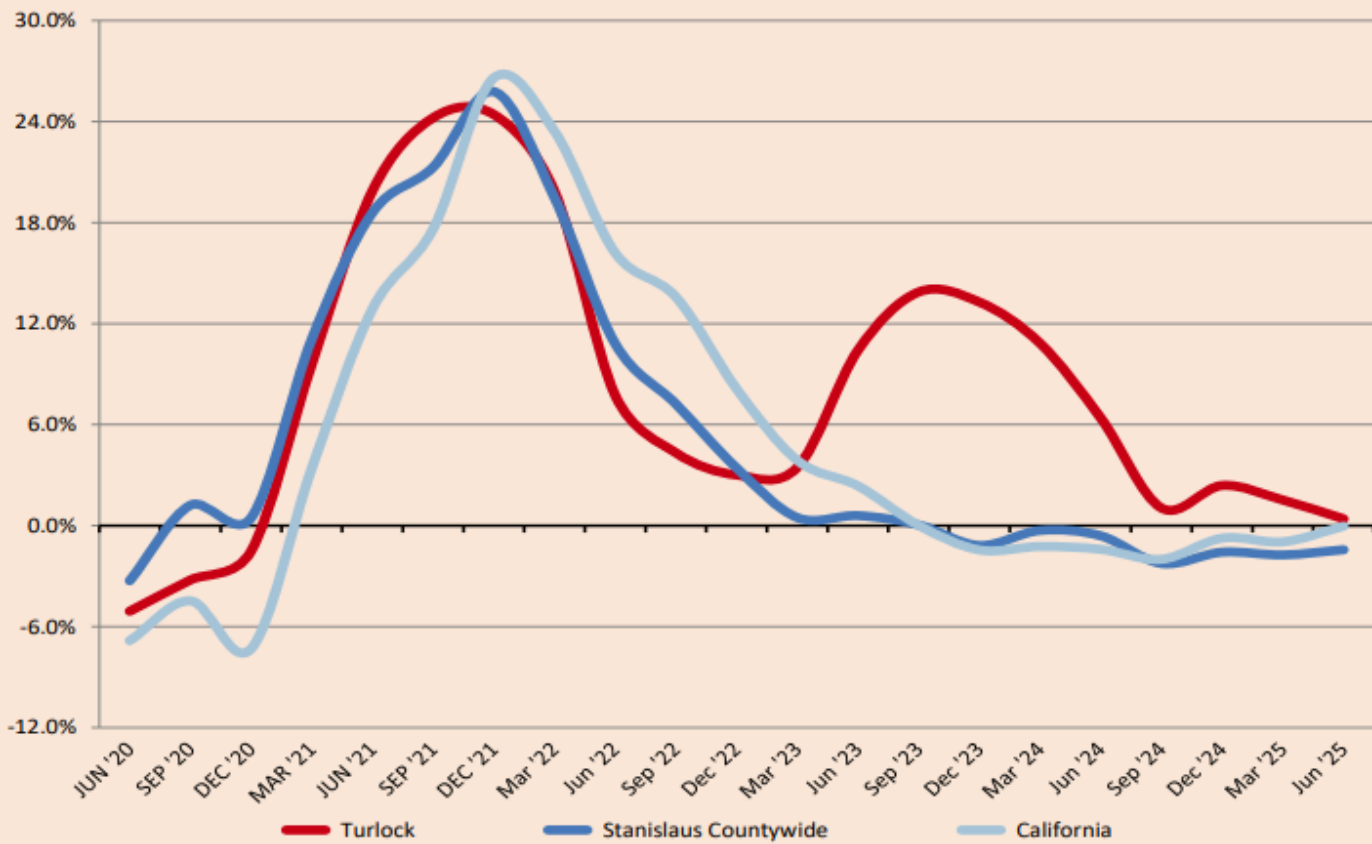
Top 25 Sales & Use Tax Generators

The list is alphabetical and is based on sales from May, 2024 through June 2025.

These twenty five businesses generate 60.1% of Turlock's Sales and Use Tax Revenue.

AMAZON.COM - EC	HOME DEPOT	ROSS STORES
AMAZON.COM SERVICES - EC	HPS TECH CALIFORNIA	SMITH CHEVROLET
ARCO AM/PM MINI MARTS	JOE M.GOMES AND SONS	TARGET STORES
BONANDER PONTIAC/BUICK/GMC	KOHL'S DEPARTMENT STORES	TJ MAXX
CHEVRON SERVICE STATIONS	LOWE'S HOME CENTERS	TURLOCK CRYSLR DDGE JEEP RAM
COSTCO WHOLESALE	MCDONALD'S RESTAURANTS	UNITED RENTALS
DICK'S SPORTING GOODS	N & S TURLOCK	VALERO SERVICE STATIONS
FIRE HOUSE COOPERATIVE - MMD	NELSON-JAMESON	WAL MART STORES
GARTON FORD TRACTOR		

Annualized Change in Sales Tax Cash Receipts



Sales Tax Revenue on a Cash Basis

	2025Q2	2024Q2	% Change
General Retail	2,310,753	2,395,683	-3.5%
Food Products	823,390	805,016	2.3%
Transportation	862,612	839,576	2.7%
Construction	237,228	439,482	-46.0%
Business To Business	633,210	647,822	-2.3%
Miscellaneous	73,168	39,014	87.5%
Gross 1%	4,940,363	5,166,593	-4.4%
County Pool	886,907	840,774	5.5%
State Pool	1,492	4,323	-65.5%
County Sharing	(291,438)	(300,584)	3.0%
Administration	(40,455)	(42,753)	5.4%
Subtotal	556,506	501,759	10.9%
Total Sales Tax	5,496,869	5,668,351	-3.0%

Sales Tax Cash Basis Performance
Stanislaus County

	% Change
Ceres	-10.8%
Modesto	-5.7%
Newman	-9.5%
Oakdale	-0.2%
Patterson	-1.9%
Riverbank	38.8%
Turlock	-3.0%
Waterford	-5.8%
Hughson	1.4%
Stanislaus County	5.5%
Countywide	-0.5%

Business Retention and Expansion (BRE)

Business Retention and Expansion (BRE) plays a vital role in economic development by prioritizing the needs of existing businesses within the City. These businesses serve as the backbone of the local economy, driving job creation and economic resilience.

Through proactive engagement and support, BRE initiatives help businesses address challenges, capitalize on growth opportunities, and remain competitive, ultimately reinforcing the City's economic stability and reducing the likelihood of business closures.

During the month of October 2025, City of Turlock Economic Development staff met with 21 local businesses and organizations.

***2025-2026 Annual Business Retention and Expansion (BRE) Visits:**
68 meetings
(reporting period : 7/1/2025 - June 30/2026)

Pictured Below:

Jura's Pizza - 46 year celebration
(Proclamation presented by Mayor Bublak)
(783 N Golden State Blvd, Turlock, CA 95380)



Pictured Above:

City Economic Development staff visit Turlock businesses with the Small Business Development Center and the Turlock Chamber of Commerce, educating Turlock businesses on available business resources.

Pictured Below:

Who's ready for hot chicken?
Dave's Hot Chicken officially opened on 10/30/2025 and is located at 2741 Countryside Dr., Turlock, CA 95380.



Pictured Above:

Newly opened business, PLAY Turlock is located at 749 N Golden State Blvd, Turlock, CA 95380



Workforce Development - Talent Development

Workforce development within economic development refers to a set of strategies and activities designed to enhance the skills, knowledge, and capabilities of the local labor force to meet current and future economic and industry needs.

It is an important element of economic development because a well-trained and adaptable workforce is vital for attracting and retaining businesses, fostering innovation, and driving economic growth.

Annual City of Turlock Job Fair November 5, 2025

The annual City of Turlock Job Fair took place on November 5, 2025, at New Life Christian Center, bringing together 40+ employers and over 460 job seekers. It was inspiring to see community partners and regional employers working together to help residents connect with meaningful employment opportunities.



Fresno State - Parent University Virtual Courses (no cost for Turlock residents)





NOVEMBER 2025
Classes start the week of November 17th

VIRTUAL CLASSES AT NO COST

Evening classes via Zoom. Classes run from 6:30p.m. - 8:30p.m.
Available for Monday/Wednesday or Tuesday/Thursday Sessions

-  Digital Literacy 1 to 2
-  Small Business Development
-  Spanish Conversation
-  Professional Development
-  Social Emotional Learning

Contact Us

559-278-0719 (Call)
559-554-2532 (Text)

parentuniversity@mail.fresnostate.edu
fresnostate.edu/parentuniversity



Attraction strategies within economic development are designed to draw new businesses, industries, and investments to a region. These strategies typically involve a combination of marketing, incentives, infrastructure development, and partnership-building to create a compelling case for businesses to relocate or expand.

- The Westside Industrial Specific Plan (WISP) is one of Turlock's greatest assets, cultivating a dynamic industrial hub that fuels local business growth, generates quality jobs, and strengthens our economy. Spanning 2,600 acres, this area represents smart planning and strategic expansion, driving innovation, advancing sustainability, and creating opportunities that support a circular economy for the entire community. We are proud to highlight the vision behind this development and look forward to the bright future it continues to shape!

ECONOMIC DEVELOPMENT

OPEN FOR BUSINESS!

VIBRANT & GROWING COMMUNITY

PERFECT FOR RETAIL, MFG, LOGISTICS, AG, WAREHOUSING, AND BIO-ECONOMY

RETAIL & INDUSTRIAL RECRUITMENT

CONTACT US
Anthony Sims
 Economic Development Director & Communications Officer
 asims@turlock.ca.us
 (209)668-5540 X 1122

DISCOVER TURLOCK

<https://www.cityofturlock.org>

OPPORTUNITY HERE!

- Sites available!
- High-visibility locations along freeway 99
- Retail, Industrial, Manufacturing, Logistics, Agriculture, Warehousing, Bio-Economy
- Contact us for more information

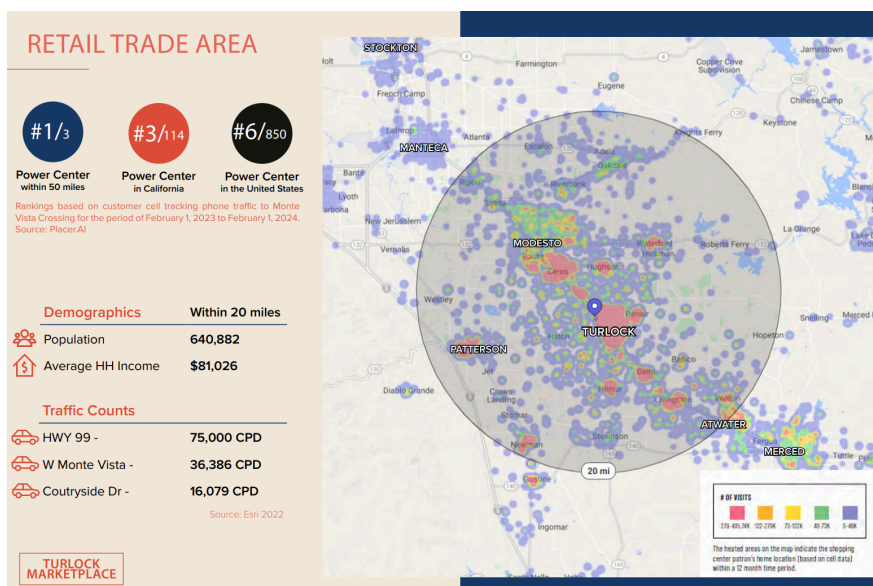
DEVELOPMENT MADE EASY

- No-cost pre-development meetings
- City grants available for new businesses
- Great energy rates through TID
- Dedicated support for developers
- We want your business here!

BUSINESS THRIVES HERE

- 73,100 population
- 640K population within a 20-mile radius
- 99k+ vehicles per day on freeway 99
- Monte Vista Crossings Power Retail Center (#3 in CA, #8 in the U.S.)
- Home to CSU Stanislaus
- Historic Downtown Turlock
- Home to Amazon, Divert Inc., Blue Diamond, Valley Milk, CSU Stanislaus & more!

GROW WITH TURLOCK



Above : Available Turlock commercial properties; 1901 Geer Road and 250 Market Street.

Find more available Turlock commercial properties here:
<https://www.loopnet.com/search/commercial-real-estate/turlock-ca/for-sale/>



Business Workshops

Supporting startups and entrepreneurs is a strategic investment in economic development. Innovation sparks new ideas, technologies, and businesses, driving job creation and adding lasting value to the local economy.

The City of Turlock supports startups, entrepreneurs, and the broader business community by offering no-cost business workshops and implementing targeted business development programs.

These workshops are held monthly and feature a wide range of topics and strategies, presented by guest speakers with expertise in various areas of business.

Recent business workshops:

10/23/2025: AI Business Solutions Showcase

For more information, see flyer below.

11/5/2025: First Time Home Buyer Workshop (Presented by Housing Program Services Division)

Monthly Report - October 2025



Hosted by:
City of Turlock Housing
Program Services Division

FIRST TIME HOME BUYER WORKSHOP



Date:
November 5, 2025 from
6:00 p.m. to 8:00 p.m.

Location:
Turlock City Hall, Yosemite Room
156 S. Broadway, Turlock, CA
2nd Floor

**WITH OUR FIRST TIME HOME BUYER
PROGRAM
HOMEOWNERSHIP IS WITHIN REACH !!!**

CONTACT INFORMATION:
(209) 668-5610
HPS@turlock.ca.us



NO-COST EVENT

AI BUSINESS SOLUTIONS SHOWCASE

Speakers:
Business AI Solution Experts from Apple

Why Attend ?

- ✓ Learn trending AI solutions
- ✓ Best business solutions available
- ✓ Apple solutions that can grow and manage your business
- ✓ Learn how to choose the right Macs, iPads, iPhones, and apps

Date & Time:
Thursday, October 23rd, 2025 from 1 pm - 3 pm

Location:
Carnegie Arts Center
250 N. Broadway, Turlock, CA

Register Here:



Or Visit:
tinyurl.com/TurlockAIworkshop



Have you noticed our “**Discover Turlock for the Holidays**” graphics and holiday videos?

This strategic marketing campaign is designed to attract more visitors to Turlock while encouraging consumers to shop in Turlock and support our businesses. The graphics and holiday videos are part of a citywide effort to spread holiday cheer and showcase all that Turlock has to offer this season!

 Marketing Campaign Results for Date Range: Oct. 14 – Nov. 9, 2025

Highlights:

- Our holiday ads have been seen over 379,000 times so far!
- 269,160 static ads (images) reached local and regional audiences.
- 110,370 video ads played online — with 82,470 people watching the full video from start to finish!
- That’s an impressive 75% video completion rate!

Turlock’s message is spreading — encouraging more visitors to shop, dine, and celebrate the holidays right here in our community.

 Explore local shops, dining, and events: [DiscoverTurlock.com](https://www.discoverturlock.com)

 Watch our holiday video: <https://www.instagram.com/reel/DP7DtmaEn6x/>



The graphic features a green background with a subtle pattern of white dots and lines. At the top center is the City of Turlock logo, which includes a house and the text "CITY OF TURLOCK INC. 1908". Below the logo, the text "DISCOVER TURLOCK FOR THE HOLIDAYS!" is written in large, bold, white capital letters. Underneath this, in smaller white capital letters, is "CELEBRATE THE SEASON WITH HOMETOWN CHARM". The graphic is divided into two main sections: "Holiday Events" on the left and "Shopping in" on the right. The "Holiday Events" section lists several events with their dates and times: "Shop the Blocks | Sunday, 11/02/25 10am - 5pm (Downtown Turlock)", "Turkey Trot Run | Saturday, 11/22/25 Check-in at 8:00am (Donnelly Park)", "Holiday Market | Saturday 11/08/25 10am - 4pm (Fairgrounds)", "Festival of Lights | Friday 11/28/25 5:00pm - 9:00pm (Central Park)", "Christmas Parade | Friday, 12/05/25 6:30pm (Downtown Turlock)", and "Holiday Lights Tour | 12/8-13/25 (Turlock Transit Center)". The "Shopping in" section lists "Downtown Turlock", "Monte Vista Crossings", "Geer Road", and "Shop all of Turlock!". To the right of the "Shopping in" section is a "Watch The Promo VIDEO NOW" button with a QR code below it. At the bottom of the graphic, there are three white Christmas tree icons. Below the trees is a white rounded rectangle containing the text "Local Shopping | Holiday Events | Family Fun". At the very bottom, in white text, is "Visit DiscoverTurlock.com".

DISCOVER TURLOCK FOR THE HOLIDAYS!

CELEBRATE THE SEASON WITH HOMETOWN CHARM

Holiday Events

- Shop the Blocks | Sunday, 11/02/25
10am - 5pm (Downtown Turlock)
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(Turlock Transit Center)

Shopping in

- Downtown Turlock
- Monte Vista Crossings
- Geer Road
- Shop all of Turlock!

Watch The Promo
VIDEO NOW



Local Shopping | Holiday Events | Family Fun

Visit DiscoverTurlock.com

Community News and Events

Turlock is home to a variety of family-friendly community events held throughout the year. October was no exception, bringing a number of exciting and fun activities for all to enjoy.

- 10/30/2025: Trick or Treat & Meet at the Turlock Police Department
- 10/22/2025: Geer Road Pavement Rehabilitation Project - Community Meeting



Geer Road Pavement Rehabilitation Project



You are invited
to attend a Public Information Meeting.

The City of Turlock is designing the rehabilitation of the Geer Road corridor between North Golden State Boulevard and Taylor Road. This effort marks another milestone advanced under the **Turlock Roads Initiative Program**. The goal of this project is to improve the corridor consistent with the City's General Plan.

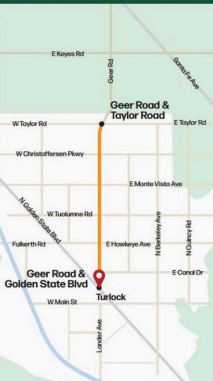
Upgrades to the Geer Road corridor include some or all of the following:

- pavement rehabilitation
- pedestrian facilities
- ADA curb ramps
- roadway restriping
- other potential improvements

Members of the community are encouraged to join us to gain insights into the project, ask questions, and provide feedback concerning various aspects of its design and execution.

Date: Wednesday, October 22, 2025
Time: 6:00PM to 8:00PM
Location: Turlock City Hall, Yosemite Community Room
156 S Broadway, Turlock, CA 95380

For further information, please contact: FPezeshki@turlock.ca.us






HAPPY HALLOWEEN



Upcoming Community Events:

THE CITY OF TURLOCK PRESENTS...

51ST ANNUAL TURKEY TROT

NOVEMBER 22, 2025

Location:
Donnelly Park
600 Pedras Rd, Turlock, CA 95382

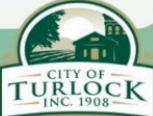
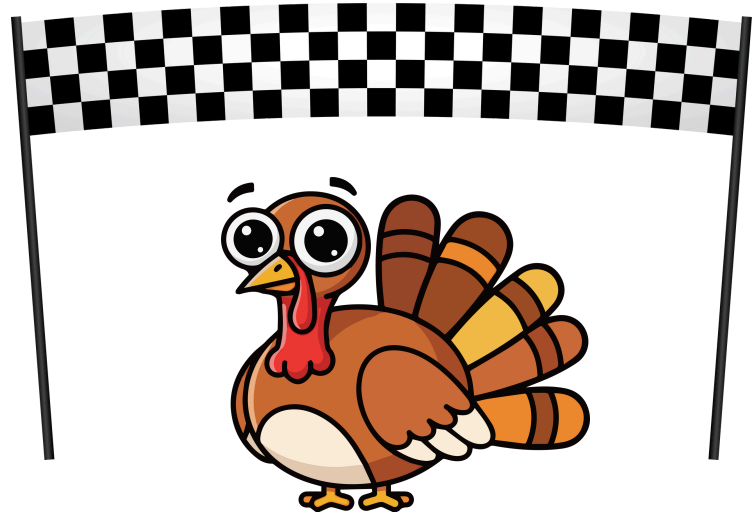
Registration:
September 4 - November 14
(Register by October 17 for a guaranteed custom race shirt!)

Prizes will be awarded to top finishers in each age group for the 1 Mile and 2 Mile Runs. 1 Mile Walk participants will not receive prizes, but all participants will be entered into a prize drawing!

Ages 12 & Under:
1 Mile Run
\$22.00 per participant

Ages 13 & Up:
1 Mile Walk
\$22.00 per participant
(OR)
2 Mile Run
\$28.00 per participant

📞 209-668-5594
✉️ recreation@turlock.ca.us

46TH ANNUAL TURLOCK DOWNTOWN CHRISTMAS PARADE

GINGERBREAD Dreamland

**DECEMBER 5, 2025
6:30PM**





Leadergov Training for Department

Through the City of Turlock’s partnership with Leadergov for professional learning and development, the Economic Development and Communications Department participates in monthly leadership sessions focused on enhancing individual and team performance. These sessions provide structured opportunities for staff to engage in strategic activities that foster professional growth, strengthen communication and collaboration, and align departmental efforts with the City’s broader organizational goals. The program also supports the development of leadership competencies, promotes a culture of continuous improvement, and reinforces the City’s commitment to high-quality public service.

Initial department activities and topics include:

- DISC Assessments
- Department Goal Setting Session
- Department SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats)
- My Personal inventory Activity (describing individual work style, personality, etc.)
- Leading Change and Keys to facilitating Change





COMMUNICATIONS UPDATE

Did you know?

You can stay up to date on City of Turlock announcements and information by visiting the following website and social media pages.



<https://www.cityofturlock.org/>

facebook

<https://www.facebook.com/CityofTurlockCityHall>

<https://www.facebook.com/CityofTurlockEconomicDevelopment>

Instagram

<https://www.instagram.com/city.of.turlock>

LinkedIn

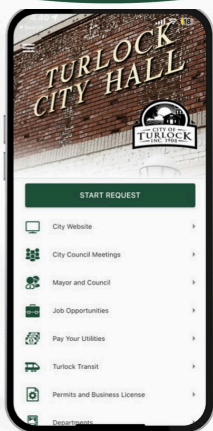
<https://www.linkedin.com/company/city-of-turlock/>

**To stay up to date on FREE business workshops,
resources, and events visit:**

www.cityofturlock.org/businessresources



**Download
MyTurlock**



**Download the
City of Turlock
Mobile App**



CITY OF TURLOCK City Council Meetings



Join in-person to participate
during public comment



Watch on Spectrum channel 2



Stream live on Youtube or watch a
recorded version online

<https://ci.turlock.ca.us/government/turlockcitycouncil/councilmeetings.asp>



TIME: 6:00 P.M.

2nd & 4th Tuesday of the month

LOCATION:

156 S. Broadway, 2nd Floor



MUNICIPAL SERVICES

ENGINEERING ◦ FLEET ◦ MAINTENANCE ◦ RECREATION
REGULATORY AFFAIRS ◦ ROADS PROGRAM ◦ SRWA
TRANSIT ◦ UTILITIES ◦ WATER QUALITY CONTROL



CITY MANAGER'S MONTHLY REPORT NOVEMBER 18, 2025



LEADERGOV

HOW TO BECOME AN ENGAGED TEAM

The Municipal Services Department continued its integration of LeaderGov principles, focusing this month on How to Become a Team Player. Team discussions explored the six key attributes of effective team members: Initiator, Relational, People-Smart, Conversational Balance, Committed, and Peacemaker. Staff reflected on how these traits apply in daily collaboration, identifying individual and collective strengths as well as areas for growth. Through guided exercises and team scenarios, participants examined ways to improve communication balance, demonstrate initiative, and strengthen mutual accountability. This focus reinforced the department's ongoing commitment to cultivating teamwork that supports operational excellence and positive organizational culture.



**Congratulations to the following Municipal Services Department
staff who were hired or promoted this month!**

Julian Avila – Associate Civil Engineer

Marco Melgoza – Part Time Employee

Marshall Vasquez – Maintenance Worker I

Elizabeth Hardwick – Staff Services Analyst

FLEET

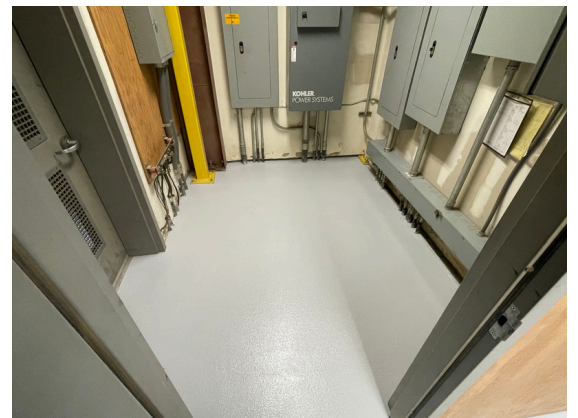
Fleet Services made substantial progress in technology upgrades, compliance testing, and vehicle readiness while continuing to manage staffing challenges effectively.

The Motor Pool module is nearly configured, with user accounts to be added soon, followed by training for staff. Until the software is fully operational, Fleet continues to dispatch vehicles manually to maintain consistent service. Additionally, new vehicle registration and insurance packets are being distributed to all fleet vehicles. These packets are housed in bright red folders, replacing the old manila envelopes for improved visibility and organization.



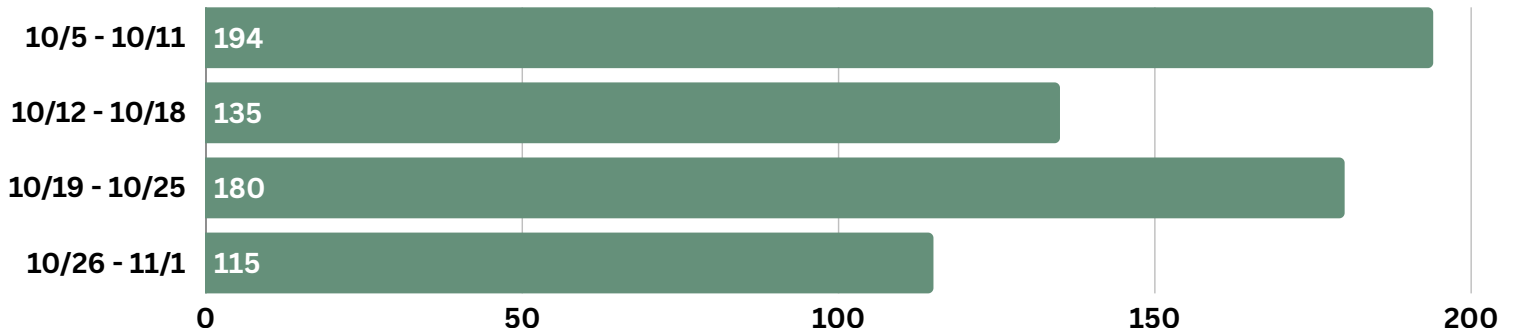
October was a busy month for Fleet, with them completing 245 work orders for service this month alone! Recent safety meetings have emphasized safe lifting practices and preparation for upcoming Safety Center training, which will further enhance workplace safety awareness and procedures.

SMOG testing for 2025 is nearly complete, with only twelve vehicles remaining. Final reporting will be submitted to the Bureau of Automotive Repair (BAR) in December. Opacity testing for heavy-duty diesel and CNG vehicles, required twice per year, has been temporarily delayed due to the original vendor's three-month unavailability. Staff are actively sourcing a local testing provider to maintain compliance. In addition, Lancaster Painting completed their work of refinishing the Bus Shop floor (pictures below).



MAINTENANCE

POTHOLES FILLED IN OCTOBER



Sports Complexes staff completed several key maintenance and improvement projects. Toilets were installed in Donnelly Park east men’s restroom, and a new BBQ unit replaced the old one in the Pedretti Park picnic area. Low-hanging and entrance trees were pruned at both TRSC and Pedretti Park to improve visibility and safety. Crews filled low areas and repaired fences at Fields 1, 2, 4, 5, and 6, while batter’s box mats, home plates, and pitching rubbers were replaced on Fields 2 and 3. General maintenance, tournament preparation, and sod replacement were completed on TRSC Fields 5-7. Upcoming work includes replacing the lock in the girls’ restroom, removing an old dumpster pad and tree stumps in play areas, installing a new BBQ in the picnic area, and repairing a water break at TRSC.



Parks crews focused on landscape maintenance and beautification across several sites. Weeds were cleared from Donnelly Lake, and trees were raised at Walnut Basin, Bristol, and other locations. The Memorial Bench area at Markley Park was pressure-washed, and a new memorial bench was installed. Routine mowing and maintenance took place at multiple parks, including Walnut Basin, Donnelly, Centennial, Broadway, and Columbia. Playground equipment repairs, toilet replacements, and water hookup fixes were completed at Four Seasons and Donnelly Park.

MAINTENANCE, CONT'D

Street maintenance efforts remained steady throughout the reporting period. Crews completed overlays and railroad crossing repairs. Trees were planted along South Walnut and Colorado, while others obstructing stop signs were pruned. Volunteer trees were removed from alleys, and speed bump and crosswalk signage were installed or adjusted as needed. Crews also removed graffiti, cleaned up large paint spills, and maintained landscaped islands along Fulkerth, Main, Monte Vista, and Lander. Future tasks include continued island weed spraying, completion of South Avenue and Soderquist crosswalks, and preparation for the 2025-2026 Leaf Program.

Assessment District teams provided ongoing maintenance across assigned areas. Crews mowed, edged, and blew landscapes, pruned vegetation along Christoffersen, Cottage Park, Festival, Olive/Hawkeye walls, and Monte Vista islands. Gopher trapping was conducted at North Basins, Fairbanks, and Donnelly Park. Staff also maintained trash and dog waste stations, planted trees, and laid new sod at Treasure Court. Upcoming work will focus on continued pruning along walls and islands at Four Seasons, Tuolumne Road, the Transit Center, and Countryside, as well as addressing irrigation issues, trapping gophers, and spraying bike paths.



MAINTENANCE, CONT'D



Buildings and Facilities crews completed a range of repairs and event preparations. Work included repairing tree wells, trash receptacles, restroom plumbing, and air hoses, as well as cleaning the Columbia Pool, City buildings, and the Senior Center roof. Desks were assembled, bulbs and smoke detectors replaced, and security fences installed. The team also supported city events by setting up for the Public Safety Facility (PSF) Halloween event and other gatherings. Upcoming projects include setup for the annual Job Fair and Employee Appreciation Lunch, cleanup at the PSF building front, and continued wellsite maintenance.

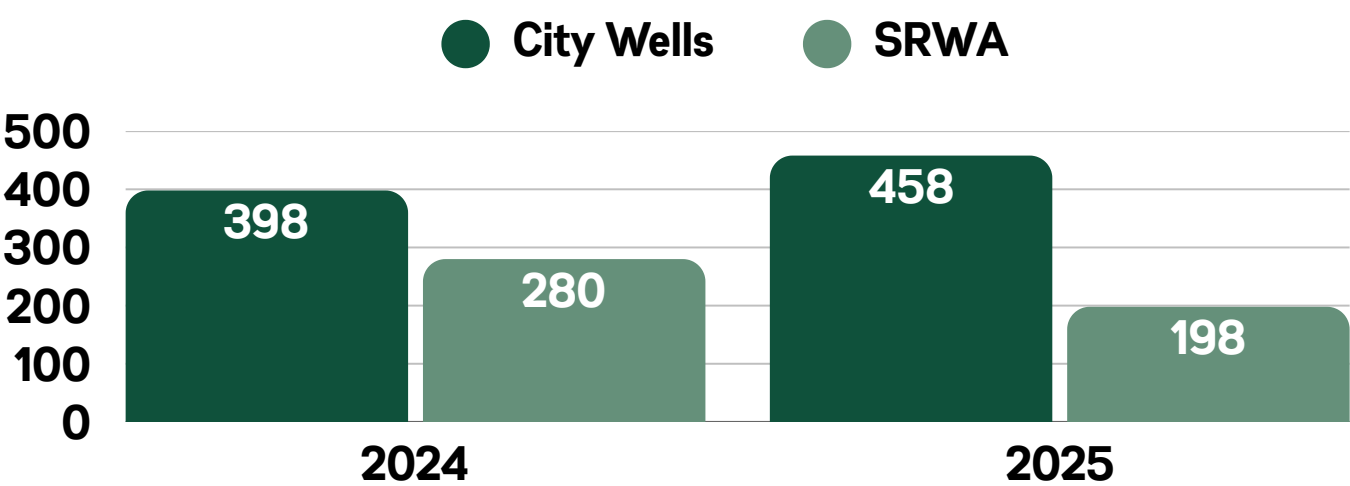
Safety and training remained a priority, with leadership and safety meetings covering topics such as earthquake preparedness, winter driving, and aerial device operation.



STANISLAUS REGIONAL WATER AUTHORITY (SRWA)

SRWA staff focused on completing monthly equipment calibrations and addressing ozone system issues with both short-term and long-term repair plans established. The team coordinated pipeline installations for the Duarte Nursery and KB Homes projects, supporting continued infrastructure expansion. Staff also conducted lab sampling training and participated in a watershed meeting with the Division of Drinking Water, MID, and HDR to strengthen collaboration and compliance. Additionally, the 2026 operations schedule was created, and preparations began for quarterly basin cleaning. The team performed well during the October 16 ShakeOut earthquake drill, demonstrating quick response, coordination, and commitment to safety.

SRWA WATER PRODUCTION AND WELL WATER PRODUCTION, IN MILLIONS OF GALLONS, IN SEPTEMBER*



WATER PRODUCTION	
September 2025*	
All water delivered to City of Ceres and City of Turlock met or exceeded water quality requirements as mandated by the State of California.	
CITY OF CERES	125 Million gallons of water was delivered
CITY OF TURLOCK	198 Million gallons of water was delivered
ZERO POSTIVE SYSTEM BACTI SAMPLES	

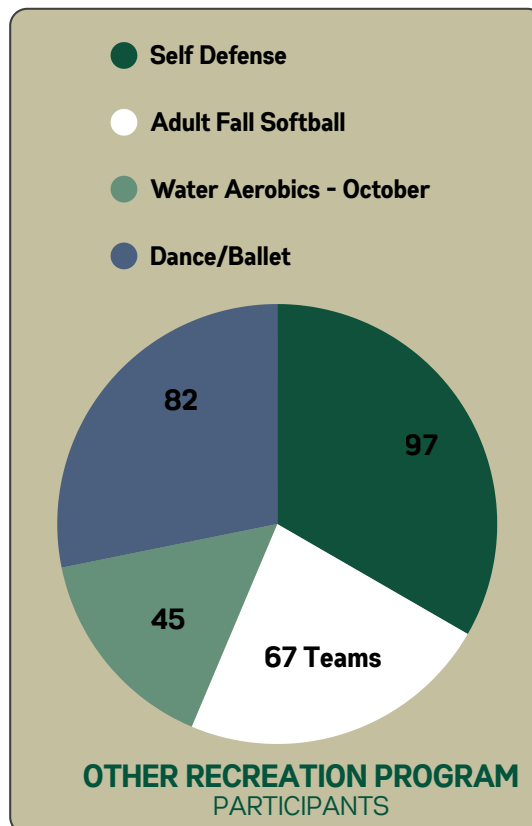
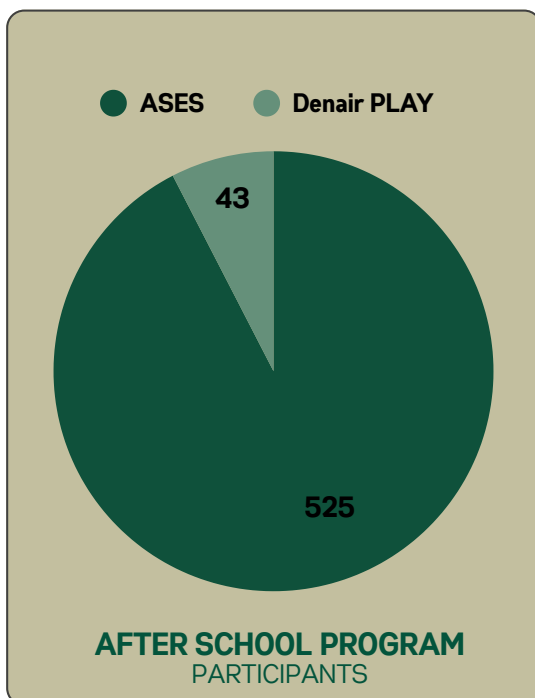
*Statistics are reported one month later to align with the City Council posting schedule.



RECREATION

Programs and classes continue to engage the community across all age groups. Water Zumba and Junior Guard returned the week of October 6, while youth basketball open gym concluded on October 29 and Lego Engineers began the week of October 27. Self-defense classes finished on October 20, with the next session running from October 27 through the end of the year. Water aerobics is ongoing for the October session, and registration for the November session opened on October 23. Youth water polo, babysitting classes, dance programs, and adult fall softball remain in session, providing a wide range of recreational opportunities for the community.

Recent events and outreach activities include hosting the NSA Softball Tournament at Pedretti Park on October 4-5 and continuing hourly rentals at the Turlock Regional Sports Complex. Drum Love Sessions have been scheduled for all after-school programs. Staff attended the Project Safe Annual Fall Institute on September 30 for professional development.



SCAN HERE FOR MORE INFORMATION ON RECREATION PROGRAMS!

OPEN REGISTRATION:
 WATER AEROBICS NOVEMBER
 YOUTH WATER POLO
 BABYSITTING CLASS
 DANCE
 TURKEY TROT

RECREATION CONT'D

Community events are also moving forward. Registration is now open for the 51st Annual Turkey Trot, which will take place on Saturday, November 22, at Donnelly Park. The Christmas Parade is scheduled for Friday, December 5, with the theme *Gingerbread Dreamland*. Registration for the parade is full, and staff are reviewing entries from the waitlist. Family Fun Night Movie Night at the Senior Center was held on Friday, November 14. Planning for the Veterans Day Ceremony is also underway.



ROADS PROGRAM

A Request for Qualifications for Engineering Design Services for future Roads Program CIP Projects was released on October 15, with submittals due November 20. Staff also held a public meeting for the Geer Road Project on October 22 to share updates and gather community feedback, advertised Projects 23-068BP2 and 23-068BP3 for bids, and continued weekly construction progress meetings with design and construction management consultants to keep all projects on schedule.



UTILITIES

The Utilities team made significant progress this month across plan review, inspections, field operations, and ongoing projects. In plan review and inspections, staff completed multiple Bluebeam submittals and plan checks, conducted occupancy inspections, and reviewed new agreements and RFPs for SCADA support and meter projects. Team members also participated in professional development workshops, including the AWWA Sampling Workshop, USA training updates, and CWEA Northern Safety Day.

In field operations and maintenance, crews repaired numerous sewer mains on Christine Way, California Ave., and Arbor Way, replaced broken laterals at 875 S. Johnson Road, fixed water box leaks at Aldersgate Court and Oleander Lane, and replaced 1" and 6" water services at various locations.. Staff also prepared for upcoming street rehabilitation projects, including repairs on Geer Road, and responded to recent storm events by pumping water at Taylor Road and working overnight to restore services.

Utilities coordination and projects advanced as well, with four new water services hot-tapped at 5220 N. Golden State Boulevard for the Honda dealership, ongoing televising of sewer lines for preventive maintenance, and kickoff meetings held for Well 29 SCADA programming, West Main/Tegner road rehabilitation, trash capture evaluation, and Unidirectional Flushing training. Staff continued to prioritize CERT certifications and professional development.



TRANSIT

Transit operations remained focused this month on service improvement, regulatory compliance, and community engagement. Staff participated in a Stan State outreach event to promote local transit options and held follow-up meetings with Ecolane to refine the dispatch and reservation system.

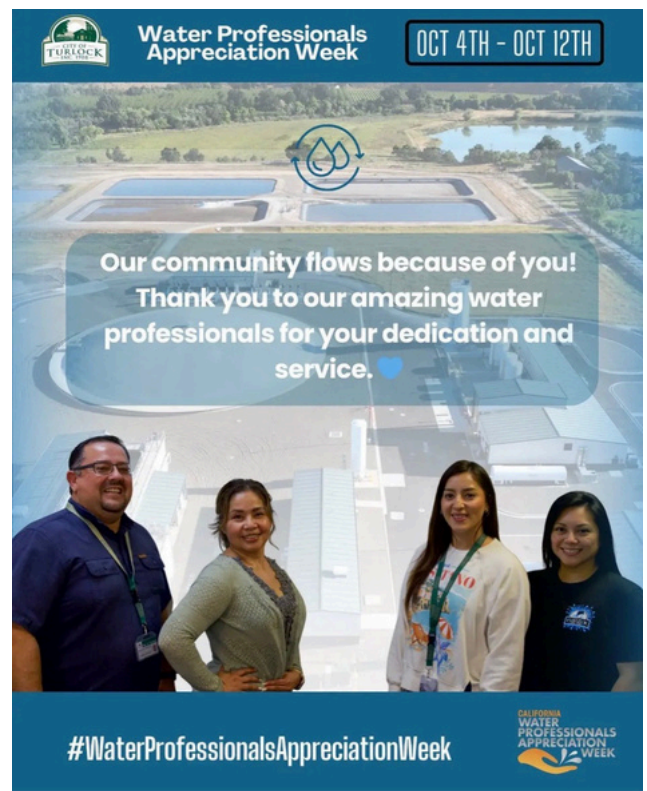


Professional development continued with three staff members completing CPR, First Aid, AED, and Bloodborne Pathogen training. Operational planning advanced as the Transit Cost Allocation Plan (CAP) was finalized, and reimbursement requests for FY 24-25 SGR funds were submitted. Collaboration has begun with the Roads Program for improvements along Geer Road. Staff are also preparing the National Transit Database report and an RFP for Transit Planning Services to support future projects.

REGULATORY AFFAIRS

Regulatory Affairs continued to advance environmental compliance and planning initiatives while supporting community engagement efforts. Staff made significant progress on the PCE Downtown Project and the 1,2,3-TCP well rehabilitation, ensuring projects remain on schedule and compliant with regulations.

Updates were submitted for the Water Loss Report and Water Use Objective, reflecting ongoing efforts to monitor and improve water management practices. The team also participated in the Embrace Turlock Cleanup Event on October 25 in collaboration with Turlock Scavenger, assisting residents with waste drop-off and recycling to promote community stewardship and environmental responsibility.



WATER QUALITY CONTROL



The Water Quality Control team completed significant equipment upgrades and system maintenance while finalizing regulatory audits and managing biosolids operations. Staff replaced belt alignment sensors, installed new acid phase recirculation pumps, and upgraded lighting and SCADA systems across multiple facilities, enhancing operational efficiency and reliability.

The team successfully completed the SWRCB five-year audit, resolving all findings, and managed biosolids removal from drying beds through continuous 24/7 operations, marking the conclusion of a year-long bypass pumping project. Extensive sampling events were conducted for compliance testing, including Toxicity and Mixing Zone studies. Preparations are also underway for ferric chloride and polymer system installations, as well as upcoming permitting visits to ensure continued regulatory compliance.

ENGINEERING

The Engineering Division focused on advancing key infrastructure projects, finalizing design plans, and preparing for upcoming construction activities. Renovations at the Senior Center and Marty Yerby Facility progressed, with the award of bid submitted to Council on October 28 and New Century Construction, Inc. identified as the apparent low bidder. The Fulkerth Road Widening Project was advertised in the Turlock Journal and on the City website starting October 18, with bids scheduled to open on November 18.



DEVELOPMENT SERVICES DEPARTMENT



BUILDING

The Development Services Department continues to strive to provide excellent customer service while ensuring the health, safety, enhancement, and prosperity of our community.



PLANNING

CITY MANAGER'S MONTHLY REPORT
OCTOBER 2025

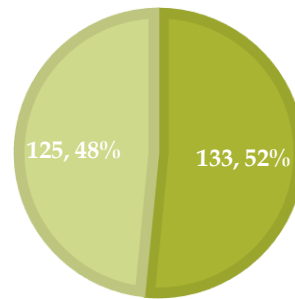


BUILDING DIVISION

**311 BUILDING INSPECTIONS
PERFORMED IN SEPTEMBER**

PERMIT STATS

- PERMITS ISSUED
- PERMITS COMPLETED



BUILDING PERMITS APPLIED FOR

OVER THE COUNTER PROJECTS, 100

**MINOR REVIEW
PROJECTS, 26**

**PLAN CHECK
PROJECTS, 15**

**WHAT'S
NEW?**

THE BUILDING PERMIT FOR CHICK-FIL-A WAS ISSUED ON OCTOBER 31ST

DAVE'S HOT CHICKEN RECEIVED THEIR FINAL INSPECTION AND CERTIFICATE OF OCCUPANCY

PLANNING DIVISION

The Planning Division received an application (MDP 2025-17) requesting approval to expand the existing 7,660-square-foot retail building located at 1272 Geer Road to a total floor area of 18,665 square feet. The project includes a lot line adjustment to merge two adjacent parcels, accommodating the building expansion and leaving approximately 15,497 square feet of undeveloped land. Proposed on-site improvements include the construction of a new driveway from Geer Road on the north side of the property, a new drive aisle to enhance circulation along the east and north sides of the building, and the addition of 21 parking stalls. Upon completion, the site will provide a total of 57 parking spaces.

To help expedite the Housing Element certification process, California Department of Housing and Community Development (HCD) conducted an informal review of the Revised Draft Housing Element submitted on September 17, 2025 and requested additional refinements. Edits made in response to this informal review are available for viewing on the City of Turlock website. Following a 7-day public review period that runs from November 6 through November 13, 2025 the Revised Draft Housing Element (November 5, 2025) will be resubmitted to HCD. HCD will then complete its second review and deliver its findings on November 17, 2025.



**COORDINATED & HOSTED 5
PREDEVELOPMENT MEETINGS**

BUSINESS PERMITS APPLIED FOR

BUSINESS ADDRESS	BUSINESS TYPE	BUSINESS NAME
1100 W MONTE VISTA AVE	ZONING CERTIFICATE/OCCUPANCY INSPECTION	Starbucks Coffee #78766
	HOME OCCUPATION PERMIT	MIRANDA CHALABI COACH & CONSUL
1801 COLORADO AVE 150	ZONING CERTIFICATE/OCCUPANCY INSPECTION	SUTTER VALLEY MEDICAL FOUNDATI
1801 COLORADO AVE 180	ZONING CERTIFICATE/OCCUPANCY INSPECTION	SUTTER VALLEY MEDICAL FOUNDATI
1801 COLORADO AVE 260	ZONING CERTIFICATE/OCCUPANCY INSPECTION	SUTTER VALLEY MEDICAL FOUNDATI
2000 W MAIN ST	ZONING CERTIFICATE/OCCUPANCY INSPECTION	MCDONALDS
2130 GEER RD B	ZONING CERTIFICATE/OCCUPANCY INSPECTION	PIRO TRADING INTERNATIONAL
2130 GEER RD C	ZONING CERTIFICATE/OCCUPANCY INSPECTION	MONA SALON SUITES
2247 GEER RD	ZONING CERTIFICATE/OCCUPANCY INSPECTION	MERAFUENTES TAE KWON DO
	HOME OCCUPATION PERMIT	SP WELDING
	HOME OCCUPATION PERMIT	PEPPY HEART BY H
	HOME OCCUPATION PERMIT	APM SENIOR SOLUTIONS
	HOME OCCUPATION PERMIT	MAJOR APPLIANCE INSPECTOR
	HOME OCCUPATION PERMIT	PMP CONSULTING
2701 COUNTRYSIDE DR	ZONING CERTIFICATE/OCCUPANCY INSPECTION	MINISO WINKY STORE HOLDINGS LL
2741 COUNTRYSIDE DR	ZONING CERTIFICATE/OCCUPANCY INSPECTION	DAVE'S HOT CHICKEN
3050 COUNTRYSIDE DR	ZONING CERTIFICATE/OCCUPANCY INSPECTION	MC DONALDS
310 CRANE AVE	ZONING CERTIFICATE/OCCUPANCY INSPECTION	PETVET CARE CENTER
	HOME OCCUPATION PERMIT	EZ SHOPHUB
519 S CENTER ST	ZONING CERTIFICATE/OCCUPANCY INSPECTION	CENTER BOUTIQUE PARTY RENTALS
735 E MAIN ST	ZONING CERTIFICATE/OCCUPANCY INSPECTION	ESTHETICS BY BABARA
901 E MONTE VISTA AVE	ZONING CERTIFICATE/OCCUPANCY INSPECTION	MONTE VIST SMALL ANIMAL HOSPIT

Career Opportunities

We are Hiring!



Career Opportunities

JOB TITLE	SALARY	DEADLINE
City Attorney	\$20,039.00 - \$24,357.00 Monthly	Continuous
Police Officer I/II	\$6,558.00-\$9,229.00 Monthly	Continuous
Police Officer Trainee 	\$4,454.00-\$5,416.00 Monthly	Continuous
Principal Planner 	\$9,090.00 - \$11,049.00 Monthly	Continuous
Water Treatment Plant Operator, Senior 	\$7,258.00 - \$8,822.00 Monthly	Continuous

*As of 11/12/2025

For more information, please visit www.cityofturlock.org

New Hires



Maintenance Worker I



Maintenance Worker I



Plans Examiner, Sr.



Staff Services
Analyst



Associate
Civil Engineer



Emergency Services
Dispatcher Trainee



Maintenance
Worker I

Promotions

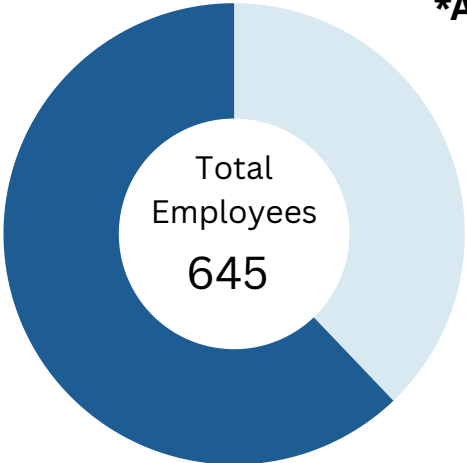


Utilities Maintenance Worker I

Staffing Data

*As of 11/12/2025

Full-Time Employees
417



Part-Time Employees
228

LeaderGov Program Update



Our Human Relations Department recently completed the November 2025 LeaderGov Teamwork Summit workshop, titled Team Collaboration. The session helped team members grow by collaborating more effectively with each other and with other departments.

Participants explored techniques for problem-solving, guidance on setting clear goals and roles, and methods to foster a positive team culture. Overall, the session emphasized the importance of shared responsibility and proactive communication to achieve organizational goals.

Upcoming Events

The following trainings are scheduled for City staff:

- Defensive Driver Training -
December 2, 2025
- Blood Borne Pathogens Training -
December 9, 2025

Finance Department Monthly Report

November 18, 2025



From: Isaac Moreno, Finance Director

Prepared by: Isaac Moreno, Finance Director

Agendized by: Susan E. Borrego, Interim City Manager

Staffing – The Finance Department is currently in the process of filling the following positions:

Utility Billing:	1 - Account Clerk Senior
Accounting:	1 – Accountant II

Procurement Policy – Currently under final review with Finance staff and consultant. Will be coming to City Council for adoption on November 18, 2025.

Measure A Committee – The next scheduled Measure A meeting is November 12, 2025 where the annual report will be presented to the Committee.

Contracts Executed by City Manager – Please see table below for the executed contracts within the month of October 2025.

Utility Billing Division Report – Please see attached memorandum.

Projects:

User Fee Study – Consultant has started preliminary meetings with three division.

Impact Fee Study – Pending completion of infrastructure master plan updates.

Interim City Manager Approved Contracts Up To \$75,000					
Contract Number	Vendor Name	Description	Compensation Amount Not to Exceed	Effective Date	Department
OCTOBER					
2026-045	Cumulus Media New Holdings, Inc.	SB 1383 Organics Radio/Commercial Ad	\$ 20,000.00	8/1/2025	Municipal Services
2026-069	Monday.com	Monday.com Work Management Software	\$ 9,002.18	9/30/2025	Municipal Services
2026-046	Carollo Engineers	On-Call Professional RWQCF Plant Modeling Services	\$ 25,000.00	7/29/2025	Municipal Services
2026-080	Pryme Infil, Inc.	Pryme Infil Software Platform	\$ 6,500.00	11/1/2025	Police
2026-63	Propellant Media, LLC	Propellant Media	\$ 15,750.00	9/9/2025	Administration
2026-60	CA-NV Section AWWA	Water College Training Agreement	\$ 8,800.00	9/2/2025	Municipal Services
2026-56	NBS Government Finance Group	Development Impact Fee Comparison	\$ 5,000.00	8/27/2025	Municipal Services - Engineering



Angelica Gonsalves
FINANCIAL CUSTOMER SERVICE SUPERVISOR
agonsalves@turlock.ca.us

FINANCE DEPARTMENT
UTILITY BILLING

156 S. BROADWAY, SUITE 114 | TURLOCK, CALIFORNIA 95380 | PHONE 209-668-5570 | FAX 209-668-5565

DATE: November 12, 2025
TO: Isaac Moreno
FROM: Angelica Gonsalves
SUBJECT: October 2025 Department updates

For the month of October 2025:

Finance processed a total of 1,667 receipt payments in the office by walk in customers, 1,227 by mailed/drop box, and took 646 phone payments. The department answered 2,156 calls during the month of October. Processed 170 utility move-in's, and 147 move-out and exception bills. Payment agreements: 132 current and 35 past due payment agreements.

Utility billing processed and mailed 18, 522 utility bills and issued 2,238 penalties. Delinquent notices were mailed to 746 customers. 310 account were terminated on October 22, 2025 and 93 remained off at the end of the day.

The department went live with the new payment platform online and interactive voice response (IVR) for utility customers on 7/16/25. In October we had 1,460 customers made payments on the new IVR, 3, 375 customers paid through the new portal, and 1,556 set up for autopay. We have a total of 6,846 registered users on the new portal from 10/31/25. 490 users have signed up for paperless billing.

Business license processed 57 new applications and closed 28 business licenses. 145 licenses were renewed and 0 delinquent notices were mailed out to lapsed business licenses. The City of Turlock currently has 6,943 active licenses.

Payment Register

From Payment Date: 10/17/2025 - To Payment Date: 10/23/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
AP - Accounts Payable									
<u>Check</u>									
150908	10/17/2025	Open			Accounts Payable	BLUETRITON BRANDS INC	\$380.29		
	Invoice		Date	Description		Amount			
	151033258518		09/09/2025	5 Gallon Nestle drinking water and plastic cups.		\$380.29			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$190.14			
	420 - WATER			420.11000 (Cash)		\$190.15			
150909	10/17/2025	Open			Accounts Payable	Propellant Media, LLC	\$5,750.00		
	Invoice		Date	Description		Amount			
	26971		10/07/2025	Programmatic Display Targeted Advertising		\$5,750.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$5,750.00			
150910	10/17/2025	Open			Miscellaneous Billing Refund	VASQUEZ-BARRAGAN, MARIA	\$200.00		
	Customer Type			Customer Number	Transaction Date	Transaction Type			
	Animal Control				7120 10/10/2025	Payment Adjustment			
	Paying Fund			Cash Account		Amount			
	998 - Due to/from Cash Clearing			998.11000 (Cash)		\$200.00			
150911	10/21/2025	Open			Utility Management Refund	ALLEN, RICHARD	\$862.29		
	Account Type		Account Number	Description	Transaction Date	Transaction Type			
	Single Family Res Metered		404411-006	CUSTOMER REQUEST	10/21/2025	Refund			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$9.26			
	119 - American Rescue Plan Act			119.11000 (Cash)		\$3.68			
	420 - WATER			420.11000 (Cash)		\$849.35			
150912	10/22/2025	Open			Utility Management Refund	EBRAHIMI, LORENS	\$501.30		
	Account Type		Account Number	Description	Transaction Date	Transaction Type			
	Single Family Res Metered		125547-008	MOVE OUT CREDIT	10/21/2025	Refund			
	Paying Fund			Cash Account		Amount			
	119 - American Rescue Plan Act			119.11000 (Cash)		\$2.88			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$144.55			
	420 - WATER			420.11000 (Cash)		\$353.87			
150913	10/22/2025	Open			Utility Management Refund	JK VALLEY PROPERTIES	\$321.91		
	Account Type		Account Number	Description	Transaction Date	Transaction Type			
	Single Family Res Metered		729108-002	MOVE OUT CREDIT	10/21/2025	Refund			
	Paying Fund			Cash Account		Amount			
	420 - WATER			420.11000 (Cash)		\$321.91			
150914	10/22/2025	Open			Utility Management Refund	MONTALBANO, DEBRA	\$227.16		
	Account Type		Account Number	Description	Transaction Date	Transaction Type			
	Single Family Res Metered		651095-001	MOVE OUT CREDIT	10/21/2025	Refund			
	Paying Fund			Cash Account		Amount			
	420 - WATER			420.11000 (Cash)		\$227.16			

City of Turlock

Payment Register

From Payment Date: 10/17/2025 - To Payment Date: 10/23/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
150915	10/22/2025	Open			Utility Management Refund	SERPA, ALAN J	\$244.07		
	<u>Account Type</u>		<u>Account Number</u>	<u>Description</u>	<u>Transaction Date</u>	<u>Transaction Type</u>			
	Single Family Res Metered		795313-001	MOVE OUT CREDIT	10/21/2025	Refund			
	<u>Paying Fund</u>			<u>Cash Account</u>			<u>Amount</u>		
	110 - General Fund			110.11000 (Cash)			\$70.92		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			\$72.15		
	420 - WATER			420.11000 (Cash)			\$101.00		
150916	10/23/2025	Open			Accounts Payable	AFLAC	\$3,648.82		
	<u>Invoice</u>		<u>Date</u>	<u>Description</u>			<u>Amount</u>		
	474324		10/15/2025	INDIVIDUAL OCTOBER 2025			\$3,648.82		
	<u>Paying Fund</u>			<u>Cash Account</u>			<u>Amount</u>		
	104 - Payroll Clearing Fund			104.11000 (Cash)			\$3,648.82		
150917	10/23/2025	Open			Accounts Payable	Ares Brazilian Jiu-Jitsu Academy Inc	\$2,400.00		
	<u>Invoice</u>		<u>Date</u>	<u>Description</u>			<u>Amount</u>		
	CLASSES FOR TPD		09/30/2025	BRAZILIAN JIU-JITSU CLASSES			\$2,400.00		
	<u>Paying Fund</u>			<u>Cash Account</u>			<u>Amount</u>		
	266 - Police Services Grants			266.11000 (Cash)			\$2,400.00		
150918	10/23/2025	Open			Accounts Payable	AT&T MOBILITY	\$2,444.51		
	<u>Invoice</u>		<u>Date</u>	<u>Description</u>			<u>Amount</u>		
	4173X09272025		09/19/2025	WQC - AT&T Phone Services			\$1,197.48		
	5677X09272025		09/19/2025	WQC - AT&T Phone Services			\$1,140.78		
	X10042025		09/26/2025	UT MIFI & IPADS			\$106.25		
	<u>Paying Fund</u>			<u>Cash Account</u>			<u>Amount</u>		
	205 - Sports Facilities			205.11000 (Cash)			\$88.26		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			\$1,603.38		
	420 - WATER			420.11000 (Cash)			\$641.41		
	450 - SRWA - Operations			450.11000 (Cash)			\$111.46		
150919	10/23/2025	Open			Accounts Payable	ATKINSON, ANDELSON, LOYA, RUUD & ROMO	\$20,178.80		
	<u>Invoice</u>		<u>Date</u>	<u>Description</u>			<u>Amount</u>		
	760837		08/31/2025	Legal Services August 2025			\$20,178.80		
	<u>Paying Fund</u>			<u>Cash Account</u>			<u>Amount</u>		
	110 - General Fund			110.11000 (Cash)			\$20,178.80		
150920	10/23/2025	Open			Accounts Payable	AXON ENTERPRISE, INC.	\$430,267.99		
	<u>Invoice</u>		<u>Date</u>	<u>Description</u>			<u>Amount</u>		
	INUS369484		08/15/2025	BUNDLE OFFICER SAFETY PLAN 7 PLUS ISLE & TRUE UP			\$19,048.65		
	INUS369327		08/15/2025	AXON ENTERPRISE ANNUAL MAINTENANCE AGREEMENT			\$411,219.34		
	<u>Paying Fund</u>			<u>Cash Account</u>			<u>Amount</u>		
	110 - General Fund			110.11000 (Cash)			\$19,786.91		
	118 - Measure A			118.11000 (Cash)			\$54,286.84		
	119 - American Rescue Plan Act			119.11000 (Cash)			\$22,848.90		
	240 - Small Equipment Replacement			240.11000 (Cash)			\$17,345.34		
	267 - AB3229 SLESF (COPS) Grants			267.11000 (Cash)			\$316,000.00		

Payment Register

From Payment Date: 10/17/2025 - To Payment Date: 10/23/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
150921	10/23/2025	Open			Accounts Payable	BADGER METER INC dba NATIONAL METER & AUTOMATION	\$63.00		
	Invoice		Date	Description		Amount			
	80212561		09/30/2025	ORION CELLULAR		\$63.00			
	Paying Fund			Cash Account		Amount			
	420 - WATER			420.11000 (Cash)		\$63.00			
150922	10/23/2025	Open			Accounts Payable	BKS Law Firm, A Professional Corporation	\$600.00		
	Invoice		Date	Description		Amount			
	September 2025		10/09/2025	SRWA - Legal Services for 2025-26 September 2025		\$600.00			
	Paying Fund			Cash Account		Amount			
	950 - SRWA - JPA			950.11000 (Cash)		\$600.00			
150923	10/23/2025	Open			Accounts Payable	BONANDER AUTO TRUCK & TRAILER INC	\$476.20		
	Invoice		Date	Description		Amount			
	282311		10/10/2025	84474523 (S) BOOSTER		\$476.20			
	Paying Fund			Cash Account		Amount			
	505 - Fleet			505.11000 (Cash)		\$476.20			
150924	10/23/2025	Open			Accounts Payable	BUREAU VERITAS NO AMERICA	\$48,176.50		
	Invoice		Date	Description		Amount			
	RI 25029780		07/03/2025	PLAN REVIEW SERVICES FOR BP#25-0134		\$310.50			
	RI 25034288		07/29/2025	PLAN REVIEW SERVICES FOR BP#25-0622		\$381.00			
	RI 25034287		07/29/2025	PLAN REVIEW SERVICES FOR BP#24-1499		\$570.00			
	RI 25034797		08/06/2025	PLAN REVIEW SERVICES FOR BP#25-0031		\$450.00			
	RI 25035007		08/08/2025	PLAN REVIEW SERVICES FOR BP#25-0640		\$2,222.50			
	RI 25035008		08/08/2025	PLAN REVIEW SERVICES FOR BP#25-0848		\$2,450.00			
	RI 25035010		08/08/2025	PLAN REVIEW SERVICES ONSITE		\$1,140.00			
	RI 25035003		08/08/2025	PLAN REVIEW SERVICES FOR BP#25-0741		\$2,030.00			
	RI 25035004		08/08/2025	PLAN REVIEW SERVICES FOR BP#25-0733		\$140.00			
	RI 25035005		08/08/2025	PLAN REVIEW SERVICES FOR BP#25-0734		\$70.00			
	RI 25035006		08/08/2025	PLAN REVIEW SERVICES FOR BP#25-0713		\$245.00			
	RI 25035159		08/12/2025	PLAN REVIEW SERVICES FOR BP#25-0644		\$1,983.00			
	RI 25039796		09/10/2025	PLAN REVIEW SERVICES FOR BP#25-0730		\$3,386.25			
	RI 25040211		09/15/2025	PLAN REVIEW SERVICES ONSITE		\$300.00			
	RI 25040203		09/15/2025	PLAN REVIEW SERVICES FOR BP#25-0997		\$9,100.00			
	RI 25044328		10/06/2025	PLAN REVIEW SERVICES FOR BP#24-0304		\$947.25			
	RI 25035009		08/08/2025	CBO SERVICES JULY 2025		\$10,048.00			
	RI 25040210		09/15/2025	CBO SERVICES AUG 2025		\$12,403.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$48,176.50			
150925	10/23/2025	Open			Accounts Payable	CENTRAL VALLEY BUSINESS FORMS	\$1,679.89		
	Invoice		Date	Description		Amount			
	262523		10/01/2025	PARKCITE PARKING CITATION		\$1,679.89			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$1,679.89			

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
150926	10/23/2025	Open			Accounts Payable	CENTRAL VALLEY CONCRETE	\$8,177.72		
	Invoice		Date	Description		Amount			
	281022		09/29/2025	FILL SAND		\$1,126.80			
	281238		10/01/2025	COLD MIX		\$3,525.46			
	281133		09/01/2025	COLD MIX		\$3,525.46			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$8,177.72			
150927	10/23/2025	Open			Accounts Payable	Chemtrade Chemicals Corp DBA Chemtrade Chemicals	\$4,196.11		
	Invoice		Date	Description		Amount			
	90307157		10/08/2025	SRWA SUPPLY AND DELIVERY OF Aluminum Sulfate		\$4,196.11			
				10.08.25					
	Paying Fund			Cash Account		Amount			
	450 - SRWA - Operations			450.11000 (Cash)		\$4,196.11			
150928	10/23/2025	Open			Accounts Payable	CINTAS FIRST AID AND SAFETY, CINTAS CORP NO 2	\$724.15		
	Invoice		Date	Description		Amount			
	5294492106		09/29/2025	First Aid & Safety Supplies Management - City Hall		\$224.13			
	5295251806		10/02/2025	First Aid & Safety Supplies Management		\$500.02			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$401.66			
	420 - WATER			420.11000 (Cash)		\$102.15			
	426 - Transit			426.11000 (Cash)		\$126.73			
	505 - Fleet			505.11000 (Cash)		\$93.61			
150929	10/23/2025	Open			Accounts Payable	CLARK PEST CONTROL OF STOCKTON, INC	\$12,346.00		
	Invoice		Date	Description		Amount			
	MP-08-25		08/31/2025	MONTHLY PEST CONTROL SERVICES - AUG 2025		\$1,785.00			
	MP-09-25		09/30/2025	MONTHLY PEST CONTROL SERVICES - SEPT 2025		\$1,765.00			
	MW-08-25		08/31/2025	MONTHLY WEED CONTROL SERVICES - AUG 2025		\$4,398.00			
	MW-09-25		09/30/2025	MONTHLY WEED CONTROL SERVICES - SEPT 2025		\$4,398.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$860.00			
	217 - Streets - Gas Tax			217.11000 (Cash)		\$606.00			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$8,600.00			
	416 - Recycled Water Sales			416.11000 (Cash)		\$150.00			
	420 - WATER			420.11000 (Cash)		\$1,720.00			
	426 - Transit			426.11000 (Cash)		\$120.00			
	505 - Fleet			505.11000 (Cash)		\$290.00			
150930	10/23/2025	Open			Accounts Payable	Cloudburst Consulting Group, Inc.	\$1,782.50		
	Invoice		Date	Description		Amount			
	18219		08/31/2025	On Demand Consulting- Housing FY- 2025-26 - August Services		\$775.00			
	18098		07/31/2025	On Demand Consulting- Housing FY- 2025-26 - July Services		\$1,007.50			
	Paying Fund			Cash Account		Amount			
	255 - CDBG			255.11000 (Cash)		\$232.50			
	256 - Stanislaus Housing Consortium			256.11000 (Cash)		\$1,356.25			

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	259 - HOME-ARP			259.11000 (Cash)			\$193.75		
150931	10/23/2025	Open			Accounts Payable	Creative Property Renewal, Inc.	\$97,439.11		
	Invoice		Date	Description		Amount			
	P1/CP 24-010		09/30/2025	24-010 Fire Station No. 31 SCBA Compressor Room-9/30/25		\$97,439.11			
	Paying Fund			Cash Account		Amount			
	240 - Small Equipment Replacement			240.11000 (Cash)		\$97,439.11			
150932	10/23/2025	Open			Accounts Payable	CRESCENT SURPLUS INC	\$306.96		
	Invoice		Date	Description		Amount			
	074883		10/08/2025	HEM TROUSERS/TAPER LEGS/PIPING - ELIAS PASILLAS		\$284.11			
	074884		10/08/2025	NAME BAR - ELIAS PASILLAS		\$22.85			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$306.96			
150933	10/23/2025	Open			Accounts Payable	DUBLIN AUTOMOTIVE GROUP DBA TURLOCK CHRYSLER DODGE	\$1,058.89		
	Invoice		Date	Description		Amount			
	42557		07/30/2025	Labor		\$230.00			
	43801		10/09/2025	POL23-1376 repair		\$678.38			
	73333		10/10/2025	2 68252495AC SENSOR TIRE		\$150.51			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$908.38			
	505 - Fleet			505.11000 (Cash)		\$150.51			
150934	10/23/2025	Open			Accounts Payable	DV Electric Co	\$66,500.00		
	Invoice		Date	Description		Amount			
	P1/ CP24-033		09/22/2025	24-033 Transit Center EV Chargers-9/22/25		\$66,500.00			
	Paying Fund			Cash Account		Amount			
	426 - Transit			426.11000 (Cash)		\$66,500.00			
150935	10/23/2025	Open			Accounts Payable	EMPLOYMENT DEVELOP DEPT	\$40.00		
	Invoice		Date	Description		Amount			
	10112025GONZALEZ		10/17/2025	10112025 PAYROLL WITHHOLDING		\$40.00			
	Paying Fund			Cash Account		Amount			
	104 - Payroll Clearing Fund			104.11000 (Cash)		\$40.00			
150936	10/23/2025	Open			Accounts Payable	ENTERPRISE FM TRUST	\$5,450.15		
	Invoice		Date	Description		Amount			
	FBN5440452		10/03/2025	SRWA Enterprise Leased Vehicles - October 2025		\$5,450.15			
	Paying Fund			Cash Account		Amount			
	450 - SRWA - Operations			450.11000 (Cash)		\$5,450.15			
150937	10/23/2025	Open			Accounts Payable	Faro Technologies, Inc.	\$6,380.00		
	Invoice		Date	Description		Amount			
	91875746		10/08/2025	FOCUS LASER SCANNER CARE RENEWAL AND SCENE MAINTENANCE		\$6,380.00			
	Paying Fund			Cash Account		Amount			
	206 - Traffic Safety			206.11000 (Cash)		\$6,380.00			
150938	10/23/2025	Open			Accounts Payable	FASTENAL COMPANY INC	\$1,558.33		
	Invoice		Date	Description		Amount			
	CATUR200465		10/06/2025	12 12 0 1/16"135 Mech Dr		\$545.71			

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150939	CATUR200466		10/06/2025	1 0 4Pc .75x6Red HvyHST			\$319.61		
	CATUR200467		09/29/2025	1/2" IMPACT WRENCH			\$693.01		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			\$693.01		
	505 - Fleet			505.11000 (Cash)			\$865.32		
	10/23/2025	Open			Accounts Payable	FRANCHISE TAX BOARD	\$169.87		
	Invoice		Date	Description			Amount		
	10112025ZAPIEN		10/17/2025	10112025 PAYROLL WITHHOLDING			\$169.87		
	Paying Fund			Cash Account			Amount		
	104 - Payroll Clearing Fund			104.11000 (Cash)			\$169.87		
150940	10/23/2025	Open			Accounts Payable	FRESNO TRUCK CENTER DBA KEYES TRUCK CENTER	\$661.30		
	Invoice		Date	Description			Amount		
	F014140938:02		10/02/2025	1 0 014F/BW 103081N VALVE			\$328.58		
	F014141193:01		10/06/2025	014F/TDA R950060 QUICK RELEASE VALVE REPAIR .NOLOC NOLOC			\$139.22		
	F014141914:01		10/08/2025	014F/WA3 400 611 034 0 RELAY VLV/KIT			\$167.22		
	F014142390:01		10/13/2025	014F/12-21022-021 HOSE- 8C/B06MPT X SAE45SWVL K2W2C			\$26.28		
	Paying Fund			Cash Account			Amount		
	505 - Fleet			505.11000 (Cash)			\$661.30		
	10/23/2025	Open			Accounts Payable	Genfare, LLC	\$4,025.14		
	Invoice		Date	Description			Amount		
150941	90213182		10/02/2025	trim unit repair			\$4,025.14		
	Paying Fund			Cash Account			Amount		
	426 - Transit			426.11000 (Cash)			\$4,025.14		
	10/23/2025	Open			Accounts Payable	GOMES & SONS INC, JOE M	\$31,179.82		
	Invoice		Date	Description			Amount		
	97474		10/15/2025	CUST #24090 - Fuel Expense for 10/1/25 - 10/15/25			\$29,782.62		
	97140		10/10/2025	Fuel for Fire #3			\$1,397.20		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			\$16,348.79		
	205 - Sports Facilities			205.11000 (Cash)			\$545.85		
150942	217 - Streets - Gas Tax			217.11000 (Cash)			\$2,128.25		
	246 - Landscape Assessment			246.11000 (Cash)			\$1,806.62		
	255 - CDBG			255.11000 (Cash)			\$51.25		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			\$4,433.94		
	420 - WATER			420.11000 (Cash)			\$2,377.41		
	426 - Transit			426.11000 (Cash)			\$2,897.38		
	450 - SRWA - Operations			450.11000 (Cash)			\$590.33		
	10/23/2025	Open			Accounts Payable	GRAINGER INC, W W	\$980.52		
	Invoice		Date	Description			Amount		
	9668808083		10/08/2025	SRWA Supplies - Ball Valve, Elbows, Caps, & Adapter			\$571.26		
150943	9668808091		10/08/2025	SRWA Supplies - Digging Bars & Spades			\$296.57		
	9674532495		10/14/2025	SRWA Supplies - Adapter & Thread Seal Tape			\$93.15		
	9673324381		10/13/2025	SRWA Supplies - Beaker Set			\$19.54		
	Paying Fund			Cash Account			Amount		
	450 - SRWA - Operations			450.11000 (Cash)			\$980.52		

City of Turlock

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
150944	10/23/2025	Open			Accounts Payable	HAAKER EQUIPMENT COMPANY	\$361,812.50		
	Invoice		Date	Description		Amount			
	INV19184		10/14/2025	42503 25-Yard Heavy Duty Rear End Loader,		\$361,812.50			
	Paying Fund			Cash Account		Amount			
	506 - Vehicle/Equipment Replacement			506.11000 (Cash)		\$361,812.50			
150945	10/23/2025	Open			Accounts Payable	HAJOCA CORPORATION	\$222.47		
	Invoice		Date	Description		Amount			
	S014684468.001		10/14/2025	PVC BOE PLAS PIPE		\$222.47			
	Paying Fund			Cash Account		Amount			
	420 - WATER			420.11000 (Cash)		\$222.47			
150946	10/23/2025	Open			Accounts Payable	Harris & Associates, Inc.	\$3,039.50		
	Invoice		Date	Description		Amount			
	69526		09/27/2025	25-046 Dev Impact Fees-Annual Report FY24/25-9/27/25		\$2,390.00			
	69525		09/27/2025	On-Call Assessment District Services - FY 25/26-9/27/25		\$649.50			
	Paying Fund			Cash Account		Amount			
	230 - NW Triangle Specific Plan			230.11000 (Cash)		\$99.58			
	246 - Landscape Assessment			246.11000 (Cash)		\$649.50			
	305 - Capital Facility Fees			305.11000 (Cash)		\$1,792.50			
	307 - NE Turlock Master Plan			307.11000 (Cash)		\$99.58			
	308 - Turlock Regional Industrial Park			308.11000 (Cash)		\$99.58			
	309 - East Tuolumne Master Plan			309.11000 (Cash)		\$99.58			
	411 - Storm Drainage Construction			411.11000 (Cash)		\$99.59			
	414 - Sewer Line/Trunk Construction			414.11000 (Cash)		\$99.59			
150947	10/23/2025	Open			Accounts Payable	HD SUPPLY INC, DBA USABUEBOOK	\$1,669.41		
	Invoice		Date	Description		Amount			
	INV00850277		10/07/2025	SRWA supplies - DPD, Reagent, Powder Pillows		\$910.06			
	INV00855459		10/13/2025	SRWA supplies - pH Sensor Ryton		\$517.54			
	INV00855489		10/13/2025	SRWA supplies - Free Chlorine Reagent		\$241.81			
	Paying Fund			Cash Account		Amount			
	450 - SRWA - Operations			450.11000 (Cash)		\$1,669.41			
150948	10/23/2025	Open			Accounts Payable	HOLT OF CALIFORNIA INC	\$1,530.66		
	Invoice		Date	Description		Amount			
	K6059201		10/14/2025	TRACK SKID STEER RENTAL		\$1,530.66			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$1,530.66			
150949	10/23/2025	Open			Accounts Payable	iFlow Inc.	\$7,367.54		
	Invoice		Date	Description		Amount			
	103930		10/07/2025	2" METERS		\$7,367.54			
	Paying Fund			Cash Account		Amount			
	420 - WATER			420.11000 (Cash)		\$7,367.54			
150950	10/23/2025	Open			Accounts Payable	Imperial Bag & Paper Co., LLC DBA Imperial Dade	\$593.75		
	Invoice		Date	Description		Amount			
	39253388		10/06/2025	SHIPPING & RECEIVING GENERAL SUPPLIES		\$166.85			
	39306254		10/09/2025	SHIPPING & RECEIVING GENERAL SUPPLIES		\$426.90			

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
150951	Paying Fund			Cash Account			Amount		
	505 - Fleet			505.11000 (Cash)			\$593.75		
	10/23/2025	Open			Accounts Payable	ITRON INC	\$6,794.80		
	Invoice		Date	Description			Amount		
	718565		10/12/2025	HOSTING 11/1 - 11/30/25			\$3,933.43		
150952	718457		10/12/2025	MAINTENANCE 11/1 - 1/31/26			\$2,861.37		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			\$6,794.80		
	10/23/2025	Open			Accounts Payable	JESTER AUTO WORKS	\$490.00		
	Invoice		Date	Description			Amount		
150953	7674		10/09/2025	BUFF AND POLISH VEHICLE			\$490.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			\$490.00		
	10/23/2025	Open			Accounts Payable	Jocelyn E. Roland Ph.D., ABPP, INC	\$1,500.00		
	Invoice		Date	Description			Amount		
150954	24396		10/10/2025	PRE-EMPLOYMENT PSYCH SCREENING			\$500.00		
	24379		10/01/2025	PRE-EMPLOYMENT PSYCH SCREENING			\$500.00		
	24382		10/03/2025	PRE-EMPLOYMENT PSYCH SCREENING			\$500.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			\$1,500.00		
150955	10/23/2025	Open			Accounts Payable	K.B.R. Inc dba Rash Curtis & Associates	\$213.63		
	Invoice		Date	Description			Amount		
	6250-355		10/15/2025	RASH CURTIS AUG 2025 UT COLLECTIONS			\$213.63		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			\$76.46		
150956	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			\$56.16		
	420 - WATER			420.11000 (Cash)			\$81.01		
	10/23/2025	Open			Accounts Payable	LANGUAGE LINE SERVICES	\$15.58		
	Invoice		Date	Description			Amount		
	11718099		09/30/2025	Acct #9020101104 - Translation services for Police Department			\$15.58		
150957	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			\$15.58		
	10/23/2025	Open			Accounts Payable	Linde Inc.	\$13,683.60		
	Invoice		Date	Description			Amount		
	52603455		10/13/2025	SRWA SUPPLY & DELIVERY OF LIQUID CARBON DIOXIDE 10.13.25			\$13,683.60		
150958	Paying Fund			Cash Account			Amount		
	450 - SRWA - Operations			450.11000 (Cash)			\$13,683.60		
	10/23/2025	Open			Accounts Payable	Mark Thomas & Company, Inc.	\$67,362.06		
	Invoice		Date	Description			Amount		
	57246		09/30/2025	23-052 Design Task Order 2 Roads-Geer Rd. CIP-Sep 2025			\$67,362.06		
150959	Paying Fund			Cash Account			Amount		
	115 - Measure A - Roads			115.11000 (Cash)			\$67,362.06		

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150958	10/23/2025	Open			Accounts Payable	MARTIN MARIETTA MATERIALS INC	\$188.47		
	Invoice		Date	Description			Amount		
	47485877		10/10/2025	ASPHALT			\$101.41		
	47521612		10/14/2025	ASPHALT			\$87.06		
	Paying Fund			Cash Account			Amount		
	219 - SB1 Road Maint & Rehab Account			219.11000 (Cash)			\$188.47		
150959	10/23/2025	Open			Accounts Payable	MODESTO POLICE DEPARTMENT	\$500.00		
	Invoice		Date	Description			Amount		
	SFST 23-003		10/01/2025	SFST, 9/29/25 - 10/1/25, ZRocha, JOttis, JBecerra, BRuiz			\$500.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			\$500.00		
150960	10/23/2025	Open			Accounts Payable	MWI VETERINARY SUPPLY CO DBA MWI ANIMAL HEALTH	\$196.72		
	Invoice		Date	Description			Amount		
	63904493		10/13/2025	COUGH TAB/DOXYCYCLINE HYCLATE TAB 100MG			\$98.36		
	63946475		10/14/2025	COUGH TAB/DOXYCYCLINE HYCLATE TAB 100MG			\$98.36		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			\$196.72		
150961	10/23/2025	Open			Accounts Payable	Myers & Sons Hi-Way Safety Inc	\$5,127.06		
	Invoice		Date	Description			Amount		
	177052		09/19/2025	SAFETY EQUIPMENT FOR UTILITIES / CONES & BARRICADES			\$5,127.06		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			\$2,563.53		
	420 - WATER			420.11000 (Cash)			\$2,563.53		
150962	10/23/2025	Open			Accounts Payable	NAPA AUTO PARTS	\$9,215.11		
	Invoice		Date	Description			Amount		
	846078		10/02/2025	15011 LIT 3LICENSE KIT			\$28.20		
	846105		10/02/2025	41160 GRO 11 X 7 R S TAPE (395)			\$224.92		
	846122		10/03/2025	NP18 WIP WIPER BLADE			\$33.76		
	846131		10/03/2025	400068 FIL OIL FILTER ()			\$17.72		
	846142		10/03/2025	89250 UP BRAKE AWAY KITS ACCES			\$142.80		
	846156		10/03/2025	7552085 BK ADAPTER TRAILER WIRE			\$41.00		
	846190		10/06/2025	NPF002 NAF 2.5 DEF			\$211.66		
	846196		10/06/2025	7524 BAT 2YR WTY BAT			\$441.34		
	846204		10/06/2025	15960 ATP ATP FILTER			\$26.78		
	846217		10/06/2025	SG8909M PSG SILENTGUARD BRK PADS			\$43.16		
	846233		10/06/2025	15951 ATP ATP PLATINUM KIT			\$31.82		
	846263		10/06/2025	70425 GAT 4MXTXREEL ()			\$169.55		
	846282		10/06/2025	48880508 NB BRAKE ROTOR ()			\$399.82		
	846281		10/06/2025	48881951 NB NAPA Premium Rear Brake Rotor			\$369.26		
	846286		10/07/2025	2032BP-6 BK 2032 6 PK BATTERIES ()			\$79.51		
	846287		10/06/2025	48881951 NB BRAKE ROTOR ()			(\$369.26)		
	846295		10/06/2025	21334 SFI ENGINE OIL FILTER			\$6.55		
	846315		10/06/2025	PCB22 NON 22 CONVENTIONAL ()			\$845.97		
	846345		10/06/2025	PLUS32 WWS 32 WINDSHIELD WASH			\$59.98		
	846348		10/06/2025	PLUS32 WWS 32 WINDSHIELD WASH			(\$2.73)		
	846375		10/08/2025	27502MP SFI ENGINE OIL FILTER			\$356.04		

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	846423		10/08/2025	400181	FIL OIL FILTER		\$55.34		
	846429		10/08/2025	7041902	NOE DRAIN PLUG		\$11.69		
	846432		10/08/2025	65050001	BBE BE AG & INDUSTRIAL Roller Chain Link		\$5.41		
	846441		10/08/2025	15949	ATP ATP PLATINUM KIT		\$153.43		
	846454		10/08/2025	IC697	ECH COIL ON PLUG COIL ()		\$885.53		
	846465		10/09/2025	G60102-0006	GAT ADAPTERS ()		\$4.18		
	846488		10/09/2025	C3030	MBI SPRING BRAKE ()		\$180.30		
	846491		10/09/2025	70276	GAT 6MXTXREEL ()		\$80.14		
	846520		10/09/2025	7182	FIL FILTER		\$75.03		
	846607		10/10/2025	IC942	ECH COIL ON PLUG COIL		\$909.10		
	846610		10/10/2025	9883	FIL AIR FILTER		\$67.04		
	846620		10/10/2025	459180	THM THERMOSTAT		\$26.87		
	846662		10/13/2025	1540	NBH SIL SDI COOLANT HOSE ()		\$52.77		
	846666		10/13/2025	7182	FIL FILTER ()		\$115.94		
	846716		10/13/2025	59235	PTX PX TRHEAD SEALANT 592 (210)		\$76.71		
	846733		10/14/2025	NPB24	WIP BEAM WIPER BLADE		\$36.24		
	846736		10/14/2025	10010	NCB ARMORALL PROT 10OZ (750)		\$17.96		
	846757		10/14/2025	IC697	ECH COIL ON PLUG COIL		\$1,180.71		
	846768		10/14/2025	IC932	ECH COIL ON PLUG COIL		\$579.28		
	846798		10/14/2025	SH3804	CHT 3 8DR 1 8 HEXBIT SKT (C74)		\$7.06		
	846790		10/14/2025	7216	MAC PREM START FL 11OZ		\$48.10		
	846804		10/14/2025	6601AL	LIT MED PRO STROBE YE		\$698.24		
	846820		10/14/2025	38274	NBH DR BLT TENSIONER ASSY		\$88.48		
	846826		10/14/2025	48882616	NB BRAKE ROTOR		\$395.49		
	846852		10/14/2025	25-060990	NBH SERPENTINE BELT ()		\$48.35		
	846854		10/15/2025	25-061005	NBH SERPENTINE BELT () 2008 Ford F250 Super Duty 3/4		\$30.73		
	846858		10/15/2025	3352	FIL FUEL FILTER ()		\$65.20		
	846859		10/14/2025	1791	FIL FILTER ()		\$19.75		
	846873		10/15/2025	25-060990	NBH SERPENTINE BELT ()		(\$48.35)		
	846879		10/15/2025	2696124	NCD TIE ROD END		\$190.54		
	Paying Fund			Cash Account			Amount		
	426 - Transit			426.11000	(Cash)		\$7.06		
	505 - Fleet			505.11000	(Cash)		\$9,208.05		
150963	10/23/2025	Open			Accounts Payable	NBS GOVERNMENT FINANCE GROUP	\$4,500.00		
	Invoice		Date	Description		Amount			
	202510-3340		10/03/2025	PROF SVS THROUGH 9/25/25		\$4,000.00			
	202510-3452		10/08/2025	PROF SVS THROUGH 9/25/25		\$500.00			
	Paying Fund			Cash Account		Amount			
	420 - WATER			420.11000	(Cash)		\$4,500.00		
150964	10/23/2025	Open			Accounts Payable	Northstar Chemical	\$6,631.24		
	Invoice		Date	Description		Amount			
	321723		09/18/2025	FERRIC CHLORIDE FOR WELL 38		\$6,631.24			
	Paying Fund			Cash Account		Amount			
	420 - WATER			420.11000	(Cash)		\$6,631.24		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
150965	10/23/2025	Open			Accounts Payable	Operational Technical Services, LLC	\$4,110.00		
	Invoice		Date	Description		Amount			
	5184		10/08/2025	SRWA - Senior Operator MC 10.06.25 - 10.08.25		\$4,110.00			
	Paying Fund			Cash Account		Amount			
	450 - SRWA - Operations			450.11000 (Cash)		\$4,110.00			
150966	10/23/2025	Open			Accounts Payable	OREILLY AUTO PARTS	\$212.21		
	Invoice		Date	Description		Amount			
	2800-186742		10/02/2025	FEL OS30850R OIL PAN GSKT		(\$19.11)			
	2800-187865		10/06/2025	STA 10834 FUEL CAP		\$9.18			
	2800-189271		10/10/2025	MOT FT202 TRANS FILTER		\$147.99			
	2800-190082		10/13/2025	1 WIX WF10841 HD FUEL FLTR		\$45.93			
				1Y					
	2800-188801		10/15/2025	s786 air coupler		\$28.22			
	Paying Fund			Cash Account		Amount			
	505 - Fleet			505.11000 (Cash)		\$212.21			
150967	10/23/2025	Open			Accounts Payable	P G & E	\$18,703.04		
	Invoice		Date	Description		Amount			
	701 WLNT10/10/25		10/10/2025	6224543828-8 / 701 S Walnut Rd		\$95.94			
	CNG 10/10/25		10/10/2025	8466606707-3 / 901 S Walnut Rd CNG		\$643.61			
	WLNT#A 10/10/25		10/10/2025	3794250242-0 / 701 S Walnut Rd Ste A / CNG Slow Fill Station		\$14,051.30			
	FIRE#4 10/12/25		10/12/2025	7556584382-0 / 2820 N Walnut-Fire #4		\$41.39			
	PSF 10/10/25		10/10/2025	8391988340-1 / 244 N Broadway-PSF		\$2,405.08			
	TRANSIT110/10/25		10/10/2025	0913752739-7 / 1418 N Golden State Blvd Ste 1		\$8.11			
	COL POOL10/10/25		10/10/2025	8183464653-1 / 595 Columbia St		\$1,441.98			
	TRANSIT210/10/25		10/10/2025	9448303839-7 / 1418 N Golden State Blvd Ste 2		\$15.63			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$3,888.45			
	426 - Transit			426.11000 (Cash)		\$14,075.04			
	505 - Fleet			505.11000 (Cash)		\$739.55			
150968	10/23/2025	Open			Accounts Payable	PACE SUPPLY CORPORATION	\$3,167.35		
	Invoice		Date	Description		Amount			
	0510615881-1A		07/24/2025	RAM NEK STRIPS		\$2.09			
	0510631963-1A		07/24/2025	BOLT SET		\$9.59			
	0510615881-2A		07/25/2025	CAP SCREW BOLT		\$3.13			
	0510631963A		07/22/2025	ABS PIPE		\$30.26			
	0510860243		10/13/2025	SDR 26 PIPE		\$839.03			
	0510724795		10/14/2025	MJ ADAPTER		\$1,943.29			
	0510873235		10/15/2025	6 CLAY		\$272.25			
	0510768516		09/30/2025	BRASS ANGLE METER VALVE		\$67.71			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$1,034.90			
	420 - WATER			420.11000 (Cash)		\$2,132.45			
150969	10/23/2025	Open			Accounts Payable	PROVOST & PRITCHARD ENGINEERING GROUP INC	\$14,937.82		
	Invoice		Date	Description		Amount			
	124195		09/30/2025	25-040 2025 Crack and Slurry Seal for Roads CIP- Sept 2025		\$11,305.52			
	123121		08/31/2025	SR01, 23-046 Well 29 Chlorination-8/31/25		\$1,410.00			

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
	122442		07/31/2025	SR01, 23-046 Well 29 Chlorination-7/31/25			\$2,222.30		
	Paying Fund			Cash Account			Amount		
	218 - Measure L			218.11000 (Cash)			\$11,305.52		
	420 - WATER			420.11000 (Cash)			\$3,632.30		
150970	10/23/2025	Open			Accounts Payable	RDO-VERMEER, LLC	\$819.47		
	Invoice		Date	Description			Amount		
	P1972876		10/02/2025	109330001 MOTOR-HYD 15.9C SC04748			\$819.47		
	Paying Fund			Cash Account			Amount		
	505 - Fleet			505.11000 (Cash)			\$819.47		
150971	10/23/2025	Open			Accounts Payable	REED INC, GEORGE	\$539.19		
	Invoice		Date	Description			Amount		
	100379357		10/01/2025	ASPHALT			\$109.69		
	100379941		10/07/2025	ASPHALT			\$106.95		
	100380084		10/08/2025	ASPHALT			\$96.75		
	100380429		10/10/2025	ASPHALT			\$109.69		
	100376425		09/04/2025	ASPHALT			\$116.11		
	Paying Fund			Cash Account			Amount		
	219 - SB1 Road Maint & Rehab Account			219.11000 (Cash)			\$539.19		
150972	10/23/2025	Open			Accounts Payable	ROMEO MEDICAL CLINIC	\$2,272.00		
	Invoice		Date	Description			Amount		
	September 2025		09/30/2025	Romeo Medical Clinic Services FY 24/25			\$2,152.00		
	Sep 2025 FIRE		09/30/2025	Romeo Medical Clinic Services September 2025			\$120.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			\$1,773.00		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			\$155.00		
	420 - WATER			420.11000 (Cash)			\$265.00		
	505 - Fleet			505.11000 (Cash)			\$79.00		
150973	10/23/2025	Open			Accounts Payable	RUSH TRUCK CENTERS OF CALIFORNIA, INC.	\$5,743.03		
	Invoice		Date	Description			Amount		
	3043444582		10/03/2025	BL3Z6710A:FRD GASKET - OIL PAN			\$23.59		
	3043548122		10/08/2025	F2GZ1A189A:FRD KIT - TPMS SENSOR			\$562.24		
	3043519889		10/08/2025	HC3Z1A189F:FRD KIT - TPMS SENSOR			\$359.70		
	3043474585		10/09/2025	R59-6142-222100:PB MIRROR-MEDIUM DUTY LH			\$2,364.22		
	3043499789		10/09/2025	AR15-1039:MOM REGULATOR-ITT, CROSS FOR AGILITY PART NU			\$1,542.48		
	3043567391		10/11/2025	2 4T-2914 - CUTTING EDGE			\$664.38		
	3043587043		10/13/2025	2 164-R8129:FRD KEY PRE-CUT IPATS 90			\$191.52		
	3043581955		10/13/2025	MF17-1004:MOM UNION-#6 ORB X #6 ORB			\$34.90		
	Paying Fund			Cash Account			Amount		
	505 - Fleet			505.11000 (Cash)			\$5,743.03		
150974	10/23/2025	Open			Accounts Payable	SAFETY-KLEEN SYSTEMS, INC	\$2,269.13		
	Invoice		Date	Description			Amount		
	98349640		10/03/2025	oil invoice			\$2,269.13		
	Paying Fund			Cash Account			Amount		
	505 - Fleet			505.11000 (Cash)			\$2,269.13		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
150975	10/23/2025	Open			Accounts Payable	SEEGERS PRINTING INC	\$4,177.72		
	Invoice		Date	Description		Amount			
	0146593-IN		10/09/2025	Paper Shred		\$996.09			
	0146592-IN		10/09/2025	Embrace Turlock's Beauty		\$2,169.24			
	0146597-IN		10/09/2025	Winter Watering Sched		\$1,012.39			
	Paying Fund			Cash Account		Amount			
	204 - SolidWaste/Recycle/PublicEducati			204.11000 (Cash)		\$3,165.33			
	420 - WATER			420.11000 (Cash)		\$1,012.39			
150976	10/23/2025	Open			Accounts Payable	SHARPENING SHOP	\$711.00		
	Invoice		Date	Description		Amount			
	451773		10/13/2025	501537101 CHAIN TENSIONER		\$21.71			
	451735		10/10/2025	ASPEN FUEL 2 CYCLE 1.3 GALLON		\$68.02			
	451980		10/16/2025	WAIST EXTENDER FOR CHAPS (2)		\$17.36			
	451979		10/16/2025	APRON CHAPS (2) AND FOAM EARPLUGS (100)		\$603.91			
	Paying Fund			Cash Account		Amount			
	217 - Streets - Gas Tax			217.11000 (Cash)		\$689.29			
	505 - Fleet			505.11000 (Cash)		\$21.71			
150977	10/23/2025	Open			Accounts Payable	SIEGFRIED ENGINEERING INC	\$39,745.49		
	Invoice		Date	Description		Amount			
	50591		08/31/2025	25-026 Design Roads Task 3 CIP - August 2025		\$37,624.66			
	50645		08/31/2025	23-069 Design Services Task Order 2 CIP-August 2025		\$2,120.83			
	Paying Fund			Cash Account		Amount			
	115 - Measure A - Roads			115.11000 (Cash)		\$39,745.49			
150978	10/23/2025	Open			Accounts Payable	Sloan Sakai Yeung & Wong LLP	\$4,336.50		
	Invoice		Date	Description		Amount			
	59144		07/31/2025	Sloan Sakai Services July 2025		\$4,336.50			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$4,336.50			
150979	10/23/2025	Open			Accounts Payable	SOUTHERN TIRE MART	\$11,177.00		
	Invoice		Date	Description		Amount			
	7320019696		10/06/2025	225/60R18 FIREHAWK PRST		\$550.21			
	7320019772		10/06/2025	315/80R22.5/20 R192E ELCTRIC BUS		\$8,804.09			
	7320019774		10/06/2025	225/50R17 ALL SEASON	4 100.15	\$442.15			
	7320019775		10/06/2025	TIRE CHANGE MED TRUCK		\$708.71			
	7320019777		10/06/2025	BALANCE -W/EQUAL		\$231.95			
	7320019844		10/08/2025	EL20-627 tire install		\$439.89			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$439.89			
	426 - Transit			426.11000 (Cash)		\$940.66			
	505 - Fleet			505.11000 (Cash)		\$9,796.45			
150980	10/23/2025	Open			Accounts Payable	STANISLAUS CO ENV RES	\$246.00		
	Invoice		Date	Description		Amount			
	494750		10/07/2025	CERS YEARLY FEES		\$246.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$246.00			

City of Turlock

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
150981	10/23/2025	Open			Accounts Payable	STANISLAUS COUNTY - TAX	\$61.72		
	Invoice		Date	Description		Amount			
	25/26 1st, 2nd		09/17/2025	050-036-008-0000-Property Tax - 570 Jason Dr.		\$61.72			
	Paying Fund			Cash Account		Amount			
	255 - CDBG			255.11000 (Cash)		\$61.72			
150982	10/23/2025	Open			Accounts Payable	STANISLAUS COUNTY CLERK RECORDER	\$40.00		
	Invoice		Date	Description		Amount			
	2024-0058159		10/14/2025	LIEN RELEASE FOR 132 S FIRST ST (1)		\$20.00			
	2024-0052594		10/14/2025	LIEN RELEASE FOR 132 S FIRST ST (2)		\$20.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$40.00			
150983	10/23/2025	Open			Accounts Payable	STATE WATER RESOURCE CTNL	\$150.00		
	Invoice		Date	Description		Amount			
	FINCH- D2		10/10/2025	ERIC FINCH D2 CERT		\$80.00			
	GARCIA - D1		09/29/2025	MIGUEL GARCIA D1 CERT		\$70.00			
	Paying Fund			Cash Account		Amount			
	420 - WATER			420.11000 (Cash)		\$150.00			
150984	10/23/2025	Open			Accounts Payable	Stoel Rives LLP	\$1,088.00		
	Invoice		Date	Description		Amount			
	8088225		09/12/2025	September 2025		\$1,088.00			
	Paying Fund			Cash Account		Amount			
	423 - PCE Downtown (Prop 1 Grant)			423.11000 (Cash)		\$1,088.00			
150985	10/23/2025	Open			Accounts Payable	STOMMEL INC DBA LEHR	\$1,910.87		
	Invoice		Date	Description		Amount			
	SI124365		10/03/2025	VTX609A Whelen Vertex Super-LED Omni Directional Lighthouse Amber		\$748.24			
	SI124455		10/08/2025	VTXFB Whelen, Vertex Bezel Black		\$91.69			
	SI124727		10/14/2025	H-UI502-B Intrmotive, Upfitter Interface Module 2023 -24 F250-F6		\$1,070.94			
	Paying Fund			Cash Account		Amount			
	505 - Fleet			505.11000 (Cash)		\$1,910.87			
150986	10/23/2025	Open			Accounts Payable	STORER TRANSIT SYSTEMS	\$359,005.91		
	Invoice		Date	Description		Amount			
	10127T		10/20/2025	Management and Operation of Turlock Transit Services Sept 2025		\$359,005.91			
	Paying Fund			Cash Account		Amount			
	426 - Transit			426.11000 (Cash)		\$359,005.91			
150987	10/23/2025	Open			Accounts Payable	SUPPORT PAYMENT CLEARING	\$405.35		
	Invoice		Date	Description		Amount			
	10112025BECCHETT		10/17/2025	10112025 PAYROLL WITHHOLDING		\$405.35			
	Paying Fund			Cash Account		Amount			
	104 - Payroll Clearing Fund			104.11000 (Cash)		\$405.35			
150988	10/23/2025	Open			Accounts Payable	T I D	\$364,432.15		
	Invoice		Date	Description		Amount			
	100925 570 Jason		10/09/2025	6279743328 570 Jason Dr		\$28.83			
	100925 2065 Cody		10/09/2025	0978821449 2065 Cody Ct.		\$22.63			
	101025 573 Birch		10/10/2025	0826525611 573 BIRCHWOOD Way		\$48.42			

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	083201 - OCT 25		10/10/2025	ACC#0832010000 - OCT 2025			\$8,723.41		
	183201 - OCT 25		10/09/2025	ACC#1832010000 - OCT 2025			\$6,802.99		
	283201 - OCT 25		10/09/2025	ACC#2832010000 - OCT 2025			\$17,720.82		
	383201 - OCT 25		10/09/2025	ACC#3832010000 - OCT 2025			\$4,112.08		
	483201 - OCT 25		10/10/2025	ACC#4832010000 - OCT 2025			\$206,430.26		
	683201 - OCT 25		10/09/2025	ACC#6832010000 - OCT 2025			\$4,737.30		
	773201 - OCT 25		10/09/2025	ACC#7732010000 - OCT 2025			\$9,596.75		
	873201 - OCT 25		10/09/2025	ACC#8732010000 - OCT 2025			\$7,751.15		
	973201 - OCT 25		10/10/2025	ACC#9732010000 - OCT 2025			\$98,457.51		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			\$32,399.37		
	205 - Sports Facilities			205.11000 (Cash)			\$4,575.02		
	217 - Streets - Gas Tax			217.11000 (Cash)			\$7,472.76		
	219 - SB1 Road Maint & Rehab Account			219.11000 (Cash)			\$24,029.86		
	232 - CFD #3 - Maintenance Services			232.11000 (Cash)			\$118.47		
	246 - Landscape Assessment			246.11000 (Cash)			\$10,798.94		
	255 - CDBG			255.11000 (Cash)			\$99.88		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			\$169,062.64		
	416 - Recycled Water Sales			416.11000 (Cash)			\$5,682.81		
	420 - WATER			420.11000 (Cash)			\$106,889.39		
	426 - Transit			426.11000 (Cash)			\$1,497.99		
	505 - Fleet			505.11000 (Cash)			\$1,805.02		
150989	10/23/2025	Open			Accounts Payable	TAYLOR VETERINARY HOS INC	\$6,230.19		
	Invoice		Date	Description			Amount		
	3457917		09/11/2025	A042631			\$296.13		
	3457918		09/11/2025	A042629			\$296.13		
	3457919		09/11/2025	A02633			\$83.63		
	3457920		09/11/2025	A042632			\$83.63		
	3457921		09/11/2025	A042634			\$83.63		
	3457924		09/18/2025	A041475			\$193.68		
	3456827		08/15/2025	K9 BJORN PROCEDURE			\$5,193.36		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			\$6,230.19		
150990	10/23/2025	Open			Accounts Payable	The Honey Do Guy	\$1,377.68		
	Invoice		Date	Description			Amount		
	573		10/13/2025	Property Maintenance - 591 Birchwood -October 2025			\$1,377.68		
	Paying Fund			Cash Account			Amount		
	625 - Successor Agency - LMI			625.11000 (Cash)			\$1,377.68		
150991	10/23/2025	Open			Accounts Payable	TURLOCK JOURNAL	\$856.00		
	Invoice		Date	Description			Amount		
	404168		09/30/2025	Retail Display-Survey			\$350.00		
	404666		10/05/2025	Public Notice for 11/6/25 PC Meeting			\$506.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			\$856.00		
150992	10/23/2025	Open			Accounts Payable	TURLOCK SCAVENGER CO INC	\$124.91		
	Invoice		Date	Description			Amount		
	0003070516		09/30/2025	SRWA 6 yd Bin Service September 2025			\$124.91		
	Paying Fund			Cash Account			Amount		

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150993	950 - SRWA - JPA			950.11000 (Cash)			\$124.91		
	10/23/2025	Open			Accounts Payable	TURLOCK SMOG LLC	\$168.00		
	Invoice		Date	Description		Amount			
	#12976		10/09/2025	TRA15-1041 smog		\$28.00			
	#12977		10/09/2025	REC16-005 smog		\$28.00			
	#12984		10/10/2025	UT04-693 smog		\$28.00			
	#12985		10/10/2025	AD03-4881 smog		\$28.00			
	#12989		10/10/2025	PK00-4041 SMOG		\$28.00			
	12987		10/10/2025	ST99-4819 smog		\$28.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$56.00			
	217 - Streets - Gas Tax			217.11000 (Cash)		\$28.00			
	246 - Landscape Assessment			246.11000 (Cash)		\$28.00			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$28.00			
	426 - Transit			426.11000 (Cash)		\$28.00			
150994	10/23/2025	Open			Accounts Payable	TURLOCK TRUCK STUFF LLC	\$1,524.42		
	Invoice		Date	Description		Amount			
	2226		10/02/2025	EL23-631 BEDLINER		\$1,209.93			
	2222		10/06/2025	EL25-637 BEDLINER		\$314.49			
	Paying Fund			Cash Account		Amount			
150995	506 - Vehicle/Equipment Replacement			506.11000 (Cash)		\$1,524.42			
	10/23/2025	Open			Accounts Payable	UMR	\$984.47		
	Invoice		Date	Description		Amount			
	TOSTA NOV 2025		10/01/2025	Retiree Health Premiums November 2025		\$984.47			
	Paying Fund			Cash Account		Amount			
150996	104 - Payroll Clearing Fund			104.11000 (Cash)		\$984.47			
	10/23/2025	Open			Accounts Payable	UNITED RENTAL INC	\$488.64		
	Invoice		Date	Description		Amount			
	253850970-001		10/03/2025	SHIPPING & RECEIVING GENERAL SUPPLIES		\$488.64			
	Paying Fund			Cash Account		Amount			
150997	505 - Fleet			505.11000 (Cash)		\$488.64			
	10/23/2025	Open			Accounts Payable	UNIVAR SOLUTIONS USA, LLC dba UNIVAR SOLUTIONS USA	\$14,828.10		
	Invoice		Date	Description		Amount			
	53392120		10/09/2025	SRWA SUPPLY AND DELIVERY OF SODIUM HYPOCHLORITE 10.09.25		\$14,828.10			
	Paying Fund			Cash Account		Amount			
150998	450 - SRWA - Operations			450.11000 (Cash)		\$14,828.10			
	10/23/2025	Open			Accounts Payable	V.B. Glass Co Inc dba Banks Glass	\$640.00		
	Invoice		Date	Description		Amount			
	121084		08/18/2025	Review and Estimate to replace the ADA door button		\$640.00			
	Paying Fund			Cash Account		Amount			
150999	426 - Transit			426.11000 (Cash)		\$640.00			
	10/23/2025	Open			Accounts Payable	VERIZON WIRELESS	\$7,939.66		
	Invoice		Date	Description		Amount			
	6125151085		10/03/2025	972530635-00036 Maintenance Sep 04-Oct 03 2025		\$493.59			
	6125151081		10/03/2025	972530635-00029 Utilities Sep 04 - Oct 03 2025		\$1,321.63			

City of Turlock

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
	6125151082		10/03/2025	972530635-00030	WQC Sep 04 - Oct 03 2025		\$494.13		
	6125151074		10/03/2025		Human Relations Verizon 9/4/25-10/3/25		\$41.39		
	6125151083		10/03/2025	972530635-00032	Electrical WQC Sep 04-Oct 03 2025		\$68.72		
	6125151086		10/03/2025	972530635-00037	Master Radio WQC Sep 04-Oct 03 2025		\$42.65		
	6125151087		10/03/2025	972530635-00038	SRWA Monthly Service & Equipment 9.04.25 - 10.03		\$514.99		
	6125151075		10/03/2025		POLICE SEP 04 - OCT 03 2025		\$4,681.01		
	6125151078		09/04/2025	972530635-00024	BUILDING & PLANNING (9/4-10/3)		\$281.55		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			\$5,079.97		
	205 - Sports Facilities			205.11000 (Cash)			\$68.03		
	217 - Streets - Gas Tax			217.11000 (Cash)			\$230.06		
	246 - Landscape Assessment			246.11000 (Cash)			\$80.02		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			\$1,202.33		
	420 - WATER			420.11000 (Cash)			\$722.80		
	450 - SRWA - Operations			450.11000 (Cash)			\$514.99		
	505 - Fleet			505.11000 (Cash)			\$41.46		
151000	10/23/2025	Open			Accounts Payable	Viking Shred, LLC	\$764.00		
	Invoice		Date	Description			Amount		
	51158318		09/30/2025	CITY WIDE SHREDDING - SEPTEMBER 2025			\$500.00		
	51159484		10/08/2025	CITY WIDE SHREDDING - OCTOBER 2025			\$264.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			\$718.00		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			\$46.00		
151001	10/23/2025	Open			Accounts Payable	VIRTUAL PROJECT MANAGER LLC	\$1,250.00		
	Invoice		Date	Description			Amount		
	12-4586		07/01/2025	Project Management Software Tool for Capital Projects-Jul 2025			\$1,250.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			\$1,250.00		
151002	10/23/2025	Open			Accounts Payable	WEST PUBLISHING CORPORATION	\$293.03		
	Invoice		Date	Description			Amount		
	852601856		10/01/2025	ONLINE SOFTWARE SUBSCRIPTION FOR 9/1/25 - 9/30/25			\$293.03		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			\$293.03		
151003	10/23/2025	Open			Accounts Payable	West Turlock Subbasin Groundwater Sustainability	\$265,695.55		
	Invoice		Date	Description			Amount		
	2025-GSP		10/08/2025	GRANT COST SHARING CONTRIBUTION & DUES 25/26			\$265,695.55		
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			\$265,695.55		
151004	10/23/2025	Open			Accounts Payable	WEST YOST & ASSOCIATES INC.	\$2,514.50		
	Invoice		Date	Description			Amount		
	2064162		07/31/2025	CROSS CONNECTION CONTROL PLAN			\$2,514.50		
	Paying Fund			Cash Account			Amount		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151005	420 - WATER			420.11000 (Cash)			\$2,514.50		
	10/23/2025	Open			Accounts Payable	Western Truck Center	\$18.26		
	Invoice		Date	Description		Amount			
	087P89257		10/07/2025	Volvo Pro 83176169 18" blade		\$18.26			
151006	Paying Fund			Cash Account		Amount			
	505 - Fleet			505.11000 (Cash)		\$18.26			
	10/23/2025	Open			Accounts Payable	WESTERN VIEW MOBILE RANCH	\$651.90		
	Invoice		Date	Description		Amount			
151007	November 2025		10/20/2025	Mobile Rent Subsidy Program FY 2025-26-November 2025		\$651.90			
	Paying Fund			Cash Account		Amount			
	625 - Successor Agency - LMI			625.11000 (Cash)		\$651.90			
	10/23/2025	Open			Accounts Payable	FINCH, ERIC	\$224.00		
151008	Invoice		Date	Description		Amount			
	511546929		10/17/2025	REIMBURSEMENT FOR COLL2 EXAM		\$224.00			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$224.00			
151009	10/23/2025	Open			Accounts Payable	FINCH, ERIC	\$45.00		
	Invoice		Date	Description		Amount			
	8510001		10/10/2025	REIMBURSEMENT FOR D2 EXAM		\$45.00			
	Paying Fund			Cash Account		Amount			
151010	420 - WATER			420.11000 (Cash)		\$45.00			
	10/23/2025	Open			Accounts Payable	FRANCO, LILIA	\$192.00		
	Invoice		Date	Description		Amount			
	TR 5200 PER DIEM		09/22/2025	CLEAR, 11/3/25-11/7/25, SAN DIEGO		\$192.00			
151011	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$192.00			
	10/23/2025	Open			Accounts Payable	JOHNSON, ATLEE	\$222.00		
	Invoice		Date	Description		Amount			
151012	TR 5201 PER DIEM		09/29/2025	BASIC TACTICAL DISPATCHER, 11/16/25-11/19/25, MILPITAS		\$222.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$222.00			
	10/23/2025	Open			Accounts Payable	KELLY, ERIKA	\$175.53		
151013	Invoice		Date	Description		Amount			
	TR 5190 DEMAND		10/13/2025	DEMAND FOR AIRPORT PARK, LUGGAGE AND LYFT		\$175.53			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$175.53			
151014	10/23/2025	Open			Accounts Payable	Machado, Luis	\$178.79		
	Invoice		Date	Description		Amount			
	TRN5208 Per Diem		10/14/2025	TR5208 MISAC Annual Conference 10/19/2025 - 10/22/2025		\$178.79			
	Paying Fund			Cash Account		Amount			
151015	501 - Information Technology			501.11000 (Cash)		\$178.79			

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151013	10/23/2025	Open			Accounts Payable	MACHADO & SONS CONSTRUCTION, INC.	\$1,255.32		
	Invoice		Date	Description		Amount			
	METER #00443884		10/15/2025	HYDRANT METER #00443884 REFUND		\$1,255.32			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$2,471.00			
	420 - WATER			420.11000 (Cash)		(\$1,215.68)			
151014	10/23/2025	Open			Accounts Payable	PG&E	\$3,326.93		
	Invoice		Date	Description		Amount			
	METER #00443650		10/15/2025	METER #00443650 REFUND		\$3,326.93			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$3,495.00			
	420 - WATER			420.11000 (Cash)		(\$168.07)			
151015	10/23/2025	Open			Accounts Payable	Showalter, Nick	\$178.79		
	Invoice		Date	Description		Amount			
	TRN5208 Per Diem		10/14/2025	TR5208 MISAC Annual Conference 10/14/2025 - 10/22/2025		\$178.79			
	Paying Fund			Cash Account		Amount			
	501 - Information Technology			501.11000 (Cash)		\$178.79			
151016	10/23/2025	Open			Accounts Payable	SIMILE CONSTRUCTION	\$3,254.17		
	Invoice		Date	Description		Amount			
	METER #23930276		10/15/2025	HYDRANT METER #23930276 REFUND		\$3,254.17			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$3,495.00			
	420 - WATER			420.11000 (Cash)		(\$240.83)			
151017	10/23/2025	Open			Accounts Payable	TAYLOR, RICHARD	\$200.00		
	Invoice		Date	Description		Amount			
	08212025		08/21/2025	PESTICIDE TRAINING REIMBURSEMENT		\$200.00			
	Paying Fund			Cash Account		Amount			
	246 - Landscape Assessment			246.11000 (Cash)		\$200.00			
151018	10/23/2025	Open			Accounts Payable	TVAIN GROUP INC	\$8,048.80		
	Invoice		Date	Description		Amount			
	GP 19-023G		10/13/2025	PROJECT NEVER STARTED REFUND LESS 2 HOURS EACH & PLAN CHECK		\$8,048.80			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$221.00			
	240 - Small Equipment Replacement			240.11000 (Cash)		\$656.94			
	502 - Engineering			502.11000 (Cash)		\$7,170.86			
151019	10/23/2025	Open			Accounts Payable	TVAIN GROUP INC	\$12,102.82		
	Invoice		Date	Description		Amount			
	EP 20-099E		10/13/2025	PROJECT NEVER STARTED REFUND LESS 2 HOURS EACH & PLAN CHECK		\$12,102.82			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$11,005.00			
	240 - Small Equipment Replacement			240.11000 (Cash)		\$71.82			
	502 - Engineering			502.11000 (Cash)		\$1,026.00			
Type Check Totals:					112 Transactions		\$2,430,067.81		
AP - Accounts Payable Totals									

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
				Checks	Status	Count	Transaction Amount	Reconciled Amount	
					Open	112	\$2,430,067.81	\$0.00	
					Reconciled	0	\$0.00	\$0.00	
					Voided	0	\$0.00	\$0.00	
					Stopped	0	\$0.00	\$0.00	
					Total	112	\$2,430,067.81	\$0.00	
				All	Status	Count	Transaction Amount	Reconciled Amount	
					Open	112	\$2,430,067.81	\$0.00	
					Reconciled	0	\$0.00	\$0.00	
					Voided	0	\$0.00	\$0.00	
					Stopped	0	\$0.00	\$0.00	
					Total	112	\$2,430,067.81	\$0.00	
Grand Totals:									
				Checks	Status	Count	Transaction Amount	Reconciled Amount	
					Open	112	\$2,430,067.81	\$0.00	
					Reconciled	0	\$0.00	\$0.00	
					Voided	0	\$0.00	\$0.00	
					Stopped	0	\$0.00	\$0.00	
					Total	112	\$2,430,067.81	\$0.00	
				All	Status	Count	Transaction Amount	Reconciled Amount	
					Open	112	\$2,430,067.81	\$0.00	
					Reconciled	0	\$0.00	\$0.00	
					Voided	0	\$0.00	\$0.00	
					Stopped	0	\$0.00	\$0.00	
					Total	112	\$2,430,067.81	\$0.00	

Grand Totals:

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
AP - Accounts Payable									
<u>Check</u>									
151020	10/27/2025	Open			Utility Management Refund	BELLA MIA REAL ESTATE	\$310.65		
	<u>Account Type</u>		<u>Account Number</u>	<u>Description</u>	<u>Transaction Date</u>	<u>Transaction Type</u>			
	Single Family Res Metered		449725-005	MOVE OUT CREDIT	10/27/2025	Refund			
	<u>Paying Fund</u>			<u>Cash Account</u>		<u>Amount</u>			
	420 - WATER			420.11000 (Cash)		\$310.65			
151021	10/27/2025	Open			Utility Management Refund	BICKLE, COLTON	\$41.56		
	<u>Account Type</u>		<u>Account Number</u>	<u>Description</u>	<u>Transaction Date</u>	<u>Transaction Type</u>			
	Single Family Res Metered		535117-005	MOVE OUT CREDIT	10/27/2025	Refund			
	<u>Paying Fund</u>			<u>Cash Account</u>		<u>Amount</u>			
	420 - WATER			420.11000 (Cash)		\$41.56			
151022	10/27/2025	Open			Utility Management Refund	PRESS FIDUCIARY SERVICE, LLC, CINDY	\$136.04		
	<u>Account Type</u>		<u>Account Number</u>	<u>Description</u>	<u>Transaction Date</u>	<u>Transaction Type</u>			
	Single Family Res Metered		70858-001	MOVE OUT CREDIT	10/27/2025	Refund			
	<u>Paying Fund</u>			<u>Cash Account</u>		<u>Amount</u>			
	420 - WATER			420.11000 (Cash)		\$136.04			
151023	10/28/2025	Open			Accounts Payable	Propellant Media, LLC	\$5,000.00		
	<u>Invoice</u>		<u>Date</u>	<u>Description</u>		<u>Amount</u>			
	26972		10/28/2025	2nd Payment-Programmatic Display Targeted		\$5,000.00			
	<u>Paying Fund</u>			<u>Cash Account</u>		<u>Amount</u>			
	110 - General Fund			110.11000 (Cash)		\$5,000.00			
151024	10/30/2025	Open			Accounts Payable	ABS DIRECT INC	\$659.97		
	<u>Invoice</u>		<u>Date</u>	<u>Description</u>		<u>Amount</u>			
	141051		10/14/2025	UT DELINQ - OCT 2025		\$659.97			
	<u>Paying Fund</u>			<u>Cash Account</u>		<u>Amount</u>			
	110 - General Fund			110.11000 (Cash)		\$220.00			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$220.00			
	420 - WATER			420.11000 (Cash)		\$219.97			
151025	10/30/2025	Open			Accounts Payable	AESSEAL INC	\$4,592.29		
	<u>Invoice</u>		<u>Date</u>	<u>Description</u>		<u>Amount</u>			
	0090532531		05/06/2025	3" Double Seal		\$4,592.29			
	<u>Paying Fund</u>			<u>Cash Account</u>		<u>Amount</u>			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$4,592.29			
151026	10/30/2025	Open			Accounts Payable	Alejandro Perez dba Turlock Academy of Jiu Jitsu	\$2,400.00		
	<u>Invoice</u>		<u>Date</u>	<u>Description</u>		<u>Amount</u>			
	43606		10/08/2025	JIU-JITSU CLASSES FOR TPD - 80 DAILY PASSES		\$2,400.00			
	<u>Paying Fund</u>			<u>Cash Account</u>		<u>Amount</u>			
	266 - Police Services Grants			266.11000 (Cash)		\$2,400.00			
151027	10/30/2025	Open			Accounts Payable	AMERICAN MESSAGING	\$16.81		
	<u>Invoice</u>		<u>Date</u>	<u>Description</u>		<u>Amount</u>			
	R1061876ZK		11/01/2025	Acct #R1-061876 - Fire Department		\$16.81			
	<u>Paying Fund</u>			<u>Cash Account</u>		<u>Amount</u>			

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151028	110 - General Fund			110.11000 (Cash)			\$16.81		
	10/30/2025	Open			Accounts Payable	AMERICAN VALLEY WASTE OIL INC	\$100.00		
	Invoice		Date	Description		Amount			
	223100		10/21/2025	oil filter disposal		\$100.00			
151029	505 - Fleet			505.11000 (Cash)			\$100.00		
	10/30/2025	Open			Accounts Payable	AMERINATN'L COMM SERVICE	\$1,002.95		
	Invoice		Date	Description		Amount			
	LPM-25-001926		09/30/2025	Loan Service Provider FY 2025-26- September 2025		\$1,002.95			
151030	255 - CDBG			255.11000 (Cash)			\$1,002.95		
	10/30/2025	Open			Accounts Payable	Animal Damage Management, Inc	\$3,240.00		
	Invoice		Date	Description		Amount			
	418493		09/30/2025	GOPHER CONTROL- SEPTEMBER 2025		\$3,240.00			
151031	110 - General Fund			110.11000 (Cash)			\$2,160.00		
	246 - Landscape Assessment			246.11000 (Cash)			\$1,080.00		
	10/30/2025	Open			Accounts Payable	AT&T / CALNET 3	\$8,249.58		
	Invoice		Date	Description		Amount			
151032	000024223970		10/13/2025	BAN #9391034901 (T1 LINE - 4-way split) 9/13/25-10/12/25		\$155.40			
	000024223828		10/13/2025	BAN #9391034847 /City-wide system 2096682612957 (9/13/25-10/12/25		\$766.72			
	000024223824		10/27/2025	BAN #9391034842 / PSF Phones 2096323265 (9/13/25-10/12/25)		\$491.92			
	MULTI 10/13/25		10/13/2025	Multiple COT accounts paid on 10/30/25 (SEPT-OCT 2025)		\$6,835.54			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$7,443.99			
	205 - Sports Facilities			205.11000 (Cash)		\$51.33			
	217 - Streets - Gas Tax			217.11000 (Cash)		\$6.23			
	246 - Landscape Assessment			246.11000 (Cash)		\$6.23			
	255 - CDBG			255.11000 (Cash)		\$8.45			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$246.43			
	420 - WATER			420.11000 (Cash)		\$109.56			
	426 - Transit			426.11000 (Cash)		\$134.84			
	501 - Information Technology			501.11000 (Cash)		\$162.45			
	505 - Fleet			505.11000 (Cash)		\$80.07			
	10/30/2025	Open			Accounts Payable	AT&T California, AT&T Wholesale, AT&T DataComm	\$321.00		
151032	Invoice		Date	Description		Amount			
	10/18/25		10/18/2025	Monthly Internet Service - 10/19/25-11/18/25		\$214.00			
	10/22/25		10/22/2025	PSF Monthly Internet Service - 9/23/25-10/22/25		\$107.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$107.00			
	501 - Information Technology			501.11000 (Cash)		\$214.00			

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151033	10/30/2025	Open			Accounts Payable	AutoZone Stores LLC	\$21.76		
	Invoice		Date	Description		Amount			
	04432188740		10/21/2025	RM1500 1 5 PANEL INTERIOR SKU-000256885		\$21.76			
	Paying Fund			Cash Account		Amount			
	505 - Fleet			505.11000 (Cash)		\$21.76			
151034	10/30/2025	Open			Accounts Payable	AXON ENTERPRISE, INC.	\$345.80		
	Invoice		Date	Description		Amount			
	INUS377669		09/15/2025	BASIC LICENSE BUNDLE 2/2		\$345.80			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$345.80			
151035	10/30/2025	Open			Accounts Payable	BICSEC SECURITY INC	\$995.00		
	Invoice		Date	Description		Amount			
	230147		07/02/2025	SERVICE CALL; HOLD UP SWITCH; 7/2/2025		\$355.00			
	231179		08/06/2025	SERVICE CALL; CHECK SYSTEM LATE TO TEST; 8/6/2025		\$115.00			
	231178		08/06/2025	SERVICE CALL; CHECK SYSTEM LATE TO TEST; 8/6/2025		\$115.00			
	232202		09/03/2025	SERVICE CALL;CHLORINE BLDG;SENSITIVITY TEST PER DEVICE; 9/3/2025		\$410.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$470.00			
	217 - Streets - Gas Tax			217.11000 (Cash)		\$115.00			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$410.00			
151036	10/30/2025	Open			Accounts Payable	Blair, Church & Flynn Consulting Engineers, Inc.	\$1,990.00		
	Invoice		Date	Description		Amount			
	84149R		09/30/2025	SR02, 23-042 Montana Park Phase 2 Improvements- 9/30/25		\$1,990.00			
	Paying Fund			Cash Account		Amount			
	269 - Parks & Public Facilities Grants			269.11000 (Cash)		\$1,990.00			
151037	10/30/2025	Open			Accounts Payable	BLUETRITON BRANDS INC	\$1,817.25		
	Invoice		Date	Description		Amount			
	15j0033242330		10/08/2025	5 GALLON DRINKING WATER AND CUPS FOR 701 S. WALNUT		\$188.71			
	15g0033242363		07/09/2025	5 Gallon Nestle drinking water and plastic cups. utilities		\$299.53			
	15i0033242363		09/09/2025	5 Gallon Nestle drinking water and plastic cups. UTILITIES		\$331.11			
	15H0033242363		08/08/2025	5 Gallon Nestle drinking water and plastic cups. UTILITIES		\$364.19			
	15G0033242397		07/29/2025	5 Gallon Nestle drinking water and plastic cups. ELECTRICAL		\$215.59			
	15H0033242397		08/28/2025	5 Gallon Nestle drinking water and plastic cups. ELECTRICAL		\$185.44			
	15i0033242397		09/30/2025	5 Gallon Nestle drinking water and plastic cups.ELECTRICAL		\$232.68			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$814.25			
	420 - WATER			420.11000 (Cash)		\$814.29			
	505 - Fleet			505.11000 (Cash)		\$188.71			

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151038	10/30/2025	Open			Accounts Payable	BONANDER AUTO TRUCK & TRAILER INC	\$185.00		
	Invoice		Date	Description		Amount			
	285532		10/15/2025	POL19-1341 KEY PROGRAM		\$185.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$185.00			
151039	10/30/2025	Open			Accounts Payable	Capital Flow	\$3,639.20		
	Invoice		Date	Description		Amount			
	36368		07/30/2025	DIGESTER PARTS		\$3,639.20			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$3,639.20			
151040	10/30/2025	Open			Accounts Payable	Center for Human Services	\$2,229.87		
	Invoice		Date	Description		Amount			
	Draw #1- 11074		10/13/2025	Public Service-Center for Human Serv- FY 2025-26- Draw #1		\$2,229.87			
	Paying Fund			Cash Account		Amount			
	255 - CDBG			255.11000 (Cash)		\$2,229.87			
151041	10/30/2025	Open			Accounts Payable	CENTRAL SANITARY SUPPLY LLC dba BRADY INDUSTRIES	\$2,454.28		
	Invoice		Date	Description		Amount			
	10581919		09/05/2025	JANITORIAL PAPER & CLEANING SUPPLIES		\$191.73			
	10581920		09/05/2025	JANITORIAL PAPER & CLEANING SUPPLIES		\$975.68			
	10610688		09/12/2025	JANITORIAL PAPER & CLEANING SUPPLIES		\$63.75			
	10613125		09/12/2025	JANITORIAL PAPER & CLEANING SUPPLIES		\$32.52			
	10632711		09/12/2025	JANITORIAL PAPER & CLEANING SUPPLIES		\$485.17			
	10642973		09/19/2025	JANITORIAL PAPER & CLEANING SUPPLIES		\$65.04			
	10642976		09/19/2025	JANITORIAL PAPER & CLEANING SUPPLIES		\$68.65			
	10666502		09/19/2025	JANITORIAL PAPER & CLEANING SUPPLIES		\$124.66			
	10668226		09/24/2025	JANITORIAL PAPER & CLEANING SUPPLIES		(\$195.14)			
	10668233		09/24/2025	JANITORIAL PAPER & CLEANING SUPPLIES		(\$50.84)			
	10678247		09/26/2025	JANITORIAL PAPER & CLEANING SUPPLIES		\$953.24			
	10680059		09/26/2025	JANITORIAL PAPER & CLEANING SUPPLIES		(\$195.14)			
	10680064		09/26/2025	JANITORIAL PAPER & CLEANING SUPPLIES		(\$65.04)			
	Paying Fund			Cash Account		Amount			
	505 - Fleet			505.11000 (Cash)		\$2,454.28			
151042	10/30/2025	Open			Accounts Payable	CHARTER COMMUNICATIONS	\$333.75		
	Invoice		Date	Description		Amount			
	0006514101525		10/15/2025	INTERNET AT CITY BLDGS; SENIOR CENTER; MARTY YERBY & RUBE BOESCH		\$333.75			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$333.75			
151043	10/30/2025	Open			Accounts Payable	CINTAS FIRST AID AND SAFETY, CINTAS CORP NO 2	\$52.67		
	Invoice		Date	Description		Amount			
	5298743509		10/22/2025	First Aid & Safety Supplies Management		\$52.67			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$52.67			

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151044	10/30/2025	Open			Accounts Payable	CivicPlus LLC	\$6,621.62		
	Invoice		Date	Description		Amount			
	345662		10/24/2025	Agenda Management Annual Fee 10/24/25-10/23/26		\$6,621.62			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$6,621.62			
151045	10/30/2025	Open			Accounts Payable	Cloudburst Consulting Group, Inc.	\$2,867.50		
	Invoice		Date	Description		Amount			
	17377		02/28/2025	On Demand Consulting- Housing FY- 2025-26- February 2025 Service		\$1,007.50			
	17731		04/30/2025	On Demand Consulting- Housing FY- 2024-25 - April Services		\$1,860.00			
	Paying Fund			Cash Account		Amount			
	255 - CDBG			255.11000 (Cash)		\$1,356.25			
	256 - Stanislaus Housing Consortium			256.11000 (Cash)		\$1,085.00			
	259 - HOME-ARP			259.11000 (Cash)		\$426.25			
151046	10/30/2025	Open			Accounts Payable	CRESCENT SURPLUS INC	\$230.28		
	Invoice		Date	Description		Amount			
	E36835		10/22/2025	BLU LONG SLEEVE - EVAN STRODE		\$85.35			
	074947		10/16/2025	UNIFORM - ELIAS PASILLAS		\$144.93			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$230.28			
151047	10/30/2025	Open			Accounts Payable	DELL MARKETING LP	\$20,379.53		
	Invoice		Date	Description		Amount			
	10842533570		10/20/2025	Computer Replacements		\$20,379.53			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$19,360.55			
	217 - Streets - Gas Tax			217.11000 (Cash)		\$1,018.98			
151048	10/30/2025	Open			Accounts Payable	DIAMOND TRUCK BODY MFG	\$30.63		
	Invoice		Date	Description		Amount			
	27286		10/14/2025	REPLACEMENT LOCK CYLINDER KEY		\$30.63			
	Paying Fund			Cash Account		Amount			
	505 - Fleet			505.11000 (Cash)		\$30.63			
151049	10/30/2025	Open			Accounts Payable	EDGES ELECTRICAL GROUP LLC	\$21,974.23		
	Invoice		Date	Description		Amount			
	S6569133.001		10/17/2025	WQC SUPPLIES		\$295.37			
	S6412623.001		09/05/2025	LIGHT POLES		\$20,104.92			
	S6561783.001		10/09/2025	PARTS FOR WELL # 8		\$12.18			
	S6562725..001		10/13/2025	WATER WELL 38 EXTERIOR LIGHTS		\$435.00			
	S6555611.001		10/08/2025	WQC MATERIALS FOR STOCK AND LAMPS INVENTORY		\$756.91			
	S6566411.003		10/16/2025	Open purchase order for miscellaneous electrical supplies		\$341.06			
	S6566113.001		10/14/2025	INT-MAT PHOTOCONTROL		\$28.79			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$21,157.20			
	420 - WATER			420.11000 (Cash)		\$475.97			
	426 - Transit			426.11000 (Cash)		\$341.06			

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151050	10/30/2025	Open			Accounts Payable	EKI Environment & Water Inc.	\$14,330.00		
	Invoice		Date	Description		Amount			
	C50010.00-01		10/15/2025	October 2025		\$14,330.00			
	Paying Fund			Cash Account		Amount			
	423 - PCE Downtown (Prop 1 Grant)			423.11000 (Cash)		\$14,330.00			
151051	10/30/2025	Open			Accounts Payable	ENGINEERED FIRE SYST INC	\$1,485.00		
	Invoice		Date	Description		Amount			
	22739		10/01/2025	PLAN CHECKING SERVICE - SEPT 2025		\$1,485.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$1,485.00			
151052	10/30/2025	Open			Accounts Payable	FEDERAL EXPRESS	\$515.53		
	Invoice		Date	Description		Amount			
	9-040-89835		10/24/2025	SHIPPING CHARGES FOR 10/24/25		\$515.53			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$515.53			
151053	10/30/2025	Open			Accounts Payable	FISHER SCIENTIFIC PRO INC	\$66.96		
	Invoice		Date	Description		Amount			
	4212573		10/09/2025	SULFURIC ACID		\$66.96			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$66.96			
151054	10/30/2025	Open			Accounts Payable	GLENWOOD FAST TRACK INC	\$924.00		
	Invoice		Date	Description		Amount			
	1017		10/27/2025	CAR WASH SERVICES - SEPTEMBER 2025		\$924.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$836.50			
	246 - Landscape Assessment			246.11000 (Cash)		\$7.00			
	255 - CDBG			255.11000 (Cash)		\$3.50			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$49.00			
	420 - WATER			420.11000 (Cash)		\$3.50			
	426 - Transit			426.11000 (Cash)		\$14.00			
	450 - SRWA - Operations			450.11000 (Cash)		\$7.00			
	501 - Information Technology			501.11000 (Cash)		\$3.50			
151055	10/30/2025	Open			Accounts Payable	GRAINGER INC, W W	\$3,141.77		
	Invoice		Date	Description		Amount			
	9678059156		10/16/2025	SPILL KIT		\$601.21			
	9659895016		10/01/2025	TEMP INDICATOR KAPTON - LAB		\$69.56			
	9676066765		10/15/2025	CORDLESS INFLATOR HOSE		\$499.85			
	9672971273		10/13/2025	FLANGE GASKET		\$90.27			
	9672971281		10/13/2025	SUBMERSIBLE L VL TRANSMITER 60 FT CABLE		\$1,577.43			
	9678059164		10/16/2025	SHIPPING & RECEIVING GENERAL SUPPLIES		\$303.45			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$1,191.33			
	416 - Recycled Water Sales			416.11000 (Cash)		\$1,577.43			
	420 - WATER			420.11000 (Cash)		\$69.56			
	505 - Fleet			505.11000 (Cash)		\$303.45			
151056	10/30/2025	Open			Accounts Payable	HACH COMPANY	\$1,266.90		
	Invoice		Date	Description		Amount			
	14693146		09/30/2025	TKN TNT - LAB SUPPLIES		\$1,266.90			

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151057	14695821		10/01/2025		DROPPER GLASS - LAB SUPPLIES		\$0.00		
	Paying Fund				Cash Account		Amount		
	410 - WATER QUALITY CONTROL (WQC)				410.11000 (Cash)		\$1,266.90		
	10/30/2025	Open			Accounts Payable	HARD DRIVE GRAPHICS	\$504.07		
	Invoice		Date		Description		Amount		
151058	38920		09/22/2025		EMBROIDERED BADGE PATCHES W/PLASTIC BACKING - DETECTIVE		\$504.07		
	Paying Fund				Cash Account		Amount		
	110 - General Fund				110.11000 (Cash)		\$504.07		
	10/30/2025	Open			Accounts Payable	HD SUPPLY INC, DBA USABUEBOOK	\$114.71		
	Invoice		Date		Description		Amount		
151059	INV00859691		10/17/2025		POTASSIUM LODIDE STARCH TEST PAPER		\$33.00		
	INV00856787		10/14/2025		HACH STABICAL FORMAZIN		\$81.71		
	INV00861478		10/20/2025		HACH STABICAL FORMAZIN		\$0.00		
	Paying Fund				Cash Account		Amount		
	420 - WATER				420.11000 (Cash)		\$114.71		
	10/30/2025	Open			Accounts Payable	HILMAR LUMBER INC	\$324.92		
	Invoice		Date		Description		Amount		
	746299		09/29/2025		TURBO SRPAY/ BOX WALL SQ/ BUCKET ORGANIZER/ S BINER		\$85.55		
	747907		10/10/2025		WQC MAINTENCE SHOP ROOF LEAK REPAIR		\$118.51		
	748780		10/16/2025		WQC SUPPLIES		\$94.83		
151060	748267		10/13/2025		3/8 TUBE 1/2 TUBE		\$26.03		
	Paying Fund				Cash Account		Amount		
	410 - WATER QUALITY CONTROL (WQC)				410.11000 (Cash)		\$298.89		
	420 - WATER				420.11000 (Cash)		\$26.03		
	10/30/2025	Open			Accounts Payable	ICC Codification, Inc. dba General Code,LLC	\$5,461.35		
	Invoice		Date		Description		Amount		
	PG000041277		04/30/2025		20% of project within 30 days of Contract signing		\$4,980.00		
	GC00131892		09/19/2025		ecode360 Annual Maintenance		\$481.35		
	Paying Fund				Cash Account		Amount		
	110 - General Fund				110.11000 (Cash)		\$5,461.35		
151061	10/30/2025	Open			Accounts Payable	Imperial Bag & Paper Co., LLC DBA Imperial Dade	\$177.97		
	Invoice		Date		Description		Amount		
	39442233		10/22/2025		SHIPPING & RECEIVING GENERAL SUPPLIES		\$177.97		
	Paying Fund				Cash Account		Amount		
	505 - Fleet				505.11000 (Cash)		\$177.97		
151062	10/30/2025	Open			Accounts Payable	JARVIS FAY LLP	\$5,954.00		
	Invoice		Date		Description		Amount		
	20897		09/30/2025		SPECIAL COUNSEL SERVICES General Legal Advice - Sep 2025		\$2,917.00		
	20898		09/30/2025		SPECIAL COUNSEL SERVICES Water Rates - Sep 2025		\$300.00		
	20899		09/30/2025		SPECIAL COUNSEL SERVICES Sidewalk Repairs - Sep 2025		\$504.00		

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	20900		09/30/2025		SPECIAL COUNSEL SERVICES CFD No. 3 - Sep 2025		\$2,233.00		
	Paying Fund				Cash Account		Amount		
	110 - General Fund				110.11000 (Cash)		\$5,654.00		
	420 - WATER				420.11000 (Cash)		\$300.00		
151063	10/30/2025	Open			Accounts Payable	JIM BRISCO ENTERPRISES INC	\$96,765.20		
	Invoice		Date		Description		Amount		
	48728		09/24/2025		RWQCF BIOSOLIDS REMOVAL -2419.13 TONS REMOVED		\$96,765.20		
	Paying Fund				Cash Account		Amount		
	410 - WATER QUALITY CONTROL (WQC)				410.11000 (Cash)		\$96,765.20		
151064	10/30/2025	Open			Accounts Payable	JOAQUIN ROSE, INC dba B&B MFG CO/B&B FLUID POWER	\$935.70		
	Invoice		Date		Description		Amount		
	00282651		10/21/2025		8482440BC 4 SPOOL VALVE		\$935.70		
	Paying Fund				Cash Account		Amount		
	505 - Fleet				505.11000 (Cash)		\$935.70		
151065	10/30/2025	Open			Accounts Payable	Kosmont & Associates, Inc. dba Kosmont Companies	\$6,480.50		
	Invoice		Date		Description		Amount		
	2409.6-008		07/31/2025		Economic Development Strategic Plan-FY 25/26		\$2,355.60		
	2409.6-009		08/27/2025		Economic Development Strategic Plan-FY 25/26		\$4,124.90		
	Paying Fund				Cash Account		Amount		
	120 - Tourism				120.11000 (Cash)		\$6,480.50		
151066	10/30/2025	Open			Accounts Payable	LC ACTION POLICE SUPPLY, LTD	\$3,033.83		
	Invoice		Date		Description		Amount		
	480862		10/20/2025		RED DOT SIGHTS		\$3,033.83		
	Paying Fund				Cash Account		Amount		
	266 - Police Services Grants				266.11000 (Cash)		\$3,033.83		
151067	10/30/2025	Open			Accounts Payable	LeaderGov, LLC	\$43,000.00		
	Invoice		Date		Description		Amount		
	1348		07/31/2025		LeaderGov July 2025 Invoice		\$11,000.00		
	1350		08/31/2025		LeaderGov August 2025 Invoice		\$32,000.00		
	Paying Fund				Cash Account		Amount		
	110 - General Fund				110.11000 (Cash)		\$43,000.00		
151068	10/30/2025	Open			Accounts Payable	Life-Assist, Inc	\$412.23		
	Invoice		Date		Description		Amount		
	1642633		09/30/2025		LUCAS CUPS		\$412.23		
	Paying Fund				Cash Account		Amount		
	110 - General Fund				110.11000 (Cash)		\$412.23		
151069	10/30/2025	Open			Accounts Payable	MARTIN MARIETTA MATERIALS INC	\$86.30		
	Invoice		Date		Description		Amount		
	47551072		10/16/2025		ASPHALT		\$86.30		
	Paying Fund				Cash Account		Amount		
	219 - SB1 Road Maint & Rehab Account				219.11000 (Cash)		\$86.30		

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151070	10/30/2025	Open			Accounts Payable	Matrix Design Group, Inc.	\$11,938.75		
	Invoice		Date	Description		Amount			
	0000048314		09/30/2025	Professional Services through 9/30/25		\$11,938.75			
	Paying Fund			Cash Account		Amount			
	301 - Capital Improvements			301.11000 (Cash)		\$11,938.75			
151071	10/30/2025	Open			Accounts Payable	NAPA AUTO PARTS	\$3,524.48		
	Invoice		Date	Description		Amount			
	846895		10/15/2025	601050 FIL FUEL FILTER ()		\$270.38			
	846981		10/16/2025	16358 NBH BRANCHED RAD HOSE		\$94.07			
	846995		10/17/2025	100290MP FIL ENGINE OIL FILTER		\$42.06			
	847030		10/17/2025	SSC3489CAGY AAG Carhartt SeatSaver Seat Cover		\$390.56			
	847036		10/17/2025	22012 NGK OXYGEN SENSOR		\$49.54			
	847057		10/17/2025	FT202 MFT SCREEN		\$73.20			
	847062		10/17/2025	81731 PTX PX W-STRIP YELLOW ADH		\$13.48			
	847106		10/17/2025	7552085 BK ADAPTER TRAILER WIRE (570)		\$41.00			
	847135		10/20/2025	CCREEPLP400 CHT LOW PROFILE 400LBS CR		\$129.43			
	847166		10/21/2025	7182 FIL FILTER		\$107.31			
	847168		10/21/2025	9005 AVB CAPSULE		\$16.82			
	847173		10/21/2025	IC930 ECH COIL ON PLUG COIL		\$296.74			
	847194		10/21/2025	7031891 THM TETH FUEL CAP		\$22.07			
	847243		10/21/2025	25060448 NBH MICRO-V-RIBBED BELT		\$103.70			
	847256		10/22/2025	7565 BAT 2YR WTY BAT		\$778.41			
	847259		10/22/2025	6651614 BK W S WASH		\$35.02			
	847260		10/22/2025	604228 NOE AIR DOOR ACTUATOR		\$21.00			
	847269		10/22/2025	41162 AC SPARK PLUG		\$108.54			
	847273		10/22/2025	6418 FIL AIR FILTER		\$71.69			
	847279		10/22/2025	7555014 BK CONNECTOR		\$70.71			
	847284		10/22/2025	IC930 ECH COIL ON PLUG COIL		\$788.75			
	Paying Fund			Cash Account		Amount			
	426 - Transit			426.11000 (Cash)		\$129.43			
	505 - Fleet			505.11000 (Cash)		\$3,395.05			
151072	10/30/2025	Open			Accounts Payable	OREILLY AUTO PARTS	\$1,184.21		
	Invoice		Date	Description		Amount			
	2800-190847		10/15/2025	MRY 68192 NEW COMPRESS		\$297.45			
	2800-190922		10/15/2025	1 MTM 49520 PUMP GROMMET		\$15.49			
	2800-190920		10/15/2025	MTM 49520 PUMP GROMMET		\$15.49			
	2800-190926		10/15/2025	MTM 49520 PUMP GROMMET Credit for Orig 2800-190922		(\$15.49)			
	2800-191152		10/15/2025	MTM 74486 SUNVISOR		\$152.81			
	2800-192708		10/21/2025	WIX 33788 FUEL/WTR SEP		\$36.78			
	2800-192835		10/21/2025	MCA 5C840486 CTRL ARM ASY		\$282.73			
	2800-192935		10/22/2025	STD S2280 IGN COIL CN		(\$129.00)			
	2800-193012		10/22/2025	UT IGN005-8 IGN COIL SET		\$367.22			
	2800-192710		10/22/2025	DUA DC207BT RECEIVER		\$160.73			
	Paying Fund			Cash Account		Amount			
	505 - Fleet			505.11000 (Cash)		\$1,184.21			

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151073	10/30/2025	Open			Accounts Payable	Perkins dba Zacks Handyman and Construction, Nathan Zackery	\$3,095.00		
	Invoice		Date	Description		Amount			
	20192407		09/15/2025	City Project Construction Agreement- 573 Birchwood Way		\$1,535.00			
	20192425		09/15/2025	City Project Construction Agreement- 573 Birchwood Way		\$1,560.00			
	Paying Fund			Cash Account		Amount			
	256 - Stanislaus Housing Consortium			256.11000 (Cash)		\$3,095.00			
151074	10/30/2025	Open			Accounts Payable	Pitman Pride Boosters Club, Inc.	\$6,000.00		
	Invoice		Date	Description		Amount			
	FY 25/26 CEAG		10/24/2025	25-26 Community Events & Activities Grant		\$3,000.00			
	FY 25/26 CEAG 2		10/24/2025	25-26 Community Events & Activities Grant		\$3,000.00			
	Paying Fund			Cash Account		Amount			
	120 - Tourism			120.11000 (Cash)		\$6,000.00			
151075	10/30/2025	Open			Accounts Payable	PROJECT SENTINEL INC	\$6,875.25		
	Invoice		Date	Description		Amount			
	P.S. - Draw #1		10/15/2025	Public Service-Project Sentinel- FY 2025-26- Draw #1		\$6,875.25			
	Paying Fund			Cash Account		Amount			
	255 - CDBG			255.11000 (Cash)		\$6,875.25			
151076	10/30/2025	Open			Accounts Payable	PROVOST & PRITCHARD ENGINEERING GROUP INC	\$63,903.54		
	Invoice		Date	Description		Amount			
	124591		09/30/2025	25-024 Design Task Order 3 for Roads CIP-Sep 2025		\$63,903.54			
	Paying Fund			Cash Account		Amount			
	115 - Measure A - Roads			115.11000 (Cash)		\$63,903.54			
151077	10/30/2025	Open			Accounts Payable	REED INC, GEORGE	\$145.41		
	Invoice		Date	Description		Amount			
	100380907		10/16/2025	ASPHALT		\$145.41			
	Paying Fund			Cash Account		Amount			
	219 - SB1 Road Maint & Rehab Account			219.11000 (Cash)		\$145.41			
151078	10/30/2025	Open			Accounts Payable	Rexel USA, Inc.	\$1,321.44		
	Invoice		Date	Description		Amount			
	S143678214.002		10/17/2025	SLIM LINE RELAY		\$301.53			
	S143670514.001		10/16/2025	IEC IN FUSE LED TERMINAL BLOCK		\$362.48			
	S143678214.001		10/16/2025	SLIM LINE RELAY/ 5 BLADE BASED INI RELAY SOCKET		\$657.43			
	Paying Fund			Cash Account		Amount			
	420 - WATER			420.11000 (Cash)		\$1,321.44			
151079	10/30/2025	Open			Accounts Payable	Rexel USA, Inc.	\$13.73		
	Invoice		Date	Description		Amount			
	6R63169		10/13/2025	FUSES FOR ELECTRIC VALVE AT SUMMERFAIR STORM		\$13.73			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$13.73			

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151080	10/30/2025	Open			Accounts Payable	ROBERTSON - BRYAN INC	\$6,248.25		
	Invoice		Date	Description		Amount			
	17192.1		09/30/2025	NPDES PERMIT COMPLIANCE SERVICES TASK 1 THROUGH 09/15/2025		\$5,051.75			
	17192.4.3		09/30/2025	NPDES PERMIT COMPLIANCE SERVICES TASK 4 THROUGH 09/15/2025		\$466.50			
	17192.5		09/30/2025	NPDES PERMIT COMPLIANCE SERVICES TASK 5 THROUGH 09/15/2025		\$730.00			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$5,781.75			
	416 - Recycled Water Sales			416.11000 (Cash)		\$466.50			
151081	10/30/2025	Open			Accounts Payable	RUSH TRUCK CENTERS OF CALIFORNIA, INC.	\$1,449.29		
	Invoice		Date	Description		Amount			
	3043554698		10/15/2025	15004-1013 - CARBURATOR		\$614.56			
	3043612402		10/17/2025	1 L1MZ7869B:FRD OIL COOLER ASY		\$159.93			
	3043648289		10/20/2025	1 5280585:CT ELEMENT AS		\$529.82			
	3043678255		10/21/2025	MF17-1004:MOM UNION-#6 ORB X #6 ORB		\$144.98			
	Paying Fund			Cash Account		Amount			
	505 - Fleet			505.11000 (Cash)		\$1,449.29			
151082	10/30/2025	Open			Accounts Payable	SAFE-T-LITE CO INC	\$2,135.78		
	Invoice		Date	Description		Amount			
	406666		10/02/2025	Pitman Preview of Champions 2025		\$1,169.13			
	406427		10/23/2025	2025 Melon Carnival		\$966.65			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$2,135.78			
151083	10/30/2025	Open			Accounts Payable	Sandis Civil Engineers Surveyors Planners	\$3,208.00		
	Invoice		Date	Description		Amount			
	2508334-M		08/31/2025	SR02, 25-030 Ped Crossing at W Christoffersen & Mckenna -8/31/25		\$3,208.00			
	Paying Fund			Cash Account		Amount			
	218 - Measure L			218.11000 (Cash)		\$3,208.00			
151084	10/30/2025	Open			Accounts Payable	SEEGERS PRINTING INC	\$2,733.00		
	Invoice		Date	Description		Amount			
	0144930-IN		09/24/2025	Business Card Reprints		\$2,032.37			
	0416584-IN		10/13/2025	Business Cards Engineering-M Munoz		\$76.04			
	0146645-IN		10/16/2025	We happened to notice		\$624.59			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$1,232.93			
	217 - Streets - Gas Tax			217.11000 (Cash)		\$100.05			
	246 - Landscape Assessment			246.11000 (Cash)		\$100.06			
	255 - CDBG			255.11000 (Cash)		\$112.56			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$21.89			
	420 - WATER			420.11000 (Cash)		\$646.48			
	426 - Transit			426.11000 (Cash)		\$187.60			
	450 - SRWA - Operations			450.11000 (Cash)		\$75.04			
	501 - Information Technology			501.11000 (Cash)		\$218.87			
	505 - Fleet			505.11000 (Cash)		\$37.52			

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151085	10/30/2025	Open			Accounts Payable	SHARPENING SHOP	\$104.27		
	Invoice		Date	Description		Amount			
	452156		10/20/2025	COMPLETE FORESTRY HELMET SYSTEM (1)		\$104.27			
	Paying Fund			Cash Account		Amount			
	205 - Sports Facilities			205.11000 (Cash)		\$104.27			
151086	10/30/2025	Open			Accounts Payable	SHERWIN WILLIAMS	\$2,877.48		
	Invoice		Date	Description		Amount			
	7174-7		10/09/2025	GRACO SCREEN BOX - SMART DIE II 8IN		\$2,877.48			
	Paying Fund			Cash Account		Amount			
	219 - SB1 Road Maint & Rehab Account			219.11000 (Cash)		\$2,877.48			
151087	10/30/2025	Open			Accounts Payable	STANISLAUS CO ENV RES	\$4,947.00		
	Invoice		Date	Description		Amount			
	494850		10/07/2025	BUISNESS PLAN FEE /CUPA OVERSIGHT/ CERS		\$285.00			
	494646		10/07/2025	BUISNESS PLAN FEE /CUPA OVERSIGHT/ CERS		\$259.00			
	494648		10/07/2025	BUISNESS PLAN FEE /CUPA OVERSIGHT/ CERS		\$259.00			
	494647		10/07/2025	BUISNESS PLAN FEE /CUPA OVERSIGHT/ CERS		\$259.00			
	494649		10/07/2025	BUISNESS PLAN FEE /CUPA OVERSIGHT/ CERS		\$259.00			
	494650		10/07/2025	BUISNESS PLAN FEE /CUPA OVERSIGHT/ CERS		\$259.00			
	494661		10/07/2025	BUISNESS PLAN FEE /CUPA OVERSIGHT/ CERS		\$259.00			
	494662		10/07/2025	BUISNESS PLAN FEE /CUPA OVERSIGHT/ CERS		\$259.00			
	494663		10/07/2025	BUISNESS PLAN FEE /CUPA OVERSIGHT/ CERS		\$259.00			
	494665		10/07/2025	BUISNESS PLAN FEE /CUPA OVERSIGHT/ CERS		\$259.00			
	494667		10/07/2025	BUISNESS PLAN FEE /CUPA OVERSIGHT/ CERS		\$259.00			
	494651		10/07/2025	BUISNESS PLAN FEE /CUPA OVERSIGHT/ CERS		\$259.00			
	494669		10/07/2025	BUISNESS PLAN FEE /CUPA OVERSIGHT/ CERS		\$259.00			
	494666		10/07/2025	BUISNESS PLAN FEE /CUPA OVERSIGHT/ CERS		\$259.00			
	494670		10/07/2025	BUISNESS PLAN FEE /CUPA OVERSIGHT/ CERS		\$259.00			
	494671		10/07/2025	BUISNESS PLAN FEE /CUPA OVERSIGHT/ CERS		\$259.00			
	494762		10/07/2025	BUISNESS PLAN FEE /CUPA OVERSIGHT/ CERS		\$259.00			
	494823		10/07/2025	BUISNESS PLAN FEE /CUPA OVERSIGHT/ CERS		\$259.00			
	494664		10/07/2025	BUISNESS PLAN FEE /CUPA OVERSIGHT/ CERS		\$259.00			
	Paying Fund			Cash Account		Amount			
	420 - WATER			420.11000 (Cash)		\$4,947.00			
151088	10/30/2025	Open			Accounts Payable	STANISLAUS COUNTY - TAX	\$21.54		
	Invoice		Date	Description		Amount			
	088-15-057-000		10/27/2025	Property Tax- 1827 Shadow Park Drive		\$21.54			
	Paying Fund			Cash Account		Amount			
	255 - CDBG			255.11000 (Cash)		\$21.54			
151089	10/30/2025	Open			Accounts Payable	STERICYCLE INC	\$115.76		
	Invoice		Date	Description		Amount			
	8012106230		09/25/2025	ST#1 - STERI-SAFE MONTHLY TREATMENT		\$28.94			
	8012106225		09/25/2025	ST#4 - STERI-SAFE MONTHLY TREATMENT		\$28.94			
	8012106228		09/25/2025	ST#3 - STERI-SAFE MONTHLY TREATMENT		\$28.94			
	8012106226		09/25/2025	ST#2 - STERI-SAFE MONTHLY TREATMENT		\$28.94			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$115.76			

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151090	10/30/2025	Open			Accounts Payable	Stoel Rives LLP	\$640.00		
	Invoice		Date	Description		Amount			
	8093967		10/20/2025	October 2025		\$640.00			
	Paying Fund			Cash Account		Amount			
	423 - PCE Downtown (Prop 1 Grant)			423.11000 (Cash)		\$640.00			
151091	10/30/2025	Open			Accounts Payable	TID	\$8,330.00		
	Invoice		Date	Description		Amount			
	708286		08/27/2025	14-44 Intersection Improve @ W Main & Tegner Rd.- underground srv		\$8,330.00			
	Paying Fund			Cash Account		Amount			
	215 - Streets - Grant Funded Projects			215.11000 (Cash)		\$8,330.00			
151092	10/30/2025	Open			Accounts Payable	TURLOCK CITY TOW INC	\$1,174.77		
	Invoice		Date	Description		Amount			
	141429		09/21/2025	UNIT 525 - FLAT TIRE		\$46.17			
	137351		09/28/2025	UNIT 1417 - FLAT TIRE		\$46.17			
	138549		09/29/2025	UNIT 1473 - FLAT TIRE		\$46.17			
	137350		09/20/2025	UNIT 510 - FLAT TIRE		\$46.17			
	138473		07/29/2025	TOWING SERVICE FOR PD ON 7/29/25		\$307.80			
	139508		08/03/2025	TOWING SERVICE FOR EVIDENCE ON 8/3/25		\$164.16			
	138426		08/03/2025	TOWING SERVICE FOR EVIDENCE ON 8/3/25		\$164.16			
	138478		08/05/2025	TOWING SERVICE FOR EVIDENCE ON 8/5/25		\$76.95			
	139583		08/09/2025	TOWING SERVICE FOR EVIDENCE ON 8/9/25		\$82.08			
	141416		08/25/2025	TOWING SERVICE FOR EVIDENCE ON 8/25/25		\$76.95			
	139629		08/27/2025	TOWING SERVICE FOR PD ON 8/27/25		\$71.82			
	141430		09/21/2025	TOWING SERVICE FOR PD ON 9/21/25		\$46.17			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$1,174.77			
151093	10/30/2025	Open			Accounts Payable	TURLOCK SCAVENGER CO INC	\$1,000,000.00		
	Invoice		Date	Description		Amount			
	OCT 2025 PAYMENT		10/01/2025	OCT 2025 PAYMENT		\$1,000,000.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$1,000,000.00			
151094	10/30/2025	Open			Accounts Payable	TURLOCK SCAVENGER/SWEEPING	\$24,695.50		
	Invoice		Date	Description		Amount			
	09-2025		09/30/2025	September 2025		\$24,695.50			
	Paying Fund			Cash Account		Amount			
	217 - Streets - Gas Tax			217.11000 (Cash)		\$21,732.04			
	246 - Landscape Assessment			246.11000 (Cash)		\$2,963.46			
151095	10/30/2025	Open			Accounts Payable	TURLOCK SMOG LLC	\$84.00		
	Invoice		Date	Description		Amount			
	#13031		10/17/2025	EL09-602 smog		\$28.00			
	#13046		10/20/2025	FR17-293 smog		\$28.00			
	#13049		10/21/2025	TRA15-1040 smog		\$28.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$28.00			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$28.00			
	426 - Transit			426.11000 (Cash)		\$28.00			

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151096	10/30/2025	Open			Accounts Payable	TURLOCK TRUCK STUFF LLC	\$946.99		
	Invoice		Date	Description		Amount			
	2221		10/21/2025	42601 BEDLINER		\$946.99			
	Paying Fund			Cash Account		Amount			
	506 - Vehicle/Equipment Replacement			506.11000 (Cash)		\$946.99			
151097	10/30/2025	Open			Accounts Payable	UNITED SAMARITANS FDT INC	\$6,605.86		
	Invoice		Date	Description		Amount			
	Draw #1-2520804		10/05/2025	Public Service-United Samaritans FDT- FY 2025-26- Draw #1		\$6,605.86			
	Paying Fund			Cash Account		Amount			
	255 - CDBG			255.11000 (Cash)		\$6,605.86			
151098	10/30/2025	Open			Accounts Payable	UNIVAR SOLUTIONS USA, LLC dba UNIVAR SOLUTIONS USA	\$57,258.34		
	Invoice		Date	Description		Amount			
	53407957		10/16/2025	SODIUM HYPOCHLORITE		\$16,550.52			
	53407956		10/16/2025	SODIUM BISULFITE		\$7,601.06			
	53395249		10/10/2025	SODIUM HYPOCHLORITE		\$16,809.98			
	53401838		10/14/2025	SODIUM HYPOCHLORITE		\$16,296.78			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$57,258.34			
151099	10/30/2025	Open			Accounts Payable	USAM1 LLC dba BMW MOTORCYCLES OF MODESTO	\$280.03		
	Invoice		Date	Description		Amount			
	60992		10/17/2025	POL19-1340 YTX16-BS 1.00 BATTERY-MNT FREE.78 LITER		\$280.03			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$280.03			
151100	10/30/2025	Open			Accounts Payable	VEGA AMERICAS, INC.	\$2,473.84		
	Invoice		Date	Description		Amount			
	663483		10/15/2025	VEGAPLUS C 21 BEGA MET 842		\$2,473.84			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$2,473.84			
151101	10/30/2025	Open			Accounts Payable	VERIZON WIRELESS	\$861.00		
	Invoice		Date	Description		Amount			
	6125151079		10/03/2025	972530635-00026 - CM/CA/EDC/CC - Verizon		\$861.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$861.00			
151102	10/30/2025	Open			Accounts Payable	VWR INTERNATIONAL INC	\$52.01		
	Invoice		Date	Description		Amount			
	8820159776		10/10/2025	VWR STIR BAR PTFE IN BLUE		\$21.48			
	8820156992		10/10/2025	VWR BAR STRI PTFE CYLINDRICAL		\$30.53			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$30.53			
	420 - WATER			420.11000 (Cash)		\$21.48			
151103	10/30/2025	Open			Accounts Payable	Western Extrication Specialists, Inc.	\$993.92		
	Invoice		Date	Description		Amount			
	3231		09/15/2025	MINI CUTTER		\$993.92			
	Paying Fund			Cash Account		Amount			

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151104	110 - General Fund			110.11000 (Cash)			\$993.92		
	10/30/2025	Open			Accounts Payable	WILLDAN FINANCIAL SVCS	\$1,155.00		
	Invoice		Date	Description			Amount		
	010-63819		10/03/2025	CFD #3 - Annexation 1 Monarch Estates Subdivision- 10/3/2026			\$1,155.00		
151105	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			\$1,155.00		
	10/30/2025	Open			Accounts Payable	ZOLL DATA SYSTEMS, INC.	\$1,600.00		
	Invoice		Date	Description			Amount		
151106	INV00212441			10/01/2025			\$1,600.00		
	Paying Fund			Cash Account			Amount		
	116 - Special Public Safety			116.11000 (Cash)			\$1,600.00		
	10/30/2025	Open			Accounts Payable	ALVES, JOE	\$200.00		
151107	Invoice			Date	Description		Amount		
	TR5215 PER DIEM			10/23/2025	TR#5215-PER DIEM-CWEA Writing Workshop, Chino, CA,11/5-11/8/25		\$200.00		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			\$200.00		
151108	10/30/2025				Accounts Payable	CORREIA, MADELINE	\$276.00		
	Invoice		Date	Description			Amount		
	TR 5204 PER DIEM			09/29/2025	POLICE BUDGET ACADEMY, 11/16/25-11/20/25, SAN CLEMENTE		\$276.00		
	Paying Fund			Cash Account			Amount		
151109	110 - General Fund			110.11000 (Cash)			\$276.00		
	10/30/2025	Open			Accounts Payable	FIGUEROA, IRIS	\$276.00		
	Invoice		Date	Description			Amount		
	TR 5204 PER DIEM			09/29/2025	POLICE BUDGET ACADEMY, 11/16/25-11/20/25, SAN CLEMENTE		\$276.00		
151110	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			\$276.00		
	10/30/2025	Open			Accounts Payable	Garcia, Jose	\$256.00		
	Invoice		Date	Description			Amount		
151111	TR 5217 Per DIEM			10/28/2025	Tr 5217 ISSA Show North America 2025		\$256.00		
	Paying Fund			Cash Account			Amount		
	426 - Transit			426.11000 (Cash)			\$256.00		
	10/30/2025	Open			Accounts Payable	Gutierrez, Rudy	\$256.00		
151112	Invoice			Date	Description		Amount		
	TR 5217 Per DIEM			10/28/2025	Tr 5217 ISSA Show North America 2025		\$256.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			\$64.00		
151113	426 - Transit			426.11000 (Cash)			\$192.00		
	10/30/2025	Open			Accounts Payable	ICMA Membership Renewals	\$1,200.00		
	Invoice		Date	Description			Amount		
	1255798			10/20/2025	ICMA Membership Renewal - Susan Borrego # 1255798		\$1,200.00		
151114	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			\$1,200.00		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151112	10/30/2025	Open			Accounts Payable	ICMA Membership Renewals	\$200.00		
	Invoice		Date	Description		Amount			
	1255378		10/20/2025	ICMA Membership Renewal - Nichole Fiez # 1255378		\$200.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$200.00			
151113	10/30/2025	Open			Accounts Payable	LAW ENFORCEMENT PSYCHOLOGICAL SERVICES INC.	\$475.00		
	Invoice		Date	Description		Amount			
	35317		09/30/2025	POST-CONDITIONAL OFFER OF EMP. PSYCHOLOGICAL EVAL. FOR E.P.		\$475.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$475.00			
151114	10/30/2025	Open			Accounts Payable	LOPEZ, ROCLYNN	\$81.73		
	Invoice		Date	Description		Amount			
	DEMAND - RLOPEZ		10/20/2025	DEMAND FOR LUNCH REIMBURSEMENT		\$81.73			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$81.73			
151115	10/30/2025	Open			Accounts Payable	RBG CONSTRUCTION, INC	\$411.00		
	Invoice		Date	Description		Amount			
	GP 22-013G		10/25/2025	GP 22-013G 906 N OLIVE AVE DUST SECURITY ST GEORGE'S PLACE		\$411.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$411.00			
151116	10/30/2025	Open			Accounts Payable	RODRIGUEZ, JOEY	\$196.00		
	Invoice		Date	Description		Amount			
	TR 5211 PER DIEM		10/29/2025	JOINT TRAINING WITH MPD, 11/2/25-11/7/25, SAN MIGUEL		\$196.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$196.00			
151117	10/30/2025	Open			Accounts Payable	RUSH, DEVIN	\$286.00		
	Invoice		Date	Description		Amount			
	TR 5216 PER DIEM		10/28/2025	TACTICAL RIFLE INSTRUCTOR, 11/2/25 - 11/6/25, SANTA PAULA		\$286.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$286.00			
151118	10/30/2025	Open			Accounts Payable	TRUJILLO, GERARDO	\$81.92		
	Invoice		Date	Description		Amount			
	DEMAND-GTRUJILLO		10/20/2025	DEMAND FOR LUNCH REIMBURSEMENT		\$81.92			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$81.92			
151119	10/30/2025	Open			Accounts Payable	York, Wayne	\$128.00		
	Invoice		Date	Description		Amount			
	TR5218 Per DIEM		10/28/2025	TR 5218 CTA Fall Conference		\$128.00			
	Paying Fund			Cash Account		Amount			
	426 - Transit			426.11000 (Cash)		\$128.00			

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From Payment Date: 10/24/2025 - To Payment Date: 10/30/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151120	10/30/2025	Open			Accounts Payable	YOUNG, JACOB	\$196.00		
	Invoice		Date	Description			Amount		
	TR 5211 PER DIEM		10/29/2025	JOINT TRAINING WITH MPD, 11/2/25-11/7/25, SAN MIGUEL			\$196.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			\$196.00		

Type Check Totals:

AP - Accounts Payable Totals

101 Transactions

\$1,510,733.25

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	101	\$1,510,733.25	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	101	\$1,510,733.25	\$0.00

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	101	\$1,510,733.25	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	101	\$1,510,733.25	\$0.00

Grand Totals:

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	101	\$1,510,733.25	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	101	\$1,510,733.25	\$0.00
All	Status	Count	Transaction Amount	Reconciled Amount
	Open	101	\$1,510,733.25	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	101	\$1,510,733.25	\$0.00

Payment Register

From Payment Date: 10/31/2025 - To Payment Date: 11/6/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
AP - Accounts Payable									
<u>Check</u>									
151121	11/04/2025	Open			Utility Management Refund	ESTRADA , JUAN	\$407.00		
	<u>Account Type</u>		<u>Account Number</u>	<u>Description</u>	<u>Transaction Date</u>	<u>Transaction Type</u>			
	Single Family Res Metered		171182-003	MOVE OUT CREDIT	11/03/2025	Refund			
	<u>Paying Fund</u>			<u>Cash Account</u>		<u>Amount</u>			
	420 - WATER			420.11000 (Cash)		\$407.00			
151122	11/04/2025	Open			Utility Management Refund	RANA, NAVNEET	\$15.71		
	<u>Account Type</u>		<u>Account Number</u>	<u>Description</u>	<u>Transaction Date</u>	<u>Transaction Type</u>			
	Single Family Res Metered		001542-003	MOVE OUT CREDIT	11/03/2025	Refund			
	<u>Paying Fund</u>			<u>Cash Account</u>		<u>Amount</u>			
	110 - General Fund			110.11000 (Cash)		\$15.71			
151123	11/04/2025	Open			Utility Management Refund	SMITH, RODNEY	\$261.42		
	<u>Account Type</u>		<u>Account Number</u>	<u>Description</u>	<u>Transaction Date</u>	<u>Transaction Type</u>			
	Single Family Res Metered		238023-005	MOVE OUT CREDIT	11/03/2025	Refund			
	<u>Paying Fund</u>			<u>Cash Account</u>		<u>Amount</u>			
	420 - WATER			420.11000 (Cash)		\$261.42			
151124	11/06/2025	Open			Accounts Payable	ANDREW MIKKELSEN DBA CALSCADA LLC	\$3,575.00		
	<u>Invoice</u>	<u>Date</u>	<u>Description</u>		<u>Amount</u>				
	1148	10/08/2025	SCADA SERVICES		\$3,575.00				
	<u>Paying Fund</u>			<u>Cash Account</u>		<u>Amount</u>			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$2,475.00			
	420 - WATER			420.11000 (Cash)		\$1,100.00			
151125	11/06/2025	Open			Accounts Payable	ASSOCIATION OF CALIFORNIA WATER AGENCIES	\$16,830.00		
	<u>Invoice</u>	<u>Date</u>	<u>Description</u>		<u>Amount</u>				
	2026 Annual Dues	09/30/2025	SRWA 2026 Annual Agency Dues		\$16,830.00				
	<u>Paying Fund</u>			<u>Cash Account</u>		<u>Amount</u>			
	950 - SRWA - JPA			950.11000 (Cash)		\$16,830.00			
151126	11/06/2025	Open			Accounts Payable	AT&T Corp	\$587.98		
	<u>Invoice</u>	<u>Date</u>	<u>Description</u>		<u>Amount</u>				
	8897538010	10/11/2025	SRWA - JPA, Surface Water, Operations - Internet Access Oct 2025		\$587.98				
	<u>Paying Fund</u>			<u>Cash Account</u>		<u>Amount</u>			
	950 - SRWA - JPA			950.11000 (Cash)		\$587.98			
151127	11/06/2025	Open			Accounts Payable	AutoZone Stores LLC	\$49.30		
	<u>Invoice</u>	<u>Date</u>	<u>Description</u>		<u>Amount</u>				
	05701885456	10/22/2025	C3490R 1 LED LOW-PROFILE L SKU-000941322		\$26.33				
	04432197394	10/27/2025	604-290 1 AIR DOOR ACTUAT SKU-000948935		\$22.97				
	<u>Paying Fund</u>			<u>Cash Account</u>		<u>Amount</u>			
	505 - Fleet			505.11000 (Cash)		\$49.30			

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From Payment Date: 10/31/2025 - To Payment Date: 11/6/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151128	11/06/2025	Open			Accounts Payable	B & V Commercial Cleaning, Inc	\$461.00		
	Invoice		Date	Description		Amount			
	3805		10/29/2025	SRWA - Janitorial Cleaning Service - Window Cleaning Oct 2025		\$461.00			
	Paying Fund			Cash Account		Amount			
	950 - SRWA - JPA			950.11000 (Cash)		\$461.00			
151129	11/06/2025	Open			Accounts Payable	BADGER DAYLIGHTING CORP	\$2,500.00		
	Invoice		Date	Description		Amount			
	2952093		10/28/2025	HYDROVAC MAINTENANCE / FLUCTATING FUEL RECOVERY		\$2,500.00			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$2,500.00			
151130	11/06/2025	Open			Accounts Payable	BARNES WELDING SUPPLY	\$232.46		
	Invoice		Date	Description		Amount			
	0063653714		10/07/2025	BLACK FRAME HEAT WAVE SAFTEY GLASSES/ TUNGSTEN/ THORTUNG		\$232.46			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$232.46			
151131	11/06/2025	Open			Accounts Payable	Brown Armstrong Accountancy Corporation	\$23,162.00		
	Invoice		Date	Description		Amount			
	282279		09/28/2025	2022 Audit - GANN Limit-Agreed upon procedures		\$1,000.00			
	282282		09/28/2025	2024 Audit - Single Audit Act Report		\$18,000.00			
	282283		09/28/2025	2024 Audit - TDA		\$2,188.75			
	282285		11/04/2025	2024 Audit - SRWA		\$1,973.25			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$5,900.00			
	216 - Streets - Local Transportation			216.11000 (Cash)		\$5,229.51			
	255 - CDBG			255.11000 (Cash)		\$2,725.00			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$150.00			
	420 - WATER			420.11000 (Cash)		\$150.00			
	426 - Transit			426.11000 (Cash)		\$7,009.24			
	621 - Successor Agency - Non LMI			621.11000 (Cash)		\$25.00			
	950 - SRWA - JPA			950.11000 (Cash)		\$1,973.25			
151132	11/06/2025	Open			Accounts Payable	CCME, Inc.	\$17,397.32		
	Invoice		Date	Description		Amount			
	9 CP23-067 BP1		09/30/2025	23-067 CM for Roads Task Order 2 Bid Package 1- September 2025		\$17,397.32			
	Paying Fund			Cash Account		Amount			
	115 - Measure A - Roads			115.11000 (Cash)		\$17,397.32			
151133	11/06/2025	Open			Accounts Payable	CENTRAL VALLEY CONCRETE	\$5,234.26		
	Invoice		Date	Description		Amount			
	281022		09/29/2025	FILL SAND		\$1,126.80			
	281238		10/01/2025	COLD MIX		\$3,525.46			
	282245		10/16/2025	RECYCLED AB		\$582.00			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$5,234.26			

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From Payment Date: 10/31/2025 - To Payment Date: 11/6/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151134	11/06/2025	Open			Accounts Payable	CHAMPION INDUSTRIAL	\$16,067.55		
	Invoice		Date	Description		Amount			
	85325		10/04/2025	SEPTEMBER - SECTION 2 & SECTION 3		\$13,956.49			
	85533		10/22/2025	SRWA - Champion Monthly PM/Scheduled Maintenance August 2025		\$2,111.06			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$6,316.44			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$5,042.71			
	420 - WATER			420.11000 (Cash)		\$330.24			
	426 - Transit			426.11000 (Cash)		\$851.94			
	501 - Information Technology			501.11000 (Cash)		\$854.97			
	505 - Fleet			505.11000 (Cash)		\$560.19			
	950 - SRWA - JPA			950.11000 (Cash)		\$2,111.06			
151135	11/06/2025	Open			Accounts Payable	Chemtrade Chemicals Corp DBA Chemtrade Chemicals	\$4,245.96		
	Invoice		Date	Description		Amount			
	90313649		10/23/2025	SRWA SUPPLY AND DELIVERY OF Aluminum Sulfate 10.23.25		\$4,245.96			
	Paying Fund			Cash Account		Amount			
	450 - SRWA - Operations			450.11000 (Cash)		\$4,245.96			
151136	11/06/2025	Open			Accounts Payable	CINTAS FIRST AID AND SAFETY, CINTAS CORP NO 2	\$493.55		
	Invoice		Date	Description		Amount			
	5299068908		10/23/2025	SRWA Medical Supplies 10.23.25		\$197.38			
	5288758812		08/26/2025	SRWA Medical Supplies 8.26.25		\$30.01			
	5300056106		10/29/2025	FIRST AID CABINET REFILL- WQC/ELECTRICAL		\$266.16			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$133.08			
	420 - WATER			420.11000 (Cash)		\$133.08			
	450 - SRWA - Operations			450.11000 (Cash)		\$227.39			
151137	11/06/2025	Open			Accounts Payable	CITY OF TURLOCK - CASH	\$173.62		
	Invoice		Date	Description		Amount			
	10-27-25 REPLIN		10/27/2025	FIN AR-REPLIN PETTY CASH-10/27/25		\$173.62			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$173.62			
151138	11/06/2025	Open			Accounts Payable	Core & Main LP	\$63,294.10		
	Invoice		Date	Description		Amount			
	x958609		10/20/2025	3" & LARGER ULTRASONIC WATER METERS		\$63,294.10			
	Paying Fund			Cash Account		Amount			
	420 - WATER			420.11000 (Cash)		\$63,294.10			
151139	11/06/2025	Open			Accounts Payable	CUSTOM LOCKSMITH & ALARM INC	\$22.81		
	Invoice		Date	Description		Amount			
	132620		10/22/2025	m1 key		\$22.81			
	Paying Fund			Cash Account		Amount			
	505 - Fleet			505.11000 (Cash)		\$22.81			
151140	11/06/2025	Open			Accounts Payable	DON PEDRO PUMP INC	\$54,628.15		
	Invoice		Date	Description		Amount			
	31777		09/23/2025	SRWA - Infiltration Gallery Air Purge Project		\$48,822.25			

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From Payment Date: 10/31/2025 - To Payment Date: 11/6/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151141	31842		09/30/2025		SRWA - Infiltration Gallery Air Purge Project		\$5,805.90		
	Paying Fund				Cash Account		Amount		
	950 - SRWA - JPA				950.11000 (Cash)		\$54,628.15		
	11/06/2025	Open			Accounts Payable	EDGES ELECTRICAL GROUP LLC	\$415.64		
	Invoice		Date		Description		Amount		
151142	S6553593.001		10/06/2025		FLEX CONN/ AL DC HUB		\$157.63		
	S6572246.001		10/22/2025		MIN HANGER / SHRINK COMBO		\$62.24		
	S6567624.001		10/22/2025		SIEM4 E41 O/L RLY THR		\$195.77		
	Paying Fund				Cash Account		Amount		
	410 - WATER QUALITY CONTROL (WQC)				410.11000 (Cash)		\$415.64		
151143	11/06/2025	Open			Accounts Payable	EMPLOYMENT DEVELOP DEPT	\$40.00		
	Invoice		Date		Description		Amount		
	102525GONZALEZ		10/31/2025		10252025 PAYROLL WITHHOLDING		\$40.00		
	Paying Fund				Cash Account		Amount		
	104 - Payroll Clearing Fund				104.11000 (Cash)		\$40.00		
151144	11/06/2025	Open			Accounts Payable	FASTENAL COMPANY INC	\$1,296.50		
	Invoice		Date		Description		Amount		
	CATUR198992		10/22/2025		400 400 0 16-14 BC VNL BS BRAS 135798		\$116.49		
	CATUR200675		10/27/2025		0 10 5 5 3/8x1/4 Pipe Elbow		\$52.99		
	CATUR201050		10/21/2025		GRADE 5 BOLT BIN		\$10.12		
	CATUR201048		10/21/2025		SHOP3-1 PIPE 4		\$36.27		
	CATUR199277		08/15/2025		STAINLESS STEEL BOLT / PIPE BIN 3 / 5-7 PIPE		\$62.00		
	CATUR199240		08/14/2025		FEND 1/4X1 1/4Z		\$15.25		
	CATUR199079		08/14/2025		16OZ W MELON PACKET		\$216.16		
	CATUR199239		08/14/2025		ELECTRICAL SUPPLIES		\$787.22		
	Paying Fund				Cash Account		Amount		
	410 - WATER QUALITY CONTROL (WQC)				410.11000 (Cash)		\$1,065.02		
	420 - WATER				420.11000 (Cash)		\$62.00		
	505 - Fleet				505.11000 (Cash)		\$169.48		
151145	11/06/2025	Open			Accounts Payable	FEDERAL EXPRESS	\$74.55		
	Invoice		Date		Description		Amount		
	9-050-58688		10/31/2025		SHIPPING CHARGES FOR 10/31/25		\$74.55		
	Paying Fund				Cash Account		Amount		
	110 - General Fund				110.11000 (Cash)		\$74.55		
151146	11/06/2025	Open			Accounts Payable	FISHER SCIENTIFIC PRO INC	\$326.05		
	Invoice		Date		Description		Amount		
	4484472		10/22/2025		FLASK W/SIDEARM - LAB		\$326.05		
	Paying Fund				Cash Account		Amount		
	410 - WATER QUALITY CONTROL (WQC)				410.11000 (Cash)		\$326.05		
151147	11/06/2025	Open			Accounts Payable	FRANCHISE TAX BOARD	\$165.66		
	Invoice		Date		Description		Amount		
	102525ZAPIEN		10/31/2025		10252025 PAYROLL WITHHOLDING		\$165.66		
	Paying Fund				Cash Account		Amount		
	104 - Payroll Clearing Fund				104.11000 (Cash)		\$165.66		
151147	11/06/2025	Open			Accounts Payable	FRANCHISE TAX BOARD	\$304.00		
	Invoice		Date		Description		Amount		
	102525RUIZ		10/31/2025		10252025 PAYROLL WITHHOLDING		\$304.00		

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From Payment Date: 10/31/2025 - To Payment Date: 11/6/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151148	Paying Fund			Cash Account			Amount		
	104 - Payroll Clearing Fund			104.11000 (Cash)			\$304.00		
	11/06/2025	Open			Accounts Payable	GDR ENGINEERING INC	\$8,733.75		
	Invoice			Date	Description		Amount		
	29420		09/30/2025		SR02, 24-022 Water Line Replacement on S Center & Crane-9/30/25		\$8,733.75		
151149	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			\$8,733.75		
	11/06/2025	Open			Accounts Payable	GOMES & SONS INC, JOE M	\$34,397.45		
	Invoice			Date	Description		Amount		
	98049		10/31/2025		CUST #24090 - Fuel Expense for 10/16/25 - 10/31/25		\$31,366.47		
	97681		10/30/2025		Fuel for Fire #3		\$842.16		
	97569		10/22/2025		Fuel for Fire #3		\$2,188.82		
151150	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			\$18,986.45		
	205 - Sports Facilities			205.11000 (Cash)			\$570.73		
	217 - Streets - Gas Tax			217.11000 (Cash)			\$2,662.37		
	246 - Landscape Assessment			246.11000 (Cash)			\$1,688.46		
	255 - CDBG			255.11000 (Cash)			\$53.66		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			\$3,801.46		
	420 - WATER			420.11000 (Cash)			\$3,138.07		
	426 - Transit			426.11000 (Cash)			\$2,870.50		
	450 - SRWA - Operations			450.11000 (Cash)			\$625.75		
	11/06/2025	Open			Accounts Payable	GRADY COMPANY INC, KEN	\$2,988.83		
	Invoice			Date	Description		Amount		
	6278		10/23/2025		ATI TUBING FITTINGS		\$2,988.83		
151151	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			\$2,988.83		
	11/06/2025	Open			Accounts Payable	GRAINGER INC, W W	\$1,935.36		
	Invoice			Date	Description		Amount		
	9674532503		10/14/2025		SRWA Supplies - Hex Bushing		\$41.51		
	9676713135		10/15/2025		SRWA Supplies - Mop Wringer Replacement		\$68.92		
	9667462874		10/07/2025		OUTFALL STRUCTURE		\$1,577.43		
	9689021419		10/27/2025		DIGITAL THERMOM		\$247.50		
151152	Paying Fund			Cash Account			Amount		
	416 - Recycled Water Sales			416.11000 (Cash)			\$1,577.43		
	426 - Transit			426.11000 (Cash)			\$247.50		
	450 - SRWA - Operations			450.11000 (Cash)			\$110.43		
151153	11/06/2025	Open			Accounts Payable	GSM ENGINEERED FABRICS LLC	\$2,830.00		
	Invoice			Date	Description		Amount		
	INV GSM8469		09/24/2025		GSM 62-350P - 3.2 WIDE BY 9.425M LONG WITH HEAT SEALED EDGES		\$2,830.00		
	Paying Fund			Cash Account			Amount		
151153	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			\$2,830.00		
	11/06/2025	Open			Accounts Payable	HACH COMPANY	\$3,909.59		
	Invoice			Date	Description		Amount		
	14715472		10/15/2025		SRWA Supplies - Portable Turbidimeter		\$2,082.88		

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	14713286		10/14/2025		NITRATE, TNT + LR / RGT SET / VOLATILE ACIDS - LAB		\$1,826.71		
	Paying Fund				Cash Account		Amount		
	410 - WATER QUALITY CONTROL (WQC)				410.11000 (Cash)		\$1,826.71		
	450 - SRWA - Operations				450.11000 (Cash)		\$2,082.88		
151154	11/06/2025	Open			Accounts Payable	HD SUPPLY INC, DBA USABBLUEBOOK	\$4,201.68		
	Invoice		Date		Description		Amount		
	INV00863372		10/21/2025		SRWA supplies - pH Electrode Storage Solution		\$122.05		
	INV00871137		10/29/2025		ALUMINUM DECHLORINATION DIFFUSER		\$2,057.06		
	INV00864580		10/22/2025		COD VIALS HR-LAB		\$1,739.82		
	INV00864853		10/22/2025		HACH DPD 4 - LAB		\$282.75		
	Paying Fund				Cash Account		Amount		
	410 - WATER QUALITY CONTROL (WQC)				410.11000 (Cash)		\$2,022.57		
	420 - WATER				420.11000 (Cash)		\$2,057.06		
	450 - SRWA - Operations				450.11000 (Cash)		\$122.05		
151155	11/06/2025	Open			Accounts Payable	HILMAR LUMBER INC	\$2,850.56		
	Invoice		Date		Description		Amount		
	747755		10/09/2025		WQC SUPPLIES		\$705.37		
	F13645		10/14/2025		CREDIT RETURN EXT PLYWOOD		(\$92.65)		
	748414		10/14/2025		PLYWOOD - WQC		\$131.25		
	748834		10/16/2025		FUEL ROTARY / TWIST POINT CHISEL/ NYLON HOSE AND BARB		\$473.57		
	747748		10/09/2025		AUTO CLEANING CLOTH / REDUCIGN WASHER GRID/ BACKPLATE		\$44.03		
	749858		10/23/2025		TRLR JK SLV BLNK		\$75.41		
	749483		10/21/2025		WQC SUPPLIES		\$113.50		
	750495		10/28/2025		SUBMERSIBLE PUMP \ SUMP PUMP \ NIPPLE \ PVC BUSH		\$1,196.07		
	749622		10/22/2025		EXTENSION CORD		\$188.54		
	747756		10/09/2025		3/4" CAP STAINLESS		\$15.47		
	Paying Fund				Cash Account		Amount		
	410 - WATER QUALITY CONTROL (WQC)				410.11000 (Cash)		\$2,806.53		
	420 - WATER				420.11000 (Cash)		\$44.03		
151156	11/06/2025	Open			Accounts Payable	HILMAR READY MIX	\$230.05		
	Invoice		Date		Description		Amount		
	13360		10/08/2025		CONCRETE		\$70.39		
	13347		09/30/2025		CONCRETE - ENGLISH RD		\$159.66		
	Paying Fund				Cash Account		Amount		
	205 - Sports Facilities				205.11000 (Cash)		\$70.39		
	420 - WATER				420.11000 (Cash)		\$159.66		
151157	11/06/2025	Open			Accounts Payable	HOLT OF CALIFORNIA INC	\$866.07		
	Invoice		Date		Description		Amount		
	K6064401		10/27/2025		TRACK SKID STEER RENTAL		\$866.07		
	Paying Fund				Cash Account		Amount		
	420 - WATER				420.11000 (Cash)		\$866.07		

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151158	11/06/2025	Open			Accounts Payable	HSQ INC	\$2,604.00		
	Invoice		Date	Description		Amount			
	123411-10		09/16/2025	SUPERVISORY CONTROL & DATA ACQUISITION SYSTEM MAINTENANCE		\$2,604.00			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$2,604.00			
151159	11/06/2025	Open			Accounts Payable	ITSA HOLDINGS INC DBA GARDNER DENVER NASH LLC	\$6,806.37		
	Invoice		Date	Description		Amount			
	903086375		08/22/2025	STARTUP ON BLOWER 76106 S/N P020444A		\$6,806.37			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$6,806.37			
151160	11/06/2025	Open			Accounts Payable	JORGENSEN & CO INC	\$415.92		
	Invoice		Date	Description		Amount			
	6213416		09/22/2025	FIRE STATION #2 - FIRE EXT ANNUAL MAINT (10) QTY		\$80.00			
	6213407		09/22/2025	FIRE STATION #1 - FIRE EXT ANNUAL MAINT (11) QTY		\$88.00			
	6216174		10/08/2025	WELL #29 - FIRE EXT AMX #5		\$71.92			
	6216532		10/09/2025	WELL #40 - FIRE EXT ANNUAL MAINT (1) QTY		\$8.00			
	6216163		10/08/2025	WELL #27 - FIRE EXT ANNUAL MAINT (1) QTY		\$8.00			
	6216536		10/09/2025	WELL #36 - FIRE EXT ANNUAL MAINT (1) QTY		\$8.00			
	6216537		10/09/2025	WELL #38 - FIRE EXT ANNUAL MAINT (1) QTY		\$8.00			
	6216531		10/09/2025	WELL #33 - FIRE EXT ANNUAL MAINT (1) QTY		\$8.00			
	6216159		10/08/2025	TERMINAL TANK - FIRE EXT ANNUAL MAINT (7) QTY		\$56.00			
	6216533		10/09/2025	WELL #34 - FIRE EXT ANNUAL MAINT (1) QTY		\$8.00			
	6216535		10/09/2025	WELL #15 - FIRE EXT ANNUAL MAINT (1) QTY		\$8.00			
	6213420		09/22/2025	FIRE STATION #4 - FIRE EXT ANNUAL MAINT (4) QTY		\$32.00			
	6213418		09/22/2025	FIRE STATION #3 - FIRE EXT ANNUAL MAINT (4) QTY		\$32.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$232.00			
	420 - WATER			420.11000 (Cash)		\$183.92			
151161	11/06/2025	Open			Accounts Payable	Lhoist North America of Arizona, Inc.	\$9,608.01		
	Invoice		Date	Description		Amount			
	1102521141		10/17/2025	SRWA SUPPLY AND DELIVERY OF Hydrated Lime 10.17.25		\$9,608.01			
	Paying Fund			Cash Account		Amount			
	450 - SRWA - Operations			450.11000 (Cash)		\$9,608.01			
151162	11/06/2025	Open			Accounts Payable	Linde Inc.	\$3,331.84		
	Invoice		Date	Description		Amount			
	52685071		10/20/2025	SRWA SUPPLY & DELIVERY OF LIQUID OXYGEN 10.20.25		\$3,331.84			
	Paying Fund			Cash Account		Amount			
	450 - SRWA - Operations			450.11000 (Cash)		\$3,331.84			

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151163	11/06/2025	Open			Accounts Payable	LINDSAY CORPORATION DBA ELECSYS INTERNATIONAL, LLC	\$84.00		
	Invoice		Date	Description		Amount			
	SIP-E222313		10/21/2025	OCTOBER 2025 CELL DATA / DATA SERVICES		\$84.00			
	Paying Fund			Cash Account		Amount			
	416 - Recycled Water Sales			416.11000 (Cash)		\$84.00			
151164	11/06/2025	Open			Accounts Payable	Mark Thomas & Company, Inc.	\$394,230.76		
	Invoice		Date	Description		Amount			
	55622		06/30/2025	25-023 Design for Roads Task Order 5 Roads CIP- April 2025		\$41,987.53			
	56047		06/30/2025	25-023 Design for Roads Task Order 5 Roads CIP- May 2025		\$81,364.62			
	56399		06/30/2025	25-023 Design for Roads Task Order 5 Roads CIP- June 2025		\$98,201.94			
	57107		08/31/2025	25-023 Design for Roads Task Order 5 Roads CIP- August 2025		\$94,912.24			
	56718		07/31/2025	25-023 Design for Roads Task Order 5 Roads CIP-July 2025		\$77,764.43			
	Paying Fund			Cash Account		Amount			
	115 - Measure A - Roads			115.11000 (Cash)		\$394,230.76			
151165	11/06/2025	Open			Accounts Payable	MARTIN MARIETTA MATERIALS INC	\$177.14		
	Invoice		Date	Description		Amount			
	47601173		10/21/2025	ASPHALT		\$90.08			
	47632718		10/23/2025	ASPHALT		\$87.06			
	Paying Fund			Cash Account		Amount			
	219 - SB1 Road Maint & Rehab Account			219.11000 (Cash)		\$177.14			
151166	11/06/2025	Open			Accounts Payable	MME	\$1,813.59		
	Invoice		Date	Description		Amount			
	042673		10/22/2025	V-644-0009 FLANGE BEARING		\$1,813.59			
	Paying Fund			Cash Account		Amount			
	505 - Fleet			505.11000 (Cash)		\$1,813.59			
151167	11/06/2025	Open			Accounts Payable	NAPA AUTO PARTS	\$2,197.36		
	Invoice		Date	Description		Amount			
	847287		10/22/2025	21372MP SFI ENGINE OIL FILTER		\$43.45			
	847300		10/22/2025	IC848 ECH IGNITION COIL		\$573.11			
	847331		10/22/2025	41-162 AC SPARK PLUG ()		\$173.95			
	847320		10/22/2025	15745R LIT Truck-Lite Identification Bars		\$25.62			
	847346		10/23/2025	7101116 BK TIRE REP NEEDLE		\$6.70			
	847356		10/23/2025	1-5960 ATP ATP FILTER ()		\$26.78			
	847358		10/23/2025	15960 ATP ATP FILTER		\$80.33			
	847365		10/23/2025	1056 FIL OIL FILTER		\$12.43			
	847379		10/23/2025	21372MP SFI ENGINE OIL FILTER ()		\$8.69			
	847398		10/23/2025	770-1755 BK PTEX THRD SEAL TAPE S (210)		\$3.03			
	847409		10/23/2025	PLUS32 WWS 32 WINDSHIELD WASH		\$109.06			
	847415		10/24/2025	SG8909M PSG SILENTGUARD BRK PADS		\$86.31			
	847419		10/24/2025	39008 MMM LENS RESTORATION SYS		\$23.93			
	847424		10/23/2025	MM1097 MFT BLOWER MOTOR		\$130.27			
	847428		10/24/2025	G10307 NCB MEGUIARS SCRATCH X		\$13.72			
	847430		10/24/2025	39008 MMM LENS RESTORATION SYS		\$47.86			

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	847442		10/24/2025		2449292 RAY REMAN STARTER		\$113.70		
	847472		10/27/2025		48880394 NB BRAKE ROTOR-DIH PARKI ()		\$113.40		
	847473		10/27/2025		SP509X MFT SPARK PLUG		\$106.45		
	847508		10/27/2025		2330 FIL AIR FILTER ()		\$109.81		
	847523		10/27/2025		7237 BAT 18MO WTY BAT		\$163.42		
	847525		10/27/2025		9BS PSB 3MO WTY BAT		\$73.05		
	847533		10/27/2025		3546 FIL FUEL FILTER		\$152.29		
	Paying Fund				Cash Account		Amount		
	505 - Fleet				505.11000 (Cash)		\$2,197.36		
151168	11/06/2025	Open			Accounts Payable	Northstar Chemical	\$9,062.68		
	Invoice		Date		Description		Amount		
	324562		10/29/2025		FERRIC CHLORIDE FOR WELL 38		\$6,631.24		
	325201		10/27/2025		SODIUM HYDROXIDE FOR WELL 38		\$2,431.44		
	Paying Fund				Cash Account		Amount		
	420 - WATER				420.11000 (Cash)		\$9,062.68		
151169	11/06/2025	Open			Accounts Payable	NV5 INC.	\$257,946.75		
	Invoice		Date		Description		Amount		
	478926		09/30/2025		23-031 CM for Roads Task Order 1A BP2-September 2025		\$869.01		
	478927		09/30/2025		23-033 CM for Roads Task Order 2-September 2025		\$2,027.70		
	478930		09/30/2025		23-068 CM for Roads Task Order 3 BP 1-September 2025		\$11,692.55		
	478933		09/30/2025		23-067 CM for Roads Task Order 4 BP 2-September 2025		\$104,287.79		
	478947		09/30/2025		23-067 CM for Roads Task Order 5 BP 3-September 2025		\$134,657.07		
	478948		09/30/2025		23-032 Construction Close-Out Services Roads CIP-September 2025		\$937.78		
	478950		09/30/2025		22-001 Construction Close-Out Services Roads CIP-September 2025		\$2,500.75		
	478952		09/30/2025		23-069 CM for Roads Task Order 6-September 2025		\$324.70		
	478953		09/30/2025		23-052 CM for Roads Task Order 7-September 2025		\$649.40		
	Paying Fund				Cash Account		Amount		
	115 - Measure A - Roads				115.11000 (Cash)		\$257,946.75		
151170	11/06/2025	Open			Accounts Payable	Operational Technical Services, LLC	\$8,964.68		
	Invoice		Date		Description		Amount		
	5193		10/19/2025		SRWA - Senior Operator MC 10.19.25		\$8,964.68		
	Paying Fund				Cash Account		Amount		
	450 - SRWA - Operations				450.11000 (Cash)		\$8,964.68		
151171	11/06/2025	Open			Accounts Payable	OREILLY AUTO PARTS	\$254.62		
	Invoice		Date		Description		Amount		
	2800-193129		10/22/2025		FEL MS96696 MANIFOLD SET		\$76.79		
	2800-193120		10/22/2025		WIX 58369 AIT FILTER		\$35.85		
	2800-193406		10/23/2025		SSB UILUH BATTERY		\$72.79		
	2800-194562		10/27/2025		5 MOT SP509X SPARK PLUG		\$69.19		
	Paying Fund				Cash Account		Amount		
	505 - Fleet				505.11000 (Cash)		\$254.62		

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151172	11/06/2025	Open			Accounts Payable	P G & E	\$53.77		
	Invoice		Date	Description		Amount			
	COLUMBIA10/30/25		10/30/2025	6180280303-3 / 600 Columbia St		\$8.11			
	HIGH 10/30/25		10/30/2025	0221941093-9 / 595 High St		\$8.11			
	R.BOESCH10/30/25		10/30/2025	4388605407-1 / 275 N Orange		\$21.33			
	REC 10/23/25		10/23/2025	2749172768-4 / 144 S Broadway		\$8.11			
	ARMORY 10/30/25		10/30/2025	7255483135-3 / 1040 Flower St		\$8.11			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$53.77			
151173	11/06/2025	Open			Accounts Payable	PACE SUPPLY CORPORATION	\$8,083.60		
	Invoice		Date	Description		Amount			
	0510869832		10/17/2025	SDR 35 PIPE		\$1,797.58			
	0510834405		10/27/2025	LONG STEEL CPLG ROMAC		\$1,663.32			
	0510893417		10/27/2025	SHEAR WORM GEAR		\$3,503.03			
	0510768516-1		10/29/2025	ANGLE METER		\$295.09			
	0510893417-1		10/29/2025	CLAY X CLAY SHEAR WORM GEAR		\$824.58			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$4,756.51			
	420 - WATER			420.11000 (Cash)		\$3,327.09			
151174	11/06/2025	Open			Accounts Payable	PROVOST & PRITCHARD ENGINEERING GROUP INC	\$53,184.50		
	Invoice		Date	Description		Amount			
	123673		08/31/2025	25-025 Design Task Order 4 Roads CIP-August 2025		\$33,482.24			
	124633		09/30/2025	25-025 Design Task Order 4 Roads CIP-September 2025		\$19,702.26			
	Paying Fund			Cash Account		Amount			
	115 - Measure A - Roads			115.11000 (Cash)		\$53,184.50			
151175	11/06/2025	Open			Accounts Payable	REED INC, GEORGE	\$418.63		
	Invoice		Date	Description		Amount			
	100381773		10/23/2025	ASPHALT		\$101.45			
	100381392		10/21/2025	ASPHALT		\$106.95			
	100381954		10/24/2025	ASPHALT		\$110.61			
	100382124		10/27/2025	ASPHALT		\$99.62			
	Paying Fund			Cash Account		Amount			
	219 - SB1 Road Maint & Rehab Account			219.11000 (Cash)		\$418.63			
151176	11/06/2025	Open			Accounts Payable	RUSH TRUCK CENTERS OF CALIFORNIA, INC.	\$45.73		
	Invoice		Date	Description		Amount			
	3043696188		10/22/2025	L1MZ7A010A:FRD PLUG		\$45.73			
	Paying Fund			Cash Account		Amount			
	505 - Fleet			505.11000 (Cash)		\$45.73			
151177	11/06/2025	Open			Accounts Payable	SEEGERS PRINTING INC	\$86.90		
	Invoice		Date	Description		Amount			
	0146565-IN		09/30/2025	Business Cards - Human Relations Generic		\$86.90			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$86.90			

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151178	11/06/2025	Open			Accounts Payable	SHARPENING SHOP	\$1,133.77		
	Invoice		Date	Description		Amount			
	452419		10/23/2025	PRIMER-BULB; FOAM EARPLUGS (X100)		\$48.07			
	452418		10/23/2025	TIMMER LINE; AIR FILTER (X20); TIMMER BLADE (X12)		\$795.13			
	452697		10/28/2025	EDGER BLADE; MUFFLER COVER; CUSHION, BOLT, CAP CUSHION		\$290.57			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$290.57			
	217 - Streets - Gas Tax			217.11000 (Cash)		\$48.07			
	246 - Landscape Assessment			246.11000 (Cash)		\$795.13			
151179	11/06/2025	Open			Accounts Payable	Sloan Sakai Yeung & Wong LLP	\$14,263.50		
	Invoice		Date	Description		Amount			
	59544		09/30/2025	Sloan Sakai Services September 2025		\$3,646.50			
	59440		08/31/2025	Sloan Sakai Services August 2025		\$10,617.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$14,263.50			
151180	11/06/2025	Open			Accounts Payable	SOUTHERN TIRE MART	\$17,181.99		
	Invoice		Date	Description		Amount			
	7320019894		10/22/2025	BUS TIRES		\$8,003.72			
	7320019990		10/22/2025	315/80R22.5/20 R192E ELCTRIC BUS		\$4,001.86			
	7320020033		10/22/2025	155/80R13 KUMHO SOLUS		\$771.24			
	7320020034		10/22/2025	P265/70R16 DESTINATION AT2 OWL		\$591.88			
	7320020032		10/22/2025	bus tire mount		\$819.54			
	7320020100		10/23/2025	BALANCE -W/EQUAL		\$316.30			
	7320020112		10/24/2025	LT245/75R17/10 TRANSFORCE HT		\$2,201.36			
	7320020113		10/24/2025	225/50R17 AFFINITY AS		\$476.09			
	Paying Fund			Cash Account		Amount			
	426 - Transit			426.11000 (Cash)		\$819.54			
	505 - Fleet			505.11000 (Cash)		\$16,362.45			
151181	11/06/2025	Open			Accounts Payable	ST FRANCIS ELECTRIC, LLC	\$17,765.00		
	Invoice		Date	Description		Amount			
	23044598		10/21/2025	Traffic signal preventative maintenance HAWKEYE & DELS SINGALMOD		\$17,765.00			
	Paying Fund			Cash Account		Amount			
	219 - SB1 Road Maint & Rehab Account			219.11000 (Cash)		\$17,765.00			
151182	11/06/2025	Open			Accounts Payable	STATE WATER RESOURCE CTNL	\$50.00		
	Invoice		Date	Description		Amount			
	RBRASIL GRADE T1		10/31/2025	GRADE T1 EXAM RAQUEL BRASIL		\$50.00			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$50.00			
151183	11/06/2025	Open			Accounts Payable	STOMMEL INC DBA LEHR	\$108.56		
	Invoice		Date	Description		Amount			
	SI124983		10/22/2025	DBM-1100-KL-0304 Havis, Dual Ball Mount w/ 1" Knob-Style Hsng, 1		\$108.56			
	Paying Fund			Cash Account		Amount			
	505 - Fleet			505.11000 (Cash)		\$108.56			

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151184	11/06/2025	Open			Accounts Payable	SUPPORT PAYMENT CLEARING	\$405.35		
	Invoice		Date	Description		Amount			
	102525BECCHETTI		10/31/2025	10252025 PAYROLL WITHHOLDING		\$405.35			
	Paying Fund			Cash Account		Amount			
	104 - Payroll Clearing Fund			104.11000 (Cash)		\$405.35			
151185	11/06/2025	Open			Accounts Payable	T I D	\$50,149.84		
	Invoice		Date	Description		Amount			
	624170 - Oct 25		10/11/2025	ACC#6241700000 - October 2025		\$50,149.84			
	Paying Fund			Cash Account		Amount			
	950 - SRWA - JPA			950.11000 (Cash)		\$50,149.84			
151186	11/06/2025	Open			Accounts Payable	TOWNSEND PUBLIC AFFAIRS INC	\$5,500.00		
	Invoice		Date	Description		Amount			
	24206		10/31/2025	Consulting Services for October 2025		\$5,500.00			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$2,750.00			
	420 - WATER			420.11000 (Cash)		\$2,750.00			
151187	11/06/2025	Open			Accounts Payable	TURF STAR	\$1.38		
	Invoice		Date	Description		Amount			
	INV121187		10/23/2025	1 134-1053: WASHER		\$0.69			
	INV121392		10/24/2025	134-1053: WASHER		\$0.69			
	Paying Fund			Cash Account		Amount			
	505 - Fleet			505.11000 (Cash)		\$1.38			
151188	11/06/2025	Open			Accounts Payable	TURLOCK JOURNAL	\$1,160.00		
	Invoice		Date	Description		Amount			
	404234		09/30/2025	Emergency Services Dispatcher Trainee Ad 9/8/25-9/8/25		\$250.00			
	404313		09/30/2025	Emergency Services Dispatcher Trainee Ad 9/13/25-9/27/25		\$330.00			
	404314		09/30/2025	Principal Planner Ad 9/13/25-9/27/25		\$330.00			
	404235		09/30/2025	Principal Planner Ad 9/10/25-9/10/2025		\$250.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$1,160.00			
151189	11/06/2025	Open			Accounts Payable	TURLOCK SMOG LLC	\$84.00		
	Invoice		Date	Description		Amount			
	#13070		10/23/2025	UT06-6013 smog		\$28.00			
	#13080		10/24/2025	PF08-4335 smog		\$28.00			
	#13083		10/24/2025	POL16-1309 smog		\$28.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$56.00			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$28.00			
151190	11/06/2025	Open			Accounts Payable	TYLER TECHNOLOGIES INC.	\$2,441.87		
	Invoice		Date	Description		Amount			
	045-536998		10/28/2025	PCI SERVICE FEE PER DEVICE 11/1/25-01/31/26		\$135.00			
	045-536999a		10/01/2025	Source Code Escrow - 10/10/25 - 10/9/26		\$2,306.87			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$1,890.48			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		\$275.69			

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151191	420 - WATER			420.11000 (Cash)			\$275.70		
	11/06/2025	Open			Accounts Payable	UNITED PAVEMENT MAINTENANCE, INC.	\$494,564.18		
	Invoice		Date	Description		Amount			
	PP4/CP 23-067BP2		09/30/2025	23-067 Construction Task 3 BP2 Roads CIP- September 2025		\$494,564.18			
151192	Paying Fund			Cash Account			Amount		
	218 - Measure L			218.11000 (Cash)			\$494,564.18		
	11/06/2025	Open			Accounts Payable	UNITED RENTAL INC	\$2,010.10		
	Invoice		Date	Description		Amount			
151193	252080925-003		10/15/2025	Equipment rental for Municipal Services Department		\$71.61			
	253772568-001		10/15/2025	SWEEPER RIDE ON WINDROW 3 WHEEL		\$1,938.49			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			\$2,010.10		
151194	11/06/2025	Open			Accounts Payable	UNITED SITE SERVICES OF CALIFORNIA, INC.	\$141.68		
	Invoice		Date	Description		Amount			
	114-14148296		10/29/2025	PEDRETTI PORTABLE RESTROOMS; 10/28 - 11/24/2025		\$141.68			
	Paying Fund			Cash Account		Amount			
151195	205 - Sports Facilities			205.11000 (Cash)			\$141.68		
	11/06/2025	Open			Accounts Payable	UNIVAR SOLUTIONS USA, LLC dba UNIVAR SOLUTIONS USA	\$82,876.89		
	Invoice		Date	Description		Amount			
	53409691		10/19/2025	SRWA Supply & Del. Of Calcium Thio, 10.19.25		\$4,398.79			
	53433241		10/27/2025	SRWA Supply & Del. Of Sodium Hydroxide 10.27.25		\$5,471.40			
	53403987		10/16/2025	FULKERTH TANK		\$893.44			
	53403682		10/16/2025	WELL 31		\$536.06			
	53403986		10/16/2025	D ST TANK		\$893.44			
	53403989		10/16/2025	WELL 33		\$625.41			
	53403992		10/16/2025	CORP YARD		\$1,235.61			
	53403990		10/16/2025	WELL 32		\$482.46			
	53403988		10/16/2025	WELL 37		\$714.75			
	53403991		10/16/2025	WELL 27		\$464.59			
	53407217		10/16/2025	WELL 22		\$189.41			
	53407219		10/15/2025	WELL 30		\$357.38			
	53407221		10/15/2025	WELL 40		\$214.43			
	53436791		10/28/2025	SODIUM HYPOCHLORITE		\$16,116.31			
	53385286		10/07/2025	SODIUM HYPOCHLORITE		\$16,118.81			
	53429528		10/24/2025	SODIUM HYPOCHLORITE		\$16,472.97			
	53418994		10/21/2025	SODIUM HYPOCHLORITE		\$17,691.63			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			\$66,399.72		
	420 - WATER			420.11000 (Cash)			\$6,606.98		
	450 - SRWA - Operations			450.11000 (Cash)			\$9,870.19		
151195	11/06/2025	Open			Accounts Payable	UTILITY TELECOMP GROUP LLC	\$1,229.01		
	Invoice		Date	Description		Amount			
	0128444251101		11/01/2025	Acct #128444 - Public Safety internet service		\$917.48			

City of Turlock
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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
	0131803251101		11/01/2025	Acct #131803 - Transit Center telephone			\$311.53		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			\$917.48		
	426 - Transit			426.11000 (Cash)			\$311.53		
151196	11/06/2025	Open			Accounts Payable	VIRTUAL PROJECT MANAGER LLC	\$1,250.00		
	Invoice		Date	Description			Amount		
	12-4701		10/01/2025	Project Management Software Tool for Capital Projects-Oct 2025			\$1,250.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			\$1,250.00		
151197	11/06/2025	Open			Accounts Payable	WALKER ASSOC INC, LARRY	\$10,020.75		
	Invoice		Date	Description			Amount		
	00339.15-2		09/16/2025	NPDES Permit Compliance Services through 08/31/2025			\$5,116.75		
	00339.15-3		10/15/2025	NPDES Permit Compliance Services through 09/30/2025			\$4,904.00		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			\$7,911.00		
	420 - WATER			420.11000 (Cash)			\$2,109.75		
151198	11/06/2025	Open			Accounts Payable	Water Management Laboratories Inc	\$1,600.00		
	Invoice		Date	Description			Amount		
	232712		10/15/2025	SRWA - Algae Water Ana;usos			\$1,600.00		
	Paying Fund			Cash Account			Amount		
	950 - SRWA - JPA			950.11000 (Cash)			\$1,600.00		
151199	11/06/2025	Open			Accounts Payable	WEST YOST & ASSOCIATES INC.	\$25,916.75		
	Invoice		Date	Description			Amount		
	2064685		10/03/2025	SRWA - Program Mgmt Services for 2025-26 September 2025			\$25,916.75		
	Paying Fund			Cash Account			Amount		
	950 - SRWA - JPA			950.11000 (Cash)			\$25,916.75		
151200	11/06/2025	Open			Accounts Payable	WGR SOUTHWEST, INC	\$4,750.00		
	Invoice		Date	Description			Amount		
	32629		10/22/2025	2024-2025 Annual Report			\$4,750.00		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			\$4,750.00		
151201	11/06/2025	Open			Accounts Payable	WINTON-IRELAND STROM AND GREEN INSURANCE	\$10,827.00		
	Invoice		Date	Description			Amount		
	1218910		10/02/2025	Workers Compensation - 2024 WC Final Audit			\$10,827.00		
	Paying Fund			Cash Account			Amount		
	510 - Workers Compensation Ins			510.11000 (Cash)			\$10,827.00		
151202	11/06/2025	Open			Accounts Payable	WMB ARCHITECTS INC	\$5,874.00		
	Invoice		Date	Description			Amount		
	26526		09/20/2025	SR01, 24-010 Fire Station 31 SCBA Compressor Room-9/20/25			\$2,206.00		
	26574		10/20/2025	SR01, 24-010 Fire Station 31 SCBA Compressor Room-10/20/25			\$3,668.00		
	Paying Fund			Cash Account			Amount		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
151203	240 - Small Equipment Replacement			240.11000 (Cash)			\$5,874.00		
	11/06/2025	Open			Accounts Payable	BUENROSTRO, IGNACIO & MARTHA	\$4,950.00		
	Invoice		Date	Description		Amount			
	EP 25-165E		11/02/2025	EP 25-165E REFUND IMPROVEMENT SECURITY		\$4,950.00			
151204	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$4,950.00			
	11/06/2025	Open			Accounts Payable	Hedden, Jason	\$887.57		
	Invoice		Date	Description		Amount			
	TR5210 Per Diem		10/14/2025	AFPI Mayors Council Travel Reimbursement		\$887.57			
				10.14.2025					
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$887.57			

Type Check Totals:

AP - Accounts Payable Totals

84 Transactions

\$1,791,718.97

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	84	\$1,791,718.97	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	84	\$1,791,718.97	\$0.00
All	Status	Count	Transaction Amount	Reconciled Amount
	Open	84	\$1,791,718.97	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	84	\$1,791,718.97	\$0.00

Grand Totals:

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	84	\$1,791,718.97	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	84	\$1,791,718.97	\$0.00
All	Status	Count	Transaction Amount	Reconciled Amount
	Open	84	\$1,791,718.97	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	84	\$1,791,718.97	\$0.00

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
PR - Payroll Account									
<u>EFT</u>									
161842	07/01/2025	Open			Accounts Payable	CalPERS	\$351,606.10		
	Invoice		Date	Description			Amount		
	6/27/25PR		07/01/2025	6/27/25PR-CALPERS			\$351,606.10		
	Paying Fund			Cash Account			Amount		
	104 - Payroll Clearing Fund			104.11000 (Cash)			\$351,606.10		
161843	07/15/2025	Open			Accounts Payable	CalPERS	\$362,211.27		
	Invoice		Date	Description			Amount		
	7/5/25PR		07/15/2025	7/5/25PR-CALPERS			\$362,211.27		
	Paying Fund			Cash Account			Amount		
	104 - Payroll Clearing Fund			104.11000 (Cash)			\$362,214.38		
	110 - General Fund			110.11000 (Cash)			(\$3.11)		
161844	07/28/2025	Open			Accounts Payable	CalPERS	\$363,568.50		
	Invoice		Date	Description			Amount		
	7/19/25PR		07/28/2025	7/19/25PR-CALPERS			\$363,568.50		
	Paying Fund			Cash Account			Amount		
	104 - Payroll Clearing Fund			104.11000 (Cash)			\$363,580.72		
	110 - General Fund			110.11000 (Cash)			(\$12.22)		
161845	07/01/2025	Open			Accounts Payable	T A P O	\$17,293.43		
	Invoice		Date	Description			Amount		
	6/7/25PR-RHS		07/01/2025	6/7/25PR-TAPO RHS DUES			\$17,293.43		
	Paying Fund			Cash Account			Amount		
	104 - Payroll Clearing Fund			104.11000 (Cash)			\$17,293.43		
161846	07/01/2025	Open			Accounts Payable	TFRA	\$9,992.35		
	Invoice		Date	Description			Amount		
	6/7/25PR-RHS		07/01/2025	6/7/25PR-TFRA RHS DUES			\$9,992.35		
	Paying Fund			Cash Account			Amount		
	104 - Payroll Clearing Fund			104.11000 (Cash)			\$9,992.35		
161847	07/01/2025	Open			Accounts Payable	T A P O	\$17,121.29		
	Invoice		Date	Description			Amount		
	6/21/25PR-RHS		07/01/2025	6/21/25PR-TAPO RHS DUES			\$17,121.29		
	Paying Fund			Cash Account			Amount		
	104 - Payroll Clearing Fund			104.11000 (Cash)			\$17,121.29		
161848	07/01/2025	Open			Accounts Payable	TFRA	\$10,033.30		
	Invoice		Date	Description			Amount		
	6/21/25PR-RHS		07/01/2025	6/21/25PR-TFRA RHS DUES			\$10,033.30		
	Paying Fund			Cash Account			Amount		
	104 - Payroll Clearing Fund			104.11000 (Cash)			\$10,033.30		
161849	07/02/2025	Open			Accounts Payable	DELTA DENTAL OF CALIFORNIA	\$1,706.06		
	Invoice		Date	Description			Amount		
	BE006635310A		07/02/2025	DELTA DENTAL CLAIMS FOR 6/20/25-6/26/25			\$1,706.06		
	Paying Fund			Cash Account			Amount		
	511 - Health Care			511.11000 (Cash)			\$1,706.06		
161850	07/02/2025	Open			Accounts Payable	DELTA DENTAL OF CALIFORNIA	\$8,974.60		
	Invoice		Date	Description			Amount		
	BE006635310C		07/02/2025	DELTA DENTAL CLAIMS FOR 6/20/25-6/26/25			\$8,974.60		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
161851	Paying Fund				Cash Account		Amount		
	511 - Health Care				511.11000 (Cash)		\$8,974.60		
	07/02/2025	Open			Accounts Payable	UMR		\$142,363.58	
	Invoice		Date	Description			Amount		
161852	6/24/25-6/30/25		07/02/2025	UMR CLAIMS FOR 6/24/25-6/30/25			\$142,363.58		
	Paying Fund				Cash Account		Amount		
	511 - Health Care				511.11000 (Cash)		\$142,363.58		
	07/03/2025	Open			Accounts Payable	CalPERS		\$9,980,548.00	
161853	Invoice		Date	Description			Amount		
	FY25/26-ACCR LIA		07/03/2025	FY 25/26 UNFUNDED ACCRUED LIABILITY			\$9,980,548.00		
	Paying Fund				Cash Account		Amount		
	110 - General Fund				110.11000 (Cash)		\$9,980,548.00		
161854	07/09/2025	Open			Accounts Payable	DELTA DENTAL OF CALIFORNIA		\$3,843.20	
	Invoice		Date	Description			Amount		
	BE006645329C		07/09/2025	DELTA DENTAL CLAIMS FOR 6/27/25-7/3/25			\$3,843.20		
	Paying Fund				Cash Account		Amount		
161855	511 - Health Care				511.11000 (Cash)		\$3,843.20		
	07/09/2025	Open			Accounts Payable	UMR		\$42,466.98	
	Invoice		Date	Description			Amount		
	7/1-7/7/25-24/25		07/09/2025	UMR CLAIMS FOR 7/1/25-7/7/25-FY 24/25			\$42,466.98		
161856	Paying Fund				Cash Account		Amount		
	511 - Health Care				511.11000 (Cash)		\$42,466.98		
	07/09/2025	Open			Accounts Payable	UMR		\$4,569.79	
	Invoice		Date	Description			Amount		
161857	7/1-7/7/25-25/26		07/09/2025	UMR CLAIMS FOR 7/1/25-7/7/25-FY 25/26			\$4,569.79		
	Paying Fund				Cash Account		Amount		
	511 - Health Care				511.11000 (Cash)		\$4,569.79		
	07/11/2025	Open			Accounts Payable	CA SDU		\$1,704.91	
161858	Invoice		Date	Description			Amount		
	7/5/25PR		07/11/2025	7/5/25PR-CHILD SUPPORT PAYMENT			\$1,704.91		
	Paying Fund				Cash Account		Amount		
	104 - Payroll Clearing Fund				104.11000 (Cash)		\$1,704.91		
161859	07/11/2025	Open			Accounts Payable	GOLDEN ONE CREDIT UNION		\$2,897.00	
	Invoice		Date	Description			Amount		
	7/5/25PR		07/11/2025	7/5/25PR-GOLDEN 1 CU			\$2,897.00		
	Paying Fund				Cash Account		Amount		
161859	104 - Payroll Clearing Fund				104.11000 (Cash)		\$2,897.00		
	07/16/2025	Open			Accounts Payable	ICMA-RC		\$117,168.66	
	Invoice		Date	Description			Amount		
	7/5/25PR		07/16/2025	7/5/25PR-ICMA			\$117,168.66		
161859	Paying Fund				Cash Account		Amount		
	104 - Payroll Clearing Fund				104.11000 (Cash)		\$117,168.66		
	07/11/2025	Open			Accounts Payable	INTERNAL REVENUE SERVICE		\$251,539.75	
	Invoice		Date	Description			Amount		
161859	7/5/25PR		07/11/2025	7/5/25PR-FEDERAL TAXES			\$251,539.75		
	Paying Fund				Cash Account		Amount		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
161860	104 - Payroll Clearing Fund			104.11000 (Cash)			\$251,539.75		
	07/11/2025	Open			Accounts Payable	STATE OF CALIFORNIA - PR TAXES	\$79,075.76		
	Invoice		Date	Description		Amount			
	7/5/25PR		07/11/2025	7/5/25PR-STATE TAXES		\$79,075.76			
161861	104 - Payroll Clearing Fund			104.11000 (Cash)			\$79,075.76		
	07/11/2025	Open			Accounts Payable	T A P O	\$6,705.12		
	Invoice		Date	Description		Amount			
	7/5/25PR		07/11/2025	7/5/25PR-TAPO DUES		\$6,705.12			
161862	104 - Payroll Clearing Fund			104.11000 (Cash)			\$6,705.12		
	07/11/2025	Open			Accounts Payable	T C E A	\$3,057.75		
	Invoice		Date	Description		Amount			
	7/5/25PR		07/11/2025	7/5/25PR-TCEA DUES		\$3,057.75			
161863	104 - Payroll Clearing Fund			104.11000 (Cash)			\$3,057.75		
	07/15/2025	Open			Accounts Payable	TFRA	\$10,270.84		
	Invoice		Date	Description		Amount			
	7/5/25PR-RHS		07/15/2025	7/5/25PR-TFRA RHS DUES		\$10,270.84			
161864	104 - Payroll Clearing Fund			104.11000 (Cash)			\$10,270.84		
	07/11/2025	Open			Accounts Payable	TMAPS	\$200.00		
	Invoice		Date	Description		Amount			
	7/5/25PR		07/11/2025	7/5/25PR-TMAPS DUES		\$200.00			
161865	104 - Payroll Clearing Fund			104.11000 (Cash)			\$200.00		
	07/15/2025	Open			Accounts Payable	T A P O	\$17,997.92		
	Invoice		Date	Description		Amount			
	7/5/25PR-RHS		07/15/2025	7/5/25PR-TAPO RHS DUES		\$17,997.92			
161866	104 - Payroll Clearing Fund			104.11000 (Cash)			\$17,997.92		
	07/11/2025	Open			Accounts Payable	T C E A	\$75.50		
	Invoice		Date	Description		Amount			
	7/5/25PR-BENEVOL		07/11/2025	7/5/25PR-TCEA BENEVOLENCE DUES		\$75.50			
161867	104 - Payroll Clearing Fund			104.11000 (Cash)			\$75.50		
	07/16/2025	Open			Accounts Payable	DELTA DENTAL OF CALIFORNIA	\$7,966.00		
	Invoice		Date	Description		Amount			
	BE006648432C		07/16/2025	DELTA DENTAL CLAIMS FOR 7/4/25-7/10/25		\$7,966.00			
161868	511 - Health Care			511.11000 (Cash)			\$7,966.00		
	07/16/2025	Open			Accounts Payable	UMR	\$75,776.18		
	Invoice		Date	Description		Amount			
	7/8-7/14-24/25		07/16/2025	UMR CLAIMS FOR 7/8/25-7/14/25-FY 24/25		\$75,776.18			
511 - Health Care						Amount			
						\$75,776.18			

Payment Register

From Payment Date: 7/1/2025 - To Payment Date: 7/31/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
161869	07/16/2025	Open			Accounts Payable	UMR	\$99,763.08		
	Invoice		Date	Description		Amount			
	7/8-7/14-25/26		07/16/2025	UMR CLAIMS FOR 7/8/25-7/14/25-FY 25/26		\$99,763.08			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$99,763.08			
161870	07/25/2025	Open			Accounts Payable	INTERNAL REVENUE SERVICE	\$271,390.24		
	Invoice		Date	Description		Amount			
	7/19/25PR		07/25/2025	7/19/25PR-FEDERAL TAXES		\$271,390.24			
	Paying Fund			Cash Account		Amount			
	104 - Payroll Clearing Fund			104.11000 (Cash)		\$271,390.24			
161871	07/18/2025	Open			Accounts Payable	EMPLOYMENT DEVELOP DEPT	\$2,561.00		
	Invoice		Date	Description		Amount			
	L1810603472		07/18/2025	UNEMPLOYMENT CHARGES FOR 4/1/25-6/30/25		\$2,561.00			
	Paying Fund			Cash Account		Amount			
	512 - Casualty Insurance			512.11000 (Cash)		\$2,561.00			
161872	07/18/2025	Open			Accounts Payable	UMR	(\$2,040.38)		
	Invoice		Date	Description		Amount			
	JUN25 COBRA REF		07/18/2025	UMR JUNE COBRA REFUND		(\$2,040.38)			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		(\$2,040.38)			
161873	07/18/2025	Open			Accounts Payable	UMR	(\$12,009.98)		
	Invoice		Date	Description		Amount			
	JUN25 RET REF		07/18/2025	UMR JUNE 2025 RETIREE REFUND		(\$12,009.98)			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		(\$12,009.98)			
161874	07/23/2025	Open			Accounts Payable	DELTA DENTAL OF CALIFORNIA	\$5,140.20		
	Invoice		Date	Description		Amount			
	BE006653481C		07/23/2025	DELTA DENTAL CLAIMS FOR 7/11/25-7/17/25		\$5,140.20			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$5,140.20			
161875	07/23/2025	Open			Accounts Payable	UMR	\$33,791.44		
	Invoice		Date	Description		Amount			
	7/15-7/21-24/25		07/23/2025	UMR CLAIMS FOR 7/15/25-7/21/25-FY 24/25		\$33,791.44			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$33,791.44			
161876	07/23/2025	Open			Accounts Payable	UMR	\$46,500.18		
	Invoice		Date	Description		Amount			
	7/15-7/21-25/26		07/23/2025	UMR CLAIMS FOR 7/15/25-7/21/25-FY 25/26		\$46,500.18			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$46,500.18			
161877	07/25/2025	Open			Accounts Payable	CA SDU	\$1,704.91		
	Invoice		Date	Description		Amount			
	7/19/25PR		07/25/2025	7/19/25PR-CHILD SUPPORT PAYMENT		\$1,704.91			
	Paying Fund			Cash Account		Amount			
	104 - Payroll Clearing Fund			104.11000 (Cash)		\$1,704.91			

Payment Register

From Payment Date: 7/1/2025 - To Payment Date: 7/31/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
161878	07/25/2025	Open			Accounts Payable	GOLDEN ONE CREDIT UNION	\$2,897.00		
	Invoice		Date	Description		Amount			
	7/19/25PR		07/25/2025	7/19/25PR-GOLDEN 1 CU		\$2,897.00			
	Paying Fund			Cash Account		Amount			
161879	07/28/2025	Open			Accounts Payable	ICMA-RC	\$108,662.48		
	Invoice		Date	Description		Amount			
	7/19/25PR		07/28/2025	7/19/25PR-ICMA		\$108,662.48			
	Paying Fund			Cash Account		Amount			
161880	07/25/2025	Open			Accounts Payable	STATE OF CALIFORNIA - PR TAXES	\$87,111.96		
	Invoice		Date	Description		Amount			
	7/19/25PR		07/25/2025	7/19/25PR-STATE TAXES		\$87,111.96			
	Paying Fund			Cash Account		Amount			
161881	07/25/2025	Open			Accounts Payable	T A P O	\$6,714.34		
	Invoice		Date	Description		Amount			
	7/19/25PR		07/25/2025	7/19/25PR-TAPO DUES		\$6,714.34			
	Paying Fund			Cash Account		Amount			
161882	07/25/2025	Open			Accounts Payable	T C E A	\$3,037.50		
	Invoice		Date	Description		Amount			
	7/19/25PR		07/25/2025	7/19/25PR-TCEA DUES		\$3,037.50			
	Paying Fund			Cash Account		Amount			
161883	07/25/2025	Open			Accounts Payable	TFRA	\$6,663.36		
	Invoice		Date	Description		Amount			
	7/19/25PR		07/25/2025	7/19/25PR-TFRA DUES		\$6,663.36			
	Paying Fund			Cash Account		Amount			
161884	07/25/2025	Open			Accounts Payable	TURLOCK CITY FIRE INC	\$360.00		
	Invoice		Date	Description		Amount			
	7/19/25PR		07/25/2025	7/19/25PR-FIRE INC DUES		\$360.00			
	Paying Fund			Cash Account		Amount			
161885	07/25/2025	Open			Accounts Payable	TURLOCK HEALTH & FITNESS CENTER, INC, DBA BRENDA ATHLETIC	\$110.00		
	Invoice		Date	Description		Amount			
	7/19/25PR		07/25/2025	7/19/25PR-TURLOCK HEALTH CLUB		\$110.00			
	Paying Fund			Cash Account		Amount			
161886	07/28/2025	Open			Accounts Payable	T A P O	\$18,044.20		
	Invoice		Date	Description		Amount			
	7/19/25PR-RHS		07/28/2025	7/19/25PR-TAPO RHS DUES		\$18,044.20			
	Paying Fund			Cash Account		Amount			
	104 - Payroll Clearing Fund			104.11000 (Cash)		\$18,044.20			

Payment Register

From Payment Date: 7/1/2025 - To Payment Date: 7/31/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
161887	07/25/2025	Open			Accounts Payable	T C E A	\$75.00		
	Invoice		Date	Description		Amount			
	7/19/25PR-BENEVO		07/25/2025	7/19/25PR-TCEA BENEVOLENCE DUES		\$75.00			
	Paying Fund			Cash Account		Amount			
	104 - Payroll Clearing Fund			104.11000 (Cash)		\$75.00			
161888	07/28/2025	Open			Accounts Payable	TFRA	\$10,268.50		
	Invoice		Date	Description		Amount			
	7/19/25PR-RHS		07/28/2025	7/19/25PR-TFRA RHS DUES		\$10,268.50			
	Paying Fund			Cash Account		Amount			
	104 - Payroll Clearing Fund			104.11000 (Cash)		\$10,268.50			
161889	07/28/2025	Open			Accounts Payable	UMR	\$418.15		
	Invoice		Date	Description		Amount			
	AUG 25 CUSTODIAL		07/28/2025	UMR AUGUST 2025 CUSTODIAL AND BANKING FEE		\$418.15			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$418.15			
161890	07/28/2025	Open			Accounts Payable	UMR	\$159,603.29		
	Invoice		Date	Description		Amount			
	AUG 25 PREM		07/28/2025	UMR AUGUST 2025 HEALTH PREMIUMS		\$159,603.29			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$159,603.29			
161891	07/28/2025	Open			Accounts Payable	UMR	(\$1,300.00)		
	Invoice		Date	Description		Amount			
	JUN25 OSR REFUND		07/28/2025	JUNE 2025 OSR REFUND		(\$1,300.00)			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		(\$1,300.00)			
161892	07/29/2025	Open			Accounts Payable	SUN LIFE ASSURANCE COMPANY OF CANADA	\$18,669.87		
	Invoice		Date	Description		Amount			
	AUG 2025		07/29/2025	LTD AND LIFE INSURANCE - AUGUST 2025		\$18,669.87			
	Paying Fund			Cash Account		Amount			
	104 - Payroll Clearing Fund			104.11000 (Cash)		\$18,669.87			
161893	07/30/2025	Open			Accounts Payable	DELTA DENTAL OF CALIFORNIA	\$5,829.30		
	Invoice		Date	Description		Amount			
	BE006675247C		07/30/2025	DELTA DENTAL CLAIMS FOR 7/18/25-7/24/25		\$5,829.30			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$5,829.30			
161894	07/30/2025	Open			Accounts Payable	DELTA DENTAL OF CALIFORNIA	\$3,924.07		
	Invoice		Date	Description		Amount			
	BE006675247A		07/30/2025	DENTAL PREMIUMS FOR 7/1/25-7/31/25		\$3,924.07			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$3,924.07			
161895	07/30/2025	Open			Accounts Payable	UMR	\$11,088.78		
	Invoice		Date	Description		Amount			
	7/22-7/28-FY2025		07/30/2025	UMR CLAIMS FOR 7/22/25-7/28/25-FY 24/25		\$11,088.78			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$11,088.78			

Payment Register

From Payment Date: 7/1/2025 - To Payment Date: 7/31/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
161896	07/30/2025	Open			Accounts Payable	UMR	\$106,259.11		
	Invoice		Date	Description		Amount			
	7/22-7/28-FY2026		07/30/2025	UMR CLAIMS FOR 7/22/25-7/28/25-FY 25/26		\$106,259.11			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$106,259.11			
161897	07/17/2025	Open			Accounts Payable	INTERNAL REVENUE SERVICE	\$36.42		
	Invoice		Date	Description		Amount			
	4/26/25PR-BEJAR		07/17/2025	4/26/25PR-MEDICARE/SS-I BEJARANO		\$36.42			
	Paying Fund			Cash Account		Amount			
	104 - Payroll Clearing Fund			104.11000 (Cash)		\$36.42			
161898	07/31/2025	Open			Accounts Payable	Optum Bank, Inc.	\$23,087.91		
	Invoice		Date	Description		Amount			
	7/5/25PR		07/11/2025	7/5/25PR-HSA EE & ER		\$11,622.08			
	7/19/25PR		07/25/2025	7/19/25PR-HSA EE & ER		\$11,465.83			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$23,087.91			

Type EFT Totals:

57 Transactions

\$12,909,095.77

PR - Payroll Account Totals

EFTs	Status	Count	Transaction Amount	Reconciled Amount
	Open	57	\$12,909,095.77	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Total	57	\$12,909,095.77	\$0.00

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	57	\$12,909,095.77	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	57	\$12,909,095.77	\$0.00

Grand Totals:

EFTs	Status	Count	Transaction Amount	Reconciled Amount
	Open	57	\$12,909,095.77	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Total	57	\$12,909,095.77	\$0.00
All	Status	Count	Transaction Amount	Reconciled Amount
	Open	57	\$12,909,095.77	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	57	\$12,909,095.77	\$0.00

Payment Register

From Payment Date: 9/1/2025 - To Payment Date: 9/30/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
AP - Accounts Payable									
<u>EFT</u>									
6013	09/22/2025	Open			Accounts Payable	VISION SERVICE PLAN CA	\$724.88		
	Invoice		Date	Description		Amount			
	823496628		09/18/2025	CLAIMS AUGUST 2025 - E-TEAM		\$724.88			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$724.88			
6014	09/22/2025	Open			Accounts Payable	VISION SERVICE PLAN CA	\$578.89		
	Invoice		Date	Description		Amount			
	823496626		09/18/2025	CLAIMS AUGUST 2025 - MANAGEMENT		\$578.89			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$578.89			
6015	09/22/2025	Open			Accounts Payable	VISION SERVICE PLAN CA	\$123.50		
	Invoice		Date	Description		Amount			
	823496631		09/18/2025	CLAIMS AUGUST 2025 - COBRA		\$123.50			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$123.50			
6016	09/22/2025	Open			Accounts Payable	VISION SERVICE PLAN CA	\$182.14		
	Invoice		Date	Description		Amount			
	823496639		09/18/2025	CLAIMS AUGUST 2025 - CONFIDENTIAL		\$182.14			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$182.14			
6017	09/22/2025	Open			Accounts Payable	VISION SERVICE PLAN CA	\$621.74		
	Invoice		Date	Description		Amount			
	823496643		09/18/2025	CLAIMS AUGUST 2025 - FIRE		\$621.74			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$621.74			
6018	09/22/2025	Open			Accounts Payable	VISION SERVICE PLAN CA	\$1,487.08		
	Invoice		Date	Description		Amount			
	823496648		09/18/2025	CLAIMS AUGUST 2025 - TAPO		\$1,487.08			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$1,487.08			
6019	09/22/2025	Open			Accounts Payable	VISION SERVICE PLAN CA	\$295.84		
	Invoice		Date	Description		Amount			
	823496655		09/18/2025	CLAIMS AUGUST 2025 - TMAPS		\$295.84			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$295.84			
6020	09/22/2025	Open			Accounts Payable	VISION SERVICE PLAN CA	\$312.63		
	Invoice		Date	Description		Amount			
	823496660		09/18/2025	CLAIMS AUGUST 2025 - RETIREES		\$312.63			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$312.63			
6021	09/22/2025	Open			Accounts Payable	VISION SERVICE PLAN CA	\$2,905.25		
	Invoice		Date	Description		Amount			
	823496636		09/18/2025	CLAIMS AUGUST 2025 -TCEA		\$2,905.25			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$2,905.25			

Payment Register

From Payment Date: 9/1/2025 - To Payment Date: 9/30/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
6022	09/22/2025	Open			Accounts Payable	VISION SERVICE PLAN CA	\$20.44		
	Invoice		Date	Description		Amount			
	823481435		09/22/2025	PREMIUMS SEPTEMBER 2025 - CITY OF TURLOCK		\$20.44			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$20.44			
6023	09/22/2025	Open			Accounts Payable	VISION SERVICE PLAN CA	\$909.58		
	Invoice		Date	Description		Amount			
	823491100		09/22/2025	PREMIUMS SEPTEMBER 2025 - TCEA		\$909.58			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$909.58			
6024	09/22/2025	Open			Accounts Payable	VISION SERVICE PLAN CA	\$76.65		
	Invoice		Date	Description		Amount			
	823491101		09/22/2025	PREMIUMS SEPTEMBER 2025 - CONFIDENTIAL		\$76.65			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$76.65			
6025	09/22/2025	Open			Accounts Payable	VISION SERVICE PLAN CA	\$219.73		
	Invoice		Date	Description		Amount			
	823491102		09/22/2025	PREMIUMS SEPTEMBER 2025 - FIRE		\$219.73			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$219.73			
6026	09/22/2025	Open			Accounts Payable	VISION SERVICE PLAN CA	\$424.13		
	Invoice		Date	Description		Amount			
	823491103		09/22/2025	PREMIUMS SEPTEMBER 2025 - TAPO		\$424.13			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$424.13			
6027	09/22/2025	Open			Accounts Payable	VISION SERVICE PLAN CA	\$25.55		
	Invoice		Date	Description		Amount			
	823491104		09/22/2025	PREMIUMS SEPTEMBER 2025 - E-TEAM		\$25.55			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$25.55			
6028	09/22/2025	Open			Accounts Payable	VISION SERVICE PLAN CA	\$97.09		
	Invoice		Date	Description		Amount			
	823491105		09/22/2025	PREMIUMS SEPTEMBER 2025 - MANAGEMENT		\$97.09			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$97.09			
6029	09/22/2025	Open			Accounts Payable	VISION SERVICE PLAN CA	\$30.66		
	Invoice		Date	Description		Amount			
	823491106		09/22/2025	PREMIUMS SEPTEMBER 2025 - TMAPS		\$30.66			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$30.66			
6030	09/22/2025	Open			Accounts Payable	VISION SERVICE PLAN CA	\$81.76		
	Invoice		Date	Description		Amount			
	823491107		09/22/2025	PREMIUMS SEPTEMBER 2025 - RETIREES		\$81.76			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$81.76			

Payment Register

From Payment Date: 9/1/2025 - To Payment Date: 9/30/2025

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
6031	09/22/2025	Open			Accounts Payable	VISION SERVICE PLAN CA	\$10.22		
	Invoice		Date	Description		Amount			
	823491108		09/22/2025	PREMIUMS SEPTEMBER 2025 - COBRA		\$10.22			
	Paying Fund			Cash Account		Amount			
	511 - Health Care			511.11000 (Cash)		\$10.22			
6033	09/24/2025	Open			Accounts Payable	US BANK-VISA	\$136,452.45		
	Invoice		Date	Description		Amount			
	9/22/2025X9452		09/24/2025	Procurement Card Charges - 9/22/25 Statement		\$136,452.45			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		\$136,452.45			

Type EFT Totals:

20 Transactions

\$145,580.21

AP - Accounts Payable Totals

EFTs	Status	Count	Transaction Amount	Reconciled Amount
	Open	20	\$145,580.21	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Total	20	\$145,580.21	\$0.00

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	20	\$145,580.21	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	20	\$145,580.21	\$0.00

Grand Totals:

EFTs	Status	Count	Transaction Amount	Reconciled Amount
	Open	20	\$145,580.21	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Total	20	\$145,580.21	\$0.00

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	20	\$145,580.21	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	20	\$145,580.21	\$0.00



INVESTMENT AND CASH REPORT FOR OCTOBER 31, 2025

CURRENT INVESTMENT AND CASH BALANCE

The City's cash and investments as of OCTOBER 31, 2025 totaled the following:

Invested Cash	\$ 303,920,559.32
Demand Deposits	\$ 12,045,616.15
(excludes outstanding items)	
Total Cash and Investments	<u>\$ 315,966,175.47</u>

See the attached *Schedule of Investments* for detail regarding individual investments.

In compliance with the California Government Code, The City of Turlock has adequate resources to meet its expenditure requirements for the next six months.

COMPLIANCE WITH INVESTMENT POLICY

As of OCTOBER 31, 2025, the investment portfolio was in compliance with all elements of the City's Investment Policy.

Prepared by: Jamie Gomes, Accountant III

Jamie Gomes
Signature

11/12/2025
Date Signed

Reviewed and approved as to accuracy by: Michael Abram, City Treasurer

Michael Abram
Signature

11/12/2025
Date Signed

Updated: November 12, 2025

CITY OF TURLOCK

Schedule of Investments - As of October 31, 2025

INVESTMENT DETAIL									
Local Agency Investment Fund (LAIF)	Cost	Par	Coupon Rate	YIELD	Purchase Date	Maturity Date	Market	When Interest Paid	
Total LAIF	\$ 10,150,740.53	10,150,740.53	n/a	4.150%	n/a	n/a	\$ 10,150,740.53	Quarterly	
	10,150,740.53	10,150,740.53					10,150,740.53		
California Asset Management Program (CAMP)	43,255,337.16	43,255,337.16	n/a	4.260%	n/a	n/a	\$ 43,255,337.16	Monthly	
Total CAMP	43,255,337.16	43,255,337.16					43,255,337.16		
DEMAND DEPOSITS:									
West America Bank Daily Receipts (unreconciled)	9,877,008.39	9,877,008.39	n/a	n/a	n/a	n/a	9,877,008.39	monthly	
Petty Cash	7,880.00	7,880.00	n/a	n/a	n/a	n/a	7,880.00	n/a	
Charles Schwab	2,160,727.76	2,160,727.76	n/a	3.788%	n/a	n/a	2,160,727.76	n/a	
Total Demand Deposits	12,045,616.15	12,045,616.15					12,045,616.15		
CERTIFICATES OF DEPOSIT:									
Valley Natl Bk Wayne	245,000.00	245,000.00	n/a	4.600%	4/2/24	4/2/27	248,398.15	Monthly	
Owen County St Bk Spencer Ind	248,000.00	248,000.00	n/a	5.100%	10/31/23	10/29/27	255,407.02	Monthly	
JPMorgan Chase Bank	249,000.00	250,000.00	4.400%	4.488%	3/3/25	1/16/30	250,180.50	Jan & July	
Total Certificates of Deposit	742,000.00	743,000.00					753,985.67		
MONEY MARKET AND MUTUAL FUNDS									
WestAmerica Bank-MM	10,797,604.14	10,797,604.14	n/a	3.880%	10/23/23	open	10,797,604.14	monthly	
	10,797,604.14	10,797,604.14					10,797,604.14		
U.S. TREASURIES:									
US Treasury Note	MATURED	MATURED	4.250%	5.047%	10/3/23	10/15/25	MATURED	Apr & Oct	
US Treasury Note	1,955,000.00	2,000,000.00	0.375%	0.942%	11/10/21	11/30/25	1,994,375.00	May & Nov	
US Treasury Note	2,003,400.00	2,000,000.00	4.875%	4.149%	8/29/25	11/30/25	2,000,703.00	May & Nov	
US Treasury Note	1,898,750.00	2,000,000.00	2.625%	5.086%	10/19/23	12/31/25	1,995,781.20	Jun & Dec	
US Treasury Note	1,999,730.84	2,000,000.00	4.000%	4.024%	8/29/25	2/15/26	2,000,234.20	Feb & Aug	
US Treasury Note	1,977,734.38	2,000,000.00	0.750%	1.010%	11/10/21	3/31/26	1,975,468.60	March & Sept	
US Treasury Note	1,791,406.25	2,000,000.00	0.750%	3.602%	6/16/22	5/31/26	1,965,546.80	May & Nov	
US Treasury Note	978,398.44	1,000,000.00	4.125%	5.001%	10/19/23	6/15/26	3,006,796.80	Jun & Dec	
US Treasury Note	1,997,656.25	2,000,000.00	4.125%	4.176%	2/6/24	6/15/26	981,015.60	Jun & Dec	
US Treasury Note	970,781.25	1,000,000.00	0.875%	1.564%	2/3/22	6/30/26	2,009,609.20	Jan & July	
US Treasury Note	1,982,187.50	2,000,000.00	4.500%	4.843%	10/3/23	7/15/26	1,954,062.40	Jan & July	
US Treasury Note	1,918,750.00	2,000,000.00	0.625%	1.565%	2/3/22	7/31/26	1,962,187.40	March & Sept	
US Treasury Note	1,845,000.00	2,000,000.00	1.625%	3.590%	6/16/22	9/30/26	2,016,250.00	Apr & Oct	
US Treasury Note	2,018,664.38	2,000,000.00	4.625%	4.021%	3/3/25	10/15/26	1,949,296.80	Apr & Oct	
US Treasury Note	1,788,671.88	2,000,000.00	1.125%	4.068%	11/29/22	10/31/26	973,398.40	Jan & July	
US Treasury Note	897,343.75	1,000,000.00	1.500%	4.924%	10/19/23	1/31/27	1,968,203.00	March & Sept	
US Treasury Note	1,858,750.00	2,000,000.00	2.500%	4.717%	10/3/23	3/31/27	1,968,984.20	May & Nov	
US Treasury Note	1,859,687.50	2,000,000.00	2.625%	4.735%	10/3/23	5/31/27	1,988,046.80	Jun & Dec	
US Treasury Note	1,964,375.00	2,000,000.00	3.250%	3.691%	2/3/23	6/30/27	985,273.40	Jan & July	
US Treasury Note	962,187.50	1,000,000.00	2.750%	3.671%	2/3/23	7/31/27	2,090,703.00	Feb & Aug	
US Treasury Bond	2,223,125.00	2,000,000.00	6.375%	3.680%	2/3/23	8/15/27	2,018,828.00	March & Sept	
US Treasury Note	2,004,687.50	2,000,000.00	4.125%	4.062%	7/25/23	9/30/27	2,019,843.60	Apr & Oct	
US Treasury Note	2,005,312.50	2,000,000.00	4.125%	4.055%	7/25/23	10/31/27	997,851.50	Jan & July	
US Treasury Note	954,531.25	1,000,000.00	3.500%	4.672%	10/3/23	1/31/28	2,017,734.20	Feb & Aug	
US Treasury Note	1,947,500.00	2,000,000.00	4.000%	4.665%	10/3/23	2/29/28			

CITY OF TURLOCK

Schedule of Investments - As of October 31, 2025

INVESTMENT DETAIL											
	Cost	Par	Coupon Rate	YIELD	Purchase Date	Maturity Date	Market	When Interest Paid			
US Treasury Note	1,714,062.50	2,000,000.00	1.250%	4.863%	10/19/23	3/31/28	1,892,421.80	March & Sept			
US Treasury Note	1,959,375.00	2,000,000.00	3.500%	4.026%	2/6/24	4/30/28	1,995,390.60	Apr & Oct			
US Treasury Note	1,968,906.25	2,000,000.00	3.625%	4.020%	2/6/24	5/31/28	2,001,328.00	May & Nov			
US Treasury Note	1,704,687.50	2,000,000.00	1.250%	4.860%	10/19/23	5/31/28	1,885,156.20	May & Nov			
US Treasury Note	1,703,437.50	2,000,000.00	1.000%	4.528%	11/13/23	7/31/28	3,730,312.40	Jan & July			
US Treasury Note	1,755,078.13	2,000,000.00	1.000%	4.012%	2/6/24	7/31/28		Jan & July			
US Treasury Note	1,761,250.00	2,000,000.00	1.125%	4.014%	2/6/24	8/31/28	1,868,046.80	Feb & Aug			
US Treasury Note	2,008,125.00	2,000,000.00	4.375%	4.272%	3/28/24	8/31/28	2,040,703.00	Feb & Aug			
US Treasury Note	2,014,375.00	2,000,000.00	4.625%	4.440%	5/28/24	9/30/28	2,056,171.80	March & Sept			
US Treasury Note	2,050,000.00	2,000,000.00	4.875%	4.269%	3/28/24	10/31/28	2,071,250.00	Apr & Oct			
US Treasury Note	1,905,625.00	2,000,000.00	3.125%	4.258%	3/28/24	11/15/28	1,972,343.60	May & Nov			
US Treasury Note	501,386.72	500,000.00	4.375%	4.294%	2/5/25	11/30/28	510,937.50	May & Nov			
US Treasury Note	1,754,062.50	2,000,000.00	1.375%	4.257%	3/28/24	12/31/28	1,867,656.20	Jun & Dec			
US Treasury Note	1,965,000.00	2,000,000.00	4.000%	4.417%	5/28/24	1/31/29	2,022,656.20	Jan & July			
US Treasury Note	1,848,437.50	2,000,000.00	2.625%	4.422%	5/28/24	2/15/29	3,877,500.00	Feb & Aug			
US Treasury Note	1,863,984.38	2,000,000.00	2.625%	4.250%	6/20/24	2/15/29		Feb & Aug			
US Treasury Note	1,834,687.50	2,000,000.00	2.375%	4.320%	7/3/24	3/31/29	1,920,000.00	March & Sept			
US Treasury Note	1,975,000.00	2,000,000.00	4.125%	4.413%	5/28/24	3/31/29	2,031,406.20	March & Sept			
US Treasury Note	1,997,343.75	2,000,000.00	4.250%	4.280%	7/3/24	6/30/29	2,041,250.00	Jun & Dec			
US Treasury Note	1,973,281.26	2,000,000.00	4.000%	4.332%	2/10/25	7/31/29	2,024,218.60	Jan & July			
US Treasury Note	1,900,011.30	2,000,000.00	3.125%	4.348%	2/10/25	8/31/29	1,962,031.20	Feb & Aug			
US Treasury Note	3,947,343.75	4,000,000.00	3.625%	3.968%	6/23/25	8/31/29	3,995,312.40	Feb & Aug			
US Treasury Note	1,956,560.00	2,000,000.00	3.875%	4.400%	2/19/25	9/30/29	2,015,625.00	March & Sept			
US Treasury Note	6,029,296.86	6,000,000.00	4.125%	4.003%	5/30/25	10/31/29	6,101,718.60	Apr & Oct			
US Treasury Note	1,970,500.00	2,000,000.00	4.000%	4.348%	2/10/25	10/31/29	2,024,843.60	Apr & Oct			
US Treasury Note	1,958,940.00	2,000,000.00	3.875%	4.352%	2/10/25	11/30/29	2,015,625.00	May & Nov			
US Treasury Note	1,947,109.38	2,000,000.00	3.875%	4.473%	1/8/25	12/31/29	4,030,624.80	Jun & Dec			
US Treasury Note	1,934,760.00	2,000,000.00	3.875%	4.618%	1/14/25	12/31/29		Jun & Dec			
US Treasury Note	1,963,111.78	2,000,000.00	3.500%	3.929%	5/5/25	1/31/30	5,958,750.00	Jan & July			
US Treasury Note	3,897,880.00	4,000,000.00	3.500%	4.109%	6/9/25	1/31/30		Jan & July			
US Treasury Note	2,002,578.12	2,000,000.00	4.000%	3.968%	7/18/25	2/28/30	2,025,625.00	Feb & Aug			
US Treasury Note	1,974,920.00	2,000,000.00	3.625%	3.908%	5/7/25	3/31/30	1,995,156.20	March & Sept			
US Treasury Note	5,856,562.50	6,000,000.00	3.500%	4.040%	5/30/25	4/30/30	5,953,593.60	Apr & Oct			
US Treasury Note	1,964,977.56	2,000,000.00	3.750%	4.139%	5/22/25	5/31/30	2,004,531.20	May & Nov			
US Treasury Note	1,991,718.76	2,000,000.00	3.750%	3.842%	6/30/25	6/30/30	2,004,218.60				
Total U.S. Treasuries	119,358,006.67	123,500,000.00					122,736,597.20				
U.S. AGENCY SECURITIES:											
FFCB (Federal Farm Credit Bank)	1,992,294.00	2,000,000.00	1.440%	1.540%	2/3/22	1/27/26	1,988,226.00	Jan & July			
FFCB (Federal Farm Credit Bank)	2,000,000.00	2,000,000.00	1.560%	1.560%	2/3/22	2/3/26	1,988,456.00	Feb & Aug			
FFCB (Federal Farm Credit Bank)	1,988,990.00	2,000,000.00	4.875%	5.112%	10/19/23	4/20/26	2,009,592.00	Apr & Oct			
FFCB (Federal Farm Credit Bank)	1,987,672.00	2,000,000.00	4.375%	4.700%	6/20/24	6/23/26	2,007,284.00	June & Dec			
FFCB (Federal Farm Credit Bank)	957,212.00	1,000,000.00	0.600%	1.580%	2/3/22	8/18/26	975,449.00	Feb & Aug			
FFCB (Federal Farm Credit Bank)	1,004,300.00	1,000,000.00	4.875%	4.664%	7/3/24	8/28/26	1,008,734.00	Feb & Aug			
FFCB (Federal Farm Credit Bank)	2,344,629.43	2,358,000.00	4.750%	4.960%	10/3/23	9/1/26	2,376,809.77	March & Sept			
FFCB (Federal Farm Credit Bank)	2,977,740.00	3,000,000.00	3.625%	3.841%	2/3/23	10/26/26	2,988,915.00	Apr & Oct			
FHLB (Federal Home Loan Bank)	1,047,690.00	1,000,000.00	2.625%	1.600%	2/3/22	12/1/26	988,353.00	June & Dec			
FHLB (Federal Home Loan Bank)	983,617.00	1,000,000.00	1.250%	1.600%	2/3/22	12/21/26	973,060.00	June & Dec			

CITY OF TURLOCK

Schedule of Investments - As of October 31, 2025

INVESTMENT DETAIL	Cost	Par	Coupon Rate	YIELD	Purchase Date	Maturity Date	Market	When Interest Paid
TVA (Tennessee Valley Authority)	1,907,880.00	2,000,000.00	2.875%	4.300%	7/25/23	2/1/27	1,978,890.00	Feb & Aug
FFCB (Federal Farm Credit Bank)	2,003,580.00	2,000,000.00	4.500%	4.435%	3/26/24	3/26/27	2,021,578.00	March & Sept
FFCB (Federal Farm Credit Bank)	1,903,352.00	2,000,000.00	2.875%	4.282%	7/25/23	4/26/27	1,977,050.00	Apr & Oct
FFCB (Federal Farm Credit Bank)	1,999,930.00	2,000,000.00	4.500%	4.500%	6/20/24	5/20/27	2,024,164.00	May & Nov
FHLB (Federal Home Loan Bank)	1,995,276.00	2,000,000.00	4.125%	4.190%	7/25/23	6/11/27	2,013,434.00	June & Dec
FHLB (Federal Home Loan Bank)		2,000,000.00	4.500%	4.494%	3/3/25	7/30/27		Jan & July
FHLB (Federal Home Loan Bank)		2,000,000.00	4.500%	4.494%	3/3/25	7/30/27		Jan & July
FFCB (Federal Farm Credit Bank)	1,996,124.00	2,000,000.00	4.625%	4.679%	11/15/23	11/15/27	2,037,532.00	May & Nov
FHLB (Federal Home Loan Bank)	1,818,046.00	2,000,000.00	2.500%	4.956%	10/19/23	12/10/27	1,953,486.00	June & Dec
FHLB (Federal Home Loan Bank)	1,986,000.00	2,000,000.00	4.250%	4.471%	7/3/24	12/10/27	2,023,682.00	June & Dec
FHLB (Federal Home Loan Bank)	1,878,638.00	2,000,000.00	3.250%	4.708%	10/3/23	6/9/28	3,956,820.00	June & Dec
FHLB (Federal Home Loan Bank)	1,916,302.00	2,000,000.00	3.250%	4.420%	7/3/24	6/9/28		June & Dec
FHLB (Federal Home Loan Bank)	3,000,000.00	3,000,000.00	4.000%	4.000%	8/14/25	8/14/28	2,999,475.00	Feb & Aug
FFCB (Federal Farm Credit Bank)	3,000,000.00	3,000,000.00	4.070%	4.069%	8/29/25	8/21/28	2,999,607.00	Feb & Aug
FNMA (Fannie Mae)	3,750,000.00	3,750,000.00	4.000%	4.000%	9/26/25	9/25/28	3,741,720.00	March & Sept
FFCB (Federal Farm Credit Bank)	2,005,680.00	2,000,000.00	4.625%	4.561%	11/13/23	11/13/28	2,055,428.00	May & Nov
FFCB (Federal Farm Credit Bank)	500,125.00	500,000.00	4.690%	4.682%	3/3/25	2/13/29	1,502,332.50	Feb & Aug
FFCB (Federal Farm Credit Bank)	500,125.00	500,000.00	4.690%	4.682%	3/3/25	2/13/29		Feb & Aug
FFCB (Federal Farm Credit Bank)	2,026,700.00	2,000,000.00	4.750%	4.444%	5/28/24	4/30/29	2,068,886.00	Apr & Oct
FNMA (Fannie Mae)	2,159,700.00	2,000,000.00	6.250%	4.439%	6/20/24	5/15/29	4,337,704.00	May & Nov
FNMA (Fannie Mae)	2,174,240.00	2,000,000.00	6.250%	4.261%	6/20/24	5/15/29		May & Nov
FHLB (Federal Home Loan Bank)	2,031,170.00	2,000,000.00	4.625%	4.271%	6/20/24	6/8/29	2,061,066.00	June & Dec
FHLB (Federal Home Loan Bank)	501,320.00	500,000.00	4.750%	4.688%	3/3/25	1/28/30	500,981.00	Jan & July
FHLB (Federal Home Loan Bank)	2,002,750.00	2,000,000.00	4.900%	4.865%	5/30/25	2/11/30	2,003,780.00	Feb & Aug
FHLB (Federal Home Loan Bank)	501,425.00	500,000.00	4.950%	4.885%	3/3/25	2/26/30	501,183.50	Feb & Aug
FFCB (Federal Farm Credit Bank)	1,398,250.00	1,398,000.00	4.470%	4.465%	7/18/25	3/5/30	1,405,944.83	March & Sept
FHLMC (Freddie Mac)	2,001,584.00	2,000,000.00	4.500%	4.480%	7/21/25	5/23/30	2,006,902.00	May & Nov
FHLB (Federal Home Loan Bank)	2,002,750.00	2,000,000.00	4.320%	4.288%	7/21/25	7/1/30	2,007,768.00	Jan & July
FHLB (Federal Home Loan Bank)	2,750,000.00	2,750,000.00	4.000%	4.000%	9/26/25	9/11/30	2,737,900.00	March & Sept
FFCB (Federal Farm Credit Bank)	1,998,750.00	2,000,000.00	4.120%	4.134%	10/22/25	10/21/30	1,991,226.00	Apr & Oct
Total U.S. Agencies	71,493,966.43	71,756,000.00					72,213,418.60	

CORPORATE NOTES/BONDS	Cost	Par	Coupon Rate	YIELD	Purchase Date	Maturity Date	Market	When Interest Paid
Microsoft Corp	1,930,730.00	2,000,000.00	3.300%	4.210%	11/29/22	2/6/27	1,988,728.00	Feb & Aug
Apple Inc	1,905,342.00	2,000,000.00	3.000%	4.100%	2/3/23	11/13/27	1,974,786.00	May & Nov
Stanford University	483,500.00	500,000.00	3.089%	3.975%	4/7/25	5/1/29	484,521.00	May & Nov
Walmart Inc	480,800.00	500,000.00	3.250%	4.225%	3/3/25	7/8/29	489,805.00	Jan & July
Apple Inc	457,305.00	500,000.00	2.200%	4.298%	3/3/25	9/11/29	939,374.00	March & Sept
Apple Inc	462,565.00	500,000.00	2.200%	4.064%	4/7/25	9/11/29		March & Sept
State Street Bank	508,360.00	500,000.00	4.782%	4.354%	7/18/25	11/23/29	512,738.50	May & Nov
Johnson & Johnson	203,038.00	200,000.00	4.700%	4.358%	3/3/25	3/1/30	1,545,439.50	March & Sept
Johnson & Johnson	507,245.00	500,000.00	4.700%	4.358%	3/3/25	3/1/30		March & Sept
Johnson & Johnson	304,375.00	300,000.00	4.700%	4.358%	3/3/25	3/1/30		March & Sept
Johnson & Johnson	512,700.00	500,000.00	4.700%	4.121%	4/7/25	3/1/30		March & Sept
Berkshire Hathaway	445,150.00	500,000.00	1.850%	4.333%	3/28/25	3/12/30	914,607.00	March & Sept
Berkshire Hathaway	450,355.00	500,000.00	1.850%	4.094%	4/7/25	3/12/30		March & Sept
President & Fellows	2,044,490.00	2,000,000.00	4.887%	4.374%	5/7/25	3/15/30	2,065,910.00	March & Sept

CITY OF TURLOCK

Schedule of Investments - As of October 31, 2025

INVESTMENT DETAIL	Cost	Par	Coupon Rate	YIELD	Purchase Date	Maturity Date	Market	When Interest Paid
Visa Inc.	450,190.00	500,000.00	2.050%	4.368%	6/23/25	4/15/30	922,099.00	Apr & Oct
Visa Inc.	452,260.00	500,000.00	2.050%	4.297%	7/18/25	4/15/30		Apr & Oct
Yale University	1,738,810.00	2,000,000.00	1.482%	4.422%	4/15/25	4/15/30	1,796,614.00	
Walmart Inc	500,840.00	500,000.00	4.350%	4.311%	5/30/25	4/28/30	507,299.50	Apr & Oct
BlackRock, Inc.	457,665.00	500,000.00	2.400%	4.355%	6/24/25	4/30/30	930,848.00	Apr & Oct
BlackRock, Inc.	459,625.00	500,000.00	2.400%	4.266%	6/30/25	4/30/30		Apr & Oct
Chevron	452,255.00	500,000.00	2.236%	4.432%	6/23/25	5/11/30	923,479.00	May & Nov
Chevron	453,650.00	500,000.00	2.236%	4.393%	7/18/25	5/11/30		May & Nov
Alphabet Inc	494,545.00	500,000.00	4.000%	4.245%	5/30/25	5/15/30	501,298.00	May & Nov
Total Corporate Notes/Bonds	16,155,795.00	17,000,000.00					16,497,546.50	
HELD WITH TRUSTEE								
Money Market - US Bank - Roads Bond	21,908,667.00	21,908,667.00	n/a	3.510%	1/31/25	open	21,908,667.00	monthly
US Treasury Note - US Bank - Roads Bond	10,058,442.39	10,000,000.00	4.500%	4.480%	7/30/25	7/15/26	10,048,300.00	Jan & July
Total Held with Trustee	31,967,109.39	31,908,667.00					31,956,967.00	
TOTAL INVESTMENTS	\$ 303,920,559.32	\$ 309,111,348.83					\$ 308,362,196.80	
TOTAL INVESTMENTS AND DEMAND DEPOSITS	315,966,175.47	321,156,964.98					320,407,812.95	

Note: Market values are as stated by Charles Schwab Investment statements.

City Council Meeting Minutes



October 28, 2025

6:00 PM

City of Turlock Yosemite Room

156 S. Broadway, Turlock, California

1. CALL TO ORDER

Mayor Bublak called the meeting to order at 6:00 PM.

2. SALUTE TO THE FLAG

3. ROLL CALL AND DECLARATION OF CONFLICTS

Present: Councilmembers Cassandra Abram, Kevin Bixel, Erika Phillips, Vice Mayor Rebecka Monez and Mayor Amy Bublak

Absent: None

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
None	None	None	None	None

4. APPROVAL OF AGENDA AS POSTED OR AMENDED

Motion: Approval of agenda as posted, motioned by Vice Mayor Monez, seconded by Councilmember Abram and carried 5/0 by the following vote:

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
Yes	Yes	Yes	Yes	Yes

5. PROCLAMATIONS, RECOGNITIONS, APPOINTMENTS, ANNOUNCEMENTS, PRESENTATIONS, AND BRIEFINGS

A. Proclamation: Law Enforcement Records and Support Personnel Week

Mayor Bublak presented the Law Enforcement Records and Support Personnel Week proclamation.

6. PUBLIC PARTICIPATION

Mayor Bublak opened public comment and the following members of the public spoke:

Dick Sargon
Amandeep Singh
Shanin Soomalon
Nathan Alonso
Mary Jackson
Justin Farkas

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With no further comments, Mayor Bublak closed public comment.

7. CITY MANAGER REPORTS/UPDATES

Interim City Manager Borrego invited Turlock Police Chief Hedden to offer an update on traffic control within Turlock. In addition, Borrego advised that there are various openings within the City of Turlock's commissions and committees. In closing, she mentioned upcoming community events.

8. CONSENT CALENDAR

Mayor Bublak opened the Consent Calendar for public comment and with none, closed public comment.

Action: Motion by Vice Mayor Monez, seconded by Councilmember Bixel, to adopt the Consent Calendar and carried 5/0 by the following vote:

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
Yes	Yes	Yes	Yes	Yes

- A. Accepting the Weekly demands of October 3, 2025 through October 16, 2025 in the total amount of \$3,431,303.63, October 10, 2025, AP EFT Payments for the month of August 2025 in the amount of \$185,691.85, and the Investment and Cash Report for September 2025 in the amount of \$317,795,868.85

Action: Approved **Motion:** Accepting the Weekly demands of October 3, 2025 through October 16, 2025 in the total amount of \$3,431,303.63, October 10, 2025, AP EFT Payments for the month of August 2025 in the amount of \$185,691.85, and the Investment and Cash Report for September 2025 in the amount of \$317,795,868.85

- B. Accepting the Minutes of the October 14, 2025 Regular and Special City Council Meeting

Action: Approved **Motion:** Accepting the Minutes of the October 14, 2025 Regular and Special City Council Meeting

- C. Approving the purchase of one zero-turn, ride-on lawnmower from Turf Star Inc for a total amount not to exceed \$34,120.91 (Fleet)

Action: Approved **Motion:** Approving the purchase of one (1) zero-turn, ride-on lawnmower from Turf Star Inc pursuant to the Sourcewell Contract No. 112624-TTC, for a total amount not to exceed \$34,120.91 expensed to Fund 506 "Vehicle/Equipment Replacement" in accordance with Turlock Municipal Code Section 2-7-08(b)(5) allowing use of joint, cooperative, or leveraged purchasing plans and not requiring an additional City bid procedure

- D. Intention to Order Annexation No. 39 for the properties located at 1601 W. Monte Vista Ave, 3201 Four Seasons Drive, and 3130 E. Tuolumne Road to Community Facilities District No. 2 (Services Mitigation) (Development Services)

Action: Approved **Resolution No. 2025-189:** Declaring the Intention to Order Annexation No.

CITY OF TURLOCK
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39 for the properties located at 1601 W. Monte Vista Ave, (Stanislaus County Assessor's Parcel 087-012-053), 3201 Four Seasons Drive (Stanislaus County Assessor's Parcel 087-008-085), and 3130 E. Tuolumne Road (Stanislaus County Assessor's Parcel 073-016-007) to Existing Community Facilities District No. 2 (Services Mitigation)

- E. Adopting a revised Public Transportation Agency Safety Plan (PTASP) for the City of Turlock for Fiscal Year 2025-2026 (Transit)

Action: Approved **Motion:** Adopting a revision to the Public Transportation Agency Safety Plan (PTASP) for the City of Turlock for Fiscal Year 2025-2026 and certifying compliance with the Bipartisan Infrastructure Law PTASP requirements at 49 U.S.C. § 5329(d)

- F. Adopting a revised Transit Asset Management (TAM) Plan for the City of Turlock for Fiscal Year 2025-2026 (Transit)

Action: Approved **Motion:** Adopting a revision to the Transit Asset Management (TAM) Plan for the City of Turlock for Fiscal Year 2025-2026

- G. Authorizing the Interim City Manager to sign all documents related to the California Office of Emergency Services Customer Premise Equipment Funding for an upgraded 9-1-1 system (Police Department)

Action: Approved **Motion:** Authorizing the Interim City Manager to sign all documents related to the California Office of Emergency Services Customer Premise Equipment Funding for an upgraded on-premise 9-1-1 solution

- H. Approving two one-year extensions with Peregrine, for data point integration software, with an annual amount not to exceed \$98,000 and a total amount not to exceed \$294,000 through June 30, 2028 (Police Department)

Action: Approved **Motion:** Approving two (2) one-year extensions with an annual amount not to exceed \$98,000 and a total amount not to exceed \$294,000, (for the three-year term) to the agreement with Peregrine (Contract No. 2026-039) for the period of July 1, 2025 through June 30, 2028 which was approved by City Council on August 12, 2025.

- I. Authorize the Purchase and replacement of three APX8500 mobile radios from Motorola Solutions in the Amount of \$30,862.54; Authorize the City Manager to Execute Purchase Documentation (Fire Department)

Action: Approved **Motion:** Authorize the Purchase and replacement of three APX8500 mobile radios from Motorola Solutions in the Amount of \$30,862.54; Authorize the City Manager to Execute Purchase Documentation

- J. Authorizing the addition of two Field Services Technician positions effective October 28, 2025 (Municipal Services)

Action: Approved **Motion:** Authorizing the addition of two (2) Field Services Technician positions effective October 28, 2025

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9. FINAL READINGS

- A. Second and final reading of an ordinance amending Turlock Municipal Code Title 2 (Administration), Chapter 2-9 (Public Works Contracts) (Municipal Services)

Mayor Bublak opened the item for public comment and with none, closed public comment.

Motioned by Councilmember Abram, seconded by Vice Mayor Monez and carried 5/0 by the following vote:

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
Yes	Yes	Yes	Yes	Yes

Action: Approved **Ordinance 1335-CS:** Amending Turlock Municipal Code Title 2 (Administration), Chapter 2-9 (Public Works Contracts)

- B. Second and final reading of an Ordinance amending the Turlock Municipal Code Title 4, Chapter 3, Article 1, Article 2 and Article 3 to adopt the 2025 California Fire Code with specific modifications based upon local conditions (Fire Department)

Mayor Bublak opened the item for public comment and with none, closed public comment.

Motioned by Councilmember Abram, seconded by Vice Mayor Monez and carried 5/0 by the following vote:

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
Yes	Yes	Yes	Yes	Yes

Action: Approved **Ordinance 1336-CS:** Second and final reading of an Ordinance amending the Turlock Municipal Code Title 4, Chapter 3, Article 1, Article 2 and Article 3 to adopt the 2025 California Fire Code with specific modifications based upon local conditions

10. PUBLIC HEARINGS

None

11. ACTION ITEMS

- A. Awarding bid and approved an agreement with New Century Construction & Consulting, Inc for City Project No. 24-036 "Renovations at Senior Center and Marty Yerby Recreational Facility" in the amount of \$141,400.00 (Engineering)

City Engineer Morris presented the item.

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Mayor Bublak opened the item for public comment and with none, closed public comment.

Motioned by Vice Mayor Monez, seconded by Councilmember Bixel and carried 5/0 by the following vote:

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
Yes	Yes	Yes	Yes	Yes

Action: Approved

Motion: Awarding bid and approving an Agreement with New Century Construction & Consulting, Inc of Turlock, California in the amount of \$141,400.00 and authorizing a construction contingency amount of \$14,140.00 (10.0%) for the construction of City Project No. 24-036 "Renovations at Senior Center and Marty Yerby Recreational Facility" to be funded by Fund 258 "Housing Stimulus Funds"

Resolution No. 2025-190: Determining the award of bid for construction of City Project No. 24-036 "Renovations at Senior Center and Marty Yerby Recreational Facility" is exempt from the provisions of CEQA in accordance with section 15301 of the CEQA guidelines

- B. Approving the reformat of the job description for the position of City Attorney and amend the Management Salary Schedule effective October 28, 2025 (Human Relations)

Human Relations Director Dhami presented the item.

Mayor Bublak opened the item for public comment and with none, closed public comment.

Motioned by Vice Mayor Monez, seconded by Councilmember Abram and carried 5/0 by the following vote:

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
Yes	Yes	Yes	Yes	Yes

Action: Approved **Resolution No. 2025-191:** Approving the reformat of the job description for the position of City Attorney and amend the Management Salary Schedule effective October 28, 2025

12. COUNCILMEMBER COMMENTS, ANNOUNCEMENTS AND FUTURE ITEMS

None

13. CLOSED SESSION

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- A. Conference with Legal Counsel – Anticipated Litigation, Cal. Gov't Code §54956.9(d)(2)
“For the purposes of this section, litigation shall be considered pending when any of the following circumstances exist... A point has been reached where, in the opinion of the legislative body of the local agency on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the local agency.”
Potential Case(s): Two (2)
- B. Public Employee Performance Evaluation, Cal. Gov't Code §54957(b)(1)
Title: Interim City Manager

14. **REPORTS FROM CLOSED SESSION**

15. **ADJOURNMENT**

Mayor Bublak adjourned the meeting at 7:23 PM.

Respectfully Submitted,

Christina Cabada, City Clerk Trainee

City Council Special Meeting Minutes



October 30, 2025

2:00 PM

City of Turlock Yosemite Room

156 S. Broadway, Turlock, California

1. CALL TO ORDER

Mayor Bublak called the meeting to order at 2:04 PM.

2. SALUTE TO THE FLAG

3. ROLL CALL AND DECLARATION OF CONFLICTS

Present: Councilmembers Cassandra Abram, Kevin Bixel, Erika Phillips, and Mayor Amy Bublak

Absent: Vice Mayor Rebecka Monez

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
None	None	Absent	None	None

4. APPROVAL OF AGENDA AS POSTED OR AMENDED

Motion: Approval of Agenda as Posted, motioned by Councilmember Abram, seconded by Councilmember Bixel and carried 4/0 by the following vote:

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
None	None	Absent	None	None

5. PUBLIC PARTICIPATION - LIMITED TO ITEMS LISTED ON THE AGENDA

Mayor Bublak opened the item for public comment. There were no comments from the public, and Mayor Bublak closed public comment.

6. ACTION ITEMS

- A. Awarding the bid and approving an agreement with New Century Construction and Consulting, Inc. in the amount of \$36,390.00 with a contingency \$5,458.00 for a total project cost of \$41,848.00 for maintenance and repair of 591 Birchwood Way.

Housing Manager Jennifer Figueora presented the item.

Mayor Bublak opened public comment and the following member of the public spoke:

Ron Bridegroom

**CITY OF TURLOCK
CITY COUNCIL
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Thursday, October 30, 2025**

With no further comments, Mayor Bublak closed public comment.

Motioned by Councilmember Abram, seconded by Councilmember Bixel, and carried 4/0 by the following vote:

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
Yes	Yes	Absent	Yes	Yes

Action: Approved **Motion:** Awarding the bid and approving an agreement with New Century Construction & Consulting, Inc., in the amount of \$36,390.00, authorizing a contingency amount of \$5,458.00 (15%), for a total project cost of \$41,848.00. \$41,848.00 to be paid from Fund 625 "Successor Agency-LMI" account 625-10-199.47310 "Property Maintenance" for the maintenance and repair of a single-family residential property located at 591 Birchwood Way in Turlock and authorizing the Interim City Manager to sign all necessary documents

- B. Authorizing the City Council to modify signing authority limits for the City Manager and Interim City Manager

Finance Director Isaac Moreno presented the item.

Mayor Bublak opened public comment and the following members of the public spoke:

Milt Treiwieler
Ron Bridegroom

With no further comments, Mayor Bublak closed public comment.

Motioned amended by Councilmember Abram, seconded by Councilmember Bixel and carried 4/0 by the following vote:

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
Yes	Yes	Absent	Yes	Yes

Action: Approved **Resolution No. 2025-192:** Authorizing the City Council to modify signing authority limits for the City Manager and Interim City Manager pursuant to the Turlock Municipal Code sections 2-7-08(e) and 2-7-08(f)

7. COUNCILMEMBER COMMENTS, ANNOUNCEMENTS AND FUTURE ITEMS

Councilmember Abram wished everyone a Happy Halloween.

Councilmember Phillips shared that the Turlock Police Department is hosting a "Trick-or-Treat and Meet" event for the community later in the day at the Police Station.

8. ADJOURNMENT

**CITY OF TURLOCK
CITY COUNCIL
SPECIAL MEETING MINUTES
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Mayor Bublak adjourned the meeting at 2:27 PM.

Respectfully Submitted,

Kelly Renteria, Deputy City Clerk

City Council Staff Report

November 18, 2025



From: Christopher Fisher, Municipal Services Director
Prepared by: Oscar Molina, Assistant Engineer
Agendized by: Susan E. Borrego, Interim City Manager

1. ACTION RECOMMENDED:

Resolution: Appropriating \$53,000 to Fund 410 "Water Quality Control" account number 410-51-531.43145 "Pave Trenches" from unallocated reserves for the construction of City Project No. 25-041 "City Utility Trench Repair 2025"

Motion: Awarding bid and approving an Agreement with Machado and Sons Construction, Inc of Turlock, California in the amount of \$155,011.00 and authorizing a construction contingency amount of \$15,500.00 (10.0%) for the construction of City Project No. 25-041 "City Utility Trench Repair 2025" to be funded by Fund 410 "Water Quality Control" and Fund 420 "Water"

Resolution: Determining the award of bid for construction of City Project No. 25-041 "City Utility Trench Repair 2025" is exempt from the provisions of CEQA in accordance with section 15301 of the CEQA guidelines

2. NARRATIVE:

The City's Utilities division performs underground work to maintain the City's water, sewer, and storm drain infrastructure. Utility crews replace existing service lines to customers, replace failed valves, and other related underground infrastructure. The nature of the replacement work is such that the trench repair work does not strictly conform to City Standards as concerns the degree of compaction and hot mix asphalt paving and materials testing required and related thereto. Therefore, the City Utilities and Engineering Divisions work together to identify locations where trench repair of past underground work completed on City's utilities is necessary. These locations are identified in Plans and Specifications which are then advertised for public bidding on an annual basis.

The purpose of City Project No. 25-041 "City Utility Trench Repair 2025" is to repair fifteen (15) trenches located in various areas throughout the City of Turlock. This project involves the removal and replacement of the trench patch and backfill material with compacted native soil, aggregate base, and hot mix asphalt as required to repair the trench per City Standards.

The main elements of the scope of work for this project consist of:

- Excavate down to the top of pipe
- Compact native material above pipe per City Standards
- Compact aggregate base above native material per City Standards
- Grind and place hot mix asphalt per City Standards

City staff advertised this project on September 8th, 2025 through the City's website for

construction projects. On September 25th, 2025, five (5) bids were received for City Project No. 25-041 "City Utility Trench Repair 2025." Machado and Sons Construction of Turlock, California, was the lowest responsible bidder with a base bid amount of \$155,011.00.

Bidder's Summary:

BIDDER	BID AMOUNT
MACHADO AND SONS CONSTRUCTION	\$155,011.00
B&M CIVIL	\$156,420.00
UNITED PAVEMENT MAINTENANCE	\$181,930.40
ARROW CONSTRUCTION	\$195,523.00
DIRT DYNASTY	\$272,953.30

Staff reviewed the bids for bidder responsiveness and responsibility and recommends approval of an agreement with Machado and Sons Construction of Turlock, California, as the lowest responsive, responsible bidder with a bid amount of \$155,011.00

3. FISCAL IMPACT / BUDGET AMENDMENT:

The total estimated project costs are displayed below:

Construction Contractor Bid Cost	\$155,011.00
Construction Contingency	\$15,500.00
Materials Testing Services	\$20,000.00
Preliminary Engineering	\$8,197.62
Construction Engineering	\$9,000.00
Estimated Total Project Costs	\$207,708.62

All project costs are anticipated to be expensed in Fiscal Year 2025-26. The designated project account numbers for this project are:

1. Fund 420 "Water" account number 420-52-550.43145 "Pave Trenches", and
2. Fund 410 "Water Quality Control" account number 410-51-531.43145 "Pave Trenches".

Project costs are allocated between Funds 410 and 420 based on the relative share of sewer and water trench repairs, as shown below:

Fund	% of project costs	\$ of project costs
Fund 410 - WQC (sewer trench repairs)	78%	\$162,012.72

Fund 420 - Water (water trench repairs)	22%	\$45,695.90
Total		\$207,708.62

Because \$110,000 was originally budgeted in each project account and the required amount for Fund 410 exceeds that total, a budget amendment is necessary to cover the additional cost. Sufficient funding is available in Fund 420 for its portion of the project. Staff recommend appropriating \$53,000 from Fund 410 unallocated reserves to account number 410-51-531.43145.

4. ENVIRONMENTAL DETERMINATION:

The project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 (Existing Facilities) as the project involves negligible or no expansion of use in the existing facilities.

5. ATTACHMENTS:

1. Draft Resolution - Budget Appropriation
2. Draft Resolution - CEQA Determination
3. Bidder's Summary
4. Agreement

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

**IN THE MATTER OF APPROPRIATING
\$53,000 TO FUND 410 "WATER QUALITY
CONTROL" ACCOUNT NUMBER 410-51-
531.43145 "PAVE TRENCHES" FROM
UNALLOCATED RESERVES FOR THE
CONSTRUCTION OF CITY PROJECT NO.
25-041 "CITY UTILITY TRENCH REPAIR
2025"**

RESOLUTION NO. 2025-

WHEREAS, the purpose of City Project No. 25-041 "City Utility Trench Repair 2025" is to repair fifteen (15) trenches located in various areas throughout the City of Turlock; and

WHEREAS, in order to complete the project, additional funding is required; and

WHEREAS, project costs are allocated between Funds 410 and 420 based on the relative share of sewer and water trench repairs, and

WHEREAS, of the total anticipated project cost of \$207,708.62, \$162,012.72 will be expensed to Fund 410, account number 410-51-531.43145 "Pave Trenches," and \$45,695.90 will be expensed to Fund 420, account number 420-52-550.43145 "Pave Trenches", and

WHEREAS, Fund 420 has sufficient available funding for its share of the project, but the required amount for Fund 410 exceeds the unencumbered balance in the current budget, necessitating an additional appropriation, and

WHEREAS, sufficient and suitable funding is available in Fund 410 "Water Quality Control" unallocated reserves; and

WHEREAS, this action is not a project subject to the California Environmental Quality Act (CEQA) pursuant to Section 15378(b)(5) of the CEQA Guidelines, as it involves organizational or administrative activities of government that do not result in direct or indirect physical changes in the environment.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Turlock hereby appropriates \$53,000 to Fund 410 "Water Quality Control" account number 410-51-531.43145 "Pave Trenches" from unallocated reserves for the construction of City Project No. 25-041 "City Utility Trench Repair 2025".

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 18th day of November, 2025, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

Nichole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF DETERMINING THE }
AWARD OF BID FOR CONSTRUCTION OF }
CITY PROJECT. 25-041 "CITY UTILITY }
TRENCH REPAIR 2025" IS EXEMPT FROM }
THE PROVISIONS OF CEQA IN }
ACCORDANCE WITH SECTION 15301 OF }
THE CEQA GUIDELINES }

RESOLUTION NO. 2025-

WHEREAS, City Project No. 25-041 "City Utility Trench Repair 2025" consists of performing trench repairs around city utilities, trench patching, longitudinal trench patching, perpendicular trench patching, bell hole patching, and;

WHEREAS, on September 25th, 2025, five (5) bids were received for City Project No. 25-041 "City Utility Trench Repair 2025" with Machado and Sons Construction Inc. of Turlock, California, submitting the lowest responsive bid in the amount of \$155,011.00; and

WHEREAS, this project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 (Existing Facilities) as the project involves negligible or no expansion of use of the existing facilities.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Turlock does hereby determine the award of bid for construction of City Project No. 25-041 "City Utility Trench Repair 2025" is exempt from the provisions of CEQA in accordance with section 15301 of the CEQA guidelines.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 18th day of November, 2025, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

Nichole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California

CITY OF TURLOCK BIDDER'S SUMMARY

PROJECT TITLE: City Utility Trench Repair 2025

PROJECT NUMBER: 25-041

BID OPENING: September 25, 2025

1:00 PM

ANTICIPATED COUNCIL AWARD DATE: 11/18/2025

Item No.	Item Description	Unit of Measure	Estimated Quantity	ENGINEER'S EST.		1 MACHADO AND SONS CONSTRUCTION		2 B&M CIVIL	
				Unit Price	Total	Unit Price	Total	Unit Price	Total
1	Mobilization and Demobilization	LS	1	\$ 9,500.00	\$ 9,500.00	\$ 2,694.00	\$ 2,694.00	\$ 12,500.00	\$ 12,500.00
2	Traffic Control	LS	1	\$ 20,000.00	\$ 20,000.00	\$ 16,758.00	\$ 16,758.00	\$ 20,000.00	\$ 20,000.00
3	Trench Repair (Per Modified Detail T-2)	SF	1,119	\$ 60.00	\$ 67,140.00	\$ 67.00	\$ 74,973.00	\$ 50.00	\$ 55,950.00
4	Grind and Pave Overlay (Per Modified Detail T-3)	SF	4,647	\$ 12.00	\$ 55,764.00	\$ 11.50	\$ 53,440.50	\$ 13.00	\$ 60,411.00
5	Adjust Frames and Covers to Grade	ALLOW	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
6	All Other Work not Included in Bid Items Above	LS	1	\$ -	\$ -	\$ 2,145.50	\$ 2,145.50	\$ 2,559.00	\$ 2,559.00
Base Bid Total =				\$	157,404.00	\$	155,011.00	\$	156,420.00

3		4		5	
UNITED PAVEMENT		ARROW CONSTRUCTION		DIRT DYNASTY	
Unit Price	Total	Unit Price	Total	Unit Price	Total
\$ 8,700.00	\$ 8,700.00	\$ 10,000.00	\$ 10,000.00	\$ 33,500.00	\$ 33,500.00
\$ 37,600.00	\$ 37,600.00	\$ 10,450.00	\$ 10,450.00	\$ 47,500.00	\$ 47,500.00
\$ 40.50	\$ 45,319.50	\$ 98.00	\$ 109,662.00	\$ 83.70	\$ 93,660.30
\$ 17.70	\$ 82,251.90	\$ 13.00	\$ 60,411.00	\$ 19.00	\$ 88,293.00
\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
\$ 3,059.00	\$ 3,059.00	\$ -	\$ -	\$ 5,000.00	\$ 5,000.00
\$ 181,930.40		\$ 195,523.00		\$ 272,953.30	



AGREEMENT

FOR PUBLIC IMPROVEMENT

City Project No. 25-041

City Utility Trench Repair 2025

THIS PUBLIC IMPROVEMENT AGREEMENT (the “Agreement”) is entered into by and between the CITY OF TURLOCK, a California municipal corporation (“City”), and Machado & Sons Construction, Inc., a California corporation (“Contractor”), on this 18th day of November 2025 (the “Effective Date”). City and Contractor may be collectively referred to herein as the “Parties” or individually as “Party.” There are no other parties to this Agreement.

RECITALS

- A. City seeks a duly qualified and licensed firm experienced in the construction of City Utility Trench Repair 2025 (the “Project”).
- B. The Project involves the expenditure of funds in excess of \$5,000 and constitutes a “public project” pursuant to Public Contract Code section 20161.
- C. Contractor has made a proposal to City to provide construction services, a copy of which is attached and incorporated hereto as **Exhibit A** (the “Services”).
- D. City has determined it is necessary and desirable to employ the services of Contractor to perform construction work on the Project.
- E. City has taken appropriate proceedings to authorize construction of the Project and execution of this contract pursuant to Public Contract Code section 20160 et seq.; specifically, on November 18, 2025, at a duly noticed meeting of the City Council of the City of Turlock, this contract for the construction of the improvements hereinafter described was awarded to Contractor as the lowest responsive and responsible bidder for said improvements.

NOW, THEREFORE, in consideration of the promises and covenants set forth below, the Parties agree as follows:

AGREEMENT

1. Contract Documents: This Agreement, together with the following documents, are collectively referred to herein as the “Contract Documents”:

- i. Notice to Bidders;
- ii. Contractor’s Bid or Proposal accepted by City;
- iii. Special Provisions of the City of Turlock for City Utility Trench Repair 2025;
- iv. Plans and detailed drawings prepared for this Project and approved by City (“Project Plans”);
- v. All bonds and insurance required in any of the Contract Documents;
- vi. Any and all supplemental agreements amending, decreasing, or extending the work contemplated or which may be required to complete the work in a substantial and acceptable manner; and
- vii. The current edition of the City of Turlock Standard Specifications and Drawings.

All of the Contract Documents are intended to incorporate the terms of the others so that any work called for in one and not mentioned in the other, or vice versa, is to be executed the same as if mentioned in all said documents. The documents comprising the complete contract will hereinafter be referred to as the “Contract.” In case of any dispute regarding the terms of the Contract, the decision of the City Engineer shall be final.

2. Term. The Contract shall be effective as of the Effective Date first stated above. Contractor shall not commence work on the Project until it has been given notice by City (“Notice to Proceed”). The Contract shall terminate one (1) year(s) after City accepts Contractor’s performance of the Services by recording a Notice of Completion with the County of Stanislaus Clerk Recorder (the “Term”), unless the Parties mutually agree in writing to terminate the Contract earlier or extend the Term in an agreed writing executed by both Parties.

3. Scope of Work.

(a) *Services.* Contractor shall perform the Services described in Exhibit A, subject to all terms and conditions in the Contract. Contractor shall not receive additional compensation for the performance of any Services not described therein.

(b) *Modification.* City, at any time, by written order, may make changes within the general scope of the work under this Agreement or issue additional instructions, require additional work or direct deletion of work. Contractor shall not proceed with any change involving an increase or decrease in the Contract Price, as defined in Section 4 of this Agreement, without prior written authorization from City. Contractor shall not be entitled to compensation for the performance of any such unauthorized work. Contractor further waives any and all right or remedy by way of restitution or quantum meruit for any and all extra or changed work performed without express and prior written authorization of City. Notwithstanding the foregoing, Contractor shall promptly commence and

diligently complete any change to the work subject to City's written authorization issued pursuant to this Section; Contractor shall not be relieved or excused from its prompt commencement of diligent completion of any change subject to City's written authorization by virtue of the absence or inability of Contractor and City to agree upon the extent of any adjustment to the completion schedule or Contract Price on account of such change. The issuance of a change order pursuant to this Section 3 in connection with any change authorized by City shall not be deemed a condition precedent to Contractor's obligation to promptly commence and diligently complete any such change authorized by City hereunder. City's right to make changes shall not invalidate the Contract nor relieve Contractor of any liability or other obligations under the Contract. Any requirement of notice of changes in the scope of work to Contractor's surety shall be the responsibility of Contractor.

(c) *Specific Materials & Performance of Work.* Contractor shall furnish all tools, equipment, facilities, labor, and materials necessary to perform and complete, in good workmanlike manner, the work of general construction as called for and in the manner designated in, and in strict conformity with, the plans and specifications for said work entitled, “**Special Provisions for City Utility Trench Repair 2025.**” The equipment, apparatus, facilities, labor, and material shall be furnished, and said work performed and completed as required by the Contract under the direction and supervision, and subject to the approval, of the City Engineer or City Engineer's designated agent.

(d) *Exhibits.* All “Exhibits” referred to below or attached hereto are, by this reference, incorporated into the Contract.

	<u>Exhibit Designation</u>	<u>Exhibit Title</u>
1.	Exhibit A	Contractor's Proposal for Services
2.	Exhibit B	Payment by Force Account
3.	Exhibit C	Workers' Compensation Insurance Certification
4.	Exhibit D	Performance Bond
5.	Exhibit E	Payment Bond

4. Contract Price. City shall pay, and Contractor shall accept in full payment for the work set forth above in Section 3, Scope of Work, an amount not to exceed **One Hundred Fifty-Five Thousand Eleven Dollars (\$155,011.00)** (the “Contract Price”). Said amount shall be paid pursuant to Section 8 of this Agreement. The Contract Price may only be changed by a contract change order. The value of any work covered by a contract change order for an adjustment in the Contract Price will be determined in the sole discretion of City as follows:

(a) If the work performed is on the basis of unit prices contained in the Contract Documents, the change order will be determined in accordance with the provisions in Section 4-1.05, “Changes and Extra Work”, of the Caltrans Standard Specifications, as applicable; or

(b) If the work performed is not included on the engineer's estimate associated with a unit price, the change order will be by a mutually agreed lump sum; or

(c) If the change order is not determined as described above in either subdivision (a) or (b), the change order will be determined on the basis of force account in accordance with the provisions set forth in **Exhibit B**, “Payment by Force Account,” attached hereto and incorporated herein by reference.

5. Time for Performance. The time fixed for the commencement of work under the Contract is within ten (10) working days after the Notice to Proceed has been issued. The work on this project shall be substantially completed on or before the expiration of **Twenty-Five (25)** working days (the “Substantial Completion Due Date”) beginning on the first day of work or no later than the tenth day after the Notice to Proceed has been issued. All work on this project, including all punch list items, shall be completed on or before the expiration of **Thirty (30)** working days (the “Final Completion Due Date”) beginning on the first day of work or no later than the tenth day after the Notice to Proceed has been issued.

(a) *Right of City to Increase Working Days:* If Contractor fails to complete the Services by the Substantial and Final Completion Due Dates, the City Engineer shall have the right to increase the number of working days in the amount the City Engineer may determine will best serve the interests of City, and if the City Engineer desires to increase said number of working days, the City Engineer shall have the further right to charge Contractor and deduct from the final payment for the work the actual cost of engineering, inspection, superintendence, and other overhead expenses which are directly chargeable to Contractor, and which accrue during the period of such extension, except that the cost of the final service and preparation of the final estimates shall not be included in such charges. No extension of time for completion of Services under the Contract shall be considered unless requested by Contractor at least twenty (20) calendar days prior to the Substantial and Final Completion Due Dates, in writing, to the City Engineer.

The Substantial and Final Completion Due Dates may only be changed by a contract change order. The value of any work covered by a contract change order for an adjustment in the Substantial and Final Completion Due Dates will be determined as follows:

- i. Additional working days will be awarded where the amount of time is mutually agreed upon by Contractor and the City Engineer; or
- ii. Additional working days will be awarded where Contractor is prevented from completing any part of the work identified on the critical path and:
 1. where the delay is caused by acts of public enemy, fire, floods, tsunamis, earthquakes, epidemics, quarantine restrictions, strikes, labor disputes, shortage of materials and freight embargos, provided that Contractor shall notify Engineer in writing of the causes of delay within fifteen (15) days from the beginning of that delay; or
 2. where the delay is caused by actions beyond the control of Contractor; or
 3. where the delay is caused by actions or failure to act by the City Engineer.

Contractor shall not be entitled to an adjustment in the Substantial and Final Completion Due Dates for delays within the control of Contractor. Delays resulting from and within the control of a subcontractor or supplier of Contractor shall be deemed to be delays within the control of Contractor.

(b) *Excusable Delays.* Contractor shall not be in breach of the Contract in the event that performance of Services is temporarily interrupted or discontinued due to a “Force Majeure” event which is defined as: riots, wars, sabotage, civil disturbances, insurrections, or explosions; natural

disasters, such as floods, earthquakes, landslides, and fires; strikes, lockouts, and other labor disturbances; or other catastrophic events, which are beyond the reasonable control of Contractor. Force Majeure does not include Contractor's financial inability to perform, Contractor's failure to obtain any necessary permits or licenses from other governmental agencies, or Contractor's failure to obtain the right to use the facilities of any public utility where such failure is due solely to the acts or omissions of Contractor. If Contractor's performance of the Services is delayed by an excusable delay, the Substantial and Final Completion Due Dates shall be extended for such reasonable time as determined by the City Engineer. Extensions in time must be requested by Contractor within fifteen (15) calendar days of the excusable delay in order to receive consideration.

(c) *Emergency - Additional Time for Performance - Procurement of Materials.* If, because of war or other declared national emergency, the federal or state government restricts, regulates, or controls the procurement and allocation of labor or materials, or both, and if solely because of said restrictions, regulations or controls, Contractor is, through no fault of Contractor, unable to perform the Services, or the work is thereby suspended or delayed, any of the following steps may be taken:

- i. City may, pursuant to resolution of the City Council, grant Contractor additional time for the performance of the Contract, sufficient to compensate in time, for delay or suspension.

To qualify for such extension in time, Contractor within ten (10) days of Contractor's discovering such inability to perform, shall notify the City Engineer in writing thereof, and give specific reasons therefore; the City Engineer shall thereupon have sixty (60) days within which to procure such needed materials or labor as is specified in this agreement, or permit substitution, or provide for changes in the work in accordance with subdivision (b) of this Section.

Substituted materials, or changes in the work, or both, shall be ordered in writing by the City Engineer, and the concurrence of the City Council shall not be necessary. All reasonable expenses of such procurement incurred by the City Engineer shall be defrayed by the Contractor; or

- ii. If such materials or labor cannot be procured through legitimate channels within sixty (60) days after the filing of the aforesaid notice, either Party may, upon thirty (30) days' written notice to the other, terminate this agreement. In such event, Contractor shall be compensated for all work executed upon a unit basis in proportion to the amount of the work completed, or upon a cost-plus-ten-percent (10%) basis, whichever is the lesser. Materials on the ground, in process of fabrication or in route upon the date of notice of termination specially ordered for the Project and which cannot be utilized by Contractor, shall be compensated for by City at cost, including freight, provided Contractor shall take all steps possible to minimize this obligation; or
- iii. The City Council, by resolution, may suspend the Contract until the cause of inability to perform is removed for a period of not to exceed sixty (60) days.

If the Contract is not canceled, and the inability of Contractor to perform continues without fault on Contractor's part, beyond the time during which the Contract may have been suspended, as herein above provided, the City Council may further suspend the Contract, or either Party hereto may, without incurring any liability, elect to declare the Contract terminated upon the ground of impossibility of performance. In the event City declares this agreement terminated, such declaration shall be authorized by the City Council by resolution, and Contractor shall be notified in writing thereof within five (5) days after the adoption of such resolution. Upon such termination, Contractor shall be entitled to proportionate compensation at the Contract Price for such portion of the Contract as may have been performed; or

- iv. City may terminate the Contract, in which case Contractor shall be entitled to proportionate compensation at the agreed rate for such portion of the Contract as may have been performed. Such termination shall be authorized by resolution of the City Council. Notice thereof shall be forthwith given in writing to Contractor, and the Contract shall be terminated upon receipt by Contractor of such notice.

In the event of the termination provided in this sub-paragraph (iv), none of the covenants, conditions or provisions hereof shall apply to the Services not performed, and City shall be liable to Contractor for the proportionate compensation last herein mentioned.

(d) *Delay Damages.* In the event Contractor, for any reason, fails to perform the Services to the satisfaction of the City Engineer by the Substantial Completion Due Date, City may, in accordance with Section 7203 of the Public Contract Code, in lieu of any other of its rights authorized by Section 6 of this agreement, deduct from payments or credits due Contractor after such breach a sum equal to **Nine Hundred and no/100ths Dollars (\$900.00)** for each calendar day beyond the Substantial Completion Due Date. Upon Substantial Completion of the work, and in the event Contractor, for any reason, fails to perform the Services to the satisfaction of the City Engineer by the Final Completion Due Date, City may, in accordance with Section 7203 of the Public Contract Code, in lieu of any other of its rights authorized by Section 6 of this agreement, deduct from payments or credits due Contractor after such breach a sum equal to **Two Hundred Fifty and no/100ths Dollars (\$250.00)** for each calendar day beyond the Final Completion Due Date. This deduction shall not be considered a penalty but shall be considered as delay damages. The aforementioned rate of deduction is an amount agreed to by the Parties as reasonably representing additional construction engineering costs incurred by City if Contractor fails to complete the Services by the Substantial and Final Completion Due Dates. However, any deduction assessed as delay damages shall not relieve Contractor from liability for any damages or costs resulting from delays to other contractors on the project or other projects caused by a failure of the assessed Contractor to complete the Services by the Substantial and Final Completion Due Dates. Due account shall be taken of any time extensions granted to Contractor by City. Permitting Contractor to continue work beyond the Substantial and Final Completion Due Dates shall not operate as a waiver on the part of City of any of its rights under the Contract nor shall it relieve Contractor from liability for any damages or costs resulting from delays to other contractors on the project or other projects caused by a failure of the assessed Contractor to complete the Services by the Substantial and Final Completion Due Dates.

6. Termination.

(a) *Option of City to Terminate Contract for Failure to Complete Services.* If a Party should fail to perform any of its obligations hereunder within the time and in the manner herein provided, or otherwise violates any of the terms of the Contract (the “Defaulting Party”), the other Party shall give notice to the Defaulting Party and allow the Defaulting Party ten (10) days to correct such deficiency. If the Defaulting Party does not correct such deficiency, the other Party may immediately terminate the Contract by giving written notice of such termination, stating the reason for such termination. In such event, Contractor shall be entitled to receive payment for all Services satisfactorily rendered until such termination, provided, however, there shall be deducted from such amount the amount of damage, if any, sustained by virtue of any breach of the Contract by Contractor, including Delay Damages. If payment under the Contract is based upon a lump sum in total or by individual task, payment for Services satisfactorily rendered shall be an amount which bears the same ratio to the total fees specified in this Agreement as the Services satisfactorily rendered hereunder by Contractor to the total services otherwise required to be performed for such total fee, provided, however, that there shall be deducted from such amount the amount of damage, if any sustained by City by virtue of any breach of the Contract by Contractor. Upon termination, Contractor shall deliver copies of all Work Product, as defined in Section 19 of this Agreement, to City. If District terminates the Contract before Contractor commences any Services hereunder, City shall not be obligated to make any payment to Contractor.

(b) If Contractor should be adjudged bankrupt or if it should make a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of its insolvency, or if it or any of its subcontractors should violate any of the provisions of the Contract, City may serve written notice upon it and its surety of its intention to terminate the Contract. Such notice shall contain the reasons for City’s intention to terminate the Contract, and unless such violations shall cease within five (5) calendar days after serving of such notice, the Contract shall cease and terminate upon the expiration of said five (5) calendar days. In the event of any such termination, City shall immediately serve written notice thereof upon the surety and Contractor, and the surety shall have the right to take over and perform the Contract; provided however, that, if the surety does not give City written notice of its intention to take over and perform the Contract or does not commence performance thereof within thirty (30) calendar days from the date of the service of such notice, City may take over the work and prosecute the same to completion by contract or any other method it may deem advisable, for the account and at the expense of Contractor, and Contractor and its surety shall be jointly liable to City for any excess cost occasioned City thereby, and in such event City may, without liability for so doing, take possession of and utilize in completing the work, such materials, appliances, and other property belonging to Contractor as may be on the Project site and necessary thereof.

7. Liability for Breach: Neither Party waives the right to recover direct damages against the other for breach of the Contract, including any amount necessary to compensate City for all detriment proximately caused by Contractor's failure to perform its obligations hereunder or which in the ordinary course of things would be likely to result therefrom. City reserves the right to offset such damages against any payments owed to Contractor. City shall not, in any manner, be liable for special or consequential damages, including but not limited to Contractor's actual or projected lost profits had Contractor completed the Services required by the Contract. In the event of termination by either Party, copies of all finished or unfinished Work Product, as defined in Section 19 of this Agreement, shall become the property of City. Notwithstanding the foregoing, in no event shall City be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect

or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with the Contract or the Services performed in connection with the Contract.

8. Compensation: City shall make payments to Contractor in accordance with the provisions of Section 9 of the City Standards in legally executed and regularly issued warrants of City, drawn on the appropriate fund or funds as required by law and order of the City Council thereof. Contractor shall be administered a progress payment approximately every thirty (30) calendar days from the time work begins according to the payment schedule furnished by the City Engineer at the time work begins. Contractor shall provide access at all reasonable times to all reports, contract records, contract documents, contract files, and personnel necessary to audit and verify Contractor's charges to City under this Contract.

Monthly progress payments in the amount of 95 percent (95%) of the value of the work will be made to Contractor based on the Contractor's estimate and the schedule of prices contained in the accepted bid. The remaining 5 percent (5%) will be retained by City as partial security for the fulfillment of the Contract except that at any time after 50 percent (50%) of the work has been completed, if the City Engineer finds that satisfactory progress is being made and the Project's critical path of work are on schedule, City may discontinue any further retention. Such discontinuance will only be made upon the written request of Contractor. City may, at any time the City Engineer finds that satisfactory progress is not being made, again institute retention of 5 percent (5%) as specified above. Payment will be made as soon as possible after the preparation of the Contractor's estimate. City shall pay the remaining 5 percent (5%) of the value of the Services completed under this Contract, if unencumbered by retentions for claims, not sooner than the expiration of thirty-five (35) calendar days from the date of recordation of the Notice of Completion, pursuant to Section 2 of this agreement, and not later than sixty (60) days from the "completion" of the Services as said term is defined in Public Contract Code section 7107(c).

No estimate or payment shall be made if, in the judgment of the City Engineer, the work is not proceeding in accordance with the provisions of the Contract, or when, in his judgment, the total value of the work done since the last estimate amounts to less than \$1,000. No progress payments will be made if the time allotted for the job is thirty (30) working days or less. Payment of any progress payment, or the acceptance thereof by Contractor, shall not constitute acceptance of the work performed under this Contractor, or any portion thereof, and shall in no way reduce the liability of Contractor to replace unsatisfactory work or materials, though the unsatisfactory character of such work or materials may not have been apparent or detected at the time such payment was made.

Additionally, as a precondition to City's progress payments hereunder, Contractor shall provide to City, prior to payment, unconditional waivers and releases of stop notices pursuant to Civil Code section 8128 et seq. from each subcontractor and materials supplier. The form of said waivers and releases shall be as set forth in Civil Code section 3262(d)(2).

Pursuant to Public Contract Code section 22300 et seq., Contractor may request the right to substitute securities for any moneys withheld by City to ensure the performance required of Contractor under the Contract, or that City make payment of retentions earned directly into an escrow account established at the expense of Contractor.

9. Disputes Pertaining to Payment for Work: Should any dispute arise respecting the true value of any work performed, of any work omitted, or of any extra work which Contractor may be

required to do, or respecting the size of any payment to Contractor during the performance of the Contract, such dispute shall be decided by the City Engineer, and the decision of the latter shall be final and conclusive. The Parties agree to comply with the claims resolution procedures set forth in Public Contract Code section 9204 when applicable.

(a) *Claims Processing.* Any submission of a claim by Contractor must comply with the requirements of Public Contract Code section 9204. Upon receipt of a claim pursuant to this section, City shall conduct a reasonable review of the claim and, within a period not to exceed forty-five (45) days, shall provide Contractor a written statement identifying what portion of the claim is disputed and what portion is undisputed. Upon receipt of a claim, the Parties may, by mutual agreement, extend the time period provided in this subdivision. Contractor shall furnish reasonable documentation to support the claim. Any payment due on an undisputed portion of the claim shall be processed and made within sixty (60) days after City issues its written statement. If Contractor disputes City's written response, or if City fails to respond to a claim issued pursuant to this section within the time prescribed, Contractor may demand in writing an informal conference to meet and confer for settlement of the issues in dispute.

(b) *Meet-and-Confer Conference.* Upon receipt of a demand in writing sent by registered mail or certified mail, return receipt requested, City shall schedule a meet-and-confer conference within thirty (30) days for settlement of the dispute. Within ten (10) business days following the conclusion of the meet-and-confer conference, if the claim or any portion of the claim remains in dispute, City shall provide the claimant a written statement identifying the portion of the claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the claim shall be processed and made within sixty (60) days after the City issues its written statement.

(c) *Nonbinding Mediation.* Any disputed portion of the claim, as identified by Contractor in writing, shall be submitted to nonbinding mediation, with the Parties sharing the associated costs equally. The Parties shall mutually agree to a mediator within ten (10) business days after the disputed portion of the claim has been identified in writing. If the Parties cannot agree upon a mediator, each party shall select a mediator and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the claim. Each Party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator. If mediation is unsuccessful, the parts of the claim remaining in dispute shall be subject judicial review pursuant to Section 23 of this Agreement.

Notwithstanding any claim, dispute, or other disagreement between the Parties regarding performance under the Contract, the scope of work hereunder, or any other matter arising out of or related to, in any manner, the Contract, Contractor shall proceed diligently with performance of the Services in accordance with City's written direction, pending any final determination or decision regarding any such claim, dispute, or disagreement.

10. Permits and Care of Work: Contractor shall, at Contractor's expense, obtain all necessary permits and licenses for the construction of each improvement, give all necessary notices and pay all fees and taxes required by law, except those City fees set forth in Section 1 of the Special Provisions. Contractor has examined the Project site and is familiar with its topography and condition, location of property lines, easements, building lines, and other physical factors and limitations affecting the performance of the Contract. Contractor, at Contractor's expense, shall obtain any permission necessary for any operations conducted off the property owned or controlled by City. Contractor

shall be responsible for the proper care and protection of all materials delivered and work performed until completion and final acceptance.

11. Public Works and Payment of Prevailing Wage:

(a) *Monitoring and Enforcement.* In accordance with the provisions of Sections 1725.5, 1771.1, 1771.3, and 1771.4 of the Labor Code, all work performed under the Contract is subject to compliance monitoring and enforcement by the Department of Industrial Relations (“DIR”). All work performed by Contractor or its subcontractors under the Contract is subject to the requirements of Labor Code section 1720 et seq. It is not a violation of this section for an unregistered contractor to submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or by Section 10164 or 20103.5 of the Public Contract Code, provided the contractor is registered to perform public work pursuant to Section 1725.5 of the Labor Code at the time the contract is awarded. Contractor and its subcontractors shall furnish the records specified in Section 1776 of the Labor Code directly to the Labor Commissioner, at least monthly, in the format prescribed by the Labor Commissioner.

In accordance with the provisions of Section 1773.3 of the Labor Code, City shall provide notice to DIR of the award of this Contract within thirty (30) working days of the award. The notice shall be transmitted electronically in a format specified by DIR and shall include the name of Contractor, any subcontractor listed on the successful bid, the bid and contract award dates, the contract amount, the estimated start and completion dates, Project location, and any additional information DIR specifies that aids in the administration and enforcement of Section 1720 et seq. of the Labor Code.

(b) *Wages & Hours of Employment:* In the performance of the Services under the Contract, eight (8) hours shall be the maximum hours of labor on any calendar day, and the minimum wages of compensation of persons performing labor in the execution of this agreement shall be the current prevailing scale of wages determined by DIR for the community. Contractor shall forfeit as penalty Twenty-five and no/100ths Dollars (\$25.00) to be paid to City for each workman employed in the execution of the Contract by Contractor or its subcontractor(s), for each calendar day during which any workman is required or permitted to labor more than eight (8) hours, in violation of provisions of Labor Code section 1810 et seq. Contractor shall post prevailing wage rates at the Project no later than the first day Contractor commences performance of the Services under the Contract.

12. Superintendence by Contractor: Contractor shall give personal superintendence to the work on the Project or have a competent foreman or superintendent satisfactory to the City Engineer on the Project at all times during construction and performance of work under the Contract, with authority to act for Contractor.

13. Inspection and Testing by City: Contractor shall at all times maintain proper facilities and provide safe access for inspection by City to all parts of the work performed on the Project and to the shops wherein the work is in preparation. Contractor shall notify City with sufficient time in advance of the manufacture of production materials to be supplied by Contractor under the Contract in order for City to arrange for mill or factory inspection and testing of same. Any materials shipped by Contractor from factory prior to having satisfactorily passed such testing and inspection by City's representative or prior to the receipt of notice from such representative that such testing and inspection

will not be required shall not be incorporated on the Project. Contractor shall also furnish to City, in triplicate, certified copies of all factory and mill test reports upon request.

14. Conformity with Law and Safety: Contractor shall observe and comply with all applicable laws, ordinances, codes, and regulations of governmental agencies, including federal, state, municipal, and local governing bodies having jurisdiction over any or all of the scope of Services, including all provisions of the Occupational Safety and Health Act of 1979 as amended, all California Occupational Safety and Health Regulations, the California Building Code, the American with Disabilities Act, any copyright, patent, or trademark law, and all other applicable federal, state, municipal, and local safety regulations, appropriate trade association safety standards, and appropriate equipment manufacturer instructions. All Services performed by Contractor or its subcontractors must be in accordance with these laws, ordinances, codes, and regulations. Contractor's failure to comply with any laws, ordinances, codes, or regulations applicable to the performance of the Services hereunder shall constitute a breach of contract. In cases where standards conflict, the standard providing the highest degree of protection shall prevail.

If a death, serious personal injury or substantial property damage occurs in connection with the performance of the Contract, Contractor shall immediately notify City's risk manager by telephone. If any accident occurs in connection with the Contract, Contractor shall promptly submit a written report to City, in such form as City may require. This report shall include the following information: (a) name and address of the injured or deceased person(s); (b) name and address of Contractor's subcontractor, if any; (c) name and address of Contractor's liability insurance carrier; and (d) a detailed description of the accident, including whether any of City's equipment, tools, or materials were involved.

If a release of a hazardous material, substance, or waste occurs in connection with the performance of the Contract, Contractor shall immediately notify City. Contractor shall not store hazardous materials or hazardous waste within City limits without a proper permit from City.

15. Other Contracts: City may award other contracts for additional work on the Project, and Contractor shall fully cooperate with such other contractors and carefully fit Contractor's own work to that provided under other contracts as may be directed by the City Engineer. Contractor shall not commit or permit any act which will interfere with the performance of work by any other contractor.

16. Bonds: Concurrently with the execution hereof, Contractor shall furnish, on the forms provided herein as **Exhibits D and E**, respectively, corporate surety bonds to the benefit of City, issued by a surety company acceptable to City and authorized and admitted to do business in the state of California, as follows:

(a) *Faithful Performance Bond.* In an amount equal to at least one hundred percent (100%) of the Contract Price as security for the faithful performance of the Contract. The bond shall contain a provision that the surety thereon waives the provisions of Sections 2819 and 2845 of the Civil Code.

(b) *Payment Bond.* In an amount equal to at least one hundred percent (100%) of the Contract Price as security for the payment of all persons performing labor and furnishing materials in connection with the Contract. The bond shall be in accordance with the provisions of Sections 3225, 3226, and 3247 through 3252, inclusive, of the Civil Code and Section 13020 of the

Unemployment Insurance Code of California. Said bond shall also contain a provision that the surety thereon waives the provisions of Sections 2819 and 2845 of the Civil Code.

The surety companies shall familiarize themselves with all provisions and conditions of the Contract. It is understood and agreed that the surety or sureties waive the right of special notification of any modification or alterations, omissions or reductions, extra or additional work, extensions of time, or any other act or acts by City or its authorized agents under the terms of this Contract and failure to so notify the surety or sureties of such changes shall in no way relieve the surety or sureties of their obligations under the Contract.

17. Indemnification:

(a) *Indemnity for Professional Liability.* When the law establishes a professional standard of care for Contractor's Services, to the fullest extent permitted by law, Contractor shall indemnify, protect, defend, and hold harmless City and any and all of its elective and appointive boards, officers, officials, agents, employees or volunteers ("City's Agents") from and against any and all losses, liabilities, damages, costs, and expenses, including legal counsel's fees and costs but only to the extent Contractor or its subcontractors are responsible for such damages, liabilities and costs on a comparative basis of fault between Contractor or its subcontractors and City in the performance of professional services under the Contract. Contractor shall not be obligated to defend or indemnify City for City's own negligence or for the negligence of others.

(b) *Indemnity for other than Professional Liability.* Other than in the performance of professional services and to the full extent permitted by law, Contractor shall indemnify, defend, and hold harmless City and any and City's Agents from and against any liability, including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel's fees and costs, court costs, interest, defense costs, and expert witness fees, where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of the Contract by Contractor or by any individual or agency for which Contractor is legally liable, including, but not limited to, officers, agents, employees, or subcontractors of Contractor.

18. Contractor's Insurance: Concurrently with the execution hereof, Contractor shall furnish City with satisfactory proof of carriage of the insurance required under this section, and that Contractor shall give City at least thirty (30) days prior notice of the cancellation of any policy during the Term of this contract. Contractor shall not commence work under this Agreement until Contractor has obtained City's approval regarding all insurance requirements, forms, endorsements, amounts, and carrier ratings, nor shall Contractor allow any subcontractor to commence work on a subcontract until all similar insurance required of the subcontractor shall have been so obtained and approved. Contractor shall procure and maintain for the duration of the Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Services hereunder by Contractor, its agents, representatives, employees or subcontractors. Failure to maintain or renew coverage or to provide evidence of renewal may constitute a material breach of the Contract. Any available insurance proceeds in excess of the specified minimum limits and coverage shall be available to City. The City of Turlock shall be named as a certificate holder.

(a) *Commercial General Liability Insurance.* Contractor shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than Two Million Dollars (\$2,000,000.00) per occurrence, Four Million Dollars (\$4,000,000.00) general aggregate, and Two Million Dollars (\$2,000,000.00) products and completed operations for bodily injury, personal injury, and property damage, including, without limitation, blanket contractual liability and coverage for explosion, collapse, and underground property damage hazards. The general aggregate limit shall apply separately to this Project or the general aggregate shall be doubled. The policy shall contain, or be endorsed to contain, the following provisions:

- (1) City, its elective and appointive boards, officers, agents, employees, and volunteers are to be covered as additional insureds with respect to liability arising out of work or operations performed by or on behalf of Contractor, including materials, parts or equipment furnished in connection with such work or operations. The coverage shall be provided in the form of an endorsement to Contractor's insurance (at least as broad as CG 20 10 for ongoing operations and CG 20 37 for products/completed operations for construction services). The City shall be named as a certificate holder on the Certificate of Insurance.
- (2) For any claims related to the Project, Contractor's insurance coverage shall allow and be endorsed primary insurance as respects City and any insurance or self-insurance maintained by City shall be excess of Contractor's insurance and shall not contribute with it.
- (3) In the event of cancellation, non-renewal, or material change that reduces or restricts the insurance coverage afforded to City under the Contract, the insurer, broker/producer, or Contractor shall provide City with thirty (30) days' prior written notice of such cancellation, non-renewal, or material change.
- (4) Coverage shall not extend to any indemnity coverage for the sole negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

(b) *Workers' Compensation Insurance.* Contractor shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance with limits of at least One Million Dollars (\$1,000,000.00) each accident, One Million Dollars (\$1,000,000.00) by disease-policy limit, and One Million Dollars (\$1,000,000.00) by disease-each employee. Contractor shall submit to City, along with the Certificate of Insurance a Waiver of Subrogation endorsement in favor of the City, its offices, agents, employees, and volunteers.

(c) *Commercial Automobile Liability Insurance.* Contractor shall maintain commercial automobile liability insurance using ISO Business Auto Coverage form CA 00 01, or the exact equivalent, with a limit of no less than One Million Dollars (\$1,000,000.00) each accident for owned, leased, hired, non-owned, and borrowed automobiles. The policy shall provide and be endorsed that the City, its officials, officers, agents, employees, and volunteers are included or named as additional insureds. If Contractor owns no vehicles, this requirement may be met through a non-owned auto coverage or an endorsement to the CGL policy.

(d) *Builder's Risk Insurance.* [Intentionally Omitted]

(e) *Contractors Pollution Insurance.* Pollution Coverage shall be maintained on a Contractors Pollution Liability form, or other form acceptable to City, providing coverage for liability arising out of sudden, accidental, and gradual pollution and remediation. The policy limit shall be no less than Two Million Dollars (\$2,000,000.00) per claim. All activities contemplated in the Contract shall be specifically scheduled on the policy as "covered operations." The policy shall provide coverage for the hauling of waste from the Project site to the final disposal location, including non-owned disposal sites. The policy shall provide and be endorsed to include the City, its officials, officers, agents, employees, and volunteers as insureds.

(f) *Professional Liability Insurance.* [Intentionally Omitted]

(g) *Umbrella or Excess Policy.* Contractor may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability and Automobile Liability insurance. No coverage or insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Contractor's primary and excess liability policies are exhausted.

(h) *Deductibles and Self-Insured Retentions.* Upon request of City, any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City and City's Agents; or (2) Contractor shall provide a financial guarantee satisfactory to City guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

(i) *Acceptability of Insurers.* Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-:VII or with an insurer to which City has provided prior approval.

(j) *Verification of Coverage.* Contractor shall furnish City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this Section 18. All certificates and endorsements are to be received and approved by City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive Contractor's obligation to provide them. City reserves the right, at any time, to require complete, certified copies of all required insurance policies and endorsements.

(k) *Waiver of Subrogation.* With the exception of professional liability, Contractor hereby agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. The commercial general liability policy, automobile liability policy, and workers' compensation policy shall be endorsed to contain a waiver of subrogation in favor of City for all work performed by Contractor, its agents, employees, independent contractors and subcontractors. Contractor shall provide written proof of waiver of subrogation in the Certificate of Insurance. Additionally, Contractor agrees to obtain any available endorsements that may be necessary to effectuate this waiver of subrogation.

(l) *Subcontractors.* Contractor shall ensure all subcontractors furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

19. Ownership of Work Product: Any and all work, artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, designs, specifications, drawings, diagrams, surveys, source codes, professional or technical information or data, photographs, notes, letters, emails, or any original works of authorship created by contractor or its subcontractors or subcontractors in connection with Services performed under the Contract (“Work Product”) shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of City. In the event that it is ever determined that any Work Product created by Contractor or its subcontractors or subcontractors under the Contract are not works for hire under U.S. law, Contractor hereby assigns all copyrights to such Work Product to City. With the prior written approval of the City Engineer, Contractor may retain and use copies of such Work Product for reference and as documentation of its experience and capabilities.

All Work Product shall become the property of City irrespective of where located or stored and Contractor agrees to deliver all such documents and information to City, without charge and in whatever form it exists, upon the Final Completion Date, as may be extended. Contractor shall have no ownership interest in such Work Product.

All Work Product of Contractor under the Contract, including written information which City will cause to be distributed for either internal or public circulation, including both preliminary and final drafts, shall be delivered to City in both printed and electronic form, or as may be specific in Exhibit A.

When the Contract is terminated, Contractor agrees to return to City all documents, drawings, photographs, and other written or graphic material, however produced, that it received from City or City’s Agents, in connection with the performance of its Services under the Contract. All materials shall be returned in the same condition as received.

20. Taxes: Payment of any taxes, including California sales and use taxes, levied upon the Contract, the transaction, or the Services or goods delivered pursuant hereto, shall be the obligation of Contractor. Contractor shall cooperate with City to the full extent possible to maximize the local allocation of California sales and use tax to City. Such cooperation shall include, but not be limited to:

(a) *Use Tax Direct Payment Permits.* Contractor shall apply for, obtain, and utilize, to the maximum extent reasonable, a California Use Tax Direct Payment Permit.

(b) *Purchases of \$500,000 or More.* Contractor shall require vendors and suppliers located outside California from whom Contractor makes purchases of \$500,000 or more to allocate the use tax to City.

21. Independent Contractor: At all times during the Term of the Contract, Contractor shall be deemed to be an independent contractor and shall be wholly responsible for the manner in which Contractor performs the Services required under the Contract. Contractor shall be liable for its acts and omissions, and those of its employees, contractors, subcontractors, representatives, volunteers,

and its agents. Nothing contained herein shall be construed as creating an employment, agency, or partnership relationship between City and Contractor. City shall have the right to control Contractor only insofar as the result of Contractor's Services rendered pursuant to the Contract; however, City shall not have the right to control the means by which Contractor accomplishes Services rendered pursuant to the Contract.

22. Contractor Not Agent: Except as City may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, pursuant to the Contract to bind City to any obligation whatsoever.

23. Arbitration of Disputes: All claims, disputes, and other matters in question between City and Contractor arising out of, or relating to, this Contract or the breach thereof, including claims of Contractor for extra compensation of Services related to the project, shall be decided by arbitration before a single arbitrator in accordance with the provisions of Sections 1281 through 1284.2 of the Code of Civil Procedure (the "Arbitration Laws") unless the Parties mutually agree otherwise. The provisions of Section 1283.05 of the Arbitration Laws apply to any arbitration proceeding except as otherwise provided in the Contract. The arbitrator shall have authority to decide all issues between the Parties including, but not limited to, claims for extras, delay, and liquidated damages, if any, provided for the Contract, matters involving defects in the Services performed by Contractor or its subcontractors, rights to payment, and whether the necessary procedures for arbitration have been followed. The award rendered by the arbitrator shall be final and judgment may be entered upon it in accordance with applicable law in any court having competent jurisdiction thereof.

Notice of the demand for arbitration shall be filed in writing with the other Party. The demand for arbitration shall be made within a reasonable time after the claim, dispute, or other matter in question has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such claim, dispute, or other matter in question would be barred by the applicable statute of limitations.

The parties shall jointly appoint an arbitrator within fifteen (15) calendar days of the date of giving the notice of the demand for arbitration. If the Parties are unable to jointly agree upon the appointment of an arbitrator within said fifteen (15) calendar day period, and do not agree in writing to extend said period for a fixed period, then either Party may seek to have the arbitrator appointed by the Superior Court of Stanislaus County in accordance with the Arbitration Laws.

If any proceeding is brought to contest the right to arbitrate and it is determined that such right exists, the losing Party shall pay all costs and attorney's fees incurred by the prevailing Party.

In addition to the other rules of law which may be applicable to any arbitration hereunder, the following shall apply:

(a) Promptly upon the filing of the arbitration, each Party shall be required to set forth in writing and to serve upon each other Party a detailed statement of its contentions of fact and law.

(b) All Parties to the arbitration shall be entitled to the discovery procedures provided under Section 1283.05 of the California Code of Civil Procedure.

(c) The arbitration shall be commenced and conducted as expeditiously as possible consistent with affording reasonable discovery as provided herein.

(d) These additional rules shall be implemented and applied by the arbitrator.

The costs of arbitration shall be borne by the Parties as determined by the arbitrator, but each Party shall bear its own attorney's fees associated with the dispute with the other Party and to the arbitration.

All administrative remedies required under Section 9 of this Agreement or pursuant to Public Contract Code section 9204, or required by any other law, shall be exhausted prior to commencement of any arbitration under this Section 23.

24. Provisions Cumulative: The provisions of the Contract are cumulative, and in addition to and not in limitation of, any other rights or remedies available to City.

25. Notices: All notices shall be in writing and delivered in person or transmitted by certified mail, postage prepaid. Any Party hereto may at any time, by giving ten (10) days' written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below.

If to City:

**City of Turlock
Attn: City Engineer
156 S. Broadway, Suite 150
Turlock, CA 95380-5461**

With courtesy copies to:

**City of Turlock, City Attorney's Office
Attn: George A. Petrulakis, City Attorney
156 S. Broadway, Suite 230
Turlock, CA 95380-5456**

If to Contractor:

**Machado & Sons Construction, Inc.
Attn: Michael J. Machado
1000 S Kilroy Rd
Turlock Ca 95380**

If to Contractor's Sureties:

26. City Contract Administrator: The City's contract administrator and contact person for this Agreement is:

Oscar Molina, E.I.T.
City of Turlock Engineering Division
156 S. Broadway, Suite 150
Turlock, California 95380-5461
Telephone: (209) 668-5520
E-mail: omolina@turlock.ca.us

27. Interpretation: As used herein, any gender includes each other gender, the singular includes the plural and vice versa.

28. Antitrust Claims: Contractor or its subcontractors offer and agree to assign to City all rights, title, and interest to any causes of action under Section Four of the Clayton Act and the Cartwright Act concerning antitrust claims.

29. Use of City Project Number: Contractor or its subcontractors agree to use the aforementioned City project number on all maps, drawings, submittals, billing, and written correspondence that involve City staff or contracted consultants. Nothing in this section shall preclude Contractor or its subcontractors from using their own project numbers for their own internal use.

30. No Conflict of Interest: Contractor represents that no conflict of interest will be created under state or federal law by entering into or in carrying out the Contract.

31. Confidentiality: Contractor understands and agrees that, in the performance of Services under the Contract, or in the contemplation thereof, Contractor may have access to private or confidential information that may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City (“Confidential Information”). Contractor shall not, either during or after the Term, disclose to any third party any Confidential Information without the prior written consent of City. If City gives Contractor written authorization to make any such disclosure, Contractor shall do so only within the limits and to the extent of that authorization. Contractor may be directed or advised by the City Attorney on various matters relating to the performance of Services on the Project or on other matters pertaining to the Project, and in such event, Contractor agrees that it will treat all communications between itself, its employees, and its subcontracts as being communications which are within the attorney-client privilege.

32. Modification. No alteration, amendment, modification, or termination of the Contract shall be valid unless made in writing and executed by all Parties to the Contract.

33. Waiver: No covenant, term, or condition or the breach thereof shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

34. Assignment: No Party to the Contract shall assign, transfer, or otherwise dispose of this Agreement in whole or in part to any individual, firm, or corporation without the prior written

consent of the other Party. Subject to the foregoing provisions, the Contract shall be binding upon, and inure to the benefit of, the respective successors and assigns of the Parties hereto.

35. Authority: All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, person, states, or firms and that all former requirements necessary or required by state or federal law in order to enter into the Contract have been fully complied with. Further, by entering into this Agreement, neither Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

36. Governing Law: The Contract shall be governed and construed in accordance with the laws of the state of California.

37. Severability: If the Contract in its entirety is determined by an arbitrator or a court of competent jurisdiction to be invalid or unenforceable, the Contract shall automatically terminate as of the date of final entry of judgment. If any provision of the Contract shall be determined to be invalid and unenforceable, or if any provision of the Contract is rendered invalid or unenforceable according the terms of any federal or state statute, which becomes effective after the Effective Date of this Agreement, the remaining provisions shall continue in full force and effect and shall be construed to give effect to the intent of this Agreement.

38. Execution and Counterparts: This Agreement may be executed simultaneously and, in several counterparts, each of which shall be deemed an original but together shall constitute one and the same instrument. The Parties agree that this Agreement and any other documents to be delivered in connection herewith may be electronically signed utilizing services such as DocuSign and Nitro Sign, or by transmitting signatures in pdf or similar format, and that any electronic signatures appearing on this Agreement or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

39. Mandatory and Permissive: “Shall” and “will” and “agrees” are mandatory. “May” and “can” are permissive.

40. Headings: Headings used in this Agreement are for reference purposes only and shall not be considered in construing this Agreement.

41. Attorney’s Fees and Costs: Except as expressly provided for in Section 23 of this Agreement, if any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret the provisions of the Contract, the prevailing Party shall be entitled to reasonable attorney’s fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

42. Necessary Acts and Further Assurances: The Parties shall, at their own cost and expense, execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of the Contract.

43. Recitals: The recitals set forth above (“Recitals”) are true and correct and are hereby incorporated into and made part of this Agreement by this reference. In the event of any inconsistency between the Recitals and Section 1 through 43 of this Agreement, Sections 1 through 43 shall prevail.

[Signatures on Following Page]

IN WITNESS WHEREOF, two identical counterparts of this agreement, consisting of a total of 38 pages, each of which counterparts shall for all purposes be deemed an original of said agreement, have been duly executed by the parties hereinabove named, on the day and year first herein above written.

**MACHADO & SONS
CONSTRUCTION, INC.,
a California corporation**

By: _____

Print Name

Address: _____

Phone: _____

Date: _____

Federal Tax ID or Social Security No:

DIR Registration Number:

Affix Contractor's Seal Here

**CITY OF TURLOCK, a municipal
corporation**

By: _____
Susan E. Borrego, Interim City Manager

Date: _____

APPROVED AS TO SUFFICIENCY:

By: _____
William D. Morris, RCE, PLS, City Engineer

By: _____
Christopher Fisher, Municipal Services
Director

APPROVED AS TO FORM:

By: _____
George A. Petrulakis, City Attorney

ATTEST:

By: _____
Nichole Fiez, City Clerk

**EXHIBIT A
CONTRACTOR'S PROPOSAL FOR SERVICES
PROPOSAL**

Project No. 25-041

City Utility Trench Repair 2025

City of Turlock, California

DATED: 9/24/25

To: The Honorable City Council of the City of Turlock, California:

NAME OF BIDDER: Machado and Sons Construction

BUSINESS ADDRESS: 1000 S Kilroy Rd

PLACE OF RESIDENCE: Turlock, CA 95380

Bids are to be submitted for the entire work. The amount of the bid for comparison purposes will be the total of all items. The bidder shall set forth for each unit basis item of work a unit price and a total for the item, and for each lump sum item a total for the item, all in clearly legible figures in the respective spaces provided for that purpose.

In the case of unit basis items, the amount set forth under the "Item Total" column shall be the product of the unit price bid and the estimated quantity for the item. In case of discrepancy between the unit price and the total set forth for a unit basis item, the unit price shall prevail except as provided in (a) or (b), as follows:

(a) If the amount set forth as unit price is unreadable or otherwise unclear, or is omitted, or is the same as the amount as the entry in the item total column, then the amount set forth in the item total column for the item shall prevail and shall be divided by the estimated quantity for the item and the price thus obtained shall be the unit price;

(b) (Decimal Errors) If the product of the entered unit price and the estimated quantity is exactly off by a factor of ten, one hundred, etc., or one-tenth, or one-hundredth, etc. from the entered total, the discrepancy will be resolved by using the entered unit price or item total, whichever most closely approximates percentage wise the unit price or item total in the Department's Final Estimate of Cost.

In accordance with the annexed Notice to Contractors, the undersigned, as bidder, declares that he has carefully examined the location of the proposed work, the plans, specifications and technical requirements therefore, and the proposed forms of contract and bonds mentioned or referred to in said Notice and on file in the Office of the City Engineer of the City of Turlock, together with the prevailing rate of per diem wages for each craft or type of workmen needed to execute said contract; and he proposes and agrees that if this proposal is accepted, he will furnish all labor, materials, equipment, plant transportation, service, sales taxes, permit fees and other costs necessary to complete the construction in strict conformity to the plans and specifications and he will enter into a written contract with the City of Turlock in the form of contract on file in the Office of the City Engineer for such purposes, and that he will execute and/or provide all bonds and insurance certificates required by law and/or by said contract and/or mentioned in said Notice to Contractors all in accordance with and subject to all applicable laws, and that he will take in full payment therefore the following unit prices, to wit:

BIDDER'S FORM

PROJECT TITLE: City Utility Trench Repair 2025

PROJECT NUMBER: 25-041

OPENING DATE: September 25, 2025

OPENING TIME: 1:00 PM

Item No.	Item Description	Unit of Measure	Estimated Quantity	Unit Price	Total
1	Mobilization and Demobilization	LS	1	\$2,694.00	\$2,694.00
2	Traffic Control	LS	1	\$16,758.00	\$16,758.00
3	Trench Repair (Per Modified Detail T-2)	SF	1,119	\$67.00	\$74,973.00
4	Grind and Pave Overlay (Per Modified Detail T-3)	SF	4,647	\$11.50	\$53,440.50
5	Adjust Frames and Covers to Grade	ALLOW	1	\$5,000.00	\$5,000.00
6	All Other Work not Included in Bid Items Above	LS	1	\$2145.50	\$2145.50
Subtotal					\$155,011.00

Bidder has examined and carefully studied the Bidding documents and other related data identified in the Bidding Documents and the following Addenda, receipt of which is hereby acknowledged

ADDENDA

No. <u>1</u>	Date <u>9/10/25</u>	Signed <u></u>
No. _____	Date _____	Signed _____
No. _____	Date _____	Signed _____
No. _____	Date _____	Signed _____
No. _____	Date _____	Signed _____

TOTAL BID WRITTEN IN FIGURES: \$ 155,011.00

TOTAL BID WRITTEN IN WORDS: One hundred fifty five thousand eleven dollars

CONTRACTOR: Machado and Sons Construction

COMPANY'S NAME: Machado and Sons Construction

BY: Michael J. Machado

ADDRESS: 1000 S Kilroy Rd
(Number) (Street)
Turlock, CA 95380
(City) (State) (ZIP)

CONTRACTOR'S PHONE #: (209) 632-5260

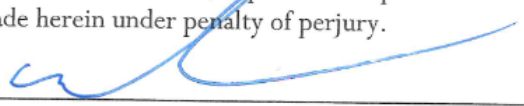
CONTRACTOR'S EMAIL: estimating@machadoandsons.com

NOTE: CONTRACTOR WILL BE REQUIRED TO LIST THEIR LICENSE NUMBER, EXPIRATION DATE, AND APPROPRIATE STATEMENT REGARDING PERJURY AND SIGNED BY INDIVIDUAL AUTHORIZED TO DO SO. FAILURE TO INCLUDE THE ABOVE ITEMS MAY CAUSE SAID CONTRACTOR'S BID TO BE REJECTED.

Machado and Sons Construction, Contractor's License # 719936, Class A,B,C-8,C-12
(Company's Name) C-61/D06,C-61/D30

Expires 03/31/2026. DIR #: 1000013872

This information is true, is provided as per Section 7028.15 of the Business and Professions Code, and is made herein under penalty of perjury.

X  9/24/25
(Bidder's Signature) (Date)

If the proposal is accepted and the undersigned shall fail to contract as aforesaid and fail to file with the City insurance certificates as required by said contract, within fourteen (14) days after the bidder has received notice from the City Engineer or his representative of the City of Turlock that the contract has been awarded to bidder and is ready for signature, the City of Turlock may, at its option, determine that the bidder has abandoned his contract, and thereupon this proposal and the acceptance thereof shall be null and void.

Also accompanying this proposal is an affidavit of non-collusion and questionnaire to general contractors, a statement of proposed subcontractors, if any, the address of mill, shop or office of any subcontractor, and a statement of work to be performed by subcontractors.

The names and addresses of persons interested in the foregoing proposal as principals are as follows:

(IMPORTANT NOTICE: If bidder or other interested person is a corporation, state legal name of corporation, also names of the president, secretary, treasurer, and manager thereof; if a partnership, state true name of firm, also names of all individual co-partners composing firm; if bidder or other interested person is an individual, state first and last name in full.)

Licensed in accordance with an act providing for the registration of Contractors,
License No. 719936 Expiration Date 03/31/2026.

DATED: September 25, 2025

Address: 1000 S. Kilroy Road

Phone: 209 632-5260

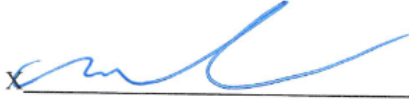
Email: estimating@machadoandsons.com

X 
Signature of Bidder

NOTE: If bidder is a corporation, the legal name of the corporation shall be set forth above together with the signature of the officers authorized to sign contracts on behalf of the corporation; if bidder is a co partnership, the true name of the firm shall be set forth above together with the signature of the partner or partners authorized to sign contracts in behalf of the co partnership; and, if bidder is an individual, his signature shall be placed above. If a signature is by an agent other than an officer of a corporation or a member of the partnership, a Power of Attorney must be on file with the City Clerk prior to opening or submitted with the bid; otherwise, the bid will be disregarded as irregular and unauthorized.

AFFIDAVIT

The undersigned bidder, being first duly sworn, deposes and says that he/she are the party making the foregoing proposal or bid, that this bid is genuine and not collusive or sham, that said bidder has not colluded, conspired, connived or agreed, directly or indirectly, with any other person or bidder, to put in a sham bid, or that said other person shall refrain from bidding, and has not in any manner sought by collusion to secure any advantage against the said City or any person interested in said improvement, for him/herself or any other person.


Signature of Bidder

Jurat (Government Code Section 8202)

State of California

County of Stanislaus

Subscribed and sworn to (or affirmed) before me on this 25 day of September, 2025

by Michael J. Machado proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.


NOTARY PUBLIC SIGNATURE

(AFFIX SEAL)

Emily Viramontes
NOTARY PUBLIC PRINTED NAME

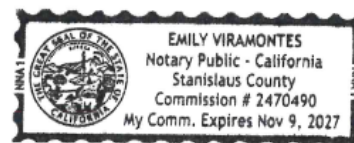


EXHIBIT B PAYMENT BY FORCE ACCOUNT

For work paid by force account, the City Engineer compares City's records to Contractor's daily force account work report. When the City Engineer and Contractor agree on the contents of the daily force account work reports, the City Engineer accepts the report and City pays for the work. If the records differ, City pays for the work based only on the information shown on City's records. If a subcontractor performs work at force account, work paid at force account will be accepted at an

additional 2 percent (2%) markup to the total cost of that work, including markups, as reimbursement for additional administrative costs. The markups specified in labor, materials, and equipment includes compensation for all delay costs, overhead costs, and profit. If an item's unit price is adjusted for work-character changes, City excludes Contractor's cost of determining the adjustment. Payment for owner-operated labor and equipment is made at the market-priced invoice submitted.

A. Labor. Labor payment is full compensation for the cost of labor used in the direct performance of the work plus a fifteen percent (15%) markup, as set forth below, and consistent with California Labor Code section 1770 et seq. Force account labor payment consists of:

1. Employer payment to the worker for:
 - 1.1 Basic hourly wage
 - 1.2 Health and welfare
 - 1.3 Pension
 - 1.4 Vacation
 - 1.5 Training
 - 1.6 Other State and federal recognized fringe benefit payments
2. Labor surcharge percentage in *Labor Surcharge and Equipment Rental Rates* current during the work paid at force account for:
 - 2.1 Workers' compensation insurance
 - 2.2 Social security
 - 2.3 Medicare
 - 2.4 Federal unemployment insurance
 - 2.5 State unemployment insurance
 - 2.6 State training taxes
3. Subsistence and travel allowances paid to the workers
4. Employer payment to supervisors, if authorized

The fifteen percent (15%) markup consists of payment for all overhead costs related to labor but not designated as costs of labor used in the direct performance of the work including:

- (a) Home office overhead
- (b) Field office overhead
- (c) Bond costs
- (d) Profit
- (e) Labor liability insurance
- (f) Other fixed or administrative costs that are not costs of labor used in the direct performance of the work

B. Materials. Material payment is full compensation for materials the Contractor furnishes and uses in the work. The City Engineer determines the cost based on the material purchase price, including delivery charges, except:

1. A fifteen percent (15%) markup is added;
2. Supplier discounts are subtracted whether the Contractor takes them or not;
3. If the City Engineer believes the material purchase prices are excessive, City pays the lowest current wholesale price for a similar material quantity;
4. If Contractor procured the materials from a source Contractor wholly or partially own, the determined cost is based on the lower of the:
 - 4.1 Price paid by the purchaser for similar materials from that source on Contract items; and
 - 4.2 Current wholesale price for those materials;
5. If Contractor does not submit a material cost record within thirty (30) days of billing, the determined cost is based on the lowest wholesale price:
 - 5.1 During that period
 - 5.2 In the quantities used

C. Equipment Rental. Equipment rental payment is full compensation for:

1. Rental equipment costs, including moving rental equipment to and from the change order work site using its own power.
2. Transport equipment costs for rental equipment that cannot be transported economically using its own power. No payment is made during transport for the transported equipment.
3. Fifteen percent (15%) percent markup.

If Contractor wants to return the equipment to a location other than its original location, the payment to move the equipment must not exceed the cost of returning the equipment to its original location. If Contractor uses the equipment for work other than work paid by force account, the transportation cost is included in the other work.

Before moving or loading the equipment, Contractor must obtain authorization for the equipment rental's original location.

The City Engineer determines rental costs:

1. Using rates in *Labor Surcharge and Equipment Rental Rates*:
 - 1.1. By classifying equipment using manufacturer's ratings and manufacturer-approved changes.
 - 1.2. Current during the work paid by force account.

- 1.3. Regardless of equipment ownership but City uses the rental document rates or minimum rental cost terms if:
 - 1.3.1. Rented from equipment business Contractor does not own.
 - 1.3.2. The Labor Surcharge and Equipment Rental Rates hourly rate is \$10.00 per hour or less.
2. Using rates established by the City Engineer for equipment not listed in *Labor Surcharge and Equipment Rental Rates*. Contractor may submit cost information that helps the City Engineer establish the rental rate but City uses the rental document rates or minimum rental cost terms if:
 - 2.1. Rented from equipment business Contractor does not own.
 - 2.2. The City Engineer establishes a rate of \$10.00 per hour or less.
3. Using rates for transport equipment not exceeding the hourly rates charged by established haulers.

Equipment rental rates include the cost of:

- | | |
|---|----------------------------|
| 1. Fuel | 7. Repairs and maintenance |
| 2. Oil | 8. Depreciation |
| 3. Lubrication | 9. Storage |
| 4. Supplies | 10. Insurance |
| 5. Small tools that are not consumed by use | 11. Incidentals |
| 6. Necessary attachments | |

City pays for small tools consumed by use. The City Engineer determines payment for small tools consumed by use based on Contractor-submitted invoices.

The City Engineer may authorize rates in excess of those in the *Labor Surcharge and Equipment Rental Rates* if:

1. Contractor submits a request to use rented equipment
2. Equipment is not available from Contractor's normal sources or from one of Contractor's subcontractors
3. Rented equipment is from an independent rental company
4. Proposed equipment rental rate is reasonable
5. The City Engineer authorizes the equipment source and the rental rate before Contractor uses the equipment

D. Equipment on the Job Site. For equipment on the job site at the time required to perform work paid by force account, the time paid is the time:

1. To move the equipment to the location of work paid by force account plus an equal amount of time to move the equipment to another location on the job site when the work paid by force account is completed
2. To load and unload equipment

3. Equipment is operated to perform work paid by force account and:
 - 3.1. Hourly rates are paid in 1/2-hour increments
 - 3.2. Daily rates are paid in 1/2-day increments

E. Equipment Not on the Job Site Required for Original-Contract Work. For equipment not on the job site at the time required to perform work paid by force account and required for original-Contract work, the time paid is the time the equipment is operated to perform work paid by force account and the time to move the equipment to a location on the job site when the work paid by force account is completed.

The minimum total time paid is:

1. 1 day if daily rates are paid
2. 8 hours if hourly rates are paid

If daily rates are recorded, equipment:

1. Idled is paid as 1/2 day
2. Operated four (4) hours or less is paid as 1/2 day
3. Operated four (4) hours or more is paid as one (1) day

If the minimum total time exceeds eight (8) hours and if hourly rates are listed, City rounds up hours operated to the nearest 1/2-hour increment and pays based on the hours shown in the following table. The table does not apply when equipment is not operated due to breakdowns, in which case rental hours are the hours the equipment was operated.

Equipment Rental Hours	
Hours operated	Hours paid
0.0	4.00
0.5	4.25
1.0	4.50
1.5	4.75
2.0	5.00
2.5	5.25
3.0	5.50
3.5	5.75
4.0	6.00
4.5	6.25
5.0	6.50
5.5	6.75
6.0	7.00
6.5	7.25
7.0	7.5
7.5	7.75
≥8.0	hours used

F. Equipment Not on the Job Site Not Required for Original-Contract Work. For equipment not on the job site at the time required to perform work paid by force account and not required for original-Contract work, the time paid is the time:

1. To move the equipment to the location of work paid by force account plus an equal amount of time to return the equipment to its source when the work paid by force account is completed
2. To load and unload equipment
3. Equipment is operated to perform work paid by force account

G. Non-Owner-Operated Dump Truck Rental. Contractor shall submit the rental rate for non-owner-operated dump truck rental to City. The City Engineer shall determine the payment rate. Payment for non-owner-operated dump truck rental is for the cost of renting a dump truck, including its driver. For the purpose of markup payment only, the non-owner-operated dump truck is rental equipment and the owner is a subcontractor.

The above markups shall constitute full compensation for all home office overhead, field office overhead, bond costs, profit, labor liability insurance, and other fixed or administrative costs that are not costs specifically designated as cost or equipment rental as stated above. The total payment made as provided above shall be deemed to be the actual cost of the work and shall constitute full compensation therefor.

When extra work to be paid for on a force account basis is performed by a subcontractor, an additional markup of 2 percent (2%) will be added to the total cost of that extra work including all markups specified in this Section. The additional 2 percent (2%) markup shall reimburse Contractor for additional administrative costs, and no other additional payment will be made by reason of performance of the extra work by a subcontractor.

EXHIBIT C
WORKERS' COMPENSATION INSURANCE CERTIFICATION

Pursuant to Section 18(b) of the Agreement, Contractor certifies as follows:

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

Signed: _____ Date: _____

(Typed or Printed Name)

Business Address (Street Address, City, State & Zip Code):

Business Phone: () _____

EXHIBIT D
PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the **City of Turlock**, State of California, has awarded to **Machado & Sons Construction, Inc.**, hereinafter designated as the “Principal,” a contract for **Project No. 25-41, “City Utility Trench Repair 2025”**; and,

WHEREAS, said Principal is required under the terms of said contract to furnish a bond for the faithful performance of said contract.

NOW, THEREFORE, we the Principal, and _____ as Surety, are held and firmly bound unto the City of Turlock in the penal sum of _____ (\$ _____), lawful money of the United States for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, or assigns jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above bounden Principal, or Principal’s heirs, executors, administrators, successors, or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions, and agreements in said contract and any alteration thereof made as therein provided, on the Principal’s part, to be kept and performed at the time and in the manner therein specified and in all respects according to their true intent and meaning; and shall defend, indemnify and save harmless the City of Turlock, its officers and agents as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and virtue.

And the Surety, for value received hereby stipulates and agrees that, in accordance with the Plans, Standard Specifications, Special Provisions, and other contract documents, no change, extension of time, alteration, or addition to the terms of the contract, or to the work to be performed hereunder, or to the specifications accompanying the same shall in anywise affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration of additions to the terms of the Contract to the work, or to the specifications.

The City of Turlock reserves the right to refuse use of any Contractor assigned by any surety to complete the work.

[Signatures on Following Page]

IN WITNESS WHEREOF, the above-bound parties have executed this instrument under their seals this _____ day of _____, 20____, the name and corporate seals of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(Corporate Seal)

Principal _____

By _____

Title _____

(Attach Notarial Acknowledgment)

(Corporate Seal)

Surety _____

Address _____

Phone No.: () _____ Fax No.: () _____

By _____
Attorneys-in-Fact

Title _____

(Attach Notarial Acknowledgment)

NOTE TO SURETY COMPANY: There must be submitted a certified copy of unrevoked resolution of authority for the attorneys-in-fact.

(Seal)

Witness _____

Approved as to form:

Risk Manager

EXHIBIT E
PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the **City of Turlock**, a municipal corporation, has awarded to **Machado & Sons Construction, Inc.**, hereinafter designated as the “Principal”, a contract for **Project No. 25-041, “City Utility Trench Repair 2025”**; and

WHEREAS, said Principal is required to furnish a bond in connection with said contract, to secure payment of claims of laborers, mechanics, or materialmen employed on work under said contract, as provided by law.

NOW, THEREFORE, we the undersigned Principal and Surety are held and firmly bound unto the City of Turlock in the sum of _____ (\$ _____), said sum being equal to the estimated amount payable by said City of Turlock under the terms of the contract, for which payment well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, or assigns jointly and severally, firmly by these presents.

THE CONDITIONS OF THIS OBLIGATION ARE SUCH that if said Principal, or Principal’s heirs, executors, administrators, successors, or assigns, or subcontractors shall fail to pay for any material, provisions, provender, or other supplies, implements, or machinery used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or for amounts due under the Unemployment Insurance Code with respect to such work or labor, or for any amounts required to be deducted, withheld, and paid over to the Franchise Tax Board from these wages of employees of the Contractor and Contractor’s subcontractors pursuant to the Revenue and Taxation Code, with respect to such work and labor, the Surety or Sureties hereon will pay for the same in an amount not exceeding the sum specified in this bond, otherwise the above obligation shall be void. In case suit is brought upon this bond, said Surety will pay a reasonable attorney’s fee to be fixed by the court.

This bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Section 3138 of the Civil Code of the State of California so as to give a right of action to them or their assigns in any suit brought upon this bond.

Said Surety, for value received, hereby stipulates and agrees that, in accordance with the Plans, Standard Specifications, Special Provisions, and other Contract Documents, no change, extension of time, alteration or addition to the terms of the contract, or to the work to be performed there under, or to the specifications accompanying the same, shall in anywise affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract, or to the work, or to the specifications.

[Signatures on Following Page]

IN WITNESS WHEREOF, the above-bound parties have executed this instrument under their seals this _____ day of _____, 20____, the name and corporate seals of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(Corporate Seal)

Principal _____

By _____

Title _____

(Attach Notarial Acknowledgment)

(Corporate Seal)

Surety _____

Address _____

Phone No.: () _____ Fax No.: () _____

By _____

Attorneys-in-Fact

Title _____

(Attach Notarial Acknowledgment)

NOTE TO SURETY COMPANY: There must be submitted a certified copy of unrevoked resolution of authority for the attorneys-in-fact.

(Seal)

Witness _____

Approved as to form:

Risk Manager

City Council Staff Report

November 18, 2025



From: Christopher Fisher, Municipal Services Director
Prepared by: Janine Lee, Associate Engineer
Agendized by: Susan E. Borrego, Interim City Manager

1. ACTION RECOMMENDED:

Motion: Approving Contract Change Order No. 2 between the City of Turlock and SoCal Pacific Construction, Corp. dba National Coating & Lining Company for City Project No. 23-027, "Secondary Clarifier No. 4 Recoating" in the amount of \$16,937.00 bringing the contract total to \$290,510.00

2. NARRATIVE:

The Regional Water Quality Control Facility includes five secondary clarifiers. The secondary clarifiers are used to separate microorganisms so that just clear water remains. The clear water that flows out of the top of the clarifier is sent along for disinfection. Secondary Clarifier No. 4 was constructed approximately 30 years ago. The corrosive wastewater environment has resulted in corrosion of various metal surfaces associated with Secondary Clarifier No. 4. The scope of City Project No. 23-027 "Secondary Clarifier No. 4 Recoating" includes:

- Remove by abrasive blasting the existing coating system on the interior metal work (rake arms, skimmer arms, bridge, etc)
- Spot repair and overcoat all exterior metal work (surfaces above immersion)
- Apply new coating system to all clarifier interior metal work, above grade piping and valves within the clarifier, and all piping associated with the scum box
- Apply new coating system on all exterior surfaces of the Return Activated Sludge (RAS) pump station above-ground equipment

The project specifications required that above-ground equipment surfaces be prepared by water blasting. During construction, staff observed that surface preparation by water blasting alone was not sufficient to remove the existing asphaltic coating on the equipment. Full removal of the existing coating system is needed to provide proper adhesion of the specified protective coating.

Change Order No. 2 in the amount of \$16,397.00 includes additional work by National Coating & Lining (NCL) to perform abrasive blasting on the above-ground equipment in order to remove the existing asphaltic coatings. An additional seven (7) working days are also requested by the Contractor in order to perform the new work.

It is necessary to approve this change order item to ensure that the above-ground equipment is coated properly with a new coating system.

Project Summary:

	Amount	Approval Date
Original Contract	\$217,637.00	May 14, 2024
Change Order No. 1	\$55,936.00	December 10, 2024
Change Order No. 2	\$16,937.00	November 18, 2025
Adjusted Total Contract	\$290,510.00	

The approved contingency amount for change orders was \$21,764 at the time of the award of bid. Change Order No. 2 exceeds the approved contingency amount and requires City Council approval in accordance with the change order policy established in Council Resolution No. 2025-007.

3. FISCAL IMPACT / BUDGET AMENDMENT:

No General Fund money was used for this project.

The total estimated project costs are displayed below:

Engineering Design			
-City Staff	\$	13,230.06	A
Construction Contract	\$	217,637.00	B
-National Coating & Lining			
Contract Change Orders (No. 1 and 2)	\$	72,873.00	C
Construction Inspection	\$	56,685.35	D
Construction Engineering Mng by City Staff	\$	20,302.87	E
New Total Estimated Project Charges	\$	380,728.28	F = A + B + C + D + E
Project Charges Prior to FY 25/26	\$	93,960.73	G
Total Estimated Project Charges in FY 25/26	\$	286,767.55	H = F - G

The project account is 410-51-534.43363. There are sufficient funds in the project account for Change Order No. 2.

4. ENVIRONMENTAL DETERMINATION:

This project is exempt from California Environmental Quality Act (CEQA) pursuant to Section 15301 (Existing Facilities) as this project involves negligible or no expansion or use of the existing facilities.

5. ATTACHMENTS:

1. Change Order No. 2



CONTRACT CHANGE ORDER

Date Issued: November 18, 2025
Project Name: Secondary Clarifier No. 4 Recoating

Change Order No: 2

National Coating & Lining
26713 Madison Ave
Murrieta, CA 92562

Project No: 23-027
Contract For: \$217,637.00
Contract Award Date: May 14, 2024

You are directed to make the following changes in this contract as requested by The City of Turlock:

Item No.	Item Description	Unit of Measure	Quantity	Unit Price	Total
1	Additional Blasting of the RAS Pump Station Above Ground Equipment	LS	1	\$ 16,397.00	\$ 16,937.00
				Total This CCO =	\$ 16,937.00
The original contract sum =					\$ 217,637.00
Net change by previous change orders =					\$ 55,936.00
The contract amount will be increased by the amount of =					\$ 16,937.00
The new contract sum including this change order will be =					\$ 290,510.00
7 working days are added to the contract time to account for the additional items of work.					

Accepted: Chris Osburn
Chris Osburn, Branch Manager

Date: 9/29/2025

Approved: _____
Susan Borrego, Interim City Manager

Date: _____

City Council Staff Report

November 18, 2025



From: Christopher Fisher, Municipal Services Director
Prepared by: Christopher Fisher, Municipal Services Director
Agendized by: Susan E. Borrego, Interim City Manager

1. ACTION RECOMMENDED:

Motion: Authorizing the Interim City Manager to execute a Memorandum of Understanding with the Stanislaus Regional Water Authority regarding the preparation of a Joint 2025 Urban Water Management Plan

2. NARRATIVE:

Staff recommends that the Council authorize the Interim City Manager to enter into a Memorandum of Understanding (MOU) with the Stanislaus Regional Water Authority (SRWA) for the preparation of a Joint 2025 Urban Water Management Plan (UWMP), to be completed by West Yost Associates (West Yost).

In accordance with the State of California Water Code Section 10620 et seq., every urban water supplier must prepare, adopt, and/or update its UWMP every five years—by July 1 of years ending in six or one—and submit it to the Department of Water Resources (DWR).

Each agency's UWMP must include the following items:

- An assessment of the reliability of water sources over a 20-year planning time frame
- A description of demand management measures
- A water shortage contingency plan
- A discussion of the use and planned use of recycled water

On May 25, 2021, the Turlock City Council formally adopted the 2020 Urban Water Management Plan, completing the update as a single-agency submission, which will require the next update in 2026.

3. FISCAL IMPACT / BUDGET AMENDMENT:

SRWA will serve as the contracting agency with West Yost for preparation of the Joint UWMP. All work described in the MOU is already included within the scope of services under SRWA's existing Program Management Services contract with West Yost.

The total cost for City of Turlock for preparing a Joint UWMP is \$99,401, which will be expensed to Fund 420 (Water), account number 420-52-550.43320 "Special Services/Projects". By preparing a Joint UWMP, the SRWA and the City of Turlock anticipate saving a collective \$51,226. Turlock will specifically save \$41,525 by participating in the Joint Turlock/SRWA UWMP.

4. ENVIRONMENTAL DETERMINATION:

This action is not subject to the provisions of the California Environmental Quality Act

(CEQA) in accordance with Section 15378(b)(5) of the CEQA guidelines because it consists of “organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment” and therefore is not considered a project.

5. ATTACHMENTS:

1. MOU with SRWA for the UWMP



MEMORANDUM OF UNDERSTANDING

Between the Stanislaus Regional Water Authority and the City of Turlock

Regarding the Preparation of a Joint 2025 Urban Water Management Plan

This Memorandum of Understanding (MOU) is entered into this ____ day of _____, 2025, by and between the Stanislaus Regional Water Authority (SRWA), a joint powers authority organized under California law, and the City of Turlock, a California municipal corporation, collectively referred to as the “Parties” and individually as a “Party.”

1. Purpose

The purpose of this MOU is to document the intent of SRWA and the City of Turlock to jointly prepare a single 2025 Urban Water Management Plan (UWMP), herein referred to as the “Joint UWMP”, in accordance with the Urban Water Management Planning Act (California Water Code §§ 10610–10657). This joint effort is intended to increase efficiency, reduce redundancy, and realize cost savings.

2. Background

SRWA, formed by the Cities of Ceres and Turlock, is a wholesale water supplier providing treated Tuolumne River water to its member agencies. SRWA began delivering water in November 2023 and was required to prepare its first UWMP, the 2020 UWMP, within one year of initial operations. This 2020 UWMP for SRWA was completed by West Yost Associates (West Yost) in October 2024. West Yost is currently the program manager and engineering consultant to SRWA and has provided a scope and budget to prepare the Joint UWMP for both SRWA and the City of Turlock.

The City of Turlock is a retail water supplier and required to prepare a 2025 UWMP. The previous two UWMPs prepared for the City of Turlock, the 2015 UWMP and the 2020 UWMP, were prepared by West Yost.

3. Benefits of a Joint Plan

A Joint UWMP will:

- Promote regional water resource coordination and planning.
- Provide a comprehensive assessment of shared surface water and groundwater supply conditions.
- Reduce duplicated efforts in data preparation, public outreach, and documentation.
- Improve alignment of projected demands, reliability assessments, and drought risk evaluation.

4. Consultant and Scope

West Yost will prepare the Joint UWMP for the Parties. The Joint UWMP will satisfy all Department of Water Resources (DWR) requirements for individual and joint urban water suppliers, including the coordination of supply and demand analyses, water shortage contingency planning, and compliance with SB X7-7 (as applicable to the City of Turlock).

5. Cost of Preparation

West Yost's cost to prepare the Joint UWMP is estimated to cost \$160,000 as shown in Table 1. For comparison, West Yost previously estimated the costs to prepare separate UWMPs for both Turlock only and SRWA only. As shown in Table 1, these costs were estimated to be \$131,226 and \$80,000, respectively.

Task	Turlock Only UWMP	SRWA Only UWMP	Joint UWMP
	Estimated Budget	Estimated Budget	Estimated Budget
Task 1. Attend Meetings	8,577	5,229	10,458
Task 2. Collect and Review Data	8,023	4,891	9,782
Task 3. Prepare Administrative Draft 2025 UWMP	66,556	40,575	81,150
Task 4. Prepare Public Draft 2025 UWMP	11,834	7,214	14,429
Task 5. Support for the Draft 2025 UWMP Public Hearings	9,892	6,031	12,061
Task 6. Prepare Final 2025 UWMP	12,056	7,350	14,700
Task 7. Respond to Questions/ Comments from DWR	2,094	1,277	2,553
Task 8. Project Management and Coordination	10,696	6,521	13,041
Direct Costs	1,498	913	1,826
Total Project Budget	\$131,226	\$80,000	\$160,000

Table 2 shows the cost of the Joint UWMP along with the cost share expected from the City of Turlock, recognizing that a portion of the Joint UWMP is specific to the City of Turlock and a portion is specific to the SRWA. 100 percent of the Turlock portion of the Joint UWMP shall be paid for by the City of Turlock while the SRWA portion of the Joint UWMP shall be paid equally by SRWA member agencies, namely the City of Turlock and City of Ceres. The City of Turlock and the City of Ceres comprise the only two agencies responsible for funding SRWA's operations.

Table 2. Joint UWMP Cost		
Joint UWMP	Cost, dollars	Turlock Cost Share
Turlock Portion of Joint UWMP	99,401	100%
		\$99,401
SRWA Portion of Joint UWMP	60,599	50%
		\$30,299
Total Cost	160,000	\$129,701

Preparing a single Joint UWMP will save costs for both Parties. Absent a Joint UWMP, the costs for an SRWA-only UWMP would have been \$80,000 as shown in Table 3.

Table 3. Turlock Only and SRWA Only UWMP Costs		
Joint UWMP	Cost, dollars	Turlock Cost Share
Turlock Only UWMP	131,226	100%
		\$131,226
SRWA Only UWMP	80,000	50%
		\$40,000
Total Cost	211,226	\$171,226

By preparing a Joint UWMP, the SRWA and the City of Turlock anticipate saving a collective \$51,226. Turlock will specifically save \$41,525 by participating in the Joint Turlock/SRWA UWMP.

Each City shall contribute to the Joint UWMP cost as follows:

- Ceres: \$30,299 (City's share of SRWA's preparation costs only)
- Turlock: \$129,701 (total of SRWA share and City-only share of preparation costs)

This allocation reflects the greater level of detailed analysis required for Turlock's retail components, including compliance with SB X7-7 and water use targets.

6. Roles and Responsibilities

Each Party shall:

- Coordinate with West Yost to provide the necessary data and information.
- Participate in joint meetings, public hearings, and review sessions.
- Ensure compliance with noticing, adoption, and DWR submittal requirements for their respective jurisdictions.

SRWA will serve as the contracting agency with West Yost for the purposes of the Joint UWMP.

7. Term

This MOU shall remain in effect until the Joint 2025 UWMP is adopted by both Parties and submitted to DWR, or until earlier terminated by mutual agreement.

8. Payment

SRWA shall pay West Yost's invoices for the Joint 2025 UWMP. The City of Turlock shall reimburse SRWA for Turlock's share of the cost associated with the Joint UWMP (i.e. 81% of total cost as described in Section 5). SRWA shall invoice Turlock on a quarterly basis.

9. Amendments

Amendments to this MOU must be made in writing and executed by both Parties.

10. Entire Agreement

This MOU and any amendments to it constitute the entire MOU between the Parties concerning the subject matter hereof.

11. Authorization

The signatories below represent that they are authorized to execute this MOU on behalf of their respective agencies.

12. Counterparts

SRWA and Turlock agree that this MOU may be executed and delivered in counterparts which, when taken together, shall constitute a fully-executed document. In addition, this MOU may be executed via electronic pdf transmission, and any such pdf signature shall be deemed to be an original signature.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by and through their respective officers' thereunto duly authorized.

**CITY OF TURLOCK,
a municipal corporation**

**STANISLAUS REGIONAL
WATER AUTHORITY,
a Joint Powers Authority**

By: _____
Susan E. Borrego,
Interim City Manager

By: _____
Christopher Fisher,
SRWA General Manager

Date: _____

Date: _____

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By: _____
George A. Petrulakis, City Attorney

By: _____
Joshua Horowitz, SRWA Legal Counsel

City Council Staff Report

November 18, 2025



From: Sue Borrego, Interim City Manager
Prepared by: Jennifer Figueroa, Housing Program Manager
Agendized by: Susan E. Borrego, Interim City Manager

1. ACTION RECOMMENDED:

Motion: Adopting the updated Housing Rehabilitation Program and the First Time Homebuyer Secondary Financing Program Policies and Procedures Manuals for the Housing Program Services Division.

2. NARRATIVE:

The Housing Division administers a Housing Rehabilitation Program designed to expand the supply of decent, safe, sanitary, and affordable housing through correcting health and safety hazards in deteriorating housing for income-eligible individuals and families, as well as a First Time Homebuyer Program aimed at making homeownership more accessible and affordable for households with low to moderate incomes.

To ensure compliance with the requirements of U.S. Department of Housing and Urban Development (HUD) and California Department of Housing and Community Development (HCD), the Housing Division must draft and update various policies and procedures for all housing programs.

Staff continuously review existing policies and procedures and recommend the following revisions to the Housing Rehabilitation Policies and Procedures:

1. Section 3, add the following:

- Section 3-G City-Owned Property
“Any rehabilitation work performed on a city-owned property must be completed in accordance with prevailing wage requirements.
Prior to issuing a bid invitation for a city-owned property, staff must consult with the Engineering Department to ensure all current requirements are met and that all bid and contract documents include the required language.”

2. Under Section 4N-Grants, add the following:

- “B. May be awarded for stick-built homes by the Loan Committee on a case-by-case basis, up to \$30,000, when the owner does not qualify for a forgivable loan.”
- Under the Eligibility subsection, add,” Stick homes up to \$30,000 on a case-by-case basis.”
- “D. Homeowner's insurance is not required for grant-funded projects.”

To streamline efficiencies, staff recommend adding the following verbiage to both the

Rehabilitation Program and the First Time Homebuyer Secondary Financing Program policies and procedures in the introduction:

- "Administrative and regulatory modifications to this policy and procedure manual may be approved by the City Manager or designee. "

The recommended Housing Rehabilitation Program and First Time Homebuyer Secondary Financing Program policies and procedures are included as Attachment A, with all proposed updates showing in track changes for ease of review.

3. FISCAL IMPACT / BUDGET AMENDMENT:

There is no fiscal impact.

4. ENVIRONMENTAL DETERMINATION:

This action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) of the CEQA guidelines. This action consists of "organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment" and therefore is not considered a project.

5. ATTACHMENTS:

1. Housing Policies and Procedures

Housing Rehabilitation Program

Policies and Procedures Manual

City of Turlock
Housing Program Services
156 South Broadway, Suite 140, Turlock CA 95380 (209)
668-5610, Fax (209) 668-5120, TDD 1 (800) 735-2929
www.cityofturlock.org

Approved by City Council on June 11, 2024 by resolution 2024-087, Superseded by
Approval on August 26, 2025 by resolution 2025-173

These Policies and Procedures supersede any previously adopted Policies. These policies and procedures are subject to change in accordance with revisions made by the State of California and or Housing and Urban Development.



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Introduction

This Manual sets forth policies and procedures for the City of Turlock's Housing Rehabilitation Program (hereinafter "Program"). This program is designed to expand the supply of decent, safe, sanitary, and affordable housing; to correct health and safety hazards in deteriorating housing and extend the useful life of existing housing units for income eligible individuals and families.

The Program is a partnership between the City of Turlock (hereinafter "City"), State and Federal Governments to help maintain and upgrade the housing stock within the City, particularly in older neighborhoods.

Funds for this program may come from various local, state, and federal sources including but not limited to: Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME), Permanent Local Housing Allocation (PLHA) and CalHome.

The City will comply with all city, state, and federal regulations and guidelines. In the event that the City assisted applicant combines two or more City assistance programs/funding sources, the homeowner and the property shall meet the strictest underwriting criteria and guidelines of each program/funding source.

Use of funds is subject to change and shall be in accordance with the requirements of the State of California Department of Housing and Community Development Division, United States Department of Housing and Urban Development, and other laws and regulations governing the funding for these programs as such laws and regulations may be amended from time to time.

Administrative and regulatory modifications to this policy and procedure manual may be approved by the City Manager or designee.

Rehabilitation Loan Program Address:

City of Turlock
Housing Program Services Division
156 South Broadway, Suite 140
Turlock, CA 95380



Telephone: (209) 668-5610

Fax: (209) 668-5120

TDD: (800) 735-2929 (Speech and hearing impaired only)

City of Turlock website: www.cityofturlock.org

Introduction

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1. Overview

1-A. Purpose of Manual

The purpose of the Policies and Procedures Manual is to describe the Program and set forth the roles of the City, the program applicants and borrowers. These Policies and Procedures contain the regulations, general requirements and processing procedures.

Funds available for this program may come from various local, state, and federal funding sources including but not limited to: Community Development Block Grant¹ (CDBG), Home Investment Partnership Program² (HOME), CalHome³, and Permanent Local Housing Allocation⁴ (PLHA).

The City is continually searching for new funding sources to further affordable housing activities. The intent of the Program is to provide eligible homeowners and investors a funding opportunity, that would not otherwise be available, to rehabilitate substandard and deteriorating homes.

1-B. Program Summary

The City has established the Program to assist eligible homeowners and investors with the funding to rehabilitate their home or rental properties. The Program staff will assist the Borrower to ensure a successful and timely completion of the rehabilitation process.

To maximize the effectiveness of the Program as a vehicle for enhancing affordability, Borrowers may be eligible for deferred payment loans, fully amortized loans, forgivable loans and or grants.

1-C. General Definitions

As used in the Policies and Procedures and all program documents, unless context requires otherwise, the following words and terms have the meanings set forth below:

Affordable: In reference to housing costs, means that the financial obligation can be paid by the person or household, along with all other financial responsibilities of that person or household, without endangering the financial stability of the household.

1 Authorized under Title I of the Housing and Community Development Act of 1974, as amended. The regulations implementing the CDBG Program are found at 24 CFR Part 570. CDBG funds are administered by the United State Department of Housing and Urban Development (HUD).

2 Authorized under the HOME Investment Partnerships Act at title II of the Cranston-Gonzalez National Affordable Housing act, as amended, 42 U.S.C. 12701 et seq. The regulations implementing the Home Investment Partnerships (HOME) Program are found at 24 CFR Part 92. HOME funds are administered by the United State Department of Housing and Urban Development (HUD).

3 Authorized by and pursuant to Chapter 6 of Part 2 of Division 31 of Health and Safety Code, commencing with Section 50650 ("California Statutes") and regulations found in Title 25 of the California Code of Regulations, Division 1, Chapter 7, Subchapter 9 commencing with Section 7715 ("CalHome Regulations"), all as amended and in effect from time to time. CalHome funds are administered by the State Department of Housing and Community Development.

4 Authorized by The California Senate Bill 2 (SB2), also known as the Building Homes and Jobs Act, Chapter 364, Statutes of 2017. PLHA funds are administered by the State Department of Housing and Community Development (HCD).

AMI:	Area Median Income, as established by HUD.
Amortized Loan:	A loan payable over a certain time period which includes principal and interest payments.
Applicant:	Any person who applies for a Housing Rehabilitation loan under the Program.
Assisted unit:	A unit rehabilitated with loan(s) and or grant(s) funded under this Program.
Borrower:	The recipient who has or will receive financing for the rehabilitation of an eligible property.
Certification:	A written statement of fact filed in connection with the Program and subject to penalties of perjury.
City:	The City of Turlock, California.
Code Violations:	Infractions against the applicable codes referenced in the Housing Rehabilitation Standards.
Contractor:	A general building contractor, licensed by the State of California.
Deferred Payment Loan:	A loan in which no monthly installments are required. Full loan amount plus interest will be due and payable at the end of the specified loan term.
Equity:	The value of a unit(s) after subtracting all claims or liens against the unit value.
First Mortgage:	A mortgage which is in first lien position, taking priority over all other mortgages or deeds of trust.
General Property Improvements (GPI):	Improvements other than code violations made to improve the visual quality of the unit.
Gross Income:	The anticipated income of a person, family or household for the 12-month period following the date of determination of income.
Household:	All the persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.
HUD:	The United States Department of Housing and Urban Development.
Interest:	The fees associated with the borrowing of money.

Lien:	A form of encumbrance against the property which provide security for the payment of a debt, discharge, or an obligation. Examples: judgment liens, taxes, mortgage, deed of trust, mechanics liens.
Low- and Moderate-income (LMI):	A family or household having an income equal to or less than the Section 8 Low-income limit, (80% of the area median income) as established by HUD.
Manufactured Housing Unit:	Manufactured housing unit, either on a permanent foundation or on an alternate foundation system, located on a rented space in a mobile home park, on leased land or on property owned by borrower
Maturity Date:	The date upon which a loan comes due and payable in full in accordance with the regulations pertaining to the funding source(s) used.
Mixed-Use:	A property occupied by residential and non-residential uses such as a business and residents or tenant(s).
Moderate Income Household:	Persons and families whose gross incomes do not exceed 120% of the area median income adjusted for household size in accordance with adjustment factors adopted by HUD in establishing income limits for lower income families.
Mortgage:	A deed of trust used to secure a lien on real property or, in the case of some manufactured housing, another security interest acceptable to the City and the State of California Department of Housing and Community Development.
Multi-Family units:	Five or more residential units.
Non-Conforming Residential Uses and Structures:	Those residential uses and structures which are not permitted but exist in any given zone by reason of use, improper setback or improper lot size.
Owner-Builder:	A home owner who is a licensed contractor performing work on his/her own property, as qualified by the Housing Rehabilitation Specialist.
Owner-Occupant:	A family or individual, regardless of family ties, who occupies and owns a unit of residential property.
Owner-Occupied Residence:	A housing unit intended and used for occupancy by the owner of the property.
Owner-Investor:	A family or individual, regardless of family ties, who owns a unit or units of residential property and who rents these units to a tenant(s).

Ownership Interest:	Any of the following interests in residential real property: • Fee simple estate • Joint tenancy • Tenancy in common Ownership does not include a remainder interest, a lease with or without an option to purchase or any interest acquired on the execution of the purchase contract.
Principal Residence:	A property occupied by the Borrower as his primary residence.
Ratio: Income/Expenses:	The percentage of annual gross income to housing expenses.
Ratio: Monthly Housing Expenses:	The maximum percentage of monthly gross income spent for housing.
Reconstruction:	The rebuilding, on the same lot, of housing standing on a site at the time of project commitment. The number of housing units on the lot may not be decreased or increased as part of the reconstruction project, but the number of rooms per unit may be increased or decreased. (HUD 24 CFR Part 92.2)
Rehabilitation Costs:	The total cost of repair, improvements and other costs to be incurred by the Borrower that are included in the loan and or grant.
Rehabilitation Specifications Manual:	The City of Turlock Housing Program Services Division Manual titled "A Guide to Rehabilitation Standards", which identifies City codes and ordinances applicable to residential rehabilitation and other environmental deficiencies to be corrected during the rehabilitation process not identified in, or required by, City codes.
Second Mortgage:	A mortgage that is junior or subordinate to a first mortgage.
Single-Family Dwelling:	A one-to four-family residence, condominium unit, cooperative unit, combination of manufactured housing and lot, or manufactured housing lot.
Sub-Contractor:	Any licensed trade contractor that is not the General Contractor, i.e. Electrical, Plumbing or Mechanical contractor.
Unit:	A single owner-occupied or rental unit, providing complete, independent living facilities for one or more persons including permanent provisions of living, sleeping, eating, cooking and sanitation. Unit, as used in these policies, shall not include hotel or motel rooms, rooming and/or boardinghouses. Further, those single-family units that have been converted to house additional families or single persons may, on approval of the City staff, qualify as a unit. Also known as a dwelling unit.

Utilities: Refers to gas, electricity, water, sewage disposal, and refuse collection. Does not include telephone or cable.

2. Program Eligibility Requirements

2-A. Eligible Property Requirements

1. The applicants(s) must be the owner(s) of record of the property to be rehabilitated.
2. Property must be located in:
 - a. City limits of Turlock excluding county pockets for CDBG, PLHA, and CalHOME funding. Within Consortium area of Stanislaus County for HOME funding.
 - b. Target area census tracts as designated by funding source requirements.
3. Property type must be:
 - a. Single-family housing; or
 - b. Condominium unit; or
 - c. A town home unit; or
 - d. Multi-family units; or
 - e. Mixed-use property.
 - 1) CDBG funded: For structures containing non-residential and residential uses, program funds can be used only for the residential portion of the structure, except when conditions exist in the non-residential portion which will adversely affect the residential portion of the structure. In no case shall the commercial portion of the rehabilitation exceed 25% of the total amount of the loan or grant.
 - 2) HOME, and PLHA funded: For structures containing non-residential and residential uses, program funds can be used only for the residential portion of the structure.
 - 3) Other funding restrictions may apply.
 - f. Mobile Home
 - 1) CDBG funded: Mobile homes must be part of the City's permanent housing stock (24 CFR 570.202(a)(5)). If the mobile home is located in a permitted mobile home park, it will be considered part of the City's permanent housing stock and eligible for CDBG funding.

2-B. Occupancy Requirements

1. Eligible property must have the following occupancy characteristics:

- a. The applicant(s) must be the primary occupant(s) of the property to be rehabilitated; or
- b. If a rental property, occupied by income eligible tenants throughout the entire term of the loan or the affordability period; or
- c. Vacant. Unit(s) will be required to be occupied by income-eligible tenants throughout the entire term of the loan or the affordability period.

See section for "Affordability Period" information, page 28.

2-C. Income Eligibility and Verification

1. Owner occupied:

To be eligible to receive funds, the Borrowers must be income eligible.

a. The City must verify a Borrower's income in accordance with the following:

1) Borrowers must have an annual gross income equal to or less than 80% of the area median income as adjusted for household size. See Exhibit B for the Area Median Income (AMI) limits.

i. Income limits used to determine eligibility for CalHome and PLHA funding must be those published by the State of California Department of Housing and Community Development and available from the Administrator or the City.

ii. Income limits used to determine eligibility for HOME, CDBG, and NSP funding must be those published by the U.S. Department of Housing and Urban Development and available from the City.

2) Household size is determined by counting all members of the household, regardless of age, who will be permanent residents in the home. The following household members are not counted to determine household size for income limits purposes: foster children, unborn children and children being pursued for legal custody or adoption who are not currently living with the household. A child, who is subject to as shared-custody agreement in which the child resides with the household at least 50% of the time, can be counted.

3) Income from all adult household members 18 years of age or older shall be counted to determine household income eligibility. Household income will be used to determine loan eligibility.

b. The Borrower's gross annual income must then be projected by the City over the upcoming 12-month period and judged to not exceed the applicable income limit. City shall determine annual gross income in accordance with the Code of Federal Regulations (CFR), Title 24, Part 5, Section 5.609(b) attached hereto as Exhibit A.

1) Income from assets is recognized as part of annual income under 24 CFR Part 5. City shall determine income from assets in accordance with 24 CFR 5.

Section 2 – Program Eligibility Requirements

City of Turlock Housing Rehabilitation Program Policies and Procedures Manual

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- 2) Include as Borrowers, all persons who are on title to the property.
 - 3) If documentation is provided by the Borrower that his or her current circumstances may be about to change, this information must be used in the projection of gross annual income.
 - 4) The City shall determine the Borrower's annual gross income by obtaining source documentation verifying income and asset inclusions in accordance with Part 5 Income Inclusions as stated in the Code of Federal Regulations Statement from 24 CFR 5.609(b).
 - i For self-employed borrowers, source documentation shall also include but not necessarily be limited to:
 - (1) 3 years federal tax returns. (A minimum of the two most recent years must show income as self-employed)
 - (2) A profit and loss statement prepared by an accountant or bookkeeper. The City reserves the right to request an audited Profit and Loss statement by a Certified Accountant/Bookkeeper.
 - ii. For Borrower's who are employees, source documentation shall also include but not necessarily be limited to:
 - (1) 3 years federal tax returns. If the Borrower has not yet filed his/her Federal income tax return for the preceding year, the Borrower will be required to provide W-2's and 1099's for the year in question and provide proof that taxes were filed, once filed. If Borrower is exempt, they will provide an exemption letter from the IRS.
2. Investor and Non-Profit Owned properties
- To be eligible to receive funds, the rental unit(s) must be occupied by income eligible tenants. Tenant occupied properties are not eligible for the CalHome Secondary Financing with Rehabilitation Program.
- a. The City must verify a Tenant's income in accordance with the following:
 - 1) Tenant must have an annual gross income equal to or less than 80% of the area median income as adjusted for household size.
 - i. Income limits used to determine eligibility for CalHome and PLHA funding must be those published by the State of California Department of Housing and Community Development and available from the Administrator or the City.
 - ii. Income limits used to determine eligibility for HOME, CDBG, and NSP funding must be those published by the U.S. Department of Housing and Urban Development and available from the City.

- 2) Household size is determined by counting all members of the household, regardless of age, who will be permanent residents in the home. The following household members are not counted to determine household size for income limits purposes: foster children, unborn children and children being pursued for legal custody or adoption who are not currently living with the household. A child, who is subject to a shared-custody agreement in which the child resides with the household at least 50% of the time, will be counted.
 - 3) Income from all adult household members 18 years of age or older shall be counted to determine household income eligibility.
- b. The Tenant's gross annual income must then be projected by the City over the upcoming 12-month period and judged to not exceed the applicable income limit. City shall determine annual gross income in accordance with the Code of Federal Regulations (CFR), Title 24, Part 5, Section 5.609(b) attached hereto as Exhibit A.
- 1) Income from assets is recognized as part of annual income under 24 CFR Part 5. City shall determine income from assets in accordance with 24 CFR 5.
 - 2) Include as Borrowers, all persons who are on title to the property.
 - 3) If documentation is provided by the Tenant that his or her current circumstances may be about to change, this information must be used in the projection of gross annual income.
 - 4) The City shall determine the Tenant's annual gross income by obtaining source documentation verifying income and asset inclusions listed in 24 CFR Part 5 income inclusions as stated in the Code of Federal Regulations Statement from 24 CFR 5.609 (b).
 - i. For self-employed tenants, source documentation shall also include but not necessarily be limited to:
 - (1) 3 years federal tax returns and proof of filing. (A minimum of the two most recent years must show income as self-employed)
 - (2) A profit and loss statement prepared by an accountant or bookkeeper. The City reserves the right to request an audited Profit and Loss statement by a Certified Accountant/Bookkeeper.
 - ii. For tenant's who are employees, source documentation shall also include but not necessarily be limited to:
 - (1) 3 years federal tax returns. If the Borrower has not yet filed his/her Federal income tax return for the preceding year, the Borrower will be required to provide W-2's and 1099's for the year in question.
 3. If the Investor rental unit is vacant, rent limitations will be placed on each assisted unit. See Tenant Occupancy Verification on page 43.

3. Rehabilitation Work

3-A. Rehabilitation Standards

All improvements to residential properties, including the residential portion of a mixed-use project, in the City shall comply with the applicable standards set forth in all appropriate City statutes, codes, and ordinances as well as the Housing Program Services Division Rehabilitation Standards, "A Guide to Rehabilitation Standards" (see Exhibit C) which relate to the use, maintenance, facilities, and occupancy of residence (dwellings), including, but not limited to, the following most recently adopted codes and ordinances:

The following standards shall be utilized to determine the scope of rehabilitation projects:

1. The Housing Quality Standards at 24 CFR 982.401 and 24 CFR Part 574, B574.310 (b), B882.404 (c) (3): and CPD-94-05.
2. The lead-based paint regulations at 24 CFR Part 35 and as amended thereafter.
3. The latest editions of the following codes and or other codes as adopted by the City but not limited to:
 - a. Uniform Housing Code
 - b. National Electric Code
 - c. Uniform Building Code
 - d. Uniform Mechanical Code
 - e. Uniform Plumbing Code
 - f. California Historical Building Code
 - g. California Building Code

Note: For CDBG and PLHA funded projects, existing conditions that are not included in the scope of work for a project are exempt from complying with the current editions of the codes referenced in section 3a-3g above, as long as there is not health and safety risks, or existing code violations.

For HOME funded projects, all of the above codes and all property standards as identified in 24 CFR 92.251 must be met AND all major systems, such as structural support, roofing, cladding, weatherproofing (e.g. windows, doors, siding, gutters), plumbing, electrical, heating, ventilation, and air conditioning, must have a remaining useful life of a minimum of 5 years.

3-B. Eligible Rehabilitation Work

A primary objective of this Program is the elimination of life-threatening hazards, improvement of energy efficiency and the correction of health and safety deficiencies.

1. The following items are eligible for purchase and installation, and repair or replacement:
 - a. Foundations, compaction tests as required and other structural building components
 - b. Roof sheathing, attic ventilation as required and new shingles
 - c. Electrical systems
 - d. Plumbing systems
 - e. HVAC system and required duct testing
 - f. Windows, interior and exterior doors
 - g. Interior and exterior paint
 - h. Kitchen, bathroom and kitchen fixtures, and equipment considered to be permanent fixtures
 - i. Energy conservation measures
 - j. Pest eradication measures
 - k. Accessibility accommodations
 - l. Utility connections (water/sewer connection from unit to street)
 - m. Drywall repairs and texture
 - n. Removal and replacement of floor coverings
 - o. Removal and backfill of unsafe or deteriorated swimming pools
 - p. Fire sprinkler system on all reconstruction or as required by California Building Code or Fire Code.
 - q. Removal and installation of gas and electric lines and meters.
 - r. Removal and installation of water and sewer lines.
 - s. Reconnection fees for any utilities.

2. Reconstruction involves demolishing an existing residential unit and rebuilding another on the same site. Often, reconstruction occurs because the cost of rehabilitation is prohibitive or is more than the cost to build a new unit. The Housing Rehabilitation Specialist will determine eligibility.
3. Costs to abate toxic materials such as the ones listed below are also eligible, if such materials are known or discovered to exist and pose a hazard to the occupants.
 - a. Asbestos.
 - b. Lead-based paint.
4. Garages, walkways, fences, and gates are eligible for the correction of health, safety, and building code violations. The program will not pay to correct illegal non-conforming violations of the zoning code. In addition, any of these types of violations must be brought into compliance with all applicable zoning laws prior to the execution of a rehabilitation loan. Owners will be responsible to remove all illegal structures prior to participating in the program.

Note: Conversion of a garage or other accessory structure to an accessory dwelling unit is not permitted.

5. Additions, alterations and enlargements to existing structures are eligible providing that the action accomplishes one of the following goals:
 - a. Elimination of severe overcrowding
 - b. Ensure safe and sanitary living conditions
 - c. Alleviate barriers to the mobility and accessibility of an elderly person or persons with disabilities
 - d. Facilitate the care and accommodation of a physically and/or mentally impaired occupant
6. General Property Improvements (GPI)

After the property has been rehabilitated to conform to the current Housing Uniform Code and/or applicable codes, additional loan money not to exceed Two Thousand Five Hundred Dollars (\$2,500) may be used for, but not limited to, the following General Property Improvements (GPI):

- a. Minor remodeling may be done in order to make a dwelling more functional or attractive
- b. Repairs that are not code violations
- c. To improve the visual quality of the neighborhood environment, landscaping may be provided. Where the quality or quantity of landscaping is below that generally found in the City, the following may be provided:

- 1) A maximum of three (3) trees
 - 2) A maximum of six (6) shrubs
 - 3) Grass, ivy, or other ground cover
 - 4) New wood fencing, (no wrought iron or brick material)
 - 5) Additional items may be approved by the Housing Rehabilitation Specialist
7. Building Permits: As required by the City Building Department. Re-construction permits also include marking of property pins.

3-C. Ineligible Rehabilitation Work

The following costs are not eligible for a rehabilitation loan:

1. New construction or the finishing of such construction, unless otherwise stated in this text. (Expansion of the structure must be approved by the Housing Program Services Division Manager as per these policies and shall not be considered new construction)
2. Acquisition of land
3. Purchase, installation or repair of furnishings or fixtures (such as intercom systems, rugs, portable fans, etc.)
4. Fireplaces (other than repairs required to existing fireplace)
5. Barbecue pits
6. Bathhouses
7. Greenhouses
8. Swimming pools, saunas or spas, or their heating systems
9. Any costs deemed unnecessary by Housing Program Services Division Manager as per these policies
10. Decreasing or increasing window or door openings for aesthetics
11. Relocation of doors and windows for aesthetics
12. Alarm systems
13. Conversion of a garage or other accessory structure to an accessory dwelling unit is not permitted.

3-D. Eligible Related Expenses

Section 3 – Rehabilitation Work

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City of Turlock Housing Rehabilitation Program Policies and Procedures Manual

1. In addition to the property rehabilitation work, the following expenses, which are related to the actual property rehabilitation work, are eligible for inclusion in the property rehabilitation loan or grant.
 - a. Permit fees.
 - b. Contracted architectural, design, and engineering services.
 - c. Contracted appraisal fee.
 - d. Preliminary title report and title insurance.
 - e. Recording and filing fees.
 - f. Credit reports.
 - g. Termite inspection reports.
 - h. Contingency allowance.
 - i. Soils reports.
 - j. Soils excavation in regard to engineered foundations or septic tanks.
 - k. Archaeological survey and excavation costs.
 - l. Relocation costs.
 - m. Private lender loan processing fees.
 - n. Probation of wills when required to obtain title insurance.
 - p. Lead-based paint detection, assessment and mitigation fees.
 - q. Storage container.
 - r. Portable bathrooms.
2. If an applicant withdraws from the program after any of the above-specified additional costs have been incurred by the City in connection with the property owner's rehabilitation application, the property owner shall reimburse the City for such incurred costs. This reimbursement requirement does not apply if the property owner's withdrawal from the program is based on disapproval of the loan application, or if the lowest bid received exceeds the cost estimate previously provided by the City by 25% or more, or if circumstances occur beyond the control of the applicant.

3-E. Contractor Requirements

The City Housing Program Services Division compiles and maintains an eligible contractors list. The City Housing Program Services Division shall review the list of

contractors on a regular basis and may remove contractors from the list for any reason. Contractors must complete work in accordance with the Housing Program Services Rehabilitation Specifications Manual "A Guide to Rehabilitation Standards" (see Exhibit A). Inclusion of contractors on the City list does not represent a guarantee of the work performed by a contractor. To be eligible to be added to the list, the contractors must meet the following requirements:

- a. License: The contractor must be a General Contractor, licensed by the California State Contractors Board (CSLB). The license must be current, active and be in good standing verified by the CSLB (<http://www.cslb.ca.gov/>).
- b. Insurance: The Contractor must carry the following insurance:
 - 1) Pursuant to Turlock Municipal Code Section 1-6-01.
 - 2) Workers Compensation Insurance Policy.
 - 3) Current Contractors Bond.
 - 4) Other insurance as required by the City and or funding sources.
- c. References:
Previous construction work references will be verified by Housing Rehabilitation Specialist.
- d. Federal debarment and suspension: The contractor must not presently be debarred, proposed for debarment, suspended, declared ineligible, or voluntarily excluded from participation in the covered transaction or in any proposal submitted in connection with the covered transaction per the United States Department of Labor. The website, provided by the Office of Federal Contract Compliance Program (OFCCP) <https://www.sam.gov/>; provides information on parties that are excluded from receiving Federal contracts, certain subcontracts, and certain Federal financial and nonfinancial assistance and benefits, pursuant to the provisions of 31 U.S.C. 6101, note, E.O. 12549, E.O. 12689, 48 CFR 9.404, and each agency's codification of the Common Rule for Non-procurement suspension and debarment.
- e. All new contractors will be limited to a maximum of one (1) City Housing Rehabilitation project until the Rehabilitation Specialist determines that the contractor has the capacity, (both financial and workmanship) to sustain two (2) City Housing Rehabilitation projects.
- f. All City Housing Rehabilitation projects and contractors will be evaluated by the Rehabilitation Specialist to ensure an equal performance guideline by contractor.
- g. Removal from contractors list:
Removal from the eligible Contractor's list will occur when:
 - 1) No longer meets eligibility requirements, as listed above.
 - 2) Contractor's license is no longer current and active.
 - 3) Poor workmanship-will not be able to bid on projects for a period of one (1) year.

- 4) Does not complete the work in the allotted timeframe- will not be able to bid on projects for a period of one (1) year.
- 5) Is placed on the Federal debarment and suspension list.
- 6) Contractor has received 2 customer complaints or has had issues documented on two (2) separate jobs, as identified by the Housing Rehabilitation Specialist/Inspector.

a. Upon receiving the first customer complaint or upon a report from the Housing Rehab Specialist/Inspector, Housing Division staff will meet with the contractor to review and discuss reported issues. Following the meeting, a formal letter/email will be issued to the contractor summarizing the discussion. The letter will also state that the contractor is being placed on probation for the duration of the next job that they are awarded and any further complaints or identified issues during the probationary period will result in the contractor being removed from the eligible list for a period of one (1) year.

- h. Subcontractor's Licenses: All contractors must make sure that all subcontractors are properly licensed, including City business license. The Housing Division will require contractors to show proof of such licenses.

3-F. Owner Builder

In order to qualify, applicant must meet the contractor requirements in Section 3E. All work performed by the Owner-Builder must meet the same requirements set forth above, including basic industry standards. See the Housing Quality Standards at 24 CFR 982.401 and 24 CFR Part 574, B574.310 (b), B882.404 (c) (3): and CPD-94-05. Some exclusion may apply.

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3-G. City-Owned Property

Any rehabilitation work performed on a city-owned property must be completed in accordance with prevailing wage requirements. Prior to issuing a bid invitation for a city-owned property, staff must consult with the Engineering Department to ensure all current requirements are met and that all bid and contract documents include the required language.

Contractors bidding on city-owned rehabilitation projects must be registered with the Department of Industrial Relations prior to submitting a bid.

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4. Underwriting Requirements

4-A. Overview

Program staff will review eligibility on the applicant based on the information that is provided and verified.

4-B. Combined Loan-to-Value (CLTV) Limits

The combined loan-to-value (CLTV) ratio, when combined with all other indebtedness to be secured by the property, shall not exceed 100% of the estimated after rehabilitation value. Under the CalHome Secondary Financing with Rehabilitation Program CLTV limits shall not exceed 105% of the after-rehabilitation value. See "Forgivable Loan Program" section for an exception to this requirement.

4-C. Loan/Grant Funding Limits

These limits include any City grant or loan not to exceed the after rehabilitation combined loan-to-value (CLTV) for CDBG, and PLHA. This limit does not include temporary relocation grants. Maximum loan amounts will also be limited by the individual funding source guidelines and limitations.

For HOME funded projects, the after-rehabilitation value of a home must not exceed 95% of the area's median purchase price for a single-family house, as determined by HUD.

Below are the City funding limits not to exceed funding source regulations. Exceptions to the City limits can be made by City Council within funding source guidelines.

1. Owner-Occupied single-family stick home:
 - a. \$80,000 per housing unit for CDBG and PLHA funded projects. May go up to CLTV limits on a case-by-case basis.
 - b. Rehabilitation as needed not to exceed CLTV limits for HOME funded projects.
 - c. Reconstruction up to \$150.00 per square foot (includes permits, fire sprinkler system) on a case-by-case basis based on health and safety.
- a. CalHome funded: See FTHB Policies and Procedures for CalHome Secondary Financing with Rehabilitation Program per unit limits.
2. Owner-Investor and Non-Profit Owned properties (single or multi-family projects): \$75,000 per housing unit.
3. Owner-Builder (single family projects): \$75,000 per housing unit.
4. Mixed-Use (Owner-occupied or Rental): \$75,000 per housing unit.
 - a. CDBG funded: For structures containing non-residential and residential uses, program funds can be used only for the residential portion of the structure, except when conditions exist in the non-residential portion which will adversely affect the

residential portion of the structure. In no case shall the commercial portion of the rehabilitation exceed 25% of the total amount of the loan or grant.

- b. HOME funded: For structures containing non-residential and residential uses, program funds can be used only for the residential portion of the structure.
 - c. Other funded: Will follow funding source guidelines.
5. Mobile Homes: \$30,000 per housing unit
- a. The project will not be considered if the cost of rehabilitation exceeds 75% of the current estimated value of the property, as determined by an appraisal/Housing Financial Specialist
 - b. If additional Health and Safety repairs are discovered after the project commences that will exceed \$30,000, staff may bring a recommendation forward on a case-by-case basis to the Loan Committee for an exception.

4-D. Maximum Loan/Grant Amount

Staff will determine the maximum amount of loan which an applicant may receive to cover rehabilitation costs and still remain within the applicant's ability to pay. Evaluation of the applicant's complete file, will establish the limits of work to be accomplished and the limits and conditions of the loans. Final recommendation will be presented to the Housing Program Services Division Loan Committee. The maximum loan amount cannot exceed the loan funding limits and the combined loan-to-value limits for all housing units with the exception of mobile homes. The maximum amount for mobile homes is \$30,000.

City Manager has delegated authority to approve exceptions to increases in program loan and grant limits when additional repairs are needed to mitigate health and safety issues.

4-E. Borrower Income Verification

See section "Income Eligibility and Verification" on page 7.

4-F. Tenant Income Verification

See section "Income Eligibility and Verification" on page 7.

4-G. Income of Co-Borrower

- 1. If a co-Borrower will be on the title and or the deed of trust, his or her gross annual income must be included in determining income eligibility for the program.
- 2. The income of any other person expected to both live in the residence and be secondarily liable for the mortgage must be counted and verified as noted above.
- 3. Co-signers and co-mortgagors who do not intend to occupy the property are prohibited from participation in the program.

Section 4 – Underwriting Requirements

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City of Turlock Housing Rehabilitation Program Policies and Procedures Manual

4-H. Borrower and Tenant Assets

This will apply to Borrowers and tenant's assets.

1. All income from assets must be included in the calculations determining the Borrower's or Tenant's gross annual income.
2. When the cash value of all of a Borrower's or Tenant's assets exceeds \$5,000 annual gross income shall include the greater of:
 - a. The actual amount of income, if any, derived from all household assets; or
 - b. 2.5% or the current HUD Passbook Rate, whichever is lower, of the cash value of all such assets.
 - c. As with income, the value of a Borrower's or Tenant's assets must be projected over the following 12-month period and judged to not exceed the applicable income limit.

4-I. Borrower Documentation

Borrower shall authorize City in writing to obtain any documentation from third party sources containing Borrower's income, assets, liabilities and credit worthiness.

4-J. Verification of Ownership Status

1. The applicant(s) must be the owner(s) of record of the property to be rehabilitated.
2. The applicant(s), of owner-occupied units, must be the primary occupant(s) of the property to be rehabilitated.

4-K. Lien Positions

1. City's lien will be either in first or second position. In rare instances, exceptions can be made to allow the City to be in third position, with City Council approval. CalHome Secondary Financing with Rehabilitation Program loans will be placed in second and/or third position. Approval will be obtained by loan committee.
2. In the event that the City will make the exception to take a third position lien, the property must be owner occupied. Forgivable loans will not be permitted in third position.
3. The combined loan-to-value (CLTV) ratio, when combined with all other indebtedness to be secured by the property, shall not exceed 100% of the estimated after rehabilitation value. CalHome Secondary Financing with Rehabilitation Program loans will be permitted to have a combined loan-to-value (CLTV) ratio not to exceed 105%.
4. Lines of credit will need to show closed in order for the City to provide a loan.

4-L. Credit Criteria

1. A credit report will be obtained at time of application by the City for every person applying for a loan through the Program. For married couples, credit reports will be required of both spouses, to determine credit worthiness and household debt, even if one spouse is not on title.

For purposes of qualifying Borrower for City funding, credit worthiness criteria shall be:

- a. No late payments 1 year prior to date of applying.
- b. No outstanding collections, judgments or liens.
- d. Bankruptcy discharge with no additional collections must have been a minimum of three (3) years prior to the date of application.
- e. Foreclosure must have been a minimum of three (3) years prior to the date of application.
- f. Owner-investor properties: Owner(s) must show ability to repay the loan without including contribution from rent payments.

4-M. Loan Documentation

1. All City loans shall be evidenced by the following documents and provisions.
 - a. Promissory Note(s) payable to City in the principal amount of the loan and stating the terms and rate of interest.
 - b. Deed of Trust(s) securing the Note; this deed shall be recorded and shall secure City's financial interest in the property.
 - c. Other appropriate security instrument naming City as beneficiary.
 - d. Request for Notice of Default on superior loans.
 - e. Rental projects will require Covenants and Conditions regarding the occupancy and rent restrictions.

4-N. Loan and Grant Types, Terms and Conditions

Below is a list of the different loans and grant available to borrowers.

1. Forgivable Loan
 - a. For owner-occupied and mixed-use owner-occupied stick homes, this loan requires no monthly payments for the term of the loan. For stick homes, the secured loan will be comprised of the first \$40,000 in rehabilitation costs, to be forgiven at a rate of thirty-three percent (33%) annually for 2 years and thirty-four percent (34%) for the final year as long as the owner continues to occupy the unit as their primary residence for a total of 3 years. Any amounts over \$40,000 will be in a deferred loan.

1) For CDBG, CalHOME, PLHA funded projects, loans shall be repaid when the property title is transferred to a person other than the current owner(s), sold, rented or no longer occupied by the Borrower before the 3-year term for the forgivable loan. The loan may continue to the end of the term in the instance where the property transfer is to a spouse (as owner-occupied) or a disabled dependent who will reside in the property as their primary residence. Any other transfer is not permissible and the loan balance, at the time of transfer, will be due in full.

b. Eligibility

1) A Forgivable Loan is available to residential owner-occupied and mixed-use owner-occupied borrowers for single family units that are not considered a mobile home.

2.) Not available to owner-investor.

3.) Not available to mixed-use tenant occupied units.

4.) Not eligible for CalHome Secondary Financing with Rehabilitation Program

c. The balance of the pro-rata share of the loan shall be repaid at a rate of 2% interest for the remaining term balance when property title is transferred to a person other than the current owner(s), sold, rented or no longer occupied by the Borrower before the 5-year term. The loan may be continued to the end of the term in the instance where the property transfer is to a spouse (as owner-occupied) or a disabled dependent who will reside in the property as their primary residence. Any other transfer is not permissible and the loan balance, at time of transfer, will be due in full.

d. City loan lien position must be in either first or second position.

2. Grants

a. For mobile homes up to a maximum of \$30,000 in rehabilitation costs.

b. May be awarded for stick homes by the loan committee on a case-by-case basis up to \$30,000 when project does not qualify for a forgivable loan.

~~c~~b. Eligibility

1) ~~Only~~ available for mobile homes up to \$30,000.-

2 Stick homes up to \$30,000 on a case by case basis.

d. Homeowner's insurance not required for grant funded projects.

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3. Amortized Loan

- a. For owner-investor and mixed-use tenant occupied, loan is payable over a 20-year term at 3% simple interest.
- b. Eligibility
 - 1.) Not available to owner-occupied.

2.) Eligible for CalHOME Secondary Financing with Rehabilitation Program

- c. Shall be repaid when property title is transferred to a person other than the Borrower(s), sold, rented, or no longer occupied by the Borrower before the loan has been paid in full. The loan may continue to the end of the term in the instance where the property transfer is to a spouse (as owner-occupied) or a disabled dependent who will reside in the property as their primary residence. Any other transfer is not permissible and the loan balance, at time of transfer, will be due in full.
- d. City loans lien position will be either in first or second position.

4. Deferred Loan

- a. For owner-occupied, this 20-year loan requires no monthly payments for the term of the loan at a simple interest rate of 0% for the first 10 years, followed by simple 2% simple interest for the remaining 10 years with the entire amount of the loan, plus accrued interest, due at loan maturity.
- b. Eligibility
 - 1.) Available to owner-occupied.
 - 2.) Not available to owner-investor.
 - 3.) Not available to mixed-use tenant occupied units.
 - 4.) Available for CalHOME Secondary Financing with Rehabilitation Program.
- c. Shall be repaid when property title is transferred to a person other than the Borrower(s), sold, rented or no longer occupied by the Borrower before the 20-year term. The loan may be continued to the end of the term in the instance that a property transfer is to a spouse (as owner-occupied) or a disabled dependent who will reside in the property as their primary residence. Any other transfer is not permissible and the loan balance, at time of transfer, will be due in full.
- d. City loans lien position will be either in first or second position.

5. Optional Temporary Relocation Grants

CDBG and HOME funds may be used for optional temporary relocation payments and assistance to persons who are temporarily relocated by a rehab activity that is not subject to the displaced persons requirements found at 24 CFR Part 570.606. The City makes every effort to not temporarily displace occupants during rehabilitation. However, in some instances, this may be unavoidable due to the scope of work. For example, if a unit will be without water for 24 hours during repairs, this would result in the occupant having to temporarily reside elsewhere while repairs are completed. The temporary relocation grant is used in such instances for temporarily relocating occupants of properties that are to be rehabilitated. There is a maximum allowance of \$1,000 per unit. In general, all reasonable costs associated with the provision of decent, safe and

sanitary housing are eligible. Relocation grants are not included as part of the City per unit maximum loan amount(s).

Relocation expenses are the responsibility of the owner, but to alleviate this burden the City offers up to \$1,000 to assist with relocation and/or storage costs. The Temporary Relocation grant is used to assist the owner with the associated costs. In the event that the owner is unable to pay for the out of pocket relocation expenses, the City can assist the owner by providing additional funds to the loan to cover these expenses. The combined loan-to-value limits apply to these funds.

a. Eligibility

- 1) Temporary Relocation Grants are available to owner occupied borrowers.
- 2) Not eligible for CalHome Secondary Financing with Rehabilitation Program Borrowers.
- 3) Not eligible for Investor or non-profit borrowers.

b. Assistance Guidelines:

- 1). The City will provide certain moving assistance to aid owner occupants who voluntarily apply for consideration for assistance under the Homeowner Rehabilitation Program. This may include removal and storage of furniture, packing expenses and/or moving and storage expense.
- 2) The City may provide temporary relocation assistance to aid owner occupants who voluntarily apply for consideration for assistance under the Homeowner Rehabilitation Program in such instances where the household is unable to remain in the home. Eligible expenses include a hotel or motel stay.

A temporary relocation grant is not a stand-alone activity and is considered a project cost. Additionally, relocation of occupants is not subject to the Uniform Relocation Assistance and Real Property Acquisition Act or the California Relocation Assistance Law due to the nature of the program. Participation in the rehabilitation program is voluntary and does not result in displacement.

6. Other Program Funding

The City may receive supplemental funding including, but not limited to local, state and federal sources. Policies and procedures for the disbursement of such funds including, but not limited to, interest rates, loan terms, and conditions as established by the funding source will be adhered to by program staff.

7. Rental Units

- a. Rent limitations will be placed on each assisted unit to ensure affordable rents. The maximum rent cannot exceed the High HOME rent limits as established by HUD based on the number of bedrooms per unit. When units become vacant during the affordability period, subsequent tenants must be income-eligible and

must be charged the applicable rent. HUD High HOME rent limits can be found at the HUD Exchange website at <https://www.hudexchange.info/programs/home/home-rent-limits/> or contact housing staff for the limits.

b. Funding source conditions for rental units.

1) CDBG.

- i. Residential rental projects of 8 or more units assisted with CDBG funds shall be subject to Davis-Bacon prevailing wage requirements. Prevailing wage and labor regulations can be found at Davis Bacon Act (40 U.S.C., Chapter 3, Section 276a-276a-5), 24 CFR Part 70 (Use of volunteers on projects), 29 CFR Parts 1, 3, 5, 6 and 7 (Labor), 24 CFR 92.354 (HOME), and 24 CFR 570.603 (CDBG).
- ii. The City will require the Borrower to make assisted units available for occupancy to low-moderate income (defined as 80% or below of the AMI as adjusted for household size) tenants for the term of the loan or the affordability restrictions.

2) HOME.

- i. Rental projects of 12 or more units assisted with HOME funds shall be subject to Davis-Bacon prevailing wage requirements. Prevailing wage and labor regulations can be found at Davis Bacon Act (40 U.S.C., Chapter 3, Section 276a-276a-5), 24 CFR Part 70 (Use of volunteers on projects), 29 CFR Parts 1, 3, 5, 6 and 7 (Labor), 24 CFR 92.354 (HOME), and 24 CFR 570.603 (CDBG).
- ii. In projects with five or more HOME-assisted units, at least twenty percent (20%) of the HOME-assisted rental units must be occupied by families who have annual incomes that are fifty percent (50%) or less of median income. These very-low-income tenants must occupy units with rents at or below the Low HOME Rental level (Project Rule). These income restrictions shall apply for the term of the affordability agreement **and**;

Ninety percent (90%) of the total families assisted through the rental program have incomes that do not exceed sixty percent (60%) of the area median income as adjusted for household size. The balance of rental units must assist tenants with incomes that do not exceed eighty percent (80%) of the area median income as adjusted for household size. This rule applies to all funds expended from each fiscal year allocation; it is not project specific (Program Targeting Rule). These income restrictions shall apply for the term of the agreement.
- iii. Projects with fewer than five HOME-assisted units do not have to restrict any units to the Low HOME Rents or limit occupancy to tenants at fifty percent (50%) or below of the area median income.

- iv. Properties must remain in standard condition throughout the affordability period and will require periodic on-site inspections. In order to verify compliance with property standards annual on-site inspections of City assisted units will be required.
- v. Documentation will be required annually by the property owner. Documentation includes information on tenants' incomes, rents, and other HOME rental requirements during a project's period of affordability.
- vi. Affordability period. See "Affordability Period" on page 28.
- vii. Rent for units in a project assisted with HOME funds shall be as determined by the U.S. Department of Housing and Urban Development on an annual basis. Conditions covenants and restrictions will be placed against the property to assure affordability for a specified length of time based on the amount of HOME funds invested per unit shall be recorded against the property (affordability period). Such length of time shall be as defined at 24 CFR 92.252(e).
- viii. As required by the applicable regulatory or rent limitation agreement, all rental property owners shall submit to annual monitoring of affordability.

8. Mixed-use projects

- a. Rental units of mixed-use projects follow the terms and conditions for Rental Units above.
- b. Funding source conditions for mixed-use projects.
 - 1) CDBG funded: For structures containing non-residential and residential uses, program funds can be used only for the residential portion of the structure, except when conditions exist in the non-residential portion which will adversely affect the residential portion of the structure. In no case shall the commercial portion of the rehabilitation exceed 25% of the total amount of the loan or grant.
 - 2) HOME funded: For structures containing non-residential and residential uses, program funds can be used only for the residential portion of the structure.

4-O. Repayment

The following are the repayment options available: Cal Home Secondary Financing with Rehabilitation Program will follow the FTHB Policies and Procedures repayment guidelines.

- 1. Amortized and Deferred loans.
 - a. The loan principal and interest shall be due and payable upon:
 - 1) Sale, transfer, rental, conveyance, or lease of the property.

2) Borrower's failure to occupy the Property as Borrower's principal residence (Borrower must certify occupancy annually).

3) The loan maturity date.

I. If it is determined by the Housing Program Services Division staff that repayment of the loan at maturity will cause a hardship to the Borrower, the Loan Committee may, at its option, elect to:

(1) Approve a one-time additional deferral period of up to 20 years in length at 0% additional interest, or;

(2) Convert the debt (principal and accrued interest) to a 15-year amortized loan at 0% additional interest.

Option is based on borrower qualifications and current guidelines.

4) Upon default under the City promissory note, deed of trust, covenants, or other recorded documents of record pertaining to the property.

5) Borrower's cash-out refinance of any superior mortgages.

b. While the City will provide deferred payment loans, the City will accept voluntary payments on the loan. Loan payments will be credited to the principal first and then to interest. The borrower may repay the loan balance at any time with no pre-payment penalty.

2. Forgivable loans

a. The loan principal and interest shall be due and payable upon:

1) Sale, transfer, rental, conveyance, or lease of the property within the term of the loan.

i. In the event that any of the above mentioned occur the remaining outstanding balance of the loan will be due and payable immediately.

(1) Outstanding loan balance will be reported to credit bureaus.

2) Borrower's failure to occupy the Property as Borrower's principal place of residence (Borrower must certify occupancy annually).

3) Upon default under the City promissory note, deed of trust, covenants, or other recorded documents of record pertaining to the property.

4) Borrower's cash-out refinance of any superior mortgages.

4-P. Assumability and Transfer of Interest

1. Assumability:

- a. Loans are not assumable.
- 2. Transfer of Interest Exceptions:
 - a. Loans do not have transfers of interest exception.

4-Q. Delinquencies

In cases of amortized loans and upon the end of the deferment term, where either loan payments or payoff has not been received, the City staff will determine the necessary steps to cure the loan. Active collection efforts will begin on any loan that is 31 or more days in arrears. Attempts will be made to assist the homeowner in bringing and keeping the loan current. These attempts will be conveyed in an increasingly urgent manner until loan payments have reached 90 days in arrears, at which time the City may consider foreclosure. City's staff will consider the following factors before initiating foreclosure:

1. Amortized and deferred loans
 - a. Can the loan be cured and can the rates and terms be adjusted to allow for affordable payments such that foreclosure is not necessary?
 - b. Can the Borrower refinance with a private lender and pay off the City?
 - c. Can the Borrower sell the property and pay off the City?
 - d. Does the balance warrant foreclosure? (If the balance is under \$5,000, the expense to foreclose may not be worth pursuing.)
 - e. Will the sales price of home "as is" cover the principal balance owing, necessary advances, (maintain fire insurance, maintain or bring current delinquent property taxes, monthly yard maintenance, periodic inspections of property to prevent vandalism, etc.) foreclosure, and marketing costs?
2. If the balance is substantial and all of the above factors have been considered, the City may opt to initiate foreclosure. The Borrower 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 City to prevent foreclosure (such as, funds to bring a delinquent loan current or pay off a Deferred Payment Loan).
3. At the end of thirty days, the City will contact a reputable foreclosure service or local title company to prepare and record foreclosure documents and make all necessary notifications to the owner and junior lien holders. The service will advise the City of all required documentation to initiate foreclosure and funds required from the owner to cancel foreclosure proceedings. The service will keep the City informed of the progress of the foreclosure proceedings.
4. When the process is completed, and the property has "reverted to the beneficiary" at the foreclosure sale, the City could sell the home themselves under a homebuyer program, use it for an affordable rental property, use it for transitional housing facility or other eligible use.

5. Foreclosures are subject to the review and approval of the City Council.
6. Any delinquencies over 30 days will be reported to the credit bureaus.

4-R. Affordability Period

The affordability period is the minimum period of time a property is required to be affordable. Housing units that have been rehabilitated must remain the principal residence of the borrower for a minimum period as stipulated below. Homeowners will be required to submit certificates of occupancy and homeowner insurance verifications annually. The period of affordability depends on the funding sources and the term of the funding.

The Affordability Period will be:

1. CDBG and CDBG-R will be the term of the loan or until satisfied.
2. HOME-See Recapture Provisions, (Section 9-J)
 - a. Owner-occupied will be the term of the loan or until satisfied.
 - b. Owner-investor will be the term of the loan or a minimum of 15 years if satisfied prior to the end of the term, whichever is longer. The length of time will be based on the amount of HOME funds invested per unit and restrictions assuring affordability shall be recorded against the property. Such length of time shall be as defined at 24 CFR 92.252(e).
 - c. Multi-use owner occupied will be the term of the loan or until satisfied. If multi-use owner occupied project contains a HOME assisted rental unit, see multi-use tenant occupied information below.
 - d. Multi-use tenant occupied will be the term of the loan or a minimum of 15 years if satisfied prior to the end of the term, whichever is longer. The length of time will be based on the amount of HOME funds invested per unit and restrictions assuring affordability shall be recorded against the property. Such length of time shall be as defined at 24 CFR 92.252(e).
3. CalHome funding will follow related regulations and guidance.
4. Other funding will follow related regulations and guidance.

5. Energy Efficiency Program

5-A. Overview

The Community Development Block Grant (CDBG) funding provides an energy efficiency program for and income eligible families through the upgrade of housing features such as windows and additional insulation which would provide greater energy savings for these residents on fixed and restricted incomes.

The City shall comply with the regulations and requirements of the grant.

5-B. Procedures

The program will follow all the procedures in these policies and procedures with the following exceptions:

1. Eligible applicants are limited to:
 - a. Income eligible: Applicants must be at or below low income. Low income is defined as a household having an income equal to or less than the Section 8 Very Low-Income Limit (50% of the area median income) as established by HUD. See Exhibit B for the Area Median Income (AMI) limits **and**;
 - b. Seniors (62 years and older). At least one person on title must be 62 years or older or;
 - c. Disabled. Proof of disability will be required.
2. Eligible units are limited to:
 - a. Single family owner-occupied units. Multi-use units are not eligible for this program.
3. Funding:
 - a. Grant amount cannot exceed \$20,000. Families are only eligible to receive funding once even if the maximum limit was not received.
 - b. Funding can be combined with other rehabilitation program funding.
4. Rehabilitation Work:
 - a. Housing Rehabilitation Specialist must approve all items to verify energy conservation goal. Rehabilitation work will be limited to the following energy efficiency items:
 - 1) Window replacement.
 - 2) Whole house fans.

- 3) Attic insulation to code.
 - 4) New exterior pre-hung doors.
 - 5) Weather stripping for existing exterior doors.
 - 6) New HVAC system and required duct testing.
 - 7) New roofs.
 - 8) Solar panels.
 - 9) Trees.
 - 10) Xeriscape landscaping replacement.
 - 11) Water saver toilets.
 - 12) Low flow shower heads.
 - 13) Other energy efficiency items may be eligible as approved by the Housing Rehabilitation Specialist.
5. Terms and Conditions
- See "Terms and Conditions" on page 20.

6. Forgivable Loan Program

6-A. Overview

Loans are provided for rehabilitation work for emergency conditions that threaten public safety, health and safety improvements, remedy code violations and accessibility items for seniors, disabled and income eligible families.

6-B. Procedures

The program will follow all the procedures in this manual with the following exceptions:

1. Eligible applicants are limited to:
 - a. Income eligible: Applicants must be at or below 80% of the area median income as established by HUD.
 - b. Property loan debt in excess of current property value not to exceed 120% the combined loan-to-value (CLTV).
2. Eligible units are limited to:
 - a. Single family owner-occupied units. (Includes mobile homes).
3. Funding:
 - a. The Forgivable Loan amount cannot exceed \$40,000. Families are only eligible to receive the Forgivable Loan funding once, even if the maximum limit was not received.
 - b. A forgivable Loan can be combined with a deferred loan
4. Rehabilitation Work:
 - a. Housing Rehabilitation Specialist must approve all items. Rehabilitation work will be limited to the following code violation and accessibility items:
 - 1) Imminent health and safety items including but not limited to: electrical issues, leaking roof, mold remediation and dry rot repairs, heating and air conditioning repair and or replacement or new installation, plumbing issues, and hot water heater replacement and any work required to comply with the California Building Code.
 - 2) ADA compliance items including but not limited to: grab bars, increasing door width for access, accessibility ramps, and shower and kitchen modifications.
5. Terms and Conditions: See "Terms and Conditions" on page 20.

7. CalHome Secondary Financing with Rehabilitation Program

7-A. Overview

The CalHome Secondary Financing with Rehabilitation Program Loan is designed to assist new homeowners purchase a property that would, under the existing Secondary Financing Program, not pass basic housing quality standards. This program is only eligible for participants who are receiving CalHome Secondary Financing with assistance. For CalHome participant eligibility see the First Time Homebuyer Secondary Financing Program (FTHB) Policies and Procedures. This section refers to the Rehabilitation component of the loan only.

7-B. Procedures

Eligible properties will be rehabilitated to correct all required health and safety hazards and existing damage in order to meet basic housing quality standards.

The program will follow all the procedures in this manual with the following exceptions:

1. Eligible applicants are limited to:
 - a. Income eligible: Applicants must be at or below 80% of the area median income as established by HUD.
2. Eligible units are limited to:
 - a. Single-family housing; or
 - b. Condominium unit; or
 - c. A town home unit; or
 - e. Multi-family units.
3. Funding:
 - a. Maximum rehabilitation funding limits will apply.
 - b. Loan funding cannot be combined with other City program funding.
4. Rehabilitation Work:
 - a. Housing Rehabilitation Specialist must approve all items.
 - 1) City shall comply with the applicable standards set forth in all appropriate City statutes, codes, and ordinances as well as the Housing Program Services

Division Rehabilitation Standards, "A Guide to Rehabilitation Standards" (see Exhibit C) which relate to the use, maintenance, facilities, and occupancy of residence (dwellings), including, but not limited to, the most recently adopted codes and ordinances.

- 2) Rehabilitation will include correction to any health and safety hazards, existing damage and or any necessary items needed to prepare for occupancy. At a minimum the property must meet the Section 8 Housing Quality Standards, applicable building codes, zoning ordinances and cost-effective energy conservation standards.

5. Resale of the property:

- a. No limitations will be placed for resale.

8. APPLICATION and DELIVERY PROCESS

8-A. Overview

Program staff works with applicants to ensure a smooth process in order to make certain that basic housing quality standards are met. The following procedures are a basic guide to the rehabilitation process.

8-B. Procedure for all Loans

1. Initial Property Owner Contact:

Contact with property owners is made as a result of program outreach and publicity, including mailings, press releases, public meetings, neighborhood canvassing, newspaper advertisements, participation in community events, and referrals from community organizations.

Initial interview is conducted with property owner concerning program objectives, eligibility requirements for the property and applicant, eligible rehabilitation work, and terms and conditions under which loans are made. Applicant shall provide any other data which may be required to complete the application.

2. Review of Application:

Upon receipt of an application, program staff determines eligibility status. The Applicant must complete and sign the appropriate Program required documentation. Each application will be given a status of the following;

a. Application processed:

- 1) Application complete.
- 2) Applicant/property meets eligibility requirements pertaining to type of loan requested.
- 3) Program funds and staff time available.

b. Application put on hold:

- 1) Application incomplete. If an application is determined to be incomplete, the applicant will have a maximum of 15 business days to provide the missing documentation. If this timeframe is not met the application will be rejected.
- 2) Lack of program funding.
- 3) Backlog of previous applications.

c. Application rejected:

- 1) Owner applicant over income.

- 2) Applicant not on title.
- 3) Condition of structure non-repairable within available resources.
- 4) Application eligibility requirements not met.

In the event that an application is rejected, the applicant will be informed in writing. The applicant may correct or exhibit a valid explanation of these disqualifications and resubmit the application. Upon resubmission, the application will be reevaluated. Further, an applicant whose loan application has been denied may, at their discretion, appeal such determination directly to the Housing Program Services Division Manager.

3. Verification:

Program staff verifies title, insurance, employment, income, assets, credit information and or any other verification necessary to determine eligibility of the applicant.

4. Property Appraisal:

Program Staff determines value of property by obtaining comparable sales information from real estate agents, certified appraisers or other methods it deems appropriate. If property is questionable in value, program staff will obtain a written appraisal of the property market value from a licensed appraiser.

In the event that an appraisal is required, an "as-is" appraisal will be secured by the Housing Finance Specialist to determine feasibility of rehabilitation and any cost of such appraisal shall be added to the borrower's loan. Should a loan not be granted, the cost of such "as-is" appraisal shall be repaid to the City by the applicant.

5. Application funding review:

The Housing Finance Specialist will recommend the maximum amount of loan funding which the applicant may receive to cover rehabilitation costs and still remain within the applicant's ability to pay. Evaluation of the applicant's complete file, will establish the limits of work to be accomplished and the limits and conditions of the loans. Final recommendation will be presented to the Housing Program Services Division Loan Committee.

6. Environmental site Inspection

Arrange for the City Housing Rehabilitation Specialist to inspect the property and prepare a Tank & Site inspection report which will identify any underground fuel tanks or close proximity to existing gas stations. This report is used for the environmental clearance required on each project.

7. Scope of Work and Cost Estimate:

After the application has been completed and approved, the Housing Rehabilitation Specialist will conduct a full inspection with the homeowner(s). At that time a preliminary drawing will be made which later will be used for a computer drawing. Once the full inspection and drawing are complete the Housing Rehabilitation Specialist will prepare a work write-up and cost estimate based on the property inspection. Once the plans have been approved the Housing Rehabilitation Specialist will conduct a Bid Tour using a list of preapproved licensed Contractors.

A work write-up and cost estimate will be compiled, based on the property inspection report. All rehabilitation work to be done on the property will be itemized, and an estimate of the cost of each item will be included. The cost estimate shall be reasonable and shall reflect actual costs prevailing in the Turlock area for comparable work. Each item on the work write up will be place in one of the following categories;

- A Mandatory repair items
- B Potential Hazard items
- C Neighborhood Upgrade items
- D General Property Improvements
- E Energy Saving items

This information is only used by Loan Committee as a general guideline of the repairs being made.

If the total estimated cost of the work exceeds the maximum amount of rehabilitation loan which the applicant could receive the Housing Rehabilitation Specialist shall eliminate or modify items in the work write-up as necessary to reduce estimate costs. However, items or work necessary to meet the minimum Rehabilitation Standards dealing with basic health and safety shall not be eliminated.

As soon as possible, the City shall consult with the prospective applicant on the changes made to the original work write-up and cost estimate. As a result of the consultation and agreement between the City and the applicant on the work to be done, the City shall prepare any additions or revisions to the work write-up and prepare a final cost estimate.

8. Pest inspection report

A pest inspection report will be ordered, as determined by the Housing Rehabilitation Specialist/Inspector.

9. Lead-Based Paint (LBP):

All properties built prior to 1978 and assisted under this Program are subject to the lead-based paint regulations at 24 CFR Part 35, effective Sept. 15, 2000 and as amended thereafter. Staff will assume that all properties built prior to 1978 contain lead-based paint and will require a lead-based paint clearance from a certified lead assessor upon completion of project.

10. Owner Construction Document Approval:

Program staff prepares construction documents consisting of Invitation to Bid, Bid Proposal, General Conditions, Specifications, and Work Estimate. Approval by owner authorizes program staff to issue invitations to bid.

11. Invitation to Bid:

Program staff solicits sealed bids from a current list of pre-qualified, licensed, insured general building contractors. Construction documents are made available to interested bidders at the job site walk-thru which is held for contractors in order to review the scope of work. All interested contractors or a company representative must attend a mandatory walk-thru in order to submit a bid. All bids must be turned in, at or prior to the date and time listed on the Invitation to Bid. Any bid submitted after the written deadline will not be accepted.

- 1) Based on work needed, housing staff may solicit bids in grouped project bids.
Ex: 3 households needing roof bids sent only to roofing companies for all 3 projects in bid.

12. Bid Opening and Selection of Contractor:

All bids received are publicly opened by program staff at the Housing Division office at the bid deadline. Upon review by program staff and owner, and verification of bidder's qualifications, the contract is awarded to the lowest responsible, and responsive bidder. In the event that a single bid is received the project will be sent out for re-bid. In the event the property owner does not want to move forward with the lowest responsible, responsive bid, the homeowner has 10 business days to submit, in writing, why they do not want to proceed with the lowest bidder. If the homeowner's reason for rejection of the lowest responsible, responsive bid is accepted by the Housing Program Manager, the next lowest responsible, and responsive bid will be chosen. If the Housing Program Manager rejects the homeowner's reason for rejection of the lowest responsible, responsive bid, the homeowner can either accept the lowest responsible, responsive bid or request that all bids be rejected and the project be put out for re-bid.

Should the borrower opt not to accept the first 2 lowest reasonable, responsive bids, the project will be put out for re-bid. Property owner will have thirty (30) days to accept the lowest reasonable bid. Project will be placed for re-bid only once.

When the original scope of work is changed by more than twenty percent (20%) of the total costs the project will be placed for re-bid.

13. Temporary Relocation:

Housing Finance Specialist will work with the borrower and Housing Rehabilitation Specialist to determine if the rehabilitation work will require temporary relocation of the occupants. A Temporary Relocation grant may be available to help cover relocation expenses to the Owner.

14. Program Staff Recommendation to Loan Committee:

Upon processing of the application, review of the scope of work and cost estimate, program staff will evaluate the project with respect to program criteria. A report containing the recommendation of program staff is presented to the Loan Committee.

15. Loan and or Grant Approval or Denial:

The City will complete loan processing and furnish applicant with a copy of the terms and conditions of the rehabilitation loan. The Housing Finance Specialist will furnish all paperwork, loan documentations and final recommendation to the Housing Rehabilitation Loan Committee for final loan approval.

16. Owner-Builder:

In certain instances, program staff may determine that the property owner is a qualified licensed general contractor. See "Contractor Requirements" in Section 3E.

The normal bid process will not be followed. Instead, the owner must agree to complete the work within the cost estimate prepared by program staff, with the exception that the owner-builder may not charge his/her personal labor costs to the project. Program staff will handle construction management.

The following conditions must be met for Owner-Builder projects

- a. The property owner-builder must be a licensed general contractor.
- b. The owner-builder must provide a current license, insurance information and other documentation normally required as part of the regular contractor qualification process.
- c. The owner-contractor must submit bid proposal(s) on program forms.
- d. Proposals from sub-contractors (if any) must be signed and submitted by owner-builder for review by program staff.
- e. Program staff will review bid proposal(s) for compliance with program regulations.
- f. The value of the owner-builder's labor may not be charged to the project, with one exception. The owner-builder may pay his or her employees reasonable wages or salaries and may include such payments in the cost of the project.
- g. If proposal is over 10% of program staff estimate, Owner builder and program staff will review basis for proposal. Final loan approval shall be made by Loan Committee.
- h. If no consensus for the total project costs can be reached, project must be released for competitive bid.
- i. Construction monitoring on owner-builder projects shall be performed by program staff in accordance with these Guidelines.

- j. Program staff has final authority regarding quality and acceptability of all work.

17. Loan Rehabilitation Contract Execution:

The City will prepare construction contract documents for applicant and obtain appropriate bids and proposals.

- a. Written Contract- The rehabilitation construction work financed through this program shall be undertaken only through a written contract between a licensed contractor and the borrower.
- b. Bid Obligation- A licensed contractor shall be obligated to honor his/her bid for a period of 90 days, or note otherwise on his/her bid.
- c. Work Write-Up -The work write-up is prepared by the City Housing Rehabilitation Specialist/Inspector and shall be of sufficient detail to act as the contract specifications covering the specific rehabilitation work for each property. Illustrative sketches or drawings shall be prepared by the City Housing Rehabilitation Specialist when necessary to show the scope of the work involved so that a fair bid for the work can be obtained, and to avoid misunderstandings with the contractors. The work write-up shall clearly establish the nature of the work to be done, the material and equipment to be installed. Known acceptable brands shall be identified by reference to manufacturers or association specifications, and provision shall be made for acceptance of "or equal" substitution, determinations to be made by the City Housing Rehabilitation Specialist.
- d. Contract – The City shall prepare general conditions for use in all construction contracts for property rehabilitation. The construction contract between a licensed contractor and a borrower shall be signed by the contractor and accepted by the loan applicant following approval of the rehabilitation loan. It shall contain a bid and proposal and the general conditions as well as the specifications for the work to be performed.
- e. Execution - Program staff prepares all loan and contract documents for execution. Owner, Contractor, and City execute documents that are deposited into escrow with City instructions for recordation, issuance of title and other applicable actions.

18. Order to Proceed

Upon expiration of the property owner's right of rescission period (three business days, this excludes holidays and weekends), program staff issues an Order to Proceed to the contractor.

19. Construction Monitoring:

Work is monitored and inspected by the Housing Rehabilitation Specialist in coordination with HUD guidelines.

20. Permits

All rehabilitation projects will be subject to the contractor or owner-builder obtaining proper City permits from the Building Department. All permits need to be posted at the job site. Original job cards will be submitted with the 100% payment once the Building Department has signed off on the Final.

21. Servicing of funds

Funds approved by loan committee and all documents necessary to secure the loan as established by escrow instructions have been assembled, recording instructions will be forwarded to the title company. The Title Company will inform the City when appropriate documents are recorded and such agency will issue title insurance, as per City's request. The City shall not disburse funds from the Rehabilitation Loan Account until the borrower's Right of Rescission has expired as required by law. Loan proceeds shall be used only to pay for costs of services and materials necessary to carry out the rehabilitation work for which the loan will be approved as per these policies.

Forgivable Loan will be serviced in house and will be monitored on an annual basis.

22. Payment for Work:

Program staff and borrowers authorize payments for work completed in a satisfactory manner. Checks for payments are made payable to the contractor.

Disbursements:

a. Owner-Contractor Method

- 1) Payments shall be made as set forth in Construction Agreement between owner and contractor. Invoices will be submitted monthly for work completed. All requests for payments will require inspections by the Housing Rehabilitation Specialist and a detailed, itemized contractor invoice listing the items being submitted for payment. Payments shall not exceed 90 percent of the value of the work satisfactorily completed.
- 2) The final payment shall not be made until all work has been completed and accepted by the borrower, Housing Rehabilitation Specialist, inspected and finalized by the City of Turlock Building and Safety Division and all lien waivers have been obtained by Housing staff.
- 3) Final Payment of the 10% retention is authorized by program staff upon:
 - i. Completion of all work and punch list items by contractor.
 - ii. Receipt by program staff of material and equipment warranties.
 - iii. Lien waivers received from all sub-contractors, employees, and material suppliers for the rehabilitation work.
 - iv. Recording of the Notice of Completion by program staff.
 - v. Expiration of a 35-day lien period.

b. Owner-Builder Method

- 1) payments shall be made as set forth in the Loan Agreement between owner and the City. Invoices will be submitted monthly for work completed. All requests for payments will require inspections by the Housing Rehabilitation Specialist and original receipts for installed materials being submitted for payment. payments shall not exceed 90 percent of the value of the work satisfactorily completed.
- 2) The final payment shall not be made until all work has been completed and accepted by the Housing Rehabilitation Specialist inspected and finalized by the City of Turlock Building and Safety Division and all lien waivers have been obtained by Housing staff.
- 3) Final Payment of the 10% retention is authorized by program staff upon:
 - i. Completion of all work and punch list items by owner/sub-contractor(s).
 - ii. Lien waivers received from all sub-contractors, employees, and material suppliers for the rehabilitation work.
 - iii. Recording of the Notice of Completion by program staff.
 - iv. Expiration of a 35-day lien period.

c. Advances

The City shall advance funds as necessary for appraisal, preliminary title report and termite inspection report. When the loan is approved, the City shall be reimbursed from the proceeds of the loan. If the loan is withdrawn or not approved, the applicant will not be charged for monies advanced.

- d. Excess Funds; Upon completion of all rehabilitation work specified in the contract and upon charging the loan fund account with advances by the City, the balance of the account may be used, with the approval of the Housing Program Services Division Manager, for the purpose of making additional repairs not included in the contract documents but permissible by loan policy. If such additional repairs are not made, the balance shall be applied toward the principal loan balance.

23. Work Change Orders

Should there be any changes to the existing Work Write-Up, with or without any involvement of costs, a City Work Change Order form will be required. The change order will have to be approved and signed by the Owner, Contractor, Housing Finance Specialist and Housing Rehabilitation Specialist prior to any work being performed. In the event that work is completed without a signed authorized change order, the work may not be compensated.

24. Contract Disputes:

- a. If any dispute arises relating to the quality or quantity of materials or workmanship or anything pertaining to the work, the Borrower and Contractor shall attempt to settle the dispute between themselves without litigation by first discussing said dispute with the City of Turlock Housing Rehabilitation Specialist within five (5) business days of the dispute. In the event that the dispute remains unresolved, then the Borrower and Contractor shall appeal such dispute to the Housing

Program Services Manager within five (5) business days of the above-referenced discussion with the Housing Rehabilitation Specialist. In the event that the dispute remains unresolved, then the Borrower and Contractor shall appeal such dispute to the Director of Development Services within five (5) business days of the above-referenced discussion. If the dispute is not resolved at this level, the parties may appeal such to the Turlock City Manager within five (5) business days.

- b. If the parties are unable to reach settlement through their appeal to the City Manager, then they are free to pursue all of their legal remedies as provided by California law.

25. Notice of Completion:

Program staff files a Notice of Completion with the County Recorder upon final completion of the work and receipt from contractor of finalized building permits.

26. Evaluation:

Contractor will be evaluated at the end of each project. Evaluation will be discussed with contractor providing him/her a list of job concerns and compliments.

8-C. Loan Committee

1. The Housing Program Services Loan Committee serves as the decision-making body for the program.
2. The Loan Committee will be convened to approve or deny by majority vote the following:
 - a. Loans and Grants.
 - b. Subordination requests: The Loan Committee shall have the authority to permit subordination of any program loan if the subordination would be consistent with the purpose of the original loan, and the after-rehabilitation equity meets the minimum requirements set forth in these Manual.
 - c. Repayment moratoriums.
 - d. Other applicable requests or actions.
 - e. Hardship Requests
3. The Loan Committee may impose such conditions as necessary or desirable to ensure that all aspects related to the rehabilitation project are consistent with these Guidelines, and to reduce to the extent feasible any risk associated with the project. For example, any existing private "blanket" loan that encumbers more than the parcel containing units participating in the City's rehabilitation program should be divided proportionately so that the amount of an existing private loan affecting the property is reduced.

8-D. Applicant Interest List

Upon expenditure of all rehabilitation budget funds, an interest list will be established. It will be based on a first come-first serve basis. No priority will be given to any applicants.

9. Loan Servicing

9-A. Overview

These loan servicing policies and procedures are intended to preserve the City's financial interest in properties assisted with funding through the Housing Rehabilitation Program.

9-B. Payment of Property Taxes and Insurance

1. Borrower must maintain property insurance coverage naming the City as loss payee when in first position or additional insured if the loan is a second mortgage. If borrower fails to maintain the necessary insurance, the City will contact the Borrower reminding them of the insurance requirement. The Borrower will have 30 days to provide proof of insurance. If verification of insurance is not received, the City may call the loan due.
2. If the Borrower fails to maintain required hazard insurance (including flood insurance if the property is located within a 100-year floodplain) the City may take out a "forced place" insurance policy to cover the property. City shall obtain a judgment for any amounts expended by City under this section, and shall record a judgment lien against the property. The City is currently not designated in a flood zone.
3. Property taxes must be kept current during the term of the loan. If the Borrower fails to maintain payment of property taxes, then the City may pay the taxes current and add the balance of the tax payment plus any penalties to the balance of the loan and may call the loan due.

9-C. Owner-Occupancy Verification

1. The Borrower shall be required to complete and submit an Annual Occupancy Certification. Such report shall include the following:
 - a. Evidence of Borrower's occupancy of the Property as Borrower's principal place of residence;
 - b. Evidence of payment of property taxes and hazard insurance.
 - c. Other information reasonably required by the City.

9-D. Tenant-Occupancy Verification

Rent limitations will be placed on each assisted unit to ensure affordable rents. The maximum rent cannot exceed the High HOME rent limits as established by HUD based on the number of bedrooms per unit. When units become vacant during the affordability

period, subsequent tenants must be income-eligible and must be charged the applicable rent. HUD High HOME rent limits can be found at the HUD Exchange website at <https://www.hudexchange.info/programs/home/home-rent-limits/> or contact housing staff for the limits.

1. The Owner shall be required to submit an Annual Tenant Occupancy Certification and documentation. Such report shall include the following:
 - a. Evidence of Tenant's income and occupancy of the Property. See "Income Eligibility and Verification" on page 7 for information.
 - b. Evidence of payment of property taxes and hazard insurance.
 - c. Other information reasonably required by the City.
2. Owner - Investor housing shall also be conditional on the following:
 - a.
 - b. The grantee enters into and records an agreement whereby the occupancy and rental obligation continue throughout the loan term or until satisfied. Occupancy and rental obligations will be based on the funding source.
 - c. Rent limitations will be placed on each assisted unit per 24 CFR 570.208(a)(3) to ensure affordable rents. The maximum rent cannot exceed the High HOME rent limits as established by HUD based on the number of bedrooms per unit. When units become vacant during the affordability period, subsequent tenants must be income-eligible and must be charged the applicable rent. HUD High HOME rent limits can be found at the HUD Exchange website at <https://www.hudexchange.info/programs/home/home-rent-limits/> or contact housing staff for the limits.
 - d. See Affordability Requirements for additional conditions on rental units.

9-E. Required Noticing and Restrictions on Any Changes of Title or Occupancy:

1. In all cases where there is a change in title or occupancy or use, the Borrower must notify the City in writing of any change. City and borrower will work together to ensure the property is kept in compliance with the original Housing Rehabilitation Program terms and conditions. These types of changes are typical when Borrowers do estate planning (adding a relative to title) or if a Borrower dies and property is transferred to heirs or when the property is sold or transferred as part of a business transaction.
2. If a change of ownership occurs at a sale, the loan is not assumable and the loan balance is immediately due and payable in full.
3. If a transfer of the property occurs through inheritance, property can only be transferred to the spouse (as owner-occupant) or disabled dependent who must reside at the home as the primary residence. Any other transfer is not permissible and loan will be due in full. In the event that the heir is neither a spouse nor a disabled

dependent, the heir will not be provided the opportunity to assume the loan. If the heir is a non-income eligible family, the balance of the loan is due and payable in full. If the heir intends to act as an owner-investor, the balance of the loan is due and payable in full. Other exceptions are subject to the review and approval of City council.

4. Change from owner-occupant to owner-investor occurs when an owner-occupant decides to move out and rent the assisted property, or if the property is sold to an investor. If the owner converts any assisted unit from owner occupied to rental, the loan is due in full.
5. Conversion to use other than residential use is not allowable where the full use of the property is changed from residential to commercial or other. In some cases, Borrowers may request that the City allow for a partial conversion where some of the residence is used for a business but the household still resides in the property. Partial conversions can be allowed if it is reviewed and approved by any and all agencies required by local statute. If the use of the property is converted to a fully non-residential use, the loan balance is due and payable.

9-F. Subordination

1. If the Borrower wishes to refinance any superior loans, the Borrower must submit a Request for Subordination to the City. Subordinations will be granted only under the following conditions:
 - a. "No cash-out" allowed. Cash out means there are no additional charges on the transaction above existing loan balance. Escrow closing fees are permitted.
 - b. No third-party debt pay-offs or additional encumbrance on the property above traditional refinance transaction costs.
 - c. The refinancing lowers the families housing cost with a lower interest rate
 - d. Refinancing for a shorter term will be permitted as long as the increase in housing costs do not exceed allowable back and front-end ratios.
 - e. Total indebtedness secured by the property may not exceed the current market value of the property. In cases of economic crisis, the subordination request will be approved on a case-by-case basis.
2. The City Loan Committee will review and approve or deny the Request for Subordination and, if approved, the escrow company will provide the proper subordination documentation, including a new Request for Notice of Default for the City, for execution and recordation by the Lender.

9-G. Demand/Pay-off

1. Upon receiving a Notice of Demand/Pay-off, City's Housing Program Services Division or their designated servicing agency, shall calculate the amount of principal and interest due, and transmit the payoff amount to the requesting party.

2. Upon receipt of all due principal and interest, City shall reconvey the mortgage deed of trust.

9-H. Request for Notice of Default

1. The City shall record a Request for Notice of Default for each lien senior to the City's mortgage.
 - a. This document requires any senior lien holder listed in the notice to notify the City of initiation of a foreclosure action. The City will then have time to contact the Borrower and assist them in bringing the first loan current. The City can also monitor the foreclosure process and go through the necessary analysis to determine if the loan can be made whole or preserved.

9-I. Foreclosure by Senior Lien Holder

1. Upon any condition of loan default: 1) non-payment; 2) lack of insurance or property tax payment; 3) change in title or use without approval; 4) default on senior loans, the Lender will send out a letter to the Borrower notifying them of the default situation. If the default situation continues then the Lender may start a formal process of foreclosure.
2. When a senior lien holder starts a foreclosure process and the City is notified via a Request for Notice of Default, the City, who is the junior lien holder, may cancel the foreclosure proceedings by "reinstating" the senior lien holder. The reinstatement amount or payoff amount must be obtained by contacting the senior lien holder. This amount will include all delinquent payments, late charges and fees to date. City must confer with Borrower to determine if, upon paying the senior lien holder current, the Borrower can provide future payments. If this is the case then the City may cure the foreclosure and add the costs to the balance of the loan with a Notice of Additional Advance on the existing note. This action will be submitted to the loan committee for review and approval.
3. If the City determines, based on information on the reinstatement amount and status of borrower, that bringing the loan current will not preserve the loan, then staff must determine if it is cost effective to protect their position by paying off the senior lien holder in total and restructure the debt such that the unit is made affordable to the Borrower. If the City does not have sufficient funds to pay the senior lien holder in full, then they may choose to cure the senior lien holder and foreclose on the property themselves. As long as there is sufficient value in the property, the City can afford to pay for the foreclosure process and pay off the senior lien holder and retain some or all of their investment. This action will be submitted to the loan committee for review and approval.
4. If the City decides to reinstate, the senior lien holder will accept the amount to reinstate the loan up until five (5) days prior to the set "foreclosure sale date." This "foreclosure sale date" usually occurs about four (3) to six (6) months from the date of recording of the "Notice of Default." If the City 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 pay off of the balance, plus costs, to cancel foreclosure. If the City determines the reinstatement and maintenance of the property not to be cost effective and allows the

senior lien holder to complete foreclosure, the City's lien may be eliminated due to insufficient sales proceeds.

9-J. Recapture Provision

1. The Recapture provision applies only to HOME funds.
 - a. When a loan is refinanced or the property is sold or the Applicant is no longer the principal resident or upon discovery of willful misrepresentation or fraud in connection with the program the money from the Housing Rehabilitation Program loan is instantly repayable.
 - b. The seller is entitled to a fair rate of return on his or her investment, including any documented improvements to the property.
2. The affordability period for funds depends on the amount of the City HOME investment in the property subject to recapture and the nature of the activity. If the HOME assistance is over \$50,000, then the affordability period is 15 years. Payments and payoffs that meet the affordability requirements are returned as Program Income to the city. Payments and payoffs that do not meet the affordability requirements are returned as Recaptured funds to the city.
3. The City imposes recapture requirements to recapture the entire amount of the City HOME investment from the homeowner, to ensure affordability. However, when the recapture requirement is triggered by a sale (voluntary or involuntary) of the housing unit, and there are no net proceeds or the net proceeds are insufficient to repay the City HOME investment due, the city can only recapture the net proceeds, if any. The net proceeds are the sales price minus superior loan repayment (other than City HOME funds) and any closing costs.
4. If the net proceeds are not sufficient to recapture the full City HOME investment plus enable the homeowner to recover the amount of the homeowner's investment and any capital improvement investment made by the owner since purchase, the City will share the net proceeds. The net proceeds are the sales price minus loan repayment (other than City HOME funds) and closing costs. The net proceeds will be divided proportionally as set forth in the following mathematical formulas.

$$\frac{\text{City HOME investment}}{(\text{City HOME} + \text{homeowner investment})} \times \text{Net proceeds} = \text{City HOME amount to be recaptured}$$

$$\frac{\text{Homeowner investment}}{(\text{City HOME} + \text{homeowner investment})} \times \text{Net proceeds} = \text{amount to homeowner}$$

9-K. Foreclosure by City

1. Active collection efforts will begin on any loan that is 31 or more days in arrears. Attempts will be made to assist the homeowner in bringing and keeping the loan current. These attempts will be conveyed in an increasingly urgent manner until loan payments have reached 90 days in arrears, at which time the City may consider foreclosure. City's staff will consider the following factors before initiating foreclosure:

- a. Can the loan be cured and can the rates and terms be adjusted to allow for affordable payments such that foreclosure is not necessary?
 - b. Can the Borrower refinance with a private lender and pay off the City?
 - c. Can the Borrower sell the property and pay off the City?
 - d. Does the balance warrant foreclosure? (If the balance is under \$5,000, the expense to foreclose may not be worth pursuing.)
 - e. Will the sales price of home "as is" cover the principal balance owing, necessary advances, (maintain fire insurance, maintain or bring current delinquent property taxes, monthly yard maintenance, periodic inspections of property to prevent vandalism, etc.) foreclosure, and marketing costs?
2. If the balance is substantial and all of the above factors have been considered, the City may opt to initiate foreclosure. The Borrower 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 City to prevent foreclosure (such as, funds to bring a delinquent loan current or pay off a Deferred Payment Loan).
 3. At the end of thirty days, the City will contact a reputable foreclosure service or local title company to prepare and record foreclosure documents and make all necessary notifications to the owner and junior lien holders. The service will advise the City of all required documentation to initiate foreclosure (Note and Deed of Trust usually) and funds required from the owner to cancel foreclosure proceedings. The service will keep the City informed of the progress of the foreclosure proceedings.
 4. When the process is completed, and the property has "reverted to the beneficiary" at the foreclosure sale, the City could sell the home themselves under a homebuyer program, use it for an affordable rental property, use it for transitional housing facility or other eligible use.
 5. Foreclosures are subject to the review and approval of the City Council.

9-L. Use of Third-Party Agent

Portions or all of the Housing Rehabilitation Program loan servicing shall be performed by City or, at City's option, shall be performed by a third party under contract with City.

9-M. First Mortgage Underwriting Requirements

1. The following Housing Rehabilitation Program requirements shall apply to all applicants prior to obtaining a Program Loan or grant.
 - a. First mortgage loans shall not include provisions for negative amortization, principal increases, adjustable rate mortgages (ARM), balloon payments, deferred interest, or reverse mortgages.
 - b. Credit Worthiness Criteria

For purposes of qualifying Borrowers credit worthiness, criteria will be:

- 1) No late payments 1 year from date of application

9-N. Cash-Out of Escrow

1. Borrowers may not receive cash out of escrow from any loan package containing City financing. Loan proceeds shall be used only to pay for costs of services and materials necessary to carry out the rehabilitation work for which the loan will be approved as per these policies.

9-O. Title Insurance

1. ALTA title insurance policy in the amount of the City loan will be required at Borrower's expense.

9-P. Hazard Insurance

1. Borrower must provide and maintain fire and flood (if the property is located in a 100-year floodplain) insurance in an amount at least equal to the replacement value of the improvements.
2. City must be named as an additional loss payee on the policy.
3. Course of construction insurance policy will be required upon beginning of rehab work.

10. Federal Regulatory Provisions

10-A. Conflict of Interest

In accordance with Federal and State regulations no person who is an employee, agent, consultant, officer, or elected official or appointed official of the City who exercise or have exercised any functions or responsibilities with respect to CalHome, CDBG, HOME, or NSP assisted activities under this Program, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from this activity, or have a financial interest in any contract, subcontract, or agreement with respect to this activity, or with respect to the proceeds of this activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

10-B. Fair Housing and Non-Discrimination

Implementation of the program will be consistent with the City's commitment to non-discrimination. No person shall be excluded from participation in, denied the benefit of, or be subject to discrimination under any program or activity funded in whole or in part with state and federal funds on the basis of religion or religious affiliation, age, race, color, creed, gender (sex), sexual orientation, marital status, familial status (children), physical or mental disability, national origin, or ancestry, or other arbitrary cause.

The City shall comply will all Federal and State Laws and Regulations pertaining to fair housing and equal opportunity including but not limited to the following references.

- Title VI of the Civil Rights Act of 1964, As Amended (42 U.S.C. 2000d et seq.) The provisions for HUD programs may be found in 24 CFR Part 1.
- Section 109 of the Housing and Community Development Act of 1974
- Age Discrimination Act of 1975, As Amended (42 U.S.C. 6101). Regulations found at 24 CFR Part 146.
- Section 504 of the Rehabilitation Act of 1973
- Americans with Disability Act (ADA) (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218, and 225).
- Equal Employment Opportunity (Executive Order 11246, as amended) Implementing regulations may be found at 41 CFR Part 60.
- Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259). Regulations may be found in 24 CFR Part 107.
- Title VIII of the Civil Rights Act of 1968, As Amended by the Fair Housing Amendments Act of 1988 (The Fair Housing Act).

- Fair Housing Act (42 U.S.C. 3601-3620) Fair Housing Act implementing regulations for HUD programs may be found in 24 CFR Part 100-115.

10-C. Relocation of Displaced Tenants

It is not anticipated that the implementation of this Program will result in the displacement of any person, household or family. Every attempt will be made to avoid displacement in projects funded through this program. In the event displacement is unavoidable, it shall be subject to all applicable local, state, and federal laws, the federal Uniform Relocation Act, and all others as may apply.

10-D. Consistency

City Program regulations shall be consistent with and shall implement required regulations, and where different, due to changes or refinements made at the federal, state, or local levels or where questions arise which are not addressed by these policies.

10-E. Environmental Review

Environmental Review process will be completed as required by the applicable funding sources and regulations.

1. The environmental effects of activities carried out with Federal funds must be assessed in accordance with the provisions of the National Environmental Policy Act (NEPA).
2. The City shall conduct said environmental review in accordance with 24 CFR Part 58.

10-F Matching

Matching will follow the funding sources.

1. CDBG: No Matching requirements.
2. HOME: Matching is the commitment of non-federal funds to supplement HOME funds used to assist in the provision of affordable housing. HOME funding requires a matching contribution of not less than 25 percent of the funds drawn from the City's HOME Investment Trust Fund Treasury account in the corresponding fiscal year, unless waived or reduced by HUD. Matching funds are calculated on a project-by-project basis and applied on a program-wide basis.
3. CalHome: No Matching requirements.
4. PLHA: No matching requirements.

10-G. Program Income and Reuse Account

1. CDBG, HOME, and PLHA Program Income

- a. All repayments of loan principal and interest shall be received by City and deposited into a separate account maintained by City's Finance Department.
 - b. The account shall be interest bearing into which all earned interest shall be deposited.
 - c. All funds deposited into the account shall be the property of the City.
 - d. A line item for reuse of funds will be inserted into City's fiscal year budget allocating and approving use of funds for eligible activities.
 - e. All Program Income funds shall be expended in accordance with the regulations and the Agreement between the City and HUD or State.
2. CalHome Reuse Plan Account

The City has adopted this plan to govern the use of monies received as repayments of loan principal and/or loan interest resulting for activities funded under the State of California, CalHome Program. The City has formulated this document to comply with Article 2, Section 7724-Reuse Account requirements of the CalHome Program, Title 25 California Code of Regulations, Division 1, Chapter 7, Sub-Chapter 9, commencing with Section 7715.

- a. All repayments of CalHome loan principal and interest shall be received by City and deposited into a separate reuse account maintained by City's Finance Department.
- b. The reuse account shall be interest bearing into which all earned interest shall be deposited.
- c. All funds deposited into the reuse account shall be the property of the City and are to be used for CalHome eligible activities.
- d. A line item for reuse of CalHome funds will be inserted into City's fiscal year budget allocating and approving use of funds for CalHome eligible activities.
- e. All reuse funds shall be expended in accordance with the CalHome Regulations and the Standard and Monitoring Agreements between the City and the Department.
- f. City shall allow the Department full access to the reuse account records for the purpose of determining City's compliance with CalHome regulations.
- g. Target area restrictions are not applicable to reuse funds.
- h. Loan maximum subsidy limits will convert to Department program guidelines.

11. Exhibits

11-A. Rehab Specifications Manual "A Guide to Rehabilitation Standards"

Rehabilitation Specifications Manual

"A Guide to Rehabilitation Standards"

See separate attachment

11-B. Summary of General Program Guidelines

Section 11 – Exhibits

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City of Turlock Housing Rehabilitation Program Policies and Procedures Manual

EXHIBIT B

Summary of General Program Guidelines

See specific sections for complete qualifications.

	Owner Occupied (Single Family, includes)	Owner Occupied (Owner-builder)	Owner-Investor/ Non-Profit (single/multi-family)	Mixed-Use (Owner and investor occupied)
Property Location (See Eligible Property Requirements on page 6)	City Limits of Turlock excluding county pockets with the exception of HOME.	City Limits of Turlock excluding county pockets with the exception of HOME.	City Limits of Turlock excluding county pockets with the exception of HOME.	City Limits of Turlock excluding county pockets with the exception of HOME.
Other Misc	Not Applicable	Owner must be a licensed General contractor	Not Applicable	Not Applicable
Occupancy Requirements	Owner occupied	Owner occupied	Occupied by income eligible tenants	Owner occupied and or occupied by income eligible tenants.
Rent limitations See Rental Units under Terms & Conditions on page 24.	Not Applicable	Not Applicable	Rent limitations based on funding source(s).	Rent limitations based on funding source(s).
Loan Funding Limits See Loan Funding Limits on page 17	Up to \$80,000 per unit \$30,000 per unit for mobile home	\$75,000 per unit	\$75,000 per unit	\$75,000 per unit
Income eligibility Limits (by Households)	80% of AMI (owner)	80% of AMI (owner)	80% of AMI (tenant)	80% of AMI (tenant)
Interest See Terms & Conditions on page 20.	Deferred at 0% for 1 st 10 years, 2% for remaining 10 years	Deferred at 0% for 1 st 10 years, 2% for remaining 10 years	Amortized at 3% Deferred: N/A	Amortized at 3% Deferred: N/A
Terms See Terms & Conditions on page 20.	20 years	20 years	20 years	20 years
Forgivable Loan and Energy Efficiency Program Interest and Terms	Deferred at 0% for 1 st 10 years, 2% for remaining 10 years	Deferred at 0% for 1 st 10 years, 2% for remaining 10 years	Not Applicable	Owner occupied only: Deferred at 0% for 1 st 10 years, 2% for remaining 10 years
Temporary Relocation Grant See Temporary Relocation Grant under Loan types and Grants on page 20	Eligible for Maximum \$1,000 per unit	Eligible for Maximum \$1,000 per unit	Not Eligible	Not Eligible



First Time Homebuyer Secondary Financing Program

Policies and Procedures Manual

City of Turlock
Housing Program Services
156 South Broadway, Suite 250, Turlock CA 95380
(209) 668-5610, Fax (209) 668-5120, TDD 1 (800) 735-2929
Website: www.cityofturlock.org

Approved by City Council on October 13, 2009 by resolution 2009-196
with amendments on November 24, 2009 by resolution 2009-223,
September 11, 2012 by resolution 2012-159,
January 11, 2014 by resolution 2014-009, and
July 8, 2025 by resolution 2025-135

These Policies and Procedures supersede any previously adopted Policies. These policies and procedures are subject to change in accordance with revisions made by the State of California and or Housing and Urban Development.



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Introduction

This Manual sets forth policies and procedures for the City of Turlock's First Time Home Buyer Secondary Financing (FTHB) Program. The FTHB Program is designed to seek new and creative ways to make home ownership a reality for income eligible households. The FTHB Program is a partnership between the City of Turlock, the State and Federal Governments, and local lending institutions to help make home ownership a reality and expand the availability of affordable housing for income eligible families in Turlock.

Most income eligible households do not qualify for a mortgage sufficiently large enough to purchase a house. The City of Turlock's FTHB Program provides funds to help make up the difference between the value of the primary loan, for which an income eligible Applicant qualifies, and the purchase price of the house. Essentially, the funds are used to boost the Applicant's down payment and are recorded as a silent second mortgage. The funds are not to exceed a set maximum loan amount by either a single or multiple city funding sources. FTHB Program funds help make home ownership a reality for income eligible households.

Funds available for this program may come from various local, state, and federal sources including but not limited to: Home Investment Partnership Program (HOME), Rental Rehabilitation Program (RRP), Community Development Block Grant (CDBG), CalHome, and Permanent Local Housing Allocation (PLHA). The City will seek out additional funding sources to further affordable housing activities. The FTHB Program is designed to provide home ownership opportunities to income eligible buyers within the City of Turlock.

The City will comply with all city, state, and federal regulations and guidelines. In the event that the City assisted applicant combines two or more City funding sources, the homebuyer and the property shall meet the strictest underwriting criteria and guidelines of each program/funding source.

Use of funds is subject to change and shall be in accordance with the requirements of the State of California Department of Housing and Community Development Division and or the Housing and Urban Development and other regulations governing the funding for these programs, and any amendments or policy revisions thereto which shall become effective during the term of these Policies and procedures.

Administrative and regulatory modifications to this policy and procedure manual may be approved by the City Manager or designee.

FTHB Program Mailing Address: City of Turlock
Housing Program Services
156 South Broadway, Suite 140
Turlock, CA 95380

Telephone: (209) 668-5610
Fax: (209) 668-5120
TDD: (800) 735-2929 (Speech and hearing impaired only)

City of Turlock website: www.cityofturlock.org



1. Overview

1-A. Purpose of Manual

The purpose of the Policies and Procedures is to describe the First Time Homebuyer (FTHB) Program and set forth the roles of the City of Turlock, and the program applicants. These Policies and Procedures contain the regulations pertaining to specific funding sources and the Program's general requirements and processing procedures.

The City is continually searching for new funding sources to further affordable housing activities. The intent of the FTHB Program is to be able to provide multiple layers of secondary mortgage financing to close the gap between eligible Borrowers' financial resources and the cost of housing in the City of Turlock. The ultimate goal of the FTHB Program is to provide eligible Applicants with an affordable housing opportunity that would not otherwise be available.

1-B. Program Summary

The City of Turlock has established the FTHB Program to assist low- and moderate-income first-time homebuyers¹ with the purchase of a home. The home buying process can be overwhelming, especially to the inexperienced first-time homebuyer. The City's FTHB Program staff will assist the Applicant to insure a successful and timely completion of the home purchase process.

To maximize the effectiveness of the FTHB Program as a vehicle for enhancing affordability, Borrowers pay no current principal or interest on the City's mortgage during the deferment period. A mortgage in which payment of principal and interest is deferred is also known as a "silent second" mortgage.

Depending on the funding source(s), principal and interest are due and payable upon a variety of conditions or circumstances, the most common one being the sale or transfer of the home.

1-C. General Definitions

As used in the Policies and Procedures and all program documents, unless the context requires otherwise, the following words and terms have the meanings set forth below:

Affordable:	In reference to housing costs, means that the financial obligation can be paid by the person or household, along with all other financial responsibilities of that person or household, without endangering the financial stability of the household.
Affordability Period:	The minimum period of time the property is required to be occupied by a Borrower as his/her principal place of residence under the regulations pertaining to the funding source(s) used.

¹ NSP funding does not require the applicant to be a first-time home buyer. NSP and PLHA are the only funding sources to allow buyer to be up to moderate income.

Applicant:	Any person who applies for a FTHB loan under the Program.
Assisted unit:	A unit purchased with loan(s) funded under this Program.
Borrower:	A buyer who has or will receive financing under this Program for the purchase of an eligible property.
Capital Improvements:	Expenditures for improvements to land or improvements and remodeling of existing buildings which increase the value, and extend the useful life of the property. The identification of capital improvements shall be as set forth in IRS Publications 530 "Tax Information for First Time Homeowners" and 551 "Basis of Assets", included herein by reference.
Certification:	A written statement of fact filed in connection with this Program and subject to penalties of perjury.
City:	The City of Turlock, California.
Current Sale Price:	1. In the event of a first sale or transfer after the date of a loan issued under this Program, the current sale price shall be defined as the amount received by Borrower as the sales price of the property plus amounts received but paid out to third parties for any closing costs and commissions paid by Borrower. 2. In the event of a default and subsequent foreclosure and acquisition of the property by a creditor, the current sale price shall be defined as the amount paid for the property upon the creditor's acquisition of the property. 3. In the event of Borrower's cash-out refinance of the property, the current sales price shall be defined as the market value as determined by an appraisal acceptable to City. 4. In the event of the first note and deed of trust becoming payable, the current sales price shall be defined as the market value of the property on the maturity date of the first note and deed, as determined by an appraisal acceptable to City. 5. In the event the property ceases to be Borrower's principal place of residence, the current sales price shall be defined as the market value of the property on the date City determines the Borrower does not occupy the property as his or her principal place of residence, as determined by an appraisal acceptable to City.,

Department:	The State of California Department of Housing and Community Development.
Eligible Household:	A household that is a first-time homebuyer and who meets applicable criteria specific to the funding source used.
First Mortgage:	1. A mortgage which is in first lien position, taking priority over all other liens and proceeds of which are used to finance the purchase or refinance the purchase price of an eligible property which meets the requirements set forth in this Manual.
First Time Homebuyer:	A purchaser of a residential property who neither has, nor has had, a present ownership in a residence at any time during the three-year period prior to the date on which a mortgage pursuant to this Program is executed, except as otherwise allowed by the specific funding source(s) utilized.
Gap Financing/Funding:	The difference between the amount of the primary loan, for which an income eligible Applicant qualifies, and the purchase price of the house.
Gross Income:	The anticipated income of a person or household for the 12-month period following the date of determination of income.
FTHB Second Mortgage:	An extension of credit for which a Deed of Trust is recorded and is subordinate to the First Mortgage and possibly other sources of funding. Payments of both principal and interest may be deferred and payment in full plus interest as defined herein is due in accordance with the regulations pertaining to the funding source(s) used and loan documents.
First Time Homebuyer pre-approval:	A commitment to provide a FTHB Second Mortgage issued by the City of Turlock pursuant to the rules and regulations included in this Manual.
HUD:	The United States Department of Housing and Urban Development.
Income:	To determine a Borrower's eligibility for program assistance, income is determined using definitions specific to the particular funding source(s) utilized.
Lender:	1. A bank or trust company, mortgage banker, mortgage broker, federal or state-chartered savings and loan association, state or federal governmental agency or credit union whose principal business is to originate, process, close and service loans for the purchase of property.

	- Nationwide institutions whose primary purpose is to develop housing and provide first mortgage financing to low- and moderate-income purchasers of the developed housing. - The provider of primary mortgage financing for the purchase of an eligible property assisted with secondary financing under this Program.
Manufactured Housing Unit:	A home manufactured offsite and transported to a lot, and a mobile home as defined by Section 18007 of the California Health and Safety Code.
Maturity Date:	The date upon which a mortgage loan comes due and payable in full in accordance with the regulations pertaining to the funding source(s) used and applicable loan documents.
Moderate Income Household:	Persons and families who are not lower income households and whose gross incomes do not exceed 120% of the area median income adjusted for household size in accordance with adjustment factors adopted by HUD in establishing income limits for lower income families.
Mortgage:	A deed of trust used to secure a lien on real property or, in the case of some manufactured housing, another security interest acceptable to the City.
Mortgage Assistance:	Permanent financing used towards homebuyer costs, up to the maximum limit stated in the regulations pertaining to the funding source(s) used.
Ownership Interest:	Any of the following interests in residential real property: • Fee simple estate • Joint tenancy • Tenancy in common Ownership does not include a remainder interest, a lease with or without an option to purchase or any interest acquired on the execution of the purchase contract.
Principal Residence:	A property occupied by the Borrower as the Borrower's principal place of abode for a minimum of ten months out of each 12-month period.
Related Person:	As defined under the Internal Revenue Code and applicable regulations: siblings, spouses, ancestors and lineal descendants or any other related persons.
Remaining Spouse/Partner:	A now single individual who, while married or during co-habitancy, owned a home with his or her spouse/partner or

resided in a home owned by the spouse/partner and has no ownership interest in any other residence other than the residence financed by this program.

Second Mortgage:	A mortgage that is junior or subordinate to a first mortgage.
Owner-Occupied Residence:	A housing unit intended and used for occupancy by one household which is the owner of the property.
Silent Second:	A second mortgage in which payments of principal and interest are deferred.
Target Areas:	Specific census tracts or designated areas in which specific modifications to the financing requirements apply.

2. CalHome Program Requirements

2-A. Overview

The State of California Department of Housing and Community Development CalHome Program² is one of several funding sources providing assistance to eligible Borrowers under this Program. These funds may be used for the acquisition and acquisition/rehabilitation of a home. The following applies to CalHome loans made under this Program.

2-B. Eligible Household

1. To be eligible to receive CalHome funds, an individual household shall:
 - a. Be a low-income household (income equal to or less than 80% of area median income as adjusted for household size) when considering the gross income of all household members 18 years old or older. The following household members are not counted to determine family size for income limits purposes: foster children, unborn children and children being pursued for legal custody or adoption who are not currently living with the household. A child who is subject to a shared-custody agreement in which the child resides with the household at least 50% of the time, can be counted.
 - 1) Gross income is as defined in the California Code of Regulations (CCR), Title 25, Section 6914 and is: "The anticipated income of a person or family for the twelve-month period following the date of determination of income."
 - 2) Income from assets is recognized as part of annual income under 24 CFR Part 5. City shall determine income from assets in accordance with 24 CFR 5.
 - b. Be a first-time homebuyer and occupy the property as a principal place of residence. A first-time homebuyer is defined as a purchaser of a unit who neither has, nor has had, a present ownership in a residence at any time during the three-year period prior to the date on which a mortgage pursuant to this Program is executed, except as otherwise allowed by the CalHome regulations as set forth below.
2. The following individual or individuals may not be excluded from consideration as a first-time homebuyer under this section:
 - a. A displaced homemaker, who while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse. A displaced homemaker is an adult who has not, within the preceding two years, worked on a full-time basis as a member of the labor force for a consecutive twelve-month period and who has been unemployed or underemployed, experienced difficulty in obtaining or upgrading employment and worked primarily without remuneration to care for his or her home and family;

² Authorized by and pursuant to Chapter 6 of Part 2 of Division 31 of Health and Safety Code, commencing with Section 50650 ("California Statutes") and regulations found in Title 25 of the California Code of Regulations, Division 1, Chapter 7, Subchapter 9 commencing with Section 7715 ("CalHome Regulations"), all as amended and in effect from time to time. CalHome funds are administered by the State Department of Housing and Community Development.

- b. A single parent who, while married, owned a home with his or her spouse or resided in a home owned by the spouse. A single parent is an individual who is unmarried or legally separated from a spouse and has one or more minor children for whom the individual has custody or joint custody or is pregnant; or
- c. An individual or individuals who owns or owned, as a principal place of residence during the three-year period before the purchase of a home with CalHome assistance, a dwelling unit whose structure is:
 - 1) Not permanently affixed to a permanent foundation in accordance with state or local regulations; or
 - 2) Not in compliance with state, local or model building codes and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.
- 3. For purposes of qualifying Borrower for a first mortgage, credit criteria shall be:
 - a. No late payments 1 year from date of applying.
 - b. No outstanding judgments or liens.
 - c. Outstanding collections may be paid out of closing not to be included as part of required down payment or from City funds.
 - d. Bankruptcy discharge must have been a minimum of two years prior to the date of purchase with no additional collections.
 - e. Foreclosure must have been a minimum of four years prior to the date of purchase.

2-C. Eligible Property

- 1. Property purchased with CalHome funds must be located in:
 - a. Census tracts will be determined by grant. If no limitations, property must be located within the City limits excluding county pockets.
- 2. Property type must be:
 - a. Single-family housing; or
 - b. Condominium unit; or
 - c. A town home unit.
 - d. Multi-family units.
- 3. Eligible property does not have any occupancy characteristics.

Section 2 – CalHome Program Requirements

4. Property must meet basic housing quality standards, unless funds will be used for both the acquisition and rehabilitation.

2-D. Affordability Period

1. CalHome regulations do not currently require an Affordability Period.

2-E. Loan Terms

1. Security:
 - a. CalHome loans shall be secured by the property.
 - b. The lien securing repayment of the CalHome loan shall be subject only to liens, encumbrances and other matters of record reviewed and approved by the City.
2. Deferment:
 - a. Principal and interest payments shall be deferred for 30 years.
3. Repayment:
 - a. The CalHome loan principal and interest shall be repayable upon:
 - 1) Sale, transfer, rental, or lease of the property.
 - 2) Borrower's failure to occupy the property as Borrower's principal place of residence (Borrower must certify occupancy annually).
 - 3) The CalHome loan maturity date.
 - i. If it is determined by the Housing Program Services Division staff that repayment of the loan at maturity will cause a hardship to the Borrower, the FTHB Loan Committee may, at its option, elect to:
 - (1) Approve a one-time additional deferral period of up to 30 years in length at 0% additional interest, or;
 - (2) Convert the debt (principal and accrued interest) to a 15 year amortized loan at 0% additional interest.
 - 4) The maturity date, or full repayment, of any debt secured by a lien on the Property that is senior to the CalHome deed of trust.
 - 5) Upon default of the CalHome promissory note, deed of trust or other recorded documents of record pertaining to the property.
 - 6) Borrower's cash-out refinance of any superior mortgages.

- 7) The Borrower may repay the loan balance at any time with no pre-payment penalty. Loan payments will be credited to the principal first and then to interest.
4. Assumability:
 - a. CalHome loans are not assumable.
5. Transfer of Interest Exceptions:
 - a. The following transfers of interest shall not require repayment of the CalHome loan:
 - 1) Transfer to a surviving joint tenant by devise, descent or operation of the law on the death of a joint tenant.
 - 2) A transfer, in which the transferee is a person who occupies or will occupy the property, which is:
 - i. A transfer in which the spouse becomes an owner of the property.
 - ii. A transfer resulting from a decree of dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement by which the spouse becomes an owner of the property.
 - 3) A transfer into an inter vivo trust in which the Borrower is and remains the beneficiary and occupant of the property.
6. Loan Term:
 - a. The CalHome loan term shall be 30 years, except upon the occurrence of any condition requiring repayment as noted above.
 - b. When United States Department of Agriculture, Rural Housing Service (USDA-RHS) 502 mortgage loans are in first lien position, the CalHome loan term shall be the term of the 502 mortgage (30 to 38 years).
7. Prepayment:
 - a. A Borrower may prepay the CalHome loan, in part or whole, at any time without penalty.
8. Interest:
 - a. The loan shall be at zero (0%) percent interest for the initial 15 years followed by a 15-year period with 2% simple interest.
 - b.
 - d. The CalHome down payment assistance cannot be used for first position loans.
9. Restrictions on Sale:

- a. In any transaction in which the CalHome loan is the only public assistance, the Borrower cannot be restricted from selling the home at its fair market value at any time.
- b. Subsequent buyers, unless assisted with a CalHome loan under this Program, do not need to meet the Eligible Household requirements set forth above.
- c. Resale restrictions required by other secondary financing sources used in conjunction with a CalHome loan shall prevail.

2-F. Subordinate Financing to CalHome Loan

1. Fees and/or charges for subordinate loan financing shall be consistent with reasonable loan origination fees for first mortgage financing as determined by the City based on industry standards.
2. Balloon payments due before the maturity date of the CalHome loan are not permitted.
3. All subordinate financing shall defer principal and interest payments for the term of the CalHome loan.

2-G. CalHome Target areas

1. Census tracts will be determined by grant. If no census tract requirements, property must be located within the City limits excluding county pockets.

2-H. Re-Use Account

The City of Turlock has adopted this plan to govern the use of monies received as repayments of loan principal and/or loan interest resulting from activities funded under the State of California, CalHome Program. The City has formulated this document to comply with Article 2, Section 7724-Reuse Account requirements of the CalHome Program, Title 25 California Code of Regulations, Division 1, Chapter 7, Sub Chapter 9, commencing with Section 7715.

1. All repayments of CalHome loan principal and interest shall be received by City and deposited into a separate reuse account maintained by City's Finance Department.
2. The reuse account shall be interest bearing into which all earned interest shall be deposited.
3. All funds deposited into the reuse account shall be the property of the City and are to be used for CalHome eligible activities.
4. A line item for reuse of CalHome funds will be inserted into City's fiscal year budget allocating and approving use of funds for CalHome eligible activities.
5. All reuse funds shall be expended in accordance with the CalHome Regulations and the Standard and Monitoring Agreements between the City and the Department.

6. City shall allow the Department full access to the reuse account records for the purpose of determining City's compliance with CalHome regulations.
7. Target area restrictions are not applicable to reuse funds.
8. Maximum loan amounts for loans from reuse funds shall be the greater of the loan limits of the NOFA under which the original CalHOME award was made, or the maximum loan amount in the most recent CalHOME NOFA.
9. All remaining funds from a rehabilitation loan will be placed into the reuse account. (Only applies when CalHome funds are used for the acquisition and rehabilitation loan)

2-I. Matching

No Matching requirements apply.

2-J/ Maximum Loan Amount

The maximum loan amount for a CalHOME first-time homebuyer, based on the current NOFA is 40% of the purchase price up to \$100,000.

3. CDBG Program Requirements

3-A. Overview

The Federal Community Development Block Grant (CDBG) Program³ is one of several funding sources providing assistance to eligible Borrowers under this Program. The following applies to CDBG loans made under this Program.

3-B. Eligible Household

1. To be eligible to receive CDBG funds, an individual household shall:
 - a. Be a low/moderate income household (income equal to or less than 80% of area median income as adjusted for household size) when considering the gross annual income of all household members 18 years old or older. Annual income is as defined in the Code of Federal Regulations, Title 24 Part 5. The following household members are not counted to determine family size for income limits purposes: foster children, unborn children and children being pursued for legal custody or adoption who are not currently living with the household. A child who is subject to a shared-custody agreement in which the child resides with the household at least 50% of the time, can be counted.
 - 1) City shall determine annual gross income in accordance with the Code of Federal Regulations (CFR), Title 24, Part 5, Section 5.609(b) attached hereto as Exhibit "A".
 - 2) Income from assets is recognized as part of annual income under 24 CFR Part 5. City shall determine income from assets in accordance with 24 CFR 5.
 - b. Include as Borrowers all persons who will be or are on title to the property. Co-signers and co-mortgagors who do not intend to occupy the property are prohibited.
 - c. Be a first-time homebuyer and occupy the property as a principal place of residence. A first-time homebuyer is defined as a purchaser of a unit who neither has, nor has had, a present ownership in a residence at any time during the three-year period prior to the date on which a mortgage pursuant to this Program is executed, except as otherwise provided below
2. The following individual or individuals may not be excluded from consideration as a first-time homebuyer under this section:
 - a. A single parent or remaining spouse/partner who, while married or during co-habitancy, owned a home with his or her spouse or resided in a home owned by the spouse/partner, and has no ownership interest in a residence other than provided for in this Program. A single parent is an individual who is unmarried or legally separated from a spouse and has one or more minor children for whom the individual has custody or joint custody or is pregnant.

³ Authorized under Title I of the Housing and Community Development Act of 1974, as amended. The regulations implementing the CDBG Program are found at 24 CFR Part 570. CDBG funds are administered by the United States Department of Housing and Urban Development (HUD).

3. For purposes of qualifying Borrower for a first mortgage, credit worthiness criteria shall be:
 - a. No late payments during the 12 months prior to applying.
 - b. No outstanding judgments or liens.
 - c. Outstanding collections may be paid out of closing not to be included as part of required down payment or from City funds.
 - d. Bankruptcy discharge must have been a minimum of two years prior to applying with no additional collections.
 - e. Foreclosure must have been a minimum of three years prior to applying.

3-C. Eligible Property

1. Property purchased with CDBG funds must be located in:
 - a. The City of Turlock city limits excluding county pockets.
2. Property type must be:
 - a. Single-family housing; or
 - b. Condominium unit; or
 - c. A town home unit or
3. Eligible property must have the following occupancy characteristics:
 - a. Currently occupied by the owner-seller of the property; or
 - b. If a rental property, sold only to the existing tenant; or
 - c. Vacant for four months or longer prior to submission of purchase offer by Borrower.

3-D. Affordability Period

1. CDBG regulations do not currently require an Affordability Period.

3-E. Loan Terms

1. Security:
 - a. CDBG loans shall be secured by the property.
 - b. The lien securing repayment of the CDBG loan shall be subject only to liens, encumbrances and other matters of record reviewed and approved by the City.

2. Deferment:
 - a. Principal and interest payments shall be deferred for 30 years.
3. Repayment:
 - a. The CDBG loan principal and interest shall be due and payable upon:
 - 1) Sale, transfer, rental or lease of the property.
 - 2) Borrower's failure to occupy the Property as Borrower's principal place of residence (Borrower must certify occupancy annually).
 - 3) The CDBG loan maturity date.
 - i. If it is determined by the Housing Program Services Division staff that repayment of the loan at maturity will cause a hardship to the Borrower, the FTHB Loan Committee may, at its option, elect to:
 - (1) Approve a one-time additional deferral period of up to 30 years in length at 0% additional interest, or;
 - (2) Convert the debt (principal and accrued interest) to a 15-year amortized loan at 0% additional interest.
 - 4) The maturity date, or full repayment, of any debt secured by the Property that is senior to the CDBG deed of trust.
 - 5) Upon default under the CDBG promissory note, deed of trust, the deed of trust rider or the covenants, or other recorded documents of record pertaining to the property.
 - 6) Borrower's cash-out refinance of any superior mortgages.
 - 7) The Borrower may repay the loan balance at any time with no pre-payment penalty. Loan payments will be credited to the principal first and then to interest.
4. Assumability:
 - a. CDBG loans are not assumable.
5. Transfer of Interest Exceptions:
 - a. CDBG loans do not have transfers of interest exceptions.
6. Loan Term:

- a. The CDBG loan term shall be 30 years, except upon the occurrence of any condition requiring repayment as noted above.
- 7. Prepayment Penalty:
 - a. A Borrower may prepay the CDBG loan, in part or whole, at any time without penalty.
- 8. Interest:
 - a. The loan shall be zero (0%) percent interest for the initial fifteen (15) years followed by a 15-year period with a two (2%) simple interest rate.
 - b.
 - d. The CDBG down payment assistance cannot be used for first position loans.
- 9. Restrictions on Sale:
 - a.
 - a. Subsequent buyers, unless assisted with a CDBG loan under this Program, do not need to meet the Eligible Household requirements set forth above.
 - b. Resale restrictions required by other secondary financing sources used in conjunction with a CDBG loan shall prevail.

3-F. Subordinate Financing to CDBG Loan

- 1. Fees and/or charges for subordinate loan financing shall be consistent with reasonable loan origination fees for first mortgage financing as determined by the City based on industry standards.
- 2. Balloon payments due before the maturity date of the CDBG loan are not permitted.
- 3. All subordinate financing shall defer principal and interest payments for the term of the CDBG loan.

3-G. CDBG Target Areas

No target areas defined.

3-H. Program Income

- 1. All repayments of CDBG loan principal and interest shall be received by City and deposited into a separate account maintained by City's Finance Department.
- 2. The account shall be interest bearing into which all earned interest shall be deposited.
- 3. All funds deposited into the account shall be the property of the City.

4. A line item for reuse of CDBG funds will be inserted into City's fiscal year budget allocating and approving use of funds for CDBG eligible activities.
5. All Program Income funds shall be expended in accordance with the CDBG regulations and the CDBG Agreement between the City and HUD.

3-I. Matching

No Matching requirements apply.

3-J. Maximum Loan Amount

1. The maximum loan amount for a CDBG first-time homebuyer is \$100,000.

4. HOME Program Requirements

4-A. Overview

In 1999, the City of Turlock and Stanislaus County, serving as an Urban County entitlement jurisdiction for the purposes of the Community Development Block Grant (CDBG), entered into an intergovernmental agreement for the Federal Home Investment Partnerships (HOME) Program⁴ funds creating the City of Turlock/Stanislaus County HOME Consortium (Consortium). The Stanislaus Urban County is comprised of the unincorporated areas of Stanislaus County, and the cities of Ceres, Hughson, Newman, Oakdale, Patterson, Riverbank, Turlock, and Waterford. The City of Turlock served as the lead entity for the Consortium from July 1999 through June 2023. Beginning July 2023, Stanislaus County assumed the role of lead entity for the Consortium.

HOME is one of several funding sources providing assistance to eligible Borrowers under this Program. The following applies to HOME funded loans made under this Program. Specifically, these policies and procedures will be utilized for any new projects funded with 2022 and earlier HOME funds still under the City of Turlock's purview. Rental Rehabilitation Program funding will follow HOME program guidelines and will be used for matching.

4-B. Eligible Household

1. To be eligible to receive HOME funds, an individual household shall:
 - a. Be a low-income household (income equal to or less than 80% of area median income as adjusted for household size) when considering the gross annual income of all household residents 18 years old or older. Annual income is as defined in the Code of Federal Regulations, Title 24 Part 5. The following household members are not counted to determine family size for income limits purposes: foster children, unborn children and children being pursued for legal custody or adoption who are not currently living with the household. A child who is subject to as shared-custody agreement in which the child resides with the household at least 50% of the time, can be counted.
 - 1) City shall determine annual gross income in accordance with the Code of Federal Regulations (CFR), Title 24, Part 5, Section 5.609(b) attached hereto as Exhibit "A".
 - 2) Income from assets is recognized as part of annual income under 24 CFR Part 5. City shall determine income from assets in accordance with 24 CFR 5.
 - b. Include as Borrowers all persons who will be or are on title to the property. Co-signers and co-mortgagors who do not intend to occupy the property are prohibited.
 - c. Be a first- time homebuyer and occupy the property as a principal place of residence. A first-time homebuyer is defined as a purchaser of a unit who neither has, nor has

⁴ Authorized under the HOME Investment Partnerships Act at title II of the Cranston-Gonzalez National Affordable Housing act, as amended, 42 U.S.C. 12701 et seq. The regulations implementing the Home Investment Partnerships (HOME) Program are found at 24 CFR Part 92. HOME funds are administered by the United State Department of Housing and Urban Development (HUD).

had, a present ownership in a principal residence at any time during the three-year period prior to the date on which a mortgage pursuant to this Program is executed, except as otherwise allowed by the specific funding source(s) utilized.

2. The following individual or individuals may not be excluded from consideration as a first-time homebuyer under this section:
 - a. A single parent or remaining spouse/partner who, while married or during co-habitancy, owned a home with his or her spouse or resided in a home owned by the spouse/partner, and has no ownership interest in a residence other than provided for in this Program. A single parent is an individual who is unmarried or legally separated from a spouse and has one or more minor children for whom the individual has custody or joint custody or is pregnant.
3. For purposes of qualifying Borrower for a first mortgage, credit worthiness criteria shall be:
 - a. No late payments for the 12-month period prior to applying.
 - b. No outstanding judgments or liens.
 - c. Outstanding collections may be paid out of closing not to be included as part of required down payment or from City funds.
 - d. Bankruptcy date of discharge must be a minimum of two years prior to the date of applying with no additional collections.
 - e. Foreclosure must have been a minimum of three years prior to the date of applying.

4-C. Eligible Property

1. Property purchased with HOME funds must be located in:
 - a. The City of Turlock city limits excluding county pockets.
2. Property type must be:
 - a. Single-family housing; or
 - b. Condominium unit; or
 - c. Townhome unit; or
- d. One to four units of residential properties.
3. Eligible property must have the following occupancy characteristics:
 - a. Currently occupied by the owner-seller of the property; or
 - b. If a rental property, sold only to the existing tenant; or

- b. Vacant for four months or longer prior to submission of purchase offer by Borrower.

4. Eligible property must:

- a. Meet property standards as identified in 24 CFR 92.251.
- b. Each of the major systems must have a remaining useful life of a minimum of 5 years:
 - a. Major systems are structural support, roofing, cladding, weatherproofing (e.g. windows, doors, siding, gutters); plumbing, electrical and heating, ventilation, and air conditioning.

5. Eligible property must have an initial value not exceeding 95% of the area median purchase price for the housing type as established by HUD.

4-D. Affordability Period

- 1. Housing purchased with HOME funds under this program must remain the principal place of residence of the Borrower for a minimum period of time as defined by the amount of HOME funds invested and as shown below:

HOME Funds Invested	Minimum Period of Affordability
Under \$25,000	5 years
\$25,000 to \$50,000	10 years
Over \$50,000	15 years

- 2. Failure of Borrower to occupy the HOME-assisted unit as his or her principal place of residence for the applicable period shall cause the HOME loan to become immediately due and payable.

4-E. Loan Terms

All loan terms clearly communicated in loan agreement, promissory note and regulatory agreement and a deed restriction is enforced to ensure period of affordability.

- 1. Security:
 - a. HOME loans shall be secured by the property.
 - b. The lien securing repayment of the HOME loan shall be subject only to liens, encumbrances and other matters of record reviewed and approved by the City.
- 2. Deferment:
 - a. Principal and interest payments shall be deferred for the term of the HOME loan.

3. Repayment:

a. The HOME loan principal and interest shall be due and payable upon:

- 1) Sale, transfer, rental or lease of the property.
- 2) Borrower's failure to occupy the Property as Borrower's principal place of residence (Borrower must certify occupancy annually).
- 3) The HOME loan maturity date.

i. If it is determined by the Housing Program Services Division staff that repayment of the loan at maturity will cause a hardship to the Borrower, the FTHB Loan Committee may, at its option, elect to:

(1) Approve a one-time additional deferral period of up to 30 years in length at 0% additional interest, or;

(2) Convert the debt (principal and accrued interest) to a 15-year amortized loan at 0% additional interest.

- 4) The maturity date, or full repayment, of any debt secured by the Property that is senior to the HOME deed of trust.
- 5) Upon default under the HOME promissory note, deed of trust, the deed of trust rider or the covenants, or other recorded documents of record pertaining to the property.
- 6) Borrower's cash-out refinance of any superior mortgages.
- 7) The Borrower may repay the loan balance at any time with no pre-payment penalty. Loan payments will be credited to the principal first and then to interest.

4. Assumability:

- a. HOME loans are not assumable.

5. Transfer of Interest Exceptions:

- a. HOME loans do not have transfers of interest exceptions.

6. Loan Term:

- a. The HOME loan term shall be 30 years, except upon the occurrence of any condition requiring repayment as noted above.

7. Prepayment Penalty:

- a. A Borrower may prepay the HOME loan, in part or whole, at any time without penalty. However, prepayment does not void the period of affordability as stipulated above.
- 8. Interest:
 - a. The loan shall be at zero percent (0%) interest for the initial fifteen (15) years followed by a 15-year period with a two percent (2%) simple interest rate for thirty (30) years and;
 - b. In instances where the City loan would be in first position, the loan will become a 30 year fully amortized loan at 3% simple interest.
- 9. Restrictions on Sale:
 - a. Subsequent buyers, unless assisted with a HOME loan under this Program, do not need to meet the Eligible Household requirements set forth above.
 - b. Resale restrictions required by other secondary financing sources used in conjunction with a HOME loan shall prevail.
- 10. Recapture of HOME Funds:
 - a. In the event of any event requiring repayment as defined above, the entire amount of the original HOME loan principal and any contingent interest due shall be recaptured by City. If the loan is paid in full prior to the end of the affordability period, funds will be recorded as recaptured funds and deposited into the HOME account. After the affordability period, funds will be recorded as program income and deposited into HOME account.

4-F. Subordinate Financing to HOME Loan

- 1. Fees and/or charges for subordinate loan financing shall be consistent with reasonable loan origination fees for first mortgage financing as determined by the City based on industry standards.
- 2. Balloon payments due before the maturity date of the HOME loan are not permitted.
- 3. All subordinate financing shall defer principal and interest payments for the term of the HOME loan.

4-G. HOME Target Areas

No target areas defined.

4-H. Program Income

- 1. All repayments of HOME loan principal and interest shall be received by City and deposited into a separate account maintained by City's Finance Department.
- 2. The account shall be interest bearing into which all earned interest shall be deposited.

3. All funds deposited into the account shall be the property of the City.
4. A line item for Program Income of HOME funds will be inserted into City's fiscal year budget allocating and approving use of funds for HOME eligible activities.
5. All Program Income funds shall be expended in accordance with the HOME regulations and the HOME Agreement between the City and HUD.

4-I. Matching

Matching is the commitment of non-federal funds to supplement HOME funds used to assist in the provision of affordable housing. HOME funding requires a matching contribution⁵ of not less than 25 percent of the funds drawn from the City's HOME Investment Trust Fund Treasury account in that fiscal year, unless waived or reduced by HUD. Matching funds are calculated on a project-by-project basis and applied on a program-wide basis.

4-J. Maximum Loan Amount

1. The maximum loan amount for a HOME first-time homebuyer is \$100,000.

⁵ Defined at 24 CFR 92.218

5. Neighborhood Stabilization Program Requirements

5-A. Overview

The Neighborhood Stabilization Program (NSP)⁶ is one of several funding sources providing assistance to eligible Borrowers under this Program. The following applies to NSP loans made under this Program.

5-B. Eligible Household

1. To be eligible to receive NSP funds, an individual household shall:
 - a. Be a low to moderate- or middle-income household (income equal to or less than 120% of the area median income as adjusted for household size) when considering the gross annual income of all household residents 18 years old or older. In the event that the City is awarded NSP set-a-side funds, these funds will be limited to applicants not exceeding 50% of the Median Area Income. Annual income is as defined in the Code of Federal Regulations, Title 24 Part 5. The following household members are not counted to determine family size for income limits purposes: foster children, unborn children and children being pursued for legal custody or adoption who are not currently living with the household. A child who is subject to a shared-custody agreement in which the child resides with the household at least 50% of the time, can be counted.
 - 1) City shall determine annual gross income in accordance with the Code of Federal Regulations (CFR), Title 24, Part 5, Section 5.609(b) attached hereto as Exhibit "A".
 - 2) Income from assets is recognized as part of annual income under 24 CFR Part 5. City shall determine income from assets in accordance with 24 CFR 5.
 - b. Include as Borrowers all persons who will be or are on title to the property. Co-signers and co-mortgagors who do not intend to occupy the property are prohibited.
 - c. Occupy the property as a principal place of residence. Applicant does not have to be a first-time home buyer.
2. (Section held for future use)
3. For purposes of qualifying Borrower for a first mortgage, credit worthiness criteria shall be:
 - a. No late payments in the 12 months prior to applying.
 - b. No outstanding judgments or liens.

⁶ The program is authorized under Title III of the Housing and Economic Recovery Act (HERA) of 2008 and is administered by the California Department of Housing and Community Development. NSP Program guidelines include CDBG regulations at 24 CFR Part 570.

- c. Outstanding collections may be paid out of closing not to be included as part of required down payment or from City funds.
- d. Bankruptcy date of discharge must have been a minimum of two years prior to the date of applying with no additional collections.
- e. Foreclosure must have been a minimum of three years prior to date of applying.

5-C. Eligible Property

1. Property purchased with NSP funds must be located in:

- a. City limits of Turlock within the following Census tracts will be identified as the primary areas of concentration. County pockets within these Census Tracts are excluded as eligible properties.

36.02 (Block groups 1 and 2)
 37.00 (Block group 1)
 38.01 (Block groups 1, 2, 3 and 4)
 38.02 (Block groups 1, 2, 3, and 4)
 38.03 (Block group 1)
 39.04 (Block groups 1, 2, 3, and 4)
 39.05 (Block group 4)
 39.06 (Block groups 2 and 3)
 39.07 (Block group 2)
 39.08 (Block groups 1 and 2)
 39.09 (Block groups 2 and 4)

- b. City Limits of Turlock within the following Census Tracts will serve as secondary or additional areas of concentration if no eligible properties are available in the primary areas. County pockets within these Census Tracts are excluded as eligible properties.

36.02 (Block group 3)
 36.03 (Block group 3)
 36.04 (Block groups 3 and 5)
 37.00 (Block group 2)
 38.03 (Block group 2)
 39.05 (Block groups 1, 2, and 3)
 39.06 (Block group 1)
 39.07 (Block groups 1, 3, and 4)
 39.09 (Block groups 1 and 3)

2. Property type must be:

- a. Single-family housing; or
- b. Condominium unit; or
- c. A town home unit or

3. Eligible property must have the following occupancy characteristics:
 - a. Property must be either foreclosed or abandoned. Abandonment is defined by NSP as a property whose mortgage or tax foreclosure proceedings have been initiated, no mortgage or tax payments have been made by the property owner for at least 90 days, AND the property has been vacant for at least 90 days. Foreclosed is defined as when the mortgage or tax foreclosure is complete under state or local law.
 - b. Property must be purchased at a discount⁷ rate of at least 1% from the current market appraised value⁸.

5-D. Affordability Period

1. Housing purchased with NSP funds under this program must remain the principal place of residence of the Borrower for a minimum period of time as defined by the amount of NSP funds invested and as shown below:

NSP Funds Invested	Minimum Period of Affordability
Under \$15,000	5 years
\$15,000 to \$40,000	10 years
Over \$40,000	15 years

2. Failure of Borrower to occupy the NSP-assisted unit as his or her principal place of residence for the applicable period shall cause the NSP loan to become immediately due and payable.

5-E. Loan Terms

1. Security:
 - a. NSP loans shall be secured by the property.
 - b. The lien securing repayment of the NSP loan shall be subject only to liens, encumbrances and other matters of record reviewed and approved by the City.
2. Deferment:
 - a. Principal and interest payments shall be deferred for 30 years.
3. Repayment:
 - a. The NSP loan principal and interest shall be due and payable upon:
 - 1) Sale, transfer, rental or lease of the property.

⁷ Section 2301(d)(1) of Housing and Economic Recovery Act (HERA) limits the purchase price of the home.

⁸ The Current Market Appraised Value means the value of a foreclosed upon home or residential property that is established through an appraisal made in conformity with the appraisal requirements of the URA at 49 CFR 24.103 and completed within 60 days prior to an offer made for the property.

- 2) Borrower's failure to occupy the Property as Borrower's principal place of residence (Borrower must certify occupancy annually).
 - 3) The NSP loan maturity date.
 - i. If it is determined by the Housing Program Services Division staff that repayment of the loan at maturity will cause a hardship to the Borrower, the FTHB Loan Committee may, at its option, elect to:
 - (1) Approve a one-time additional deferral period of up to 30 years in length at 0% additional interest, or;
 - (2) Convert the debt (principal and accrued interest) to a 15-year amortized loan at 0% additional interest.
 - 4) The maturity date, or full repayment, of any debt secured by the Property that is senior to the NSP deed of trust.
 - 5) Upon default under the NSP promissory note, deed of trust, the deed of trust rider or the covenants, or other recorded documents of record pertaining to the property.
 - 6) Borrower's cash-out refinance of any superior mortgages.
 - 7) The Borrower may repay the loan balance at any time with no prepayment penalty. Loan payments will be credited to the principal first and then to interest.
4. Assumability:
 - a. NSP loans are not assumable.
 5. Transfer of Interest Exceptions:
 - a. NSP loans do not have transfers of interest exceptions.
 6. Loan Term:
 - a. The NSP loan term shall be 30 years, except upon the occurrence of any condition requiring repayment as noted above.
 7. Prepayment Penalty:
 - a. A Borrower may prepay the NSP loan, in part or whole, at any time without penalty.
 8. Interest:
 - a. The loan shall be at zero percent (0%) interest for the initial fifteen (15) years followed by a 15-year period with a two percent (2%) simple interest rate.and;

- b. The NSP down payment assistance cannot be used for first position loans.

9. Restrictions on Sale:

- a. Subsequent buyers, unless assisted with a NSP loan under this Program, do not need to meet the Eligible Household requirements set forth above.
- b. Resale restrictions required by other secondary financing sources used in conjunction with an NSP loan shall prevail.

5-F. Subordinate Financing to NSP Loan

1. Fees and/or charges for subordinate loan financing shall be consistent with reasonable loan origination fees for first mortgage financing as determined by the City based on industry standards.
2. Balloon payments due before the maturity date of the NSP loan are not permitted.
3. All subordinate financing shall defer principal and interest payments for the term of the NSP loan.

5-G. NSP Target Areas

- a. City limits of Turlock within Census tracts 38.02, 39.04, 39.06 and 39.08 will be identified as the primary areas of concentration. Census Tracts 36.02, 37.00, 38.01, 38.03, 39.05, 39.07 and 39.09 will serve as secondary or additional areas of concentration if no eligible properties are available in the primary areas. County pockets within these Census Tracts are excluded as eligible properties.

5-H. Program Income

1. All repayments of NSP loan principal and interest shall be received by City and deposited into a separate account maintained by City's Finance Department.
2. The account shall be interest bearing into which all earned interest shall be deposited.
3. All funds deposited shall follow NSP program income guidelines.
4. A line item for NSP program income funds will be inserted into City's fiscal year budget allocating and approving use of funds for NSP eligible activities.
5. All funds shall be expended in accordance with the regulations and the NSP Agreement between the City and HCD.

5-I. Matching

No Matching requirements apply.

5-J. Maximum Loan Amount

1. The maximum loan amount for a first-time homebuyer loan funded with NSP is \$25,000. Must be combined with other funding sources if need is greater than \$25,000, with a maximum limit of \$100,000.

6. Permanent Local Housing Allocation (PLHA)

6-A. Overview

The Permanent Local Housing Allocation (PLHA) Program, administered by the California Department of Housing and Community Development (HCD), is one of several funding sources providing assistance to eligible borrowers under this program.

6-B. Eligible Household

1. To be eligible to receive PLHA funds, a household shall:
 - a. Be a low- to moderate-income household, defined as income equal to or less than 120% of the area median income as adjusted for household size, when considering the gross income of all household residents 18 years of age or older. The following household members are not counted to determine family size for income limits purposes: foster children, unborn children, and children being pursued for legal custody or adoption who are not currently living in the household. A child who is subject to a shared-custody agreement in which the child resides with the household at least 50% of the time, can be counted.
 - i. Gross income is defined in the California Code of Regulations (CCR), Title 25, Section 6914 and is: "The anticipated income of a person or family for the twelve-month period following the date of determination of income."
 - ii. Income from assets is included as part of annual income in accordance with 24 CFR Part 5. The City will calculate income derived from assets in accordance with 24 CFR Part 5.
 - b. Include as Borrowers all persons who will be on the title of the property.
 - c. Be a first-time homebuyer and occupy the property as a principal place of residence. A first-time homebuyer is defined as a purchaser of a unit who neither has, nor has had, a present ownership in a residence at any time during the three-year period prior to the date on which a mortgage pursuant to this Program is executed, except as otherwise allowed by the specific funding source(s) utilized.
2. For purposes of qualifying a Borrower for a first mortgage, credit worthiness criteria shall be determined by the following:
 - a. No late payments in the 12-month period prior to applying.
 - b. No outstanding judgements or liens.
 - c. Outstanding collections may be paid at closing but cannot be included as part of the required down payment or paid using City funds.
 - d. Bankruptcy date of discharge must be a minimum two (2) years prior to the date of applying with no additional collections.

6-C. Eligible Property

1. Property purchased with PLHA funds must be located in:
 - a. The City of Turlock city limits excluding County pockets.
2. Property type must be:
 - a. Single-family housing; or
 - b. Condominium unit; or
 - c. A town home unit.
3. Eligible property must have the following occupancy characteristics:
 - a. Currently occupied by the owner-seller of the property; or
 - b. If a rental property, sold only to existing tenant; or
 - c. If rental property, must be vacant for a minimum of 4 months prior to the applicant putting in an offer to purchase.

6-D. Affordability Period

1. PLHA funds do not currently have an affordability period.

6-E. Loan Terms

1. Security:
 - a. PLHA loans shall be secured by the property.
 - b. The lien securing repayment of the PLHA loan shall be subject only to liens, encumbrances, and other matters of record reviewed and approved by the City.
2. Deferment:
 - a. Principal and interest payments shall be deferred for 30 years.
3. Repayment:
 - a. The PLHA loan principal and interest shall be due and payable upon:
 - 1.) Sale, transfer, rental, or lease of property.
 - 2.) Borrower's failure to occupy the property as Borrower's principal place of residence (Borrower must certify occupancy annually).

- 3.) The PLHA maturity date:
 - i. If it is determined by the Housing Program Services Division staff that repayment of the loan at maturity will cause a hardship to the Borrower, the Loan Committee may elect to:
 - a. Approve a one-time additional deferral period of up to 30 years at 0% interest or:
 - b. Convert the debt (principal plus accrued interest) to a 15-year amortized loan at 0% interest.
 - 4.) The maturity date, or full repayment, of any debt secured by the property that is senior to the PLHA deed of trust.
 - 5.) Upon default under the PLHA promissory note, deed of trust, deed of trust rider or the covenants, or other recorded documents of record pertaining to the property.
 - 6.) Borrower's cash out refinance of any superior mortgages.
 - 7.) The Borrower may repay the loan balance at any time with no pre-payment penalty. Loan payments will be credited to principal first and then to interest.
4. Assumability:
 - a. PLHA loans are not assumable.
 5. Transfer of Interest Exceptions:
 - a. PLHA loans do not have transfers of interest exceptions.
 6. Loan Term:
 - a. The PLHA loan term shall be 30 years, at a 15 year, 0% interest to follow with a 15-year, 2% simple interest.
 7. Prepayment Penalty:
 - a. A Borrower may prepay the PLHA loan, in part or whole, at any time without penalty.
 8. Interest:
 - a. The loan shall be at zero (0%) percent simple interest for fifteen (15) years followed by two percent (2%) simple interest for the remaining 15 years and;
 - b. There are no payments due on the loan during the life of the ownership of the property by the Borrower and;

- c. The total amount of the silent second loan plus any accrued interest becomes due and payable at the time of sale, refinance, transfer of ownership, rental, is no longer occupied by the primary borrower or thirty (30) years whichever comes first.
 - d. In instances where the City loan would be in first position, the loan will become a 30 year fully amortized loan at 3% simple interest.
9. Restrictions on Sale:
- a. Subsequent buyers, unless assisted with a PLHA loan under this Program, do not need to meet the Eligible Household requirements set forth above.
 - b. Resale restrictions required by other secondary financing sources used in conjunction with a PLHA loan shall prevail.

6-F. Subordinate Financing

- 1. Fees and/or changes for subordinate loan financing shall be consistent with reasonable loan origination fees for first mortgage financing as determined by the City based on industry standards.
- 2. Balloon payments due before the maturity date of the PLHA loan are not permitted.
- 3. All subordinate financing shall defer principal and interest payments for the term of the PLHA loan.

6-G. Target Areas

No target areas defined.

6-H. Program Income

- 1. All repayments of PLHA loan principal and interest shall be received by the City and deposited into a separate account maintained by the City's Finance Department.
- 2. The account shall be interest bearing into which all earned interest shall be deposited.
- 3. All funds deposited into the account shall be the property of the City.
- 4. A line item for reuse of PLHA funds will be inserted into the City's fiscal year budget allocating and approving the use of funds for PLHA eligible activities.
- 5. All program income funds shall be expended in accordance with PLHA regulations and the PLHA agreement between the City and HCD.

6-I. Matching

No matching requirements apply.

6-J. Maximum Loan Amount

1. The maximum loan amount for a PLHA first-time homebuyer is \$100,000.

7. First Time Homebuyer Mortgage Underwriting Requirements

(for all funding sources)

7-A. Overview

1. The primary mortgage lender (Lender) shall utilize its own underwriting standards in reviewing and approving a Borrower's application for a first mortgage loan.
2. In addition, the City shall ensure that the Borrower meets the underwriting standards for a mortgage loan(s) issued by the City in conjunction with this Program. The City conducts underwriting upon receipt of accepted purchase agreement and lenders 1003 and 1008 submittal. Many of these secondary underwriting standards will parallel those associated with the first mortgage, but the City shall take all necessary steps to ensure compliance with the requirements of this Program.
3. The Borrower must complete and sign the appropriate FTHB Program certifications. If the Lender becomes aware of misstatements whether negligently or willfully made, it must notify the City of Turlock immediately.
4. Secondary underwriting requirements must be met by a Borrower and verified by City in accordance with the following sections.

7-B. Verification of Previous Ownership Status

1. The Borrower may not have held an ownership interest in a residential property within the past three years. Allowable exceptions are:
 - a. If the FTHB mortgage assistance is financed solely with City funds:
 - 1) A displaced homemaker, who, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse. A displaced homemaker is an adult who has not, within the preceding two years, worked on a full-time basis as a member of the labor force for a consecutive twelve-month period and who has been unemployed or underemployed, experienced difficulty in obtaining or upgrading employment and worked primarily without remuneration to care for his or her home and family;
 - 2) A single parent who, while married, owned a home with his or her spouse or resided in a home owned by the spouse. A single parent is an individual who is unmarried or legally separated from a spouse and has one or more minor children for whom the individual has custody or joint custody or is pregnant; or
 - 3) An individual or individuals who owns or owned, as a principal place of residence during the three-year period before the purchase of a home with CalHome assistance, a dwelling unit whose structure is:
 - i. Not permanently affixed to a permanent foundation in accordance with state or local regulations; or

- ii. Not in compliance with state, local or model building codes and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.
- 2. The Borrower must provide copies of their last three (3) years signed federal tax returns, verifying that the Borrower did not claim a homeowner deduction for mortgage interest or taxes on real property. Acceptable alternatives are as set forth below:
 - a. If the Applicant filed the 1040 Long Form for the prior three years and cannot produce an original copy of the signed tax returns, then the Applicant must request a copy of the returns from the IRS.
 - b. If the Borrower has filed the short form 1040A or 1040EZ for the prior three years and cannot produce the signed returns, the City will accept a letter from the IRS verifying the filing status of the Borrower. The letter should confirm that the Borrower filed the 1040A or 1040EZ for the years in question. The Borrower can request tax account information from the Local IRS office. This information will be provided on IRS Letter Form 1722 and will include: (1) name and social security number; (2) type of return filed; (3) marital status; (4) tax shown on return; (5) adjusted gross income; (6) taxable income; (7) self-employment tax; and (8) number of exemptions. If the address on the tax returns filed is different than the Borrower's current address, the Borrower should also provide a written statement (signed by all Borrowers) indicating that the previous returns had been filed at a different address.

The tax account information should be requested, in person, from the IRS office. The tax returns must have an original signature certifying that "this is a true and exact copy of the returns submitted to IRS".

- c. In the event the Borrower was not obligated to file federal income tax returns for any of the preceding three years, it will be necessary for the City to obtain from the Borrower a completed and signed Applicant Income Tax Certification which is required in place of (a) or (b) above. The Applicant Income Tax Certification must be accompanied with documented proof of the reason for not filing taxes.
 - d. When an application is submitted during the period between January 1 and April 15 and the Borrower has not yet filed his/her Federal income tax return for the preceding year with the IRS, the City may with respect to such year, rely on a certification of the Borrower that the Borrower is not entitled to claim deductions for taxes or interest on indebtedness with respect to property constituting his/her Principal Residence for the preceding calendar year. The certification is included within the Applicant Income Tax Certification.

7-C. Verification of Borrower Income

Income eligibility criteria vary according to the secondary financing source utilized. Funding is determined based on available funding and property conditions. The City must verify a Borrower's income in accordance with the following:

- 1. CalHome, CDBG, and HOME, Borrowers must have an annual gross income equal to or less than 80% of the area median income as adjusted for household size. NSP and PLHA

borrowers must have an annual gross income equal to or less than 120% of the area median income as adjusted for household size. See Exhibit “C” for income limits.

- a. Income limits used to determine eligibility for CalHome funding must be those published by the State of California Department of Housing and Community Development available from the City.
 - b. Income limits used to determine eligibility for HOME, CDBG, and NSP funding must be those published by the U.S. Department of Housing and Urban Development and available from the City.
2. Household size is determined by counting all members of the household, regardless of age, who will be permanent residents in the home.
 3. The City shall determine the Borrower’s annual gross income by obtaining source documentation verifying income and asset inclusions listed in Exhibit “A” of this Manual.
 - a. For self-employed borrowers, source documentation shall also include but not necessarily be limited to:
 - 1) 3 years federal tax returns. (A minimum of the two most recent years must show income as self-employed)
 - 2) A profit and loss statement prepared by an accountant or bookkeeper. The City reserves the right to request an audited Profit and Loss statement by a Certified Accountant/Bookkeeper.
 4. Income from all adult household members 18 years of age or older shall be counted to determine household income eligibility. Income of borrowers will be used to determine loan eligibility.
 5. The Borrower’s gross annual income must then be projected by the City over the upcoming 12-month period and judged to not exceed the applicable income limit. The City shall complete an Income Summary Worksheet.
 - a. If documentation is provided by the Borrower that his or her current circumstances may be about to change, this information must be used in the projection of gross annual income. For instance, if a Borrower has documented income of \$10.00/hour, but a negotiated union contract will increase this amount to \$15.00/hour 6 months hence, the anticipated additional income must be counted in the projection.
 6. Assets
 - a. All income from assets must be included in the calculations determining the Borrower’s gross annual income.
 - b. When the cash value of all of a Borrower’s assets exceeds \$5,000, annual gross income shall include the greater of:
 - 1) The actual amount of income, if any, derived from all household assets; or

- 2) The current HUD Passbook rate multiplied by the cash value of all such assets.
 - c. As with income, the value of a Borrower's assets must be projected over the following 12-month period and judged to not exceed the applicable income limit.
7. Income of Co-Borrower
- a. If a co-Borrower will be both on the title and the deed of trust, his or her gross annual income must be included in determining eligibility for the program.
 - b. The income of any other person expected to both live in the residence and be secondarily liable for the mortgage must be counted and verified as noted above.
 - c. Co-signers and co-mortgagors who do not intend to occupy the property are prohibited.

7-D. Credit

1. A credit report will be obtained at time of application by the City for every person, 18 years and older, applying for a loan through the FTHB program. For married couples, credit reports will be required of both spouses, to determine credit worthiness and household debt, even if one spouse will not be on title.

For purposes of qualifying Borrower for a City mortgage, credit worthiness criteria shall be:

- a. No late payments within the 12 months prior to the date of applying.
- b. No outstanding judgments or liens.
- c. Outstanding collections may be paid out of closing not to be included as part of required down payment or from City funds.
- d. Bankruptcy date of discharge must have been a minimum of two years prior to the date of applying with no additional collections.
- e. Foreclosure must have been a minimum of three years from date of sale.

7-E. Purchase Price

1. The City will obtain a copy of the signed purchase contract for verification purposes that the FTHB Program's purchase price limit has not been exceeded.

7-F. Maximum Sales/Price Value Limit

1. The maximum sales price/value limit for a home purchased with the assistance of a City loan under this Program shall be as follows as per funding source:
 - a. CDBG- up to 100% of the current median value of a single-family residence in Stanislaus County.

- b. HOME – up to 95% of the current median value of a single-family residence in Stanislaus County.
 - c. CalHome – up to 105% of the current median value of a single-family residence in Stanislaus County.
 - d. PLHA – no maximum.
2. The median sales price shall be as documented in the most recent data set accepted by the United States Department of Housing and Urban Development (HUD) for use in City's mortgage assistance program. The City utilizes the HUD HOME homeownership Value Limits to determine the median sales price, unless an exception is granted to the City per CFR 92.254 (a)(2)(iii).

7-G. Maximum Loan Amount

1. The City will provide "Gap" financing up to \$100,000 toward the purchase of affordable housing to be occupied by the applicant. This refers to filling the "gap" between the amount the homebuyer has and the amount needed to secure a primary loan.

GAP FINANCING SUBSIDY CALCULATION EXAMPLE

Purchase Price of Property	\$ 400,000
Less primary loan borrower can obtain	\$(325,000)
Less program required down payment	<u>\$(5,000)</u>
Equals "Gap" needed to purchase property	\$ 70,000
Plus estimated closing costs	\$ 16,000
Total Subsidy/Loan	\$ 86,000

7-H. Loan Documentation

1. All City loans shall be evidenced by the following documents and provisions.
- a. Promissory Note(s) payable to City in the principal amount of the loan and stating the terms and rate of interest.
 - b. Deed of Trust(s) securing the Note; this deed shall be recorded and shall secure City's financial interest in the property.
 - c. Other appropriate security instrument naming City as beneficiary.
 - d. Request for copy of "Request for Notice of Default".

7-I. Gift Funds

- a. Gift funds to borrowers are permitted but will be limited to \$5,000. These funds cannot be used toward the borrower's required contribution.

- b. Letter for gift funds must be provided to City Housing staff prior to loan committee approval. Letter must state the name of donor, amount being gifted, and that the funds are a gift and not a loan.

8. APPLICATION and DELIVERY PROCESS

(for all funding sources)

8-A. Overview

1. Eligible homebuyers apply for a first mortgage loan from a primary mortgage lender (Lender).
2. The City processes the FTHB Mortgage Application and associated documentation, and issues a FTHB pre-approval letter for the City mortgage loan.
3. The City funds the City's FTHB mortgage loan concurrently with the first mortgage lender funding.

8-B. FTHB Mortgage Application Process

The FTHB processing procedures are designed to integrate with the Lender's standard mortgage loan processing and underwriting procedures. Recognizing there are procedural variations among lenders, the procedures outlined here are meant to serve as guidelines with respect to the sequence of events. However, all the elements of the processing sequence outlined in this section must, regardless of sequence, be completed by the Lender, the City, the Borrower, and the Seller.

The Lender, Borrower and the City are responsible for performing the tasks related to the issuance of a FTHB Mortgage as identified below:

1. Eligibility/Pre-approval Phase

- Borrower:
- ☒ Applies to Lender for a first mortgage and a FTHB mortgage.
 - ☒ Provides all necessary documentation and authorizations to City of processing application.
 - ☒ Provide a copy of the certificate of completion for the homebuyer education workshop from the City of Turlock or a selected approved agency.
- Lender:
- ☒ Determines if Borrower is eligible for primary mortgage financing. Lender determines acceptability of first loan in accordance with applicable loans, and private mortgage insurance standards and/or underwriting guidelines.
 - ☒ Transmits the following to City:
 - ◆ Appraisal.
 - Preliminary Title report
 - Mortgage Credit Analysis

- Certified Lead Inspection, applicable only to properties built prior to 1978. See section 8-E page 43 for more details.
- Commitment letter from Primary Lender.

- City:
- ☒ Examines all documents for completeness and consistency. Issues a FTHB pre-approval letter, which is valid for a maximum of ninety days.
 - ☒ Inspects subject property for compliance with Basic Housing Quality Standards. Inspections will be completed less than 90 days prior to the commitment of funds. Copy of the FTHB Inspection form is placed in Borrower's file.
 - ☒ The City of Turlock or a selected approved agency will offering First Time Homebuyer Education workshop to Borrower.
 - ☒ Conducts environmental review;
 - ☒ Verifies legality of unit(s) on subject property.
 - ☒ Verifies compliance with maximum per unit subsidies.
 - ☒ Confirms subject property location within specified areas by funding source (NSP and CalHome-funded only).
 - ☒ Verifies property has successfully cleared any outstanding Housing Quality Standards issues; if applicable, verifies that responsible party (Borrower or Seller) has mitigated all deteriorated paint surfaces issues and obtains all Lead Based Paint (LBP) forms from responsible party.
 - ☒ If being funded with HOME funds, verify property meets all property standards as identified in 24 CFR 92.251 and each major systems has a remaining useful life of a minimum of 5 years.

2. Pre-Closing Phase

- Lender:
- ☒ Cooperates with City to obtain any additional information required under the Program.
 - ☒ Immediately notifies the City in writing of any cancellation of Lender's first mortgage Pre-approval or commitment. The reason for cancellation must be clearly stated.
 - ☒ Confirms with City that the FTHB Pre-approval is still active and has not expired.

City: ☒ Confirms that the FTHB Pre-approval is still active and has not expired. If expired, an extension must be requested.

3. Closing Phase

Lender: ☒ Approves the first mortgage loan in accordance with Lender's regular procedures.

Title Co.: ☒ Submits Lender's Closing Certification to City.

☒ Submits copy of HUD-1 closing statement to City.

☒ Forwards required first loan documents and Lender's escrow instructions to City.

Borrower: ☒ Executes all first mortgage documents, FTHB mortgage documents, and all other related documents.

Borrower/Seller: ☒ If applicable, and after determination of responsible party, submits documentation certifying resolution of any deteriorated or lead-based paint issues to City.

City: ☒ Conducts final review of all FTHB submittals from Lender.

☒ Forwards FTHB mortgage promissory note, deed of trust and escrow instructions to escrow company.

☒ Reviews Lender's first mortgage loan documents and escrow instructions for compatibility with FTHB Program requirements.

☒ Loan Committee reviews and approves Request for Release of FTHB Program Funds.

☒ Writes and transmits escrow instructions to escrow company.

☒ Issues check for FTHB mortgage funds made payable to escrow company.

8-C. Application Handling Priority

All FTHB Applications will be processed by the City according to the date of receipt. Processing is subject to change in the event of special funding and special requirements.

8-D. Property Standards

The property purchased with City funds under this program must:

1. Be eligible pursuant to the program if it is a single-family residence, a condominium unit, or a townhome located within the city limits of Turlock. Manufactured housing unit, must

at the time of purchase be on a permanent foundation, connected to permanent utility hook-ups, and be located on land that is to be owned by the purchaser.

2. Meet or exceed HUD's Housing Quality Standards (HQS) prior to close of escrow.

The City's Housing Rehabilitation Specialist/Inspector shall undertake a HQS inspection of the proposed unit to determine the property's eligibility for the FTHB Program. The Rehabilitation Specialist inspects the property for compliance with all locally adopted codes and ordinances noted above less exceptions. All homes must pass the HQS inspection conducted by the City. Responsibility for correcting any deficient items noted shall be the sole responsibility of the Borrower and/or seller. The only exception is when a CalHome Secondary Financing with Rehabilitation Program loan will occur.

For all loans funded with HOME funds, property must meet all property standards as identified in 24 CFR 92.251 and each major system must have a remaining useful life of a minimum of 5 years. The Housing Rehabilitation Specialist/Inspector will utilize a comprehensive checklist to ensure property meets all standards of the funding.

The HQS inspection should not be confused with a home inspection and may not be relied upon by the Borrower. The City does not provide a home inspection for the Applicant. The City recommends that the Applicant safeguard their investment by hiring a certified home inspector to provide an objective written report of the condition of the home's systems as they appear and operate at the time of the inspection.

3. Comply with all locally adopted standards at the time of purchase. Locally adopted standards include, but are not limited to: the 2007 editions of the Uniform Building Code (U.B.C.), Uniform Mechanical Code (U.M.C.), Uniform Plumbing Code (U.P.C.), the National Electrical Code (N.E.C.), the California Building Code (C.B.C.), and Title 8 of the Turlock Municipal Code, less exceptions.
4. Must meet the accessibility requirements of the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973.
5. In the event that the home does not meet the requirements as described above and CalHome funds are used as secondary financing, the home may be eligible under the following conditions;
 - a. Funds must be used for both acquisition and rehabilitation. Funds may not be used for only rehabilitation
 - b. Combined Secondary Financing and Rehabilitation loan cannot exceed 105% CLTV.
 - c. Rehabilitation Specialist will provide list of repairs
 - c. Work must start no later than 30 days after purchase.
 - d. Work must be completed within six months after home purchase.
 - e. Must be done by a California licensed contractor
 - f. Work is allowable to the extent that it replaces or repairs items necessary to make a property habitable and usable.

See Rehabilitation Policies and Procedures for detailed information regarding the rehabilitation process.

8-E. Lead Based Paint (LBP)

All units assisted by the City must comply with part 35 of title 24 of the Code of Federal Regulations (24 CFR Part 35)⁹ implementing Lead-Based Paint regulations which include the HUD final regulation known as the Lead Safe Housing Rule effective 9/15/00 and the HUD/Environmental Protection Agency (EPA) Lead-based paint disclosure rule issued in 1996. The purpose of the Lead Safe Housing Rule is to protect young children from lead-based paint hazards in housing that is receiving federal assistance. It applies only to housing that was built before 1978; in that year, lead-based paint was banned nationwide for consumer use.

The program is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, J, K, M and R of this title.

All housing units built prior to 1978 and utilizing City funds under this Program are subject to the following requirements:

1. Notification

- a. All Applicants for the FTHB Program are provided with a notification of the dangers of lead-based paint. This notification takes the form of an EPA-approved lead hazard information pamphlet entitled "Protect your Family from Lead in Your HOME" (EPA -747-K-94-001) or an equivalent pamphlet that has been approved by the EPA. The Lead-based paint notification shall be available in English, Spanish and other languages as offered through HUD and the EPA. The brochure can be down loaded from the HUD website at <http://www.hud.gov/offices/lead/healthyhomes/lead.cfm>.

2. Lead-based Paint exposure- Properties Constructed prior to 1978

- a. A residential property built prior to 1978 may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women.
- b. All housing units constructed prior to 1978 and utilizing City funds under this Program are subject to additional regulations to control lead-based paint hazards and must be inspected by a certified lead-based paint inspector, for defective paint. If any defective paint is discovered during the inspection, the seller and buyer shall be notified, and the unit shall automatically be ineligible for assistance, unless the defective paint is abated.
- c. All remediation shall be completed in compliance with the practices recommended by the Occupational Safety and Health Administration (OSHA), the Environmental Protection Agency (EPA) and in 24 CFR 35.1345 Occupant protection and worksite preparation.

⁹ The 24 CFR Part 35 regulation implements sections 1012 and 1013 of the Residential Lead-Based Paint Hazard Reduction Act of 1992, which is Title X of the Housing and Community Development Act of 1992. Sections 1012 and 1013 amend the Lead-Based Paint Poisoning Prevention Act of 1971.

After remediation, a certification by a certified lead-based paint inspector shall be provided to the City of Turlock, the seller, and the buyer that no defective paint remains in the unit. Such certification shall then make the unit eligible for assistance.

3. Consumer Information Resources

For information on lead hazards and prevention contact the National Lead Information Center (NLIC) Hotline at 1(800) 424-LEAD [5323] or their website at <http://www.epa.gov/oppt/lead/>. NLIC provides the general public and professionals with information about lead hazards and their prevention.

8-F. Environmental Review

1. The environmental effects of activities carried out with State and Federal funds must be assessed in accordance with the provisions of the National Environmental Policy Act (NEPA).
2. The City shall conduct said environmental review in accordance with 24 CFR Part 58.
3. The environmental effects of activities carried out with City or State funds must be assessed in accordance with the provision of the California Environmental Quality Act (CEQA).

8-G. Homebuyer Education Requirement

Homebuyer Education Course is required by all homebuyers on title receiving a FTHB loan. The course must be provided by the City of Turlock or a selected agency. A copy of the certificate of completion of the 8-hour homebuyer education course must be submitted to the City. See Exhibit "D" for Homebuyer Education Curriculum.

The topics must include:

1. Preparing for homeownership
2. Available financing and credit analysis
3. Loan closing and homebuyer responsibilities
4. Home maintenance and loan servicing

8-H Mortgage Assistance Limit

See Exhibit "B"

8-I. Transfer of FTHB Mortgage

The City's FTHB loan is not transferable with the exception of CalHome funded loans. See CalHome section 2-F (page 9) for more information.

8-J. Transfer of FTHB Application to Substitute Lender

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1. If a Borrower decides to change from one Lender to another after a FTHB Pre-approval has been issued, the City will honor the original expiration date as long as no information has changed and the new Lender will comply with all regulations and time frames as required by loan and program.
2. The FTHB Pre-approval will be re-issued to the Borrower with the same original expiration date. The expiration date will not be extended without a formal request.

8-K. Pre-approval Letter from City

Upon completion of a full application and documentation, the qualifying Borrower will receive a Pre-approval letter from the City. This letter will only be good for 90 days from date of issuance. Specific timeframes for contracts and closings will be noted in the letter.

8-L. Changing Properties During the FTHB Second Application Process

1. If a Borrower has a pending FTHB Application and changes the property he/she is purchasing, the Borrower must submit a new purchase contract and all information which the City has determined necessary for reconsideration.

8-M. Resubmittal of FTHB Second Application Returned or Rejected

If a FTHB Application has been returned or denied by the City, any resubmission, must include all information which the City has determined necessary for reconsideration.

8-N. Changes Prior To Closing

1. The Lender must immediately notify the City in writing of any change in the circumstances upon which the FTHB Pre-approval was issued. These changes may require re-certification of eligibility of the Borrower.
3. If changes to the circumstances upon which the FTHB Pre-approval was issued result in the Borrower or the Property no longer meeting the FTHB Program requirements, the FTHB Pre-approval will be revoked.
4. Eligibility of Borrower for a FTHB Second is based upon the Borrower's current and projected income. The City will issue the FTHB Pre-approval based on facts verified as of the date the FTHB Pre-approval is issued. The income verified for commitment is valid as long as the loan closes within 90 days of the date of the FTHB Pre-approval and there are no additional sources of income that were not previously reported.

Any added source of Income received after the issuance of the FTHB Pre-approval but prior to closing must be verified by the City and the Borrower's continued eligibility under the FTHB Program income limits must be confirmed and reported to the City.

7. Any changes in home ownership status, acquisition or rehabilitation cost and amount of mortgage loan after issuance of commitment and prior to closing must also be reported to the City.
 - a. If the Borrower acquires a present ownership interest in a principal residence prior to loan closing, the FTHB Pre-approval shall be revoked.

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- b. If the total acquisition cost of the residence purchased in connection with the FTHB Second increases so as to exceed the purchase price limitations set forth herein, the FTHB Pre-approval shall be revoked.

8-O. Conflict of Interest

No FTHB Program mortgage shall be issued to any person or the immediate family of any person who is in a decision-making position relative to the FTHB Program which includes but is not limited to the staff of the City.

9. First Time Homebuyer Mortgage Loan Servicing by City

(for all funding sources)

9-A. Overview

These loan servicing policies and procedures are intended to preserve the City's financial interest in properties purchased with funding through the First Time Homebuyer Program.

9-B. Payment of Property Taxes and Insurance

1. Borrower must maintain property insurance coverage naming the City as loss payee when in first position or additional insured if the loan is a second mortgage. If borrower fails to maintain the necessary insurance, the City will contact the Borrower reminding them of the insurance requirement. The Borrower will have 30 days to provide proof of insurance. If verification of insurance is not received, the City may call the loan due.
2. If the Borrower fails to maintain required hazard insurance (including flood insurance if the property is located within a 100-year floodplain) the City may take out a "forced place" insurance policy to cover the property. City shall obtain a judgment for any amounts expended by City under this section, and shall record a judgment lien against the property. The City of Turlock is currently not designated in a flood zone.
3. Property taxes must be kept current during the term of the loan. If the Borrower fails to maintain payment of property taxes, the City may pay the taxes current and add the balance of the tax payment plus any penalties to the balance of the loan. Wherever possible, the City encourages Borrower to have impound accounts set up with their first mortgagee wherein they pay their taxes and insurance as part of their monthly mortgage payment.

9-C. Owner-Occupancy

1. The Borrower shall be required to complete and submit an Annual Occupancy Certification yearly. Such report shall include the following:
 - a. Evidence of Borrower's occupancy of the Property as Borrower's principal place of residence;
 - b. Evidence of payment of property taxes and hazard insurance.
 - c. Other information reasonably required by the City.

9-D Required Noticing and Restrictions on Any Changes of Title or Occupancy:

1. In all cases where there is a change in title or occupancy or use, the Borrower must notify the City in writing of any change. City and borrower will work together to ensure the property is kept in compliance with the original First Time Homebuyer program terms and conditions such that it remains available as an affordable home for low-income families. These types of changes are typical when Borrowers do estate planning (adding

a relative to title) or if a Borrower dies and property is transferred to heirs or when the property is sold or transferred as part of a business transaction.

2. Change from ownership occurs at a sale, the loan is not assumable and the loan balance is immediately due and payable in full.
3. If a transfer of the property occurs through inheritance, property can only be transferred to the spouse (as owner-occupant) who must reside at the home as the primary residence. All such changes are subject to the review and approval of the City's Loan Committee. Any other transfer is not permissible and loan will be due in full. In the event that the heir is not a spouse, the heir will not be provided the opportunity to assume the loan. If the heir intends to occupy the property and is low income, the City will work with the heir to qualify for a new primary loan to pay off the existing loan(s) and obtain a new down payment assistance loan. If the heir is a non-income eligible family, the balance of the loan is due and payable in full. If the heir intends to act as an owner-investor, the balance of the loan is due and payable in full. All such changes are subject to the review and approval of the City's Loan Committee.
4. Change from owner-occupant to owner-investor occurs when an owner-occupant decides to move out and rent the assisted property, or if the property is sold to an investor. If the owner converts any assisted unit from owner occupied to rental, the loan is due in full.
5. Conversion to use other than residential use is not allowable where the full use of the property is changed from residential to commercial or other. In some cases, Borrowers may request that the City allow for a partial conversion where some of the residence is used for a business but the household still resides in the property. Partial conversions can be allowed if it is reviewed and approved by any and all agencies required by local statute. If the use of the property is converted to a fully non-residential use, the loan balance is due and payable.

9-E. Subordination

1. If the Borrower wishes to refinance any superior loans, the Borrower must submit a Request for Subordination to the City. Subordinations will be granted only under the following conditions:
 - a. "No cash-out" allowed. Cash out means there are no additional charges on the transaction above existing loan balance and escrow closing fees.
 - b. No third-party debt pay-offs or additional encumbrance on the property above traditional refinance transaction costs.
 - c. Should lower the families housing cost with a lower interest rate
 - d. Refinancing for a shorter term will be permitted as long as the increase in housing costs do not exceed allowable back and front-end ratios.
 - e. Total indebtedness secured by the property may not exceed the current market value of the property. In cases of economic crisis, the subordination request will be approved on a case-by-case basis.

2. The City Loan Committee will review and approve or deny the Request for Subordination and, if approved, the escrow company will provide the proper subordination documentation, including a new Request for Notice of Default for the City, for execution and recordation by the Lender.

9-F. Demand/Pay-off

1. Upon receiving a Notice of Demand/Pay-off, City's Housing Program Services Division shall calculate the amount of principal and interest due, and transmit the payoff amount to the requesting party.
2. Upon receipt of all due principal and interest, City shall reconvey the FTHB mortgage deed of trust.

9-G. Request for Notice of Default

1. The City may record a Request for Notice of Default for each lien senior to the City's FTHB mortgage.
 - a. When the City's loan is in second position behind an existing first mortgage, it may require the title company handling the home loan purchase, to prepare and record a "Request for Notice of Default" for each senior lien in front of City's loan. This document notifies the City of any foreclosure action by a senior lien holder listed in the notice. The City will then have time to contact the Borrower and assist them in bringing the first loan current. The City can also monitor the foreclosure process and go through the necessary analysis to determine if the loan can be made whole or preserved.

9-H. Foreclosure by Senior Lien Holder

1. Upon any condition of loan default: 1) nonpayment; 2) lack of insurance or property tax payment; 3) change in title or use without approval; 4) default on senior loans, the Lender will send out a letter to the Borrower notifying them of the default situation. If the default situation continues then the Lender may start a formal process of foreclosure.
2. When a senior lien holder starts a foreclosure process and the City is notified via a Request for Notice of Default, the City, who is the junior lien holder, may cancel the foreclosure proceedings by "reinstating" the senior lien holder. The reinstatement amount or payoff amount must be obtained by contacting the senior lien holder. This amount will include all delinquent payments, late charges and fees to date. City must confer with Borrower to determine if, upon paying the senior lien holder current, the Borrower can provide future payments. If this is the case then the City may cure the foreclosure and add the costs to the balance of the loan with a Notice of Additional Advance on the existing note. This action will be submitted to the loan committee for review and approval.
3. If the City determines, based on information on the reinstatement amount and status of borrower, that bringing the loan current will not preserve the loan, then staff must determine if it is cost effective to protect their position by paying off the senior lien holder in total and restructure the debt such that the unit is made affordable to the Borrower. If the City does not have sufficient funds to pay the senior lien holder in full, then they may

choose to cure the senior lien holder and foreclose on the property themselves. As long as there is sufficient value in the property, the City can afford to pay for the foreclosure process and pay off the senior lien holder and retain some or all of their investment. This action will be submitted to the loan committee for review and approval.

4. If the City decides to reinstate, the senior lien holder will accept the amount to reinstate the loan up 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 City 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 pay off of the balance, plus costs, to cancel foreclosure. If the City determines the reinstatement and maintenance of the property not to be cost effective and allows the senior lien holder to complete foreclosure, the City's lien may be eliminated due to insufficient sales proceeds.

9-I. Recapture Provision

1. The Recapture provision applies only to HOME and NSP funds.
 - a. When a loan is refinanced or the property is sold or the Applicant is no longer the principal resident or upon discovery of willful misrepresentation or fraud in connection with the program the money from the FTHB Program loan is instantly repayable as stipulated through the deed restriction
 - b. The seller is entitled to a fair rate of return on his investment, including any documented improvements to the property.
2. The affordability period for funds depends on the amount of the City HOME and NSP investment in the property subject to recapture and the nature of the activity. If the FTHB HOME and NSP assistance is over \$40,000, then the affordability period is 15 years. Payments and payoffs that meet the affordability requirements are returned as Program Income to the city. Payments and payoffs that do not meet the affordability requirements are returned as Recaptured funds to the city.
3. The City imposes recapture requirements to recapture the entire amount of the City HOME and NSP investment from the homeowner, to ensure affordability. However, when the recapture requirement is triggered by a sale (voluntary or involuntary) of the housing unit, and there are no net proceeds or the net proceeds are insufficient to repay the City HOME and NSP investment due, the city can only recapture the net proceeds, if any. The net proceeds are the sales price minus superior loan repayment (other than City HOME and NSP funds) and any closing costs.
4. If the net proceeds are not sufficient to recapture the full City HOME and NSP investment plus enable the homeowner to recover the amount of the homeowner's down payment and any capital improvement investment made by the owner since purchase, the City will share the net proceeds. The net proceeds are the sales price minus loan repayment (other than City HOME and NSP funds) and closing costs. The net proceeds will be divided proportionally as set forth in the following mathematical formulas.

City HOME and NSP investment . X Net proceeds = City HOME and NSP amount to be recaptured

Section 9 – FTHB Mortgage Loan Servicing by City

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City of Turlock FTHB Program Policies and Procedures Manual

Updated: 7-8-2025

(City HOME and NSP investment + homeowner investment)

$$\frac{\text{Homeowner investment}}{(\text{City HOME and NSP investment} + \text{homeowner investment})} \times \text{Net proceeds} = \text{amount to homeowner}$$

9-J. Foreclosure by City

1. When the City is in first position on a fully amortized loan as a senior lien holder and or the end of the deferment period, active collection efforts will begin on any loan that is 31 or more days in arrears. Attempts will be made to assist the homeowner in bringing and keeping the loan current. These attempts will be conveyed in an increasingly urgent manner until loan payments have reached 90 days in arrears, at which time the City may consider foreclosure. City's staff will consider the following factors before initiating foreclosure:
 - a. Can the loan be cured and can the rates and terms be adjusted to allow for affordable payments such that foreclosure is not necessary?
 - b. Can the Borrower refinance with a private lender and pay off the City?
 - c. Can the Borrower sell the property and pay off the City?
 - d. Does the balance warrant foreclosure? (If the balance is under \$5,000, the expense to foreclose may not be worth pursuing.)
 - e. Will the sales price of home "as is" cover the principal balance owing, necessary advances, (maintain fire insurance, maintain or bring current delinquent property taxes, monthly yard maintenance, periodic inspections of property to prevent vandalism, etc.) foreclosure, and marketing costs?
2. If the balance is substantial and all of the above factors have been considered, the City may opt to initiate foreclosure. The Borrower 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 City to prevent foreclosure (such as, funds to bring a delinquent loan current or pay off a Deferred Payment Loan).
3. At the end of thirty days, the City will contact a reputable foreclosure service or local title company to prepare and record foreclosure documents and make all necessary notifications to the owner and junior lien holders. The service will advise the City of all required documentation to initiate foreclosure (Note and Deed of Trust usually) and funds required from the owner to cancel foreclosure proceedings. The service will keep the City informed of the progress of the foreclosure proceedings.
4. When the process is completed, and the property has "reverted to the beneficiary" at the foreclosure sale, the City could sell the home themselves under a homebuyer program, use it for an affordable rental property, use it for transitional housing facility or other eligible use.
5. Foreclosures are subject to the review and approval of the City Council.

9-K. Use of Third-Party Agent

Portions or all of the FTHB Program loan servicing shall be performed by City or, at City's option and shall be performed by a third party under contract with City.

9-L. Loan-to-Value Limits

1. The loan-to-value (LTV) ratio for a City loan, when combined with all other indebtedness to be secured by the property, shall not exceed 100% (down payment assistance only) or 105% (CalHome Secondary Financing with Rehabilitation Program assistance) of the sales price plus a maximum of up to 5% of the sales price to cover closing costs.

9-M. Borrower Contribution

1. Five Thousand dollars (\$5,000) shall be required of an eligible Borrower to be used towards the purchase of the property in order to receive funds under this Program. Funds cannot be borrowed, gifted or granted by seller or any other party. Proof of required down payment must be provided when application is taken. Funds can be used for the following:
 - a. Additional down payment
 - b. Closing Costs
 - c. Inspection costs

9-N. First Mortgage Underwriting Requirements

1. In addition to the first mortgage requirements of the primary lender, the following FTHB Program requirements shall also to apply to first mortgages issued in conjunction with a FTHB mortgage:
 - a. Borrower shall obtain the maximum first mortgage loan with a term and interest rate from a mortgage lender consistent with affordable housing costs as defined in herein.
 - b. First mortgage loans shall not include provisions for negative amortization, principal increases, adjustable-rate mortgages (ARM), balloon payments, deferred interest or temporary buy downs.
 - c. City staff will evaluate current housing and overall debt for the Borrower, including monthly expenses, assets or cash reserves and appropriateness of assistance.
 - d. Front End Ratio:
 - 1) For purposes of qualifying Borrower for a first mortgage, and as defined herein means the ratio between monthly household income and monthly housing cost, including first mortgage principal, interest, taxes and insurance.
 - 2) This ratio shall be a minimum of thirty-five percent (35%).

e. Back End Ratio:

- 1) For purposes of qualifying Borrower for a first mortgage, and as defined herein means the ratio between monthly household income and monthly housing costs plus all payments on long-term installment debt.
- 2) This ratio shall not exceed forty-six percent (46%).

f. Credit Worthiness Criteria

- 1) For purposes of qualifying Borrower for a first mortgage, credit worthiness criteria shall be:
 - a. No late payments within the 12 months prior to applying.
 - b. No outstanding judgments or liens.
 - c. Outstanding collections may be paid out of closing not to be included as part of required down payment or from City funds.
 - d. Bankruptcy date of discharge must have been a minimum of two years from date of application with no additional collections.
 - e. Foreclosure must have been a minimum of three years prior to the date of application.

9-O. Appraisal

1. Prior to close of escrow an appraisal must be obtained which meets the following requirements:
 - a. The appraisal shall be prepared by a state-licensed residential property appraiser;
 - b. The appraisal shall use the sales of comparable properties approach to determine value; and
 - c. Maximum appraised home values at time of purchase shall not exceed the purchase price/value limits set forth in Section 7-F above
 - d. In the event the property is being acquired using CalHome Secondary Financing with Rehabilitation Program funds the following requirements must be met:
 - a. Purchase price may not exceed the "as is" value established by the licensed appraiser.
 - b. Necessary rehabilitation work must be noted by the appraiser.
 - c. Appraiser may use a single appraisal to show both values and sign off on the completed work or the appraiser may use two separate appraisals, with the second one issued after completion of the work.
 - d. The combined loan to after rehabilitation value cannot exceed 105%
 - e. The after-rehabilitation value may not exceed the median sales price for limits.

9-P. Cash-Out of Escrow

1. Borrowers may not receive cash out of escrow from any loan package containing City financing.

9-Q. Title Insurance

1. The Borrower shall provide City with an ALTA lenders title insurance policy in the amount of the City loan at Borrower's expense.

9-R. Hazard Insurance

1. Borrower must provide and maintain fire and flood (if the property is located in a 100-year floodplain) insurance in an amount at least equal to the replacement value of the improvements.
2. City must be named as an additional loss payee on the policy.

10. Federal Regulatory Provisions

(for all funding sources)

10-A. Conflict of Interest

In accordance with Federal and State regulations no person who is an employee, agent, consultant, officer, or elected official or appointed official of the City of Turlock who exercise or have exercised any functions or responsibilities with respect to CalHome, PLHA, CDBG, HOME, or NSP assisted activities under this Program, or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from this activity, or have a financial interest in any contract, subcontract, or agreement with respect to this activity, or with respect to the proceeds of the this activity, either for themselves or those with whom they have business or immediate family ties, during their tenure with the City or for one year thereafter.

10-B. Fair Housing and Non-Discrimination

Implementation of the First Time Home Buyers Program will be consistent with the City's commitment to non-discrimination. No person shall be excluded from participation in, denied the benefit of, or be subject to discrimination under any program or activity funded in whole or in part with state and federal funds on the basis of religion or religious affiliation, age, race, color, creed, gender (sex), sexual orientation, marital status, familial status (children), physical or mental disability, veteran status, national origin, or ancestry, or other arbitrary cause.

The City shall comply will all Federal and State Laws and Regulations pertaining to fair housing and equal opportunity including but not limited to the following references.

- Title VI of the Civil Rights Act of 1964, As Amended (42 U.S.C. 2000d et seq.) The provisions for HUD programs may be found in 24 CFR Part 1.
- Section 109 of the Housing and Community Development Act of 1974
- Age Discrimination Act of 1975, As Amended (42 U.S.C. 6101). Regulations found at 24 CFR Part 146.
- Section 504 of the Rehabilitation Act of 1973
- Americans with Disability Act (ADA) (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218, and 225).
- Equal Employment Opportunity (Executive Order 11246, as amended) Implementing regulations may be found at 41 CFR Part 60.
- Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259). Regulations may be found in 24 CFR Part 107.
- Title VIII of the Civil Rights Act of 1968, As Amended by the Fair Housing Amendments Act of 1988 (The Fair Housing Act).
- Fair Housing Act (42 U.S.C. 3601-3620) Fair Housing Act implementing regulations for HUD programs may be found in 24 CFR Part 100-115.
- The California Fair Employment and Housing Act.
- The California Unruh Civil Rights Act.

10-C. Relocation of Displaced Tenants

1. Eligible properties purchased with funds under this Program must be owner-occupied, sold to existing tenants or vacant for four (4) months or longer in order to avoid displacing tenant households. It is not anticipated that the implementation of this Program will result in the displacement of any person, household or family.
2. All assisted units must comply with the Code of Federal Regulations (49 CFR Part 24) "Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) of 1970, as amended" and Section 104(d). This means that any person "displaced" as a result of the property being acquired with Federal funds is eligible for relocation assistance. As all assisted units under the City's FTHB Program must be vacant, owner-occupied, or occupied by the tenant making the purchase. No one shall be displaced as a result of the FTHB Program therefore URA or Section 104(d) will not be invoked.
3. Relocation assistance under the URA is not available to existing tenants displaced as a result of a sale assisted with City funds.

11. Exhibits

- A. 24 CFR Part 5 Annual Income Inclusions and Exclusions
- B. Maximum Loan Amount
- C. Income Limits
- D. Homebuyer Education Curriculum

24 CFR PART 5 ANNUAL INCOME INCLUSIONS AND EXCLUSIONS**Part 5 Inclusions**

This table presents the Part 5 income inclusions as stated in the Code of Federal Regulations.

	General Category	Statement from 24 CFR 5.609 (b) - April 1, 2008
1.	Income from wages, salaries, tips, etc.	The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
2.	Business Income	Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness cannot be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3.	Interest & Dividend Income	Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in number 2 (above). Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
4.	Retirement & Insurance Income	The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment (except as provided in number 14 of Income Exclusions).
5.	Unemployment & Disability Income	Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in number 3 of Income Exclusions).
6.	Welfare Assistance	Welfare Assistance payments. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of: (A) the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; (B) the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph is the amount resulting from one application of the percentage.
7.	Alimony, Child Support, & Gift Income	Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
8.	Armed Forces Income	All regular pay, special day and allowances of a member of the Armed Forces (except as provided in number 7 of Income Exclusions).
9.	Section 8 Programs	For section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income.

EXHIBIT "A"**Part 5 exclusions**

This table presents the Part 5 income exclusions as stated in the Code of Federal Regulations.

	General Category	Statement from 24 CFR 5.609 (c) - April 1, 2008
1.	Income of Children	Income from employment of children (including foster children) under the age of 18 years.
2.	Foster Care Payments	Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone).
3.	Inheritance and Insurance Income	Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in number 5 of Income Inclusions).
4.	Medical Expense Reimbursements	Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.
5.	Income of Live-in Aides	Income of a live-in aide (as defined in 24 CFR 5.403).
6.	Student Financial Aid	Subject to number 9 on income inclusions, the full amount of student financial assistance paid directly to the student or to the educational institution.
7.	"Hostile Fire" Pay	The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
8.	Self-Sufficiency Program Income	(A) Amounts received under training programs funded by HUD. (B) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS). (C) Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and that are made solely to allow participation in a specific program. (D) Amounts received under a resident service stipend (as defined in 24 CFR 5.609(c)(8)(iv)). (E) Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment-training program.
9.	Gifts	Temporary, nonrecurring, or sporadic income (including gifts).
10.	Reparation Payments	Reparation payments paid by a foreign government pursuant to claims under the laws of that government by persons who were persecuted during the Nazi era.
11.	Income from Full-time Students	Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household or spouse).
12.	Adoption Assistance Payments	Adoption assistance payments in excess of \$480 per adopted child.
13.	[Reserved]	
14.	Social Security & SSI Income	Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.
15.	Property Tax Refunds	Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.

16.	Home Care Assistance	Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home; or
17.	Other Federal Exclusions	Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions of 24 CFR 5.609(c) apply.

Maximum Loan Amounts

City of Turlock First Time Home Buyers Program

Funding Source	Maximum Loan Amount	Notes
CalHome	Acquisition- 40% of Sale Price of home with a maximum limit of \$100,000.	CalHome loans shall not exceed the maximum loan amount published in the corresponding Notice of Funding Availability (NOFA), if not published in the NOFA, or when considered with other available financing and assistance, the minimum amount necessary to: Ensure affordable monthly housing costs as defined by the first mortgage lender (the first lender shall make the largest first loan possible given the ability of the Borrower to repay in order to keep the CalHome loan amount at the minimum amount necessary).
CDBG	Maximum loan amount of \$100,000.	
HOME	Maximum loan amount of \$100,000.	The maximum amount of a HOME loan may not exceed the per-unit limits established under section 221(d)(3) of the National Housing Act as annually adjusted for bedroom size. These limits are available from the HUD Field Office. (Maximum per-unit subsidy amount and subsidy layering 92.250)
NSP	20% of Sale Price of home with a maximum limit of \$25,000. If need exceeds \$25,000, additional funding sources may be combined up to a maximum of \$100,000.	
PLHA	Maximum loan amount of \$100,000.	

These Maximum Loan Amounts are subject to change with City Council's approval or delegation to the Housing Program Services Division's Loan Committee or Funding Regulation changes.

Updated: 2025

CITY OF TURLOCK

Income Limits

PERCENTAGE OF MEDIAN INCOME
STANISLAUS COUNTY

Total household income cannot exceed the limits listed below, based on household size.

	Limit below applies to: CDBG, CalHome, HOME
Number in Household	LOW/MODERATE Not greater than 80%
1	\$55,200
2	\$63,050
3	\$70,950
4	\$78,800
5	\$85,150
6	\$91,450
7	\$97,750
8	\$104,050

HUD Effective June 2025
(Limits updated annually by HUD)

HOMEBUYER EDUCATION CURRICULUM

The 8 hour Homebuyer Education Course is required by all homebuyers on title receiving a FTHB loan. The course must be provided by the HUD-approved agency. A copy of the certificate of completion of the homebuyer education course must be submitted to the City. The following is a sample of an 8 hour course but may vary from agency to agency.

Lesson: **Are you Ready to Buy a Home?**

Owning a home is not for everyone. Some people do not want the responsibility. Some people do not want to change their spending habits in order to make monthly payments on a home.

Objectives:

- The advantages & disadvantages of owning a home.
- Setting goals
- How to budget & save
- How much you can afford to pay for a home
- The importance of good credit when you try to borrow money
- How to find the right house in the right neighborhood.
- How to make an offer
- The steps to getting a loan
- How you can maintain and protect your home after you move in

Lesson: **Budgeting and Credit**

If we set realistic goals, then budgeting, that plain old everyday chore, can bring us one step closer to our dreams.

Objectives:

- Knowing where your money goes
- Setting goals
- Budgeting to meet your goals
- Cutting costs and finding ways to save
- Planning, so that unexpected expenses are less of a threat
- Understanding credit and protecting your credit rating
- Fixing credit problems

Lesson: **Shopping for a Home**

Buying a home is a complicated process. The sale of property is controlled by federal, state, and local laws. The purchase requires a legal contract between buyer and seller. Long term financing through a bank or mortgage company is standard and there are at least five different kinds of insurance involved in the average home purchase

Lesson: **Getting a Mortgage**

Getting a mortgage is more complicated than applying for a credit card or buying a car. This section will help you understand the steps involved in getting a mortgage loan.

Objectives:

- How a lender decided whether or not to give you a mortgage loan
- Calculating how much you can borrow
- Who makes mortgage loans
- The different types of loans that are available
- Shopping for the best loan
- The loan application

- The loan approval process
- What to expect at closing.

Lesson: **Keeping Your Home and Managing Your Finance**

A home is one of the biggest investments a person will ever make. This class is designed to help you take care of your home and take care of your finances so you can continue to enjoy home ownership for many years.

Objectives:

- Making your home safe and energy efficient
- Keeping your home in good repair
- Deciding when and how to remodel
- Getting involved in the life of your neighborhood
- Protecting your investment
- Budgeting for home ownership
- Keeping records and paying taxes
- Understanding refinancing
- What to do if you cannot make your payments

Upon completion of the program a "Certificate of Completion" for the First Time Home Buyer's Program will be provided to the borrower. Certificate will vary from agency to agency. A copy of the Certification must be provided to the City.

City Council Staff Report

November 18, 2025



From: Nick Showalter, Information Technology Director
Prepared by: Luis Machado, Information Technology Manager
Agendized by: Susan E. Borrego, Interim City Manager

1. ACTION RECOMMENDED:

Motion: Approving the renewal of Rubrik Data Backup and Recovery Solution software support with Savant Solutions for an amount not to exceed \$61,908.55, which includes a base quote of \$56,280.50 and a ten percent (10%) contingency (\$5,628.05) to accommodate potential increases in cloud storage consumption.

This purchase is made through the NASPO Cooperative Contract 7-17-70-40-05 and funded through the ARPA Network Firewall/Cyber Solutions account.

2. NARRATIVE:

The City utilizes a data backup solution to ensure protection and rapid recovery of data across all City servers and cloud environments. The system is a part of the City's cybersecurity and disaster recovery strategy, providing secure backups and fast data restoration capabilities.

Ongoing support for Rubrik through Savant Solutions ensures uninterrupted access to technical support, security patches, and software updates. Without this renewal, the City would face increased vulnerability to data loss, or extended service interruptions due to system failure or other threats to security or integrity of data.

The ten percent contingency allows the City to manage potential fluctuations in cloud archive and backup usage during the term of service, ensuring continuous protection without requiring an additional Council action.

This renewal is made under an existing NASPO cooperative purchasing agreement, which allows the City to procure the required services efficiently without conducting a separate competitive bid process under Turlock Municipal Code 2-7-08 (b) (5).

3. FISCAL IMPACT / BUDGET AMENDMENT:

The total cost for the renewal is \$61,908.55, which includes:

- Base Quote: \$56,280.50
- 10% Contingency: \$5,628.05

Funds have been appropriated in Fund 119 American Rescue Plan Act out of the account 119-10-188.51015_001- Network Firewall/Cyber Solutions to cover this expenditure. The Purchasing Division has determined that this item does not require a competitive

procedure due to Turlock Municipal Code 2-7-08 (b) (5), which states bidding is not required when engaged in joint, cooperative, or leveraged purchasing plans that have been solicited and awarded on a competitive basis.

There is no additional appropriation required.

4. ENVIRONMENTAL DETERMINATION:

This action is not a project under the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) of the CEQA Guidelines. The renewal involves administrative activities that will not result in direct or indirect physical changes in the environment.

5. ATTACHMENTS:

1. Rubrik 1YR Renewal - LM-31125_1



SAVANT SOLUTIONS

Your Trusted IT Advisor

1030 G St.
Sacramento, CA 95814
(916) 836-8182
mandeep@savantsolutions.net

Quote# LM-31125-1

Date: 9/29/25
Terms: NET30
FOB: Destination
Valid for: 30 days
Shipping: Ground

Bill To

City of Turlock
Attn: Accounts Payable
156 South Broadway
Turlock, CA 95380

Ship To

City of Turlock
Attn: Luis Machado
156 South Broadway
Turlock, CA 95380

Line #	Part No.	Description	Qty	Unit Price	Ext. Price
1	RS-BT-FE-PE-PP	Rubrik Foundation Edition; per usable BETB; Premium support; prepay HW: RHA-6410S-01 Term: 12 Months : 12 months	75	\$457.00	\$34,275.00
2	RS-HW-SVC-PE-S2	Support for R6000S-2 hardware, 1 Year Support; Premium support HW: RHA-6410S-01 Term: 12 Months : 12 months	1	\$2,903.00	\$2,903.00
3	RS-UR-FE-MD-PE-PP	One (1) month of Rubrik Foundation Edition for M365 - Premium support, Prepay Term: 12 Months Standard: 5 FEGB per user : 12 months	300	\$10.50	\$3,150.00
4	RS-BT-CVA-PE-PP	Rubrik Cloud Vault - Archive; per BETB; Premium support; prepay Term: 12 Months Standard	40	\$37.00	\$1,480.00
5	RS-BT-CVB-PE-PP	Rubrik Cloud Vault - Backup; per BETB; Premium support; prepay Term: 12 Months Standard	83	\$157.50	\$13,072.50
6	RS-UR-FE-MD-PE-PP	One (1) month of Rubrik Foundation Edition for M365 - Premium support, Prepay Term: 12 Months Standard: 20 FEGB per user : 12 months	100	\$14.00	\$1,400.00
		Serial Number: BB245164100021 Term Dates: 12/2/25-12/1/26			
Notes: NASPO Contract 7-17-70-40-05 Expires 9/15/26			Subtotal:		\$56,280.50
			Tax: 8.625%		\$0.00
			Credit:		\$0.00
			Shipping:		\$0.00
			Total:		\$56,280.50

Thank you for giving Savant Solutions the opportunity to support you!
Each order helps supports a non-profit in need.

www.SavantSolutions.net

City Council Staff Report

November 18, 2025



From: Isaac Moreno, Finance Director
Prepared by: Lisa Quiroga, Purchasing Manager
Agendized by: Susan E. Borrego, Interim City Manager

1. ACTION RECOMMENDED:

Motion: Adopt the Procurement Manual

Ordinance: Amend Turlock Municipal Code Title 2, Chapter 7, regarding purchasing system to standardize and update the procurement and contracting process

2. NARRATIVE:

The Purchasing Division is responsible for multiple citywide procurement processes, including making sure our procurement processes conform to State and Federal guidelines. In order to meet these requirements, a new Procurement Manual is required. A procurement manual is a guidebook for employees that outlines an organization's policies and procedures for acquiring goods and services. It standardizes the procurement process, ensuring consistency, compliance with regulations, and efficiency, while helping to mitigate risks like non-compliance or fraud. To complete this task, the Finance Department contracted with MGT to develop the new manual. The following list highlights some of the changes proposed in the new manual:

- Clarifies the Acting City Manager's signing authority
- Incorporates State and Federal regulations
- Develops award protest procedures
- Clarifies local vendor preference guidelines
- Clarifies exemptions on bidding requirements
- Incorporates language to adapt to our pending e-procurement process

In order to make sure the City's Procurement Manual stays up-to-date on the city process and State plus Federal guidelines, the Finance Division has also incorporated language that gives the City Manager or designee authority to update the manual if needed.

3. FISCAL IMPACT / BUDGET AMENDMENT:

The Finance Department received a grant from CalRecycle to develop this new Procurement Manual. Therefore, there was no fiscal impact for this process.

4. ENVIRONMENTAL DETERMINATION:

This action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) of the CEQA guidelines. This action consists of "organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment" and therefore is not considered a project.

5. ATTACHMENTS:

1. Draft Ordinance
2. City of Turlock Purchasing Manual

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF AMENDING TURLOCK }
MUNICIPAL CODE TITLE 2, CHAPTER 7, }
REGARDING PURCHASING SYSTEM TO }
STANDARDIZE AND UPDATE THE }
PROCUREMENT AND CONTRACTING }
PROCESS }

ORDINANCE NO. -CS

WHEREAS, the Purchasing Division is responsible for multiple citywide procurement processes, including making sure our procurement processes conform to State and Federal guidelines; and

WHEREAS, in order to meet these requirements, a new Procurement Manual is required. A procurement manual is a guidebook for employees that outlines an organization's policies and procedures for acquiring goods and services; and

WHEREAS, it standardizes the procurement process, ensuring consistency, compliance with regulations, and efficiency, while helping to mitigate risks like non-compliance or fraud; and

WHEREAS, the City's existing Municipal Code Title 2, Chapter 7 references outdated thresholds and procedures requiring an update; and

BE IT ORDAINED by the City Council of the City of Turlock as follows:

SECTION 1. AMENDMENT: Title 2, Chapter 7, is hereby amended to read as follows:

§ 2-7-01 Adopted: Purposes.

A purchasing system is hereby adopted for the following purposes:

- (a) To establish efficient procedures for the purchase of supplies and equipment;
- (b) To secure for the City supplies and equipment at the lowest possible cost commensurate with the quality needed;
- (c) To exercise positive financial control over purchases;
- (d) To clearly define the authority for the purchasing function; and
- (e) To assure the quality of purchases.

§ 2-7-02 Purchasing Officer: Position created.

There is hereby created the position of Purchasing Officer.

§ 2-7-03 Purchasing Officer: Appointment.

The Purchasing Officer shall be appointed by the City Manager.

§ 2-7-04 Purchasing Officer: Powers and duties.

The duties of the Purchasing Officer may be combined with those of any other office or position. The Purchasing Officer shall have the following powers and duties:

- (a) To purchase or contract for supplies and equipment required by any using agency in accordance with the purchasing procedures set forth in this chapter, such administrative regulations as the Purchasing Officer shall adopt, and such other rules and regulations as shall be prescribed by the Council;
- (b) To negotiate and recommend the execution of contracts for the purchase of supplies, equipment, and services;
- (c) To act to procure for the City the needed quality in supplies and equipment at the least expense to the City;
- (d) To discourage uniform bidding and endeavor to obtain as full and open competition as possible on all purchases;
- (e) To prepare and recommend to the Council rules governing the purchase of supplies, equipment, and services for the City;
- (f) To prepare and recommend to the Council revisions and amendments to the purchasing rules;
- (g) To keep informed of current developments in the field of purchasing, prices, market conditions, and new products;
- (h) To prescribe and maintain such forms as are reasonably necessary to the operation of the provisions of this chapter and other rules and regulations;
- (i) To supervise the inspection of all supplies and equipment purchased to ensure conformance with specifications;
- (j) To recommend to the City Manager the transfer of surplus or unused supplies and equipment between departments as needed and the sale of all supplies and equipment which cannot be used by any agency or which have become unsuitable for City use; and
- (k) To maintain a bidders' list, vendors' catalog file, and records needed for the efficient operation of the Purchasing Department Division.

§ 2-7-05 Requisitions.

Using agencies shall submit request for supplies and equipment to the Purchasing Officer by standard requisition forms.

§ 2-7-06 Purchase orders.

Purchases of supplies, equipment, and services over Two Thousand Five Hundred and no/100ths (\$2,500.00) Dollars, or such amount as the City Council may designate by resolution, shall be made only by purchase orders.

§ 2-7-07 Encumbrance of funds.

Except in cases of emergency, the Purchasing Officer shall not issue any purchase order for supplies or equipment unless there exists an unencumbered appropriation in the fund account against which such purchase is to be charged.

§ 2-7-08 Bidding requirements.

(a) A City agency may purchase supplies, materials, equipment, and services up to a value of ~~Two Thousand Five Hundred~~Five Thousand and no/100ths (\$~~2,55,000.00~~) Dollars without soliciting quotes or bids.

(b) Bidding procedures are not required under the following circumstances regardless of the amount involved:

(1) When an emergency requires that an order be placed with the nearest available source of supply;

(2) When the supplies, materials, equipment, or services can be obtained from only one (1) vendor;

(3) For contracts involving the obtaining of professional or specialized skill, such as, but not limited to, services rendered by attorneys, engineers, accountants, and specialized consultants;

(4) Where calling for bids on a competitive basis in the opinion of the Purchasing Officer is undesirable, impossible, unavailing, or incongruous;

(5) When engaged in joint, cooperative, or leveraged purchasing plans that have been solicited and awarded on a competitive basis; ~~or~~

(6) Information technology software;

(7) Utility services;

(8) Educational services, publications, and memberships;

(9) Interim contracts of up to four (4) months so that a bidding process may be completed; or

(610) When the Council shall have adopted a resolution by at least four (4) affirmative votes determining that the best interests of the City require that the purchase be made without compliance with the formal bid procedure.

(c) Purchases of supplies, materials, equipment, and services of a value of more than ~~Two Five~~ Thousand ~~Five Hundred~~ and no/100ths (\$~~2,55,000.00~~) Dollars to Twenty-Five Thousand and no/100ths (\$25,000.00) Dollars, except as provided in subsection (b)(5) of this section, with the consent of the City Manager may be made utilizing the informal bid procedure as set forth below.

(d) Purchases of supplies, materials, equipment, and services of a value greater than Twenty-Five Thousand and no/100ths (\$25,000.00) Dollars shall be made utilizing the formal bid procedure as set forth below.

(e) The City Manager is authorized to enter into contracts for the purchase of supplies or equipment or contracts for professional, consultant, and maintenance services where the amount of the contract does not exceed ~~One Hundred~~Seventy-Five Thousand and no/100ths (~~\$10075~~,000.00) Dollars, or such other amount as the City Council may designate by resolution. Where the amount of any such contract exceeds ~~One Hundred~~Seventy-Five Thousand and no/100ths (~~\$10075~~,000.00) Dollars, or such other amount as the City Council may designate by resolution, the contract shall be approved by the City Council.

(1) All contracts authorized by the City Manager pursuant to this section shall be subject to the current appropriation and allocation of funds by the City Council in the current fiscal year budget or a funding resolution specific to a specific contract(s).

(2) The City Manager shall have the authority to approve in writing any amendment directing an addition, deletion, or revision in such contract, including contract price, plans, specifications, and the nature or quality of services, equipment, supplies or work, to the extent such amendment does not result in the contract price exceeding ~~One~~HundredSeventy-Five Thousand and no/100ths (~~\$10075~~,000.00) Dollars.

(3) In an emergency endangering the lives, property, or welfare of the people of the City or the property of the City, the City Manager may authorize the expenditure of any unencumbered moneys, notwithstanding the fact that such moneys may not have been appropriated for such purpose, to the extent that other moneys have not been appropriated or are otherwise unavailable.

(f) In the event of the absence of a permanent City Manager, or vacancy in the position, the an Acting or Interim City Manager is authorized to enter into contracts for the purchase of supplies or equipment or contracts for professional, consultant, and maintenance services where the amount of the contract does not exceed ~~Twenty~~Seventy-Five Thousand and no/100ths (~~\$2575~~,000.00) Dollars, or such other amount as the City Council may designate by resolution, provided there exists an unencumbered appropriation in the fund account against which such contract is to be charged. This section shall only apply to an Acting or Interim City Manager designated by the City Council. If not designated by the City Council, an Acting or Interim City Manager is authorized to enter into contracts under the provisions of this subsection that do not exceed Twenty-Five Thousand and no/100ths (\$25,000.00) Dollars.

(g) The City Engineer is authorized to enter into contracts for the purchase of supplies or equipment or contracts for professional, consultant, and maintenance services where the amount of the contract does not exceed Twenty-Five Thousand and no/100ths (\$25,000.00) Dollars, or such other amount as the City Council may designate by resolution, provided there exists an unencumbered appropriation in the fund account against which such contract is to be charged.

§ 2-7-09 Purchases: Procedures.

(a) Informal bid procedure. The Purchasing Officer shall solicit informal bids by direct mail requests, telephone inquiry, comparing prices on file, or by other appropriate means. Insofar as it is practical, no less than three (3) vendors shall be solicited to submit quotations. Award shall be made to the vendor offering the lowest acceptable quotation. The Purchasing Officer shall keep a record of all open market purchases and sales and the informal bidding competition thereon, and such records shall be maintained as a public record.

(b) Formal bid procedure. Purchases made hereunder shall be by written contract with the lowest responsible bidder pursuant to the procedures set forth in this section.

(c) Formal bid procedure. Purchases made hereunder shall be by written contract with the lowest responsible bidder pursuant to the procedures set forth in this section.

(1) Notices inviting bids. Notices inviting bids shall include a general description of the articles to be purchased and shall state where bid blanks and specifications may be secured and the time and place for opening bids.

(i) Published notices. Notices inviting bids shall be published at least ~~ten~~fourteen (~~10~~14) days before the date of the opening of the bids. Notices shall be published at least once in a newspaper of general circulation, printed and published in the City.

(ii) Bidders' list. The Purchasing Officer shall also solicit sealed bids from all responsible prospective suppliers whose names are on the bidders' list or who have requested their names to be added thereto.

(2) Bidder's security. When deemed necessary by the Purchasing Officer, bidder's security may be prescribed in the public notices inviting bids. Bidders shall be entitled to the return of the bid security; provided, however, a successful bidder shall forfeit his bid security upon his refusal or failure to execute the contract within ten (10) days after the notice of the award of the contract has been mailed unless the City is responsible for the delay. The Council may, on the refusal or failure of the successful bidder to execute the contract, award it to the next lowest responsible bidder. If the Council awards the contract to the next lowest bidder, the amount of the lowest bidder's security shall be applied by the City to the difference between the low bid and second lowest bid, and the surplus, if any, shall be returned to the lowest bidder.

(3) Bid opening procedure. Sealed bids shall be submitted to the Purchasing Officer ~~and shall be identified as bids on the envelope~~through the City's e-procurement portal. Bids shall be opened in public at the time and place stated in the public notices. A tabulation of all bids received shall be open for public inspection during regular business hours for a period of not less than thirty (30) calendar days after the bid opening.

(4) Rejection of bids. In its discretion, the ~~Council~~City may reject any and all bids presented and re-advertise for bids and may waive any informalities or minor irregularities in a bid.

(5) Award of contracts. Contracts shall be awarded by the ~~Council~~City to the lowest responsible bidder except as otherwise provided in this section. The City ~~Council~~ may, ~~in its discretion~~, grant qualified local vendors a bidding preference of ~~three-five~~ (35) percent not to exceed a limit of ~~Three-Five~~ Thousand and no/100ths (\$35,000.00) Dollars. For purposes of this section, a qualified local vendor is defined as any individual, partnership, or corporation which regularly maintains a place of business and an inventory of merchandise for sale within the corporate limits of the City and has obtained a business license issued by the City of Turlock. Additional qualifications on a Local Vendor determination may be found in the adopted Purchasing Manual, as it may be amended from time to time. In addition to price, in determining the lowest responsible bidder, consideration will be given to quality and performance of the commodity to be purchased

or service provided by the seller. Criteria for determining low bids shall include, but not be limited to, the following:

- (i) The ability, capacity, and skill of the bidder to perform the contract;
 - (ii) Whether the bidder has the facilities to perform the contract promptly, or within the time specified, without delay or interference;
 - (iii) The character, integrity, reputation, judgment, experience, and efficiency of the bidder;
 - (iv) The bidder's record of performance of previous contracts;
 - (v) The previous and existing compliance by the bidder with laws and ordinances relating to the contract; and
 - (vi) The ability of the bidder to provide future maintenance, repair parts, and services for the use of the commodity purchased.
- (6) Tie bids. If two (2) or more bids received are for the same total amount or unit price, quality and service being equal, and if the public interest will not permit the delay of readvertising for bids, the Council may accept the bid it chooses or accept the lowest bid made by negotiation with the tie bidders at the time of the bid opening. In the case of an absolute tie, an award will be made to the local vendor. In the case of a tie between local vendors, the award will be determined by lottery.
- (7) Performance bonds. The Council shall have the authority to require a performance bond in such amount as it shall find reasonably necessary to protect the best interest of the City before entering into a contract. If the Council requires a performance bond, the form and amount of the bond shall be described in the notice inviting bids.

§ 2-7-10 Award Protest.

(a) Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation or award of a contract may protest to the City of Turlock Purchasing Officer. Non-awarded bidders may file a written protest through email or certified mail no later than five (5) business days after the date of the Notice of Intended Award. Such protests must be received by the Purchasing Officer before 5:00 PM local time on the last day of the five (5) business day protest period. Protests may be submitted to the City of Turlock Purchasing Officer through email at Purchasing@turlock.ca.us or at 156 S. Broadway Suite 270, Turlock, CA 95380. Protests filed with the Purchasing Officer shall:

(1) Include the name, address, business telephone number, and email address of the protestor;

(2) Identify the project under protest by name, solicitation number, and closing date;

(3) Contain a concise statement of the grounds for protest. Appeals should address only areas regarding bid contradictions, procurement errors, quotation rating discrepancies, legality of procurement context, conflict of interest in the rating process, and inappropriate or unfair competitive procurement grievances regarding the bid process. RFB, RFP, or

RFQ processes and procedures, including evaluation criteria, shall not be proper grounds for protest. Concerns related to those issues must be raised and addressed, prior to the bid or proposal opening date to allow adjustments before the evaluation of bids or proposals; and

(4) Include all supporting documentation, if any. Documentation submitted after filing the protest will not be considered during the review of the protest or during any appeal;

(5) The procedure and time limits set forth in this Section are mandatory and are the bidder's sole and exclusive remedy. Failure to comply with these procedures and time limits shall constitute a waiver of any right to further pursue a protest;

(6) The bidder's filing of a protest shall not preclude the City from rejecting all bids or proposals and re-advertising a contract. Rejecting all bids or proposals shall render a protest moot and terminate all protest proceedings.

(b) In an effort to limit frivolous protests, protestors who file two (2) protests within twelve (12) calendar months, whose protests are not resolved in their favor, may be withheld from future bid or proposal.

§ 2-7-~~10~~-11 Approval of contract amendments by the City Manager.

(a)(1) After the effective date of any contract approved by the City Council for the purchase of supplies or equipment or contracts for professional, consultant, and maintenance services, the City Manager, an Acting City Manager or an Interim City Manager shall have the authority to approve in writing any amendment directing an addition, deletion, or revision in such contract, including contract price, plans, specifications, and the nature or quality of services, equipment, supplies or work, subject to the following limitations:

(i) The cumulative dollar value of all such amendments relating to any one (1) contract shall not exceed ten (10%) percent of the contract price approved by the City Council.

(ii) All amendments authorized by the City Manager, an Acting City Manager or ~~the~~ an Interim City Manager pursuant to this section must be accounted for as part of the City's current appropriation and allocation of funds in the current fiscal year budget or accounted for as part of an approved project or contract.

(2) Any amendment exceeding the limitations set forth in subsection (a)(1) of this section shall be submitted to the City Council for approval in the form of a contract amendment or supplemental agreement. Such amendment or supplemental agreement shall set forth the amended contract price which will constitute the new contract price for the purposes of the authority for City Manager-approved amendments in accordance with subsection (a)(1) of this section.

~~§ 2-7-11 Repealed.~~

§ 2-7-12 Quality and conformance inspections and tests.

The Purchasing Officer shall inspect delivered supplies and equipment to determine their conformance with the specifications set forth in the order or contract. The Purchasing Officer shall have the authority to require chemical and physical tests of samples submitted with bids

and samples of deliveries, which tests shall be necessary to determine quality and conformance with specifications.

§ 2-7-13 Incorporation of anti-nepotism standards.

(a) Except as provided in subsection (b) of this section, in making purchases of equipment or supplies and in entering into agreements for the provision of services the Purchasing Officer, and any person or agency delegated authority under Section 2-7-04 to independently make such purchases or enter into such contracts, shall be subject to and governed by the anti-nepotism policy concerning the employment of relatives set forth in the City's Personnel Rules and Regulations as established and amended from time to time by resolution of the City Council.

(b) Neither the provisions of subsection (a) of this section nor the Personnel Rules and Regulations incorporated into that subsection shall prevent, nor be construed as preventing, the Purchasing Officer or a delegatee of the Purchasing Officer from receiving and accepting donations of equipment, supplies, or volunteer services from or by any relative of a City employee.

SECTION 2. VALIDITY: If any section, subsection, sentence, clause, word, or phrase of this ordinance is held to be unconstitutional or otherwise invalid for any reason, such decision shall not affect the validity of the remainder of this ordinance. The Turlock City Council hereby declares that they would have passed this ordinance, and each section, subsection, sentence, clause, word, or phrase thereof, irrespective of the fact that one or more section, subsection, sentence, clause, word, or phrase be declared invalid or unconstitutional.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 18th day of November, 2025, by the following vote:

AYES:

NOES:

NOT PARTICIPATING:

ABSENT:

Signed and approved this ____ day of _____, 2025.

SIGNED:

Amy Bublak, Mayor

ATTEST:

Nichole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California

APPROVED AS TO FORM:

George Petrulakis, City Attorney



CITY OF TURLOCK

PURCHASING MANUAL

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SECTION 1 : INTRODUCTION

This manual is presented as an informational guide to City departments to detail the procedures that are to be followed for obtaining materials, equipment, and services through a decentralized purchasing system.

The purpose of a decentralized purchasing system is to obtain those materials, equipment, and services necessary for the daily operations of our City government, as well as long-range procurement, in a timely and cost-effective manner to ensure continued function and continuity of City services.

For such a system to work, City departments and Purchasing Division staff must work together to develop clear and concise specifications conducive to open, competitive purchasing that will ensure a standard of quality and reliability.

The information in this manual will help staff understand the laws and regulations that govern the procurement activity of the City, as well as assist in following the proper procedures necessary for completing the purchasing process in a timely manner.

The Purchasing Division staff looks forward to assisting you in meeting your procurement needs and hopes that you will use them as a resource to avert unnecessary delays in obtaining the goods and services required by your department.

Administrative and regulatory modifications to this Policy and Procedures Manual may be approved by the City Manager or designee.

1.1. DEFINITION AND DUTIES OF THE PURCHASING DIVISION

The Purchasing Officer is responsible to the Finance Director for the administration of the Purchasing Division. The division is responsible for the purchasing of supplies, equipment, materials, and contractual services required by City departments, and for the administration of all rules and regulations established by the City Municipal Code, State, and federal laws and regulations that may apply to these areas of responsibility.

1.2. LEGAL ASPECTS

1.2.1 Municipal Code

A. In conformance with the provisions of Chapter 2, Section 7 of the Turlock Municipal Code (TMC), a decentralized purchasing system has been adopted for the following purposes:

1. To establish efficient procedures for the purchase of supplies and equipment;
2. To secure for the City supplies and equipment at the lowest possible cost commensurate with the quality needed;
3. To exercise positive financial control over purchases;
4. To clearly define the authority for the purchasing function; and
5. To ensure the quality of purchases.

B. The Purchasing Officer shall have the following powers and duties: (TMC §2-7-02 through 2-7-04, §2-7-12)

1. To purchase and contract for supplies and equipment required by any using agency in accordance with the purchasing procedures set forth in Chapter 2, Section 7, Turlock Municipal Code, such administrative regulations as the Purchasing Officer shall adopt, and such other rules and regulations as shall be prescribed by the Council;
2. To negotiate and recommend the execution of contracts for the purchase of supplies, equipment, and services;
3. To act to procure for the City the needed quality in supplies and equipment at the least expense to the City;
4. To discourage uniform bidding and endeavor to obtain as full and open competition as possible on all purchases;
5. To prepare and recommend to the Council rules governing the purchase of supplies, equipment, and services for the City;
6. To prepare and recommend to the Council revisions and amendments to the purchasing rules;
7. To keep informed of current developments in the field of purchasing, prices, market conditions, and new products;
8. To prescribe and maintain such forms as are reasonably necessary to the operation of the provisions of this chapter and other rules and regulations;
9. To recommend to the City Manager the transfer of surplus or unused supplies

and equipment between departments as needed, and the sale of all supplies and equipment which cannot be used by any agency, or which have become unsuitable for City use;

10. To maintain a bidders' list, vendors' catalog file, and records needed for the efficient operation of the Purchasing Division.

1.2.2 Related State and Federal Laws and Regulations

- A. In addition to the municipal code, Federal regulations and State Codes apply in specific procurement applications.
- B. Significant Federal regulations that should be considered when procuring goods and services with Federal funds include but are not limited to:
 1. Federal Wage Rate Determination (Davis-Bacon) Act
 2. Build America Buy America Act
 3. 2 CFR 200.313 Equipment
 4. 2 CFR 200.318 through 200.327 Procurement Standards
 5. 2 CFR 180.995 and 2 CFR 200.214 Suspension and Debarment
 6. 2 CFR 200.331 Subrecipient and Contractor Determinations
 7. 2 CFR 200.332 Requirements for Pass-through Entities
- C. Key provisions of California law affecting the City include but not limited to:
 1. California Government Code Section 54202 Establishment of purchasing policies and procedures
 2. California Government Code, Title 1, Division 5, Chapter 10 Contracts with Private Architects, Engineering, Land Surveying, and Construction Project Management Firms
 3. California Public Contract Code Division 2, Part 3 Contracting by Local Agencies
 4. California Uniform Public Construction Cost Accounting Act, where applicable
 5. California Government Code Section 53702 Compliance with Federal laws and regulations in contracts for public work
 6. California Government Code, Title 1, Division 5, Chapter 3.2 Energy Conservation Contracts
 7. California Government Code, Title 14, Division 7, Chapter 12, Article 12 Procurement of Recovered Organic Waste Products

1.2.3 Code of Ethics and Conduct

- A. Ethical Concepts. When conducting City business with the business community, it is every employee's responsibility to follow ethical practices and adhere to applicable laws, policies, and procedures.
- B. Fair and Equal Treatment. City employees must discharge their duties under the City's Municipal Code and this Manual in an impartial manner to foster the integrity of the City's purchasing function and to assure fair and open competition for City business and the selection of competent, responsible vendors. All vendors shall be treated equally and fairly at all times by City personnel, with equal information given to each vendor who participates in a competitive situation.

Staff should not aid or assist a potential vendor in securing a contract for goods or services by favoring one vendor over another, giving or withholding information from any vendor not given or withheld from all other vendors; willfully misleading any vendor in regards to the character of the materials or supplies of a quality inferior to that called for by the contract; or knowingly certifying to a greater amount of labor performed or material or supplies furnished than has been performed or received.

- C. Conflict of Interest. The City Council, and all City employees, including elected officials, classified personnel, and unclassified personnel shall: (Council Resolution 2020-47)
 - 1. Avoid any act of impropriety or the appearance of impropriety.
 - 2. Not discriminate in the provision of services to the public, including the solicitation or acceptance of gifts in connection with services rendered in the performance of duties.
 - 3. Not accept an economic advantage or discount not available to all City employees.
 - 4. All City employees should notify the Purchasing Officer in writing of any Conflict or Impaired Judgement to document why the employee should remove themselves from any purchasing situation.
- D. Solicitation or Acceptance of Gifts. City personnel are prohibited from accepting tips, special gifts of value, or other consideration because of services rendered in their official capacity as City employees. (Section 10.1.3, Personnel System Rules and Regulations)
- E. Anti-nepotism. In making purchases of equipment or supplies and in entering into agreements for the provision of services the Purchasing Officer, and any person or agency delegated purchasing authority is subject to and governed by the anti-nepotism policy concerning the employment of relatives set forth in the City's Personnel Rules and Regulations. (TMC §2-7-13)
- F. Lobbying. Pursuant to California Government Code Section 87100, no public official shall make, participate in making, or in any way attempt to use their official position to influence a governmental decision in which they know or have reason to know they have a financial interest. A City elected official, any person appointed to the City Council, the City Manager, the Deputy or Assistant City Manager, the City Attorney, the City Clerk, any department director, any department deputy or assistant director, the City Engineer, and the City Chief Building Official shall not, for a period of 2 years after leaving that office or employment, act as agent or attorney for, or otherwise represent, for compensation, any other person, if the appearance or communication is made for the purpose of influencing administrative or legislative action, or influencing any action involving the sale or purchase of goods or property. (TMC §2-13-103)

1.2.4 Local Vendor Preference

- A. Whenever the Purchasing Officer purchases services, supplies, materials, and/or equipment for the City through the competitive process, including quotes, bids, and proposals, a five (5%) percent, not to exceed a limit of \$5,000 preference shall

be granted to local vendors for evaluation purposes. (TMC §2-7-09 (c)(5))

- B. The Local Vendor Preference does not apply to bids conducted jointly with other public agencies, nor when prohibited by state or federal statutes or regulations that require an award to the lowest responsible bidder (such as in Public Works of Improvement projects), or otherwise exempted from local preferences. (2 CFR 200.319(c))
- C. For the purposes of this section, a qualified Local Vendor is defined as any business that meets both the criteria below:
 - 1. The vendor has a place of business within the corporate limits of the City for at least one (1) year prior to the transaction for which preference is claimed by the vendor. Post office boxes do not qualify as a verifiable business address.
 - 2. The vendor has a current business license issued by the City.
- D. The Purchasing Office will apply the following procedures and guidelines when implementing the Local Vendor Preference program.
 - 1. To qualify for the Local Vendor Preference, local vendors must submit with each bid for which a preference is claimed documentary proof that the vendor meets the criteria established. The Purchasing Officer shall not be required to verify the accuracy of any such certification and shall have sole discretion to determine if a vendor meets the definition of a local vendor or local business.
 - 2. When bid submissions are evaluated, a five percent (5%) bidding preference, not to exceed \$5,000, shall be granted to the total dollar amount bid by qualified local vendors on competitive quotes and bids. The award shall be made at the full price of the quote, bid, or proposal. In the case of an absolute tie, an award will be made to the local vendor. In the case of a tie between local vendors, the award will be determined by lottery. (TMC §2-7-09(c)(5) and TMC §2-7-09(c)(6)).

1.2.5 Environmentally Preferable Purchases and Practices

The City of Turlock encourages innovation and efficiency improvements. By adopting environmentally friendly purchasing practices in compliance with California State Law (SB 1383), the City can reduce its environmental impact, reduce costs and liabilities, and improve environmental quality. The primary goals are to minimize environmental impacts and promote the purchase of recycled and environmentally-preferred products that:

- 1. Conserve natural resources and materials;
- 2. Reduce the consumption of space in landfills; and
- 3. Increase employee awareness that many used items can serve an additional purpose.

1.2.5.1 General Policies

- A. Whenever feasible, each department should make every reasonable effort to purchase and use recycled products or with recycled content, to the extent such use does not adversely affect health, safety, operational efficiency, or effectiveness, as determined by each department. Nothing in this policy shall be construed as requiring the purchase of products that do not perform adequately or are not available at a reasonable price.
- B. Departments will review purchasing specifications and contract requirements, and where feasible, will revise such specifications and contract requirements to encourage the use of recycled products and other environmentally-preferred products. Departments shall consider the ability of a product and its packaging to be reused, reconditioned, or recycled. Departments should purchase products which minimize waste and toxic by-products in their manufacturing, use recycling, and disposal processes.

1.2.5.2 Definitions

- A. "Paper Products" include, but are not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling; or as otherwise defined in 14 CCR Section 18982(a) (51).
- B. "Compost (SB 1383 Eligible)" means the product resulting from the controlled biological decomposition of organic solid wastes that are source separated from the municipal solid waste stream or which are separated at a centralized facility or as otherwise defined in 14 CCR Section 17896.2(a)(4).
- C. "Mulch" means organic material that must meet or exceed the physical contamination, maximum metal concentration, and pathogen density standards for land application specified in 14 CCR Section 17852(a) (24.5) (A) 1 through 3 and must be produced at one of the following facilities:
 - a. A permitted or authorized compostable material handling operation or facility as defined in 14 CCR Section 17852(a)(12), that is permitted or authorized under 14 CCR Division 7, other than a chipping and grinding operation or facility as defined in 14 CCR Section 17852(a)(10); or
 - b. A permitted or authorized transfer/processing facility or transfer/processing operation as defined in 14 CCR Section 17402(a) (30) and (31) or that is permitted and authorized under 14 CCR Division 7; or
 - c. A permitted solid waste landfill as defined in Public Resources Code Section 40195.1 that is permitted under 27 CCR Division 2.
- D. "Procurement of Recovered Organic Waste Products" shall mean purchase or acquisition of (e.g., free delivery or free distribution from a hauler or other entity via a written agreement or contract) Organic Waste Products and end use by the City. The City's Annual Recovered Organic

Waste Product Procurement Target can be fulfilled directly by the City or by Direct Service Providers through written contracts or agreements for Procurement of Recovered Organic Waste Products at the City's behest.

- E. "Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper" means such products that consist of at least thirty percent (30%) recycled materials, by fiber weight, post-consumer fiber, or as much as one hundred percent (100%) post-consumer fiber by fiber weight, consistent with the requirements of Sections 22150 to 22154 and Sections 12200 and 12209 of the Public Contract Code, and as they may be amended from time to time.
- F. "SB 1383" means Senate Bill 1383 approved by the Governor on September 19, 2016, which establishes methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants, as amended, supplemented, superseded, and replaced.
- G. "SB 1383 Regulations" or "SB 1383 Regulatory" means or refers to the Short-Lived Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by Cal Recycle and adopted in 2020 that created Chapter 12 of 14 CCR, Division 7 and amended portions of regulations of 14 CCR and 27 CCR.

1.2.5.3 Paper Products

Preference should be given to paper products that contain postconsumer recycled content and are recyclable. Specifically, Sections 22150-22154 Public Contract Code and 14 CCR 18993.3 and as they may be amended from time to time.

- A. Printing and writing paper should consist of at least 30 percent postconsumer recycled content;
- B. Other paper products should consist of at least 30 percent postconsumer recycled content, except for:
 - 1. Toilet paper should consist of at least 45 percent postconsumer recycled content;
 - 2. Paper towels should consist of at least 40 percent postconsumer recycled content;
 - 3. Facial tissue should consist of at least 10 percent postconsumer recycled content;
 - 4. Toilet seat covers should consist of at least 20 percent postconsumer recycled content;
 - 5. General purpose paper wipes should consist of at least 40 percent postconsumer recycled content;
- C. Products must be recyclable as defined by Federal Trade Commission (FTC) Green Guides (16 CFR 260.12); and
- D. Vendors must certify postconsumer content and recyclability claims by completing the Recycled-Content and Recyclable Paper Certification Form.

- E. User Departments must maintain a spreadsheet documenting the volume and type of paper purchased. The spreadsheet will cover a calendar year and be provided to the Regulatory Affairs Division by January 31. The spreadsheets will be compiled by the Regulatory Affairs Division and utilized to assist in the preparation of the Jurisdiction Electronic Annual Data Report, due annually on August 1 for the preceding calendar year.

1.2.5.4 IT Equipment

Preference should be given to electronic products that:

- A. Have Bronze registration or higher under the Electronic Products Environmental Assessment Tool (EPEAT), or which meet similar energy efficiency standards;
- B. Are Energy Star-rated or meet similar energy efficiency standards.

1.2.5.5 Recover Organic Waste Products

The City, including its Direct Service Providers, will make every effort to meet its annual procurement target for Recovered Organic Waste Products as determined by the State. Periodically, the City's Recordkeeping Designee shall distribute information to City Staff on the Procurement target and specific products that meet the SB 1383 procurement requirements. Divisions and departments responsible for landscaping maintenance shall:

- A. Use SB 1383 Eligible Compost and SB 1383 Eligible Mulch produced from recovered Organic Waste, as defined in the Definitions section of this Policy, for landscaping maintenance as practicable, whenever available, and capable of meeting quality standards and criteria specified;
- B. Ensure that SB 1383 Eligible Mulch producers certify that the mulch meets the definition contained in this policy through the following:
 - 1. Copy of operation or facility permit or authorization.
 - 2. Copy of laboratory results confirming the mulch meets or exceeds the physical contamination, maximum metal concentration, and pathogen density standards for land application specified in 14 CCR Section 17852(a) (24.5) (A) 1 through 3.

Failure to provide the applicable certification documents on an annual basis or at the request of the City will result in the mulch no longer being eligible as a recovered organic waste product under this procurement policy.

- C. Keep records, including invoices or proof of Recovered Organic Waste Product procurement (either through purchase or acquisition), and submit records to the Regulatory Affairs Division, on a schedule to be determined by the Recordkeeping Designee. General Procurement Records shall include:
 - 1. General description of how and where the product was used and applied, if applicable;
 - 2. Source of product, including name, physical location, and contact information for each entity, operation, or facility from whom the Recovered Organic Waste Products were procured;
 - 3. Type of product;
 - 4. Quantity of each product; and

5. Invoice or other record demonstrating purchase or procurement.
- D. For Compost and SB 1383 Eligible Mulch provided to residents through giveaway events or other types of distribution methods, keep records of the Compost and SB 1383 Eligible Mulch provided to residents. Records shall be maintained and submitted to the Regulatory Affairs Division.
- E. When a Direct Service Provider for the City procures compost or mulch, enter into a written contract or agreement, or execute a purchase order between the City and Direct Service Provider with enforceable provisions that include:
 1. Definitions and specifications for SB 1383 Eligible Mulch, Compost, Renewable Gas, and/or Electricity Procured from Biomass Conversion; and
 2. An enforcement mechanism (e.g., termination, liquidated damages) in the event the Direct Service Provider is not compliant with the requirements.

1.2.5.6 Promotion

- A. City business cards, letterhead stationery, envelopes, business forms, and other documents should use recycled products where feasible. Such items should be labeled "Printed on Recycled Paper" to promote the use of postconsumer content. In addition, City mailings and publications should be printed using non-toxic inks.
- B. All City offices and Departments should promote the recycling of office waste paper by providing recycling bins for employees' use.

1.3. CONTRACTS OUTSIDE THE SCOPE OF THE PROCUREMENT MANUAL

1.3.1 Other Acquisitions

This policy will not apply to transactions involving the purchase, sale, lease, or other transactions for real property; for joint development projects; for purchases from government-regulated entities such as public utilities which are granted market exclusivity by the regulating agency; for purchases of professional subscriptions, memberships, seminars, and expenses in connection with industry meetings and conferences; for travel and living expenses on City business; and other similar expenditures incidental to the routine conduct of the City's business.

1.3.2 Revenue and No-Cost Contracts

Contracts whose principal purpose is to generate revenue for the City or operate at no cost are not subject to this policy. However, where feasible, a competitive process suitable to the type and scope of the activity involved and the availability of competition should be conducted. Additionally, the responsible Division should ensure that appropriate insurance is obtained.

SECTION 2 : OVERVIEW AND CROSS-CUTTING REQUIREMENTS

2.1. DEFINITIONS AND THRESHOLDS

2.1.1 Definitions

- A. Professional services shall mean accounting, appraisal, architectural, auditing, engineering, environmental, information system services, land surveying, construction management, legal services, financial planning, medical or planning services or any service which is similarly professional, scientific, expert, or technical in nature.
- B. Public Project means: (PCC Section 20161)
 - 1. A project for the erection, improvement, painting, or repair of public buildings and works.
 - 2. Work in or about streams, bays, waterfronts, embankments, or other work for protection against overflow.
 - 3. Street or sewer work except maintenance or repair.
 - 4. Furnishing supplies or materials for any such project, including maintenance or repair of streets or sewers.

All public projects with expenditures exceeding five thousand dollars (\$5,000), shall be contracted for and let to the lowest responsible bidder. (PCC Section 20162) Additionally, all Public Works projects more than \$1,000 are subject to state-mandated prevailing wage and reporting requirements, regardless of the procurement method used. (Labor Code §1771)
- C. Purchases. Means the acquisition of supplies, nonprofessional services, materials, and/or equipment in furtherance of City needs and purposes.

2.1.2 Thresholds

- A. Less than or equal to \$5,000: “Micro” Purchases: The purchase of supplies, materials, equipment, and services up to a value of \$5,000.00 (Five Thousand and no/100ths), multiple price quotes are not required. Purchases over \$2,500.00 shall be made only by purchase order. (TMC §2-7-08(a), §2-7-06)
- B. \$5,000.01 - \$25,000: “Informal Bid” Purchases. For the purchase of supplies, materials, equipment, and services with a value exceeding \$5,000 but equal to or below \$25,000 (Twenty-Five Thousand and no/100ths), price quotes shall be solicited from a minimum of three (3) suppliers. (TMC §2-7-08(c))

The resulting order, if any, shall be placed with the supplier providing the lowest-priced, responsive, and responsible offer, which is defined as the bidder submitting the lowest-priced quote that materially conforms to all requirements of the purchase, and has demonstrated ability to perform the work. More complex purchases within the \$5,000.01 - \$25,000 range may be better handled through the

written Request for Bid (RFB), Request for Proposal (RFP), or Request for Qualifications (RFQ) processes. (TMC §2-7-09(a))

- C. \$25,000.01 and above: Purchases of supplies, materials, equipment, and services of a value greater than Twenty-Five Thousand and no/100ths (\$25,000.00) Dollars and up shall be made utilizing a formal bid procedure. Procurements at or above this threshold are made through the City's e-procurement portal. (TMC §2-7-08(d))
- D. Signing Authority Up to \$25,000: The City Engineer is authorized to enter into contracts for the purchase of supplies or equipment or contracts for professional, consultant, and maintenance services where the amount of the contract does not exceed Twenty-Five Thousand and no/100ths (\$25,000.00) Dollars, or such other amount as the City Council may designate by resolution, provided there exists an unencumbered appropriation in the fund account against which such contract is to be charged. (TMC §2-7-08(g))
- E. Signing Authority Up to \$75,000: The City Manager, and in the absence of a permanent City Manager or vacancy in the position, an Acting or the interim City Manager are authorized to enter into contracts for the purchase of supplies or equipment or contracts for professional, consultant, and maintenance services where the amount of the contract does not exceed Seventy-Five Thousand and no/100ths (\$75,000.00) Dollars, or such other amount as the City Council may designate by resolution. This section shall only apply to an Acting or Interim City Manager designated by the City Council. If not designated by the City Council, an Acting or Interim City Manager is authorized to enter into contracts under the provisions of this subsection that do not exceed Twenty-Five Thousand and no/100ths (\$25,000.00) Dollars. Where the amount of any such contract exceeds Seventy-Five Thousand and no/100ths (\$75,000.00) Dollars, or such other amount as the City Council may designate by resolution, the contract shall be approved by the City Council. (TMC §2-7-08(e), §2-7-08 (f))
- F. Signing Authority Above \$75,000: Contracts for the purchase of supplies, materials, equipment, and services exceeding Seventy-Five Thousand and no/100ths (\$75,000.00) Dollars shall be approved by the City Council. Amendments to contracts that result in a total contract price exceeding Seventy-Five Thousand and no/100ths (\$75,000.00) Dollars shall also be approved by the City Council. (TMC §2-7-08(e))
- G. Approval of Contract Amendments by the City Manager: After the effective date of any contract approved by the City Council for the purchase of supplies or equipment or contracts for professional, consultant, and maintenance services, the City Manager, an Acting City Manager or an Interim City Manager shall have the authority to approve in writing any amendment directing an addition, deletion, or revision in such contract, including contract price, plans, specifications, and the nature or quality of services, equipment, supplies or work, subject to the following limitations:
 - i. The cumulative dollar value of all such amendments relating to any one (1)

contract shall not exceed ten (10%) percent of the contract price approved by the City Council.

- ii. All amendments authorized by the City Manager, an Acting City Manager or an Interim City Manager pursuant to this section must be accounted for as part of the City's current appropriation and allocation of funds in the current fiscal year budget or accounted for as part of an approved project or contract.

Any amendment exceeding the limitations set forth in this section shall be submitted to the City Council for approval in the form of a contract amendment or supplemental agreement. Such amendment or supplemental agreement shall set forth the amended contract price which will constitute the new contract price for the purposes of the authority for City Manager-approved amendments in accordance of this section. (TMC §2-7-11)

It is never permissible to split a proposed contract, project, or purchase in order to evade contract dollar limitation or bidding requirements.

2.2. GENERAL

Departmental purchase requests should describe the requested goods or services sufficiently to facilitate the procurement process. The clearer such specifications are, the easier it is to determine the appropriate procurement method and obtain pricing proposals. Specifications and standards from previous successful procurements should be reused and updated whenever repeat purchases are made.

Public Works of Improvement (construction and maintenance) projects are subject to additional rules, such as prevailing wage requirements for projects above \$1,000, reporting of maintenance work above \$5,000, reporting of new construction projects above \$25,000, the requirement for bidder's security for all construction bids in the form of cash, cashier's check, certified check, or a bidder's bonds and requirement of performance bonds and payment bonds at or above \$25,000. See Section 6 for procedures related to Public Works contracts. (State of California Civil Code §9550, PCC § 20170, 20171, 20483, and SB-854)

2.3. DETERMINATION OF COMPETITIVE PROCUREMENT METHOD

2.3.1 Procurement Methods

2.3.1.1 Request for Bids

The Request for Bid (RFB) process is used to obtain simple, common, or routine goods and services. Little discretion is required to perform the work. Examples of goods and services commonly procured through an RFB include pest control, equipment maintenance, and uniforms. The primary focus in the RFB process is price. RFB procedures are located in Section 3 of this manual.

2.3.1.2 Request for Proposals

The Request for Proposals (RFP) process is used to obtain complex services in which professional expertise is needed and may vary. These services may be provided using

different methods or approaches. Examples of services procured through the RFP process include auditing, planning, and professional design. The focus of the RFP process is on both price and quality. RFP procedures are located in Section 4 of this manual.

2.3.1.3 Request for Qualifications

The Request for Qualifications (RFQ) focuses on vendor qualifications, capabilities, and experience, seeking the best, most qualified vendor to work on a project. The RFQ process is similar to the RFP process; however, price is not negotiated until after a potential vendor is selected. Examples of goods and services where an RFQ may be used include construction projects, architectural and engineering services, and consulting services such as IT or management consulting. Procedures related to the RFQ process are located in Section 5.

2.3.2 Selection of Procurement Method

The Requestor Department is responsible for selecting the most appropriate procurement method for needed goods and services. The Requestor Department should consider the types of goods or services needed and the focus of the procurement. The Table below illustrates the focus of each procurement method.

Solicitation Method	Focus
Request for Bids (RFB)	Price
Request for Proposals (RFP)	Price and Quality
Request for Qualifications (RFQ)	Quality

2.4. EXEMPTIONS TO COMPETITIVE PROCUREMENT REQUIREMENTS

2.4.1 General

Absent a statutory requirement, public entities are not bound to engage in competitive bidding (San Diego SAFE v. Superior Ct., (1988) 198 CA 3d. 1466, and Grayden v. Pasadena Redevelopment Agency (1980) 104 CA 3d 631). Purchases of equipment, materials, supplies, and services shall be awarded through competitive processes, except when the Purchasing Officer determines that at least one of the following conditions apply: (TMC §2-7-08(b))

- a. Micro Purchase;
- b. Emergency;
- c. Sole-Source;
- d. Professional or Specialized Skills;
- e. Cooperative Purchasing;
- f. Categorical Exemptions
- g. Council-approved Exemptions

2.4.2 Micro Purchases

2.4.2.1 Competitive processes are not required when the total price for supplies, materials, equipment, and services is \$5,000 or below.

2.4.2.2 Public Works of Improvement above \$1,000 are subject to prevailing wage and

reporting requirements, regardless of procurement method (Labor Code §1771). Refer to Section 6 for further information.

2.4.2.3 Federally-funded purchases may be subject to Micro Purchase thresholds different from those of the City. In such cases, the more stringent policies shall be followed. Refer to Section 7 for further information.

2.4.3 Emergency Purchases

2.4.3.1 The City is not required to competitively purchase supplies, equipment, materials, or services when immediate action is required to avoid imminent danger to persons or property.

2.4.3.2 Emergency purchases shall be made by City personnel who have expertise related to the emergency situation. The City Manager may authorize the expenditure of any unencumbered moneys, notwithstanding the fact that such moneys may not have been appropriated for such purpose, to the extent that other moneys have not been appropriated or are otherwise unavailable. (TMC §2-7-08 (b)(1), TMC §2-7-08 (e)(3))

2.4.3.3 During a natural disaster or other such emergency, all related emergency procurements will be coordinated through the City's designated Emergency Operations Center.

2.4.4 Sole Source

2.4.4.1 Competitive processes are not required when the procurement qualifies for sole-source exemption, as justified by the requisitioner and approved by the Purchasing Officer. A sole-source decision is not permitted merely upon the grounds that such an approach is the most convenient, or that the subject product demonstrates technical or administrative superiority or is preferred by staff. (TMC §2-7-08 (b)(2))

2.4.4.2 A sole-source procurement can be made from only one source of supply, or when no competitive advantage can be gained through competitive processes. Such situations may arise when the item or service requirements are so unusual or distinct that the possible sources are narrowed down to one. This may be the case, for example, with replacement parts for brand-name machinery, equipment, or vehicles. The sole-source vendor must be the only known supplier with the capability of meeting the City's specifications or other requirements.

2.4.4.3 Acceptable sole-source justifications include :

- A. Negotiated or sole-source purchases that have been specifically preauthorized by the City Council.
- B. After soliciting a number of sources, Purchasing determines that procurement of a basic item or service is available only from a single vendor.
- C. Competition is precluded because of the existence of patent rights, copyrights, secret processes, control of the basic raw material(s) or similar circumstances, and no equivalent good or service is available.
- D. The procurement is for parts or components for equipment, and no

information or data is available to ensure that the parts or components obtained from another supplier will perform the same function in the equipment; or the parts or components could compromise the safety or reliability of the product, or would void or invalidate a manufacturer's warranty or guarantee.

- E. The procurement is for services from a provider with unique knowledge, skill, or ability not available from other sources.
- F. A distributor or service provider has an exclusive franchise or operating agreement with the supplier of goods to be purchased or maintained and no other person or entity may provide, install, service or maintain the goods in the service area. This does not include the purchase of goods where the same or a similar good may be purchased and is not otherwise defined as a Single Source item.
- G. The procurement is for goods and/or services where standardization is beneficial for reasons including maintenance, repair, training, and interoperability.
- H. The procurement is for goods and/or services where continuity of providers will provide efficiency or critical knowledge, and other providers of the goods and/or services cannot provide similar efficiencies or critical knowledge.
- I. When so directed by the Court, the funding source, as mandated by the state, or other relevant authority.

2.4.4.4 The requesting department shall initiate such procurement by completing a written requisition and justification for sole source, which shall be approved by the head of the requesting department or authorized designee, and then sent to Purchasing for approval. The requesting department head or designee will approve the sole-source status of the procurement only after confirmation that staff has verified that there is only one vendor or supplier of the items or services in question.

2.4.4.5 Prior to acting on the sole source procurement, the Purchasing Officer or authorized designee shall verify that the procurement meets the sole source definition set forth above, costs are allowable under the proposed funding source, and the requisition is complete with the proper approval of the requesting department or authorized designee.

2.4.5 Professional or Specialized Skills

2.4.5.1 The City is not required to competitively procure professional or specialized skills (TMC §2-7-08(b)(3)); however, it may be in the City's best interest to procure them using the Request for Proposals (RFP) or Request for Qualifications (RFQ) processes as defined in Sections 4 and 5 of this manual.

2.4.5.2 Competitive price-based bidding (RFB) may be undertaken for services with standard, non-personal qualities that are easily quantifiable, and which lend themselves to price comparison.

2.4.6 No Advantage

The City is not required to procure goods and services through a competitive process when competitive procurement is undesirable, impossible, unavailing, or incongruous. (TMC §2-7-08 (b)(4))

2.4.7 Cooperative Purchasing

Procurement may be made through existing cooperative purchasing agreements with other government agencies, schools, or public utilities, where the requirement for competitive procurement has already been met by the actions of the lead agency. Non-competitive (“negotiated”) cooperative agreements are not acceptable for use in situations where competitive procurement is required. (TMC §2-7-08 (b)(5))

2.4.8 Categorical Exemptions

2.4.8.1 The following types of goods and services are categorically exempt from competitive procurement requirements:

- A. Utility Services: The item or service to be procured is from a utility or a direct access provider and qualifies as a Single Source.
- B. Educational Services: Procurement of educational services from a not-for-profit organization.
- C. Publications and Subscription Services: Notices, advertisements, and publication services used to post notices required by law or necessary to support the City’s operations. Information sources governed by publisher agreement, subscriptions (on-line or print) to newspapers, journals, and other periodicals. Legal research services and publications used for legal research and analysis.
- D. Information Technology Subscriptions: Annual subscription costs for information technology software.
- E. Memberships: Memberships in groups or organizations for which competitive procurement is not feasible.
- F. Interim Contracts: Interim contracts or extensions of existing contracts where the required goods or services, except professional services, are the subject of an ongoing procurement and where the results of that procurement have been protested, litigation has been initiated or is believed to be forthcoming, or where an unforeseen and intervening event has delayed the award or caused the procurement to be cancelled or a portion of the procurement to be redone; or where the goods or services are or were provided through a contract that has been or is expected to be terminated or suspended. Interim contracts and extensions must be approved by the City Attorney and shall not exceed four (4) months.

2.4.9 Council-approved Exemption

Procurement may be made through noncompetitive methods when the Council has adopted a resolution by at least four (4) affirmative votes determining that the best interests of the City require that the purchase be made without compliance with the formal bid procedure. (TMC §2-7-08 (b)(10))

2.5. RETURN PROCEDURES

2.5.1 Making a Return

When a return is needed, the department is responsible for coordinating the return, including shipment and initial communication with the vendor. Returns may be necessary for the following reasons:

- A. The wrong item received.
- B. Item no longer needed.
- C. Item received damaged.
- D. Received a double shipment.

The item must be packaged and wrapped for shipment including the vendor's address and the Operating Department's return address with the following information:

- A. Contact the vendor for a return merchandise authorization number (RMA#).
- B. Reason for return.
- C. Purchase Order Number.
- D. Copy of freight bill and/or packing slip.
- E. Copy of the purchase order indicating the item being returned.

2.5.2 Damaged Items

If items are received damaged, make a note on the freight bill and/or packing slip. Make sure to keep the item in the package/box received, if possible. Subsequently, follow the return procedures above. If items are received damaged directly from the vendor, refuse delivery of the damaged items and note the refusal on the vendor and City copies of the invoice and/or receiving report.

2.6. VENDOR RELATIONS

It is to the City's advantage to maintain and promote good relations with suppliers. The City's vendor relations reflect the public image of the City organization. Both the Purchasing Division and Operating Departments are responsible for promoting fairness, integrity, courtesy, and goodwill in their vendor relations.

The Purchasing Division will normally serve as an intermediary between Operating Departments and vendors, obtaining prices, catalogs, samples, and general information on commodities. However, for planning purposes, it may be to the advantage of Operating Departments to make direct contact with vendors for purposes such as obtaining technical information and cost estimates.

2.7. INFORMATION DISCLOSURE

During open formal bids, not related to public works, all questions should go to Purchasing. Purchasing will compile the questions into an addendum and ensure the addendum is posted to the City's e-procurement portal. Price information should not be given to any vendor before the bid process is completed and award letters have been issued.

2.8. REQUEST FOR INFORMATION/REQUEST FOR INTEREST (RFI)

The Request for Information/Request for Interest (RFI) process is generally used in cases where the City is seeking information to better define the Scope of Services being developed for an upcoming competitive process, generally an RFP, or in cases where the City is seeking to identify potential vendors who might be interested in responding to such an RFP.

The Request for Information/Request for Interest (RFI) process is a separate procurement-related activity as compared to the Request for Information which is an integral part of the competitive procurement process (RFB, RFP, RFQ) where potential vendors request additional information on an open procurement and the City prepares a response through an addendum.

2.8.1 Process

2.8.1.1 The RFI process is not a procurement process governed by code, but rather an information-seeking activity. As such, there are no rules governing the solicitation process, though good judgment should be exercised in crafting the written solicitation and efforts should be made to advertise it appropriately to ensure a satisfactory response.

2.8.1.2 RFIs should only be conducted, when necessary, as they add to the time required to complete the subsequent RFP process. To avoid such delays, the RFI process should be skipped if sufficient Scope of Work information and a ready pool of potential contractors exist to facilitate conducting an RFP.

2.8.2 Evaluation

There are no formal evaluation or award processes, as an RFI seeks only to gather information.

2.8.3 Negotiations

In cases where only one vendor responds to the RFI, the City may document that insufficient marketplace competition exists to conduct a competitive process and may proceed with negotiating and awarding an agreement with the single vendor, subject to Purchasing Officer approval under the sole-source justification process defined in Section 2.4. However, departments shall not conduct RFIs to circumvent the competitive RFP process.

2.8.4 RFI Documents

RFI documents may consist of a simple open letter requesting responses be sent to a specified person or location by a specified time and date. Purchasing documents may be used as a template.

2.9. INSURANCE REQUIREMENTS

City policy requires all vendors providing services, materials, or construction to the City to indemnify and defend the City for claims arising from their performance of the contract and supply proof of insurance coverage to the City. The proof the City requires is usually in the form of certificates of

coverage provided by the contractor's broker or carrier. Proof of insurance is required whether the vendor is providing services under a purchase order or a contract.

2.9.1 Insurance Provisions in Procurement Documents

- 2.9.1.1 Bid documents shall include a form for the bidder's bond when a security requirement is imposed. When required, the bid document shall also include sample performance and payment bond forms.
- 2.9.1.2 RFP documents shall include a form outlining the City's minimum insurance requirements for the resultant contract, if any. Consult with Risk Management for assistance in identifying the appropriate insurance requirements.
- 2.9.1.3 Public Works of Improvement (construction and maintenance) projects require bonding as follows:
 - a. Bid Bonds - Bidder's securities are applicable to all public projects and protect the City's interests in the event that a bidder refuses to honor its bid or fails to enter into a contract awarded by the City. Generally, 10% of the total bid, though the City may adjust this amount. May be a surety bond, cash, or certified or cashier's check. (PCC §20170, 20171, 20483)
 - b. Performance Bonds – Performance sureties secure fulfillment of a contractor's obligations and are required for public projects with an estimated contract price of \$25,000 or more. The life of the performance bond may be required to extend beyond the completion of the main work under the contract to cover any warranty period. The instrument must be a surety bond for 100% of the total contract price - no alternative payment methods are permitted. (PCC §20483)
 - c. Payment Bonds – The payment bond assures the contractor's full discharge of its obligations to its subcontractors, suppliers, and other labor used on the project and is required for public projects with an estimated contract price of \$25,000 or more. In all Public Works of Improvement (construction and maintenance) contracts, and contracts for the procurement of services or products which involve subcontracting, a payment bond may be required. The instrument must be a surety bond for 100% of the total contract price – no alternative payment methods are permitted. (Civil Code §3247 and §3248). The City has some discretion with regards to acceptable bid bond alternatives, but not for performance and payment bonds. If a bidder is unable to secure both performance and payment bonds in cases where they are mandatory, then the City must move on to the next-lowest-priced responsible and responsive bidder.

2.9.2 Insurance Provisions in Purchase Orders and Contracts

- 2.9.2.1 All contracts will include insurance requirements based on the nature of the contract. Types of insurance required may include, but are not limited to, general liability, worker's compensation and employer's liability, professional liability, contractors, builder's risk, cyber, contractor's pollution, commercial automobile, and umbrella.

2.9.2.2 Purchase orders will also include insurance requirements.

2.10. CONFLICT OF INTEREST

Provisions requiring the potential vendor(s) to attest that the vendor has no conflicts of interest with the City are included in the RFB/RFP/RFQ template documents, the standard contract templates, and the standard purchase order provisions.

2.11. WAIVER OF DEFECTS AND TECHNICALITIES

The City may waive defects and technicalities in bids or proposals when to do so is in the best interests of the City.

2.12. PROTESTS AND APPEALS

2.12.1 General

Potential bidders, proposers, and sub-proposers wishing to protest or appeal a decision made in connection with the solicitation or award of a contract may protest following the procedures below. Protests or appeals not submitted in accordance with such procedures will not be reviewed. The protest procedure described herein is not applicable to public projects for construction. In the case of these projects, refer to the project specifications for protest procedures (see Sections 6.9 and 6.10.6).

2.12.2 Protest Submittal

Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation or award of a contract may protest to the City of Turlock Purchasing Officer. Non-awarded bidders may file a written protest through email or certified mail no later than five (5) business days after the date of the Notice of Intended Award. Such protests must be received by the Purchasing Officer before 5:00 PM local time on the last day of the five (5) business day protest period. Protests may be submitted to the City of Turlock Purchasing Officer through email at Purchasing@turlock.ca.us or at 156 S. Broadway Suite 270, Turlock, CA 95380. Protests filed with the Purchasing Officer shall:

- a. Include the name, address, business telephone number, and email address of the protestor;
- b. Identify the project under protest by name, solicitation number, and closing date;
- c. Contain a concise statement of the grounds for protest. Appeals should address only areas regarding bid contradictions, procurement errors, quotation rating discrepancies, legality of procurement context, conflict of interest in the rating process, and inappropriate or unfair competitive procurement grievances regarding the bid process. RFB, RFP, or RFQ processes and procedures, including evaluation criteria, shall not be proper grounds for protest. Concerns related to those issues must be raised and addressed, prior to the bid or proposal opening date to allow adjustments before the evaluation of bids or proposals; and
- d. Include all supporting documentation, if any. Documentation submitted after filing the protest will not be considered during the review of the protest or during any appeal.
- e. The procedure and time limits set forth in this Section are mandatory and are the

bidder's sole and exclusive remedy. Failure to comply with these procedures and time limits shall constitute a waiver of any right to further pursue a protest.

- f. The bidder's filing of a protest shall not preclude the City from rejecting all bids or proposals and re-advertising a contract. Rejecting all bids or proposals shall render a protest moot and terminate all protest proceedings.

2.12.3 Protest of Non-responsive and Non-responsible Bidders

If the Purchasing Officer determines that the apparent lowest bidder is either nonresponsive or non-responsible, the Purchasing Officer shall reject the bid. The Purchasing Officer shall notify the bidder in writing that the bid has been rejected and state the basis for the rejection. The bidder may protest the Purchasing Officer's decision following the procedure established in 2.12.2.

2.12.4 Protest Review

- a. Upon receipt of a protest, the Purchasing Officer shall review all submitted materials, create and retain a written record of the review, and respond in writing at least generally to each material issue raised in the protest no later than ten (10) business days after receipt of the protest.
- b. If the solicitation is for goods or services that are expected to be funded, in whole or in part, with federal funds, the Purchasing Officer shall promptly notify the appropriate federal agency of the receipt of a third-party contract protest, in accordance with the Common Grant Rule (49 CFR Part 18).
- c. If the protest cannot be resolved by mutual agreement, or if the protesting bidder is not satisfied with the decision of the Purchasing Officer, the protesting bidder shall have the right to appeal to the City Manager, in writing, within five (5) business days after notification of the Purchasing Officer decision.
- d. If the protesting bidder is not satisfied with the decision of the City Manager, except as otherwise provided below, the final level of appeal is with the City Council. The protesting bidder may appear at a City Council meeting to be heard by the Council. If the solicitation is for goods or services that are expected to be funded, in whole or in part, with federal funds, the protesting bidder may have additional protest escalation options as outlined in the respective solicitation.

In general, the filing of a protest should cause the solicitation proceedings subject to protest to be halted until the appeal is resolved. In order to allow essential City functions to continue, the City may proceed with the solicitation or award of the contract, despite the protest, upon an adequate determination in writing by the City's Purchasing Officer that such action is necessary. It is expected that such determination will occur only in those few circumstances where it is necessary to protect a substantial interest of the City of Turlock.

In an effort to limit frivolous protests, protestors who file two (2) protests within twelve (12) calendar months, whose protests are not resolved in their favor, may be withheld from future bids or proposals.

SECTION 3 : REQUEST FOR BIDS PROCESS

3.1. BIDDING PROCESS

Bidding requirements are detailed in the Municipal Code Title 2, Chapter 7, Sections 2-7-08 and 2-7-09. In addition to the legal bidding requirements, there are instances when sound fiscal and fair business practices dictate that the City would bid items that would normally be exempt from the bidding process. The procedures detailed below incorporate both the legal requirements of the City Municipal Code and the intent to obtain the best value at the lowest cost to the City.

Except as otherwise permitted in Section 2 of this policy, purchases of equipment, materials, supplies, and services shall be awarded through a competitive procurement process. The Request for Bids (RFB) process is appropriate for procuring services and goods where the scope of work is well-defined and the selection is price-driven. The process requires additional lead time when bonds are required, when delivery or performance will occur over time, or for costly or complex procurements.

3.2. BIDDING REQUIREMENTS

3.2.1 Purchases Up to Five Thousand Dollars (\$5,000.00)

Purchases up to \$5,000.00 may be made without soliciting quotes or bids.

3.2.2 Informal Bid Process

The Informal Bid Process is applicable to purchases over Five Thousand Dollars (\$5,000.00) up to Twenty-Five Thousand (\$25,000.00).

3.2.2.1 A large percentage of the City budget is spent on commodities and services that fit into this category.

3.2.2.2 Informal bid procedures should be followed for these purchases.

3.2.3 Formal Bid Process

The Formal Bid Process is applicable to purchases greater than Twenty-Five Thousand Dollars (\$25,000.00).

3.2.3.1 This category of procurement requires that formal written bids be solicited from prospective bidders and that sealed bids be directed to the Purchasing Officer.

3.2.3.2 Since the complexity of bid specifications will vary in this category, each bid package is susceptible to different time elements. In most cases, however, the bid opening is set no less than 14 days from the publication of the first public notice.

3.2.3.3 For purchases exceeding signing authority outlined in section 2.1.2 (d) and (e), after the bids have been opened, the results will be forwarded to the City Council for consideration of an award.

3.3. INFORMAL BIDDING PROCESS

3.3.1 Obtaining Quotes

The requesting department should solicit a minimum of three (3) quotes. Quotes may be obtained through a vendor's website, email, or phone. If a phone quote is taken, written notes should be prepared identifying the vendor, the name of the vendor representative who provided the quote, and the quoted price and terms. The quote documentation should be attached to the purchase order before the purchase order is submitted to Purchasing.

3.3.2 Time Element

Quotes must be obtained and a purchase order created prior to placing an order. If no quotes have been obtained, the time element will depend upon the vendor's response.

3.4. FORMAL BIDDING PROCESS

A Request for Bids shall include detailed specifications, general provisions, special provisions, and in some instances bond forms, legal statements, affidavits, or other documents. The bidder submits the required information in a sealed bid for public opening by Purchasing at a specified date, time, and place. The outcome of this bidding is summarized in a bid summary and is available to the requestor for review on e-procurement portal that can be found on the City's website.

3.4.1 Specification Writing

3.4.1.1 It is the responsibility of the requesting department to develop comprehensive specifications that will describe the commodity or service requested so that detailed specifications can be prepared, and at the same time ensure that they are broad enough to allow competition. Care should be taken not to include specifications that have the effect of limiting the bid through specifications that have little or no bearing on the end function of the goods or services.

3.4.1.2 The requesting department should also include technical specifications. Technical specifications shall include detailed descriptions of both the qualitative and quantitative nature of the supplies, equipment, materials, routine services, or construction to be procured. They must also set forth the minimum essential characteristics and standards to which the products and services must conform to satisfy the City's needs. The use of blueprints, diagrams, charts, and maps is encouraged to clarify the requirements of the specification. Technical specifications shall not be drafted to unduly restrict competition. (2 CFR 200.319(d)(1))

Brand names may be used in technical specifications only when it is impractical or uneconomical to specify clear and adequate descriptions of the technical requirements for a particular type of needed product. Brand names may also be specified if a finding is made and described in the procurement documents that a particular brand or trade name is required: (PCC 3400(c))

A. In order that a field test or experiment may be made to determine the product's suitability for future use.

- B. In order to match other product's in use on a particular public improvement either completed or in the course of completion.
- C. In order to obtain a necessary item that is only available from one source.
- D. In order to respond to an emergency declared by the State or a local agency, but only if the declaration is approved by a four-fifths vote of the governing board of the local agency issuing the invitation for bid or request for proposals.

In all cases where brand names are used, bidders shall be afforded the opportunity to propose to the City a substitute alternate product of equal quality or value. The City's decision to approve or disapprove such an alternate product shall be final and binding on the bidder. Note that additional restrictions on using brand-name specifications may apply to federally-funded procurements. Refer to Section 7 for additional details.

3.4.1.3 The Purchasing office will review specifications for clarity and completeness. If in the opinion of the Purchasing Officer, the specifications are incomplete or restrict the bidding process, requests will be returned to the ordering department to include more detail or substantiate their requirements for restrictive specifications. The laws affecting government procurement require that the City maintain a competitive market commitment and that the purchasing records of the City are of public record.

3.4.2 Procurement Package

The requesting department shall develop the procurement package within the e-procurement portal along with any other documents necessary to implement the process. These shall include but are not limited to:

- a. Documentation, technical specifications, and scope of work which adequately describe the goods or services required.
- b. Special terms and conditions that apply to the specific procurement.
- c. Estimated cost of the contract. The requesting department should ensure they have adequate funding to cover the resultant contract at the time of execution.
- d. A suggested project coordinator, when appropriate, whose duties will include acting as a liaison between the requesting department and Purchasing.
- e. A suggested contract administrator, shall endeavor to resolve any problems concerning adherence to terms and conditions of the contract. When appropriate, the contract administrator shall also fill the role as the project coordinator.
- f. Procurement Package Checklist, which includes a section to document approval by the head of the requesting department.

Purchasing will review the requesting department's documentation and confirm that the procurement is appropriate for the sealed bidding process. If the procurement method is not appropriate, Purchasing will work with the requesting department to identify the best method to procure the requested goods or services.

3.4.3 Bid Documents

- 3.4.3.1 The requesting department shall prepare RFB documents under the supervision of the Purchasing Division. Purchasing shall establish a preliminary schedule of events with the department, based upon the anticipated date of advertisement, which designates the date upon which all changes, comments, and required approvals must be submitted to Purchasing. Such a schedule shall permit a sufficient time period for review of the contract documents by the individuals involved.
- 3.4.3.2 The RFB documents will be prepared utilizing the RFB fillable template. The document will contain:
 - A. Formal Bid Guidelines
 - B. Scope of Service
 - C. The process for Submitting Proposals
 - D. A description of the process for evaluating proposals and selecting the bid recommended for award.
 - E. A description of prohibited communications.
 - F. A section requiring the proposer to represent there are no conflicts of interest.
 - G. Standard terms and conditions
 - H. Draft agreement
 - I. Applicable Ordinances and Programs

3.4.4 Bid Advertising

The Purchasing Officer or authorized designee shall publicly advertise the Request for Bid ("Notice") to notify potential bidders of the title and nature of the contract and of the date, time, and place of the bid opening. Purchasing will publish the Notice in the local newspaper. The advertisement shall state the time and place for receiving and opening sealed bids and shall describe in general terms the work to be done. The Notice shall also inform bidders of applicable requirements under federal or state laws. The Notice shall indicate whether bonding (i.e., bidder's security) is required. Generally bonding is only required for Public Works contracts. The Notice shall also designate the method for obtaining copies of the Request for Bid. (PCC § 22032(b), PCC § 22034, PCC § 22037)

- a. RFBs will be open no less than 14-30 days. The Purchasing Officer will determine the number of days RFBs will be open based on the nature and complexity of the goods or services being procured.
- b. City employees, and consultants or contractors under the supervision of City employees, shall refrain from discussing with prospective bidders any details of goods or services advertised for bid, unless so authorized by Purchasing.
- c. It is Purchasing's policy to not disclose a Bid List prior to bid opening. Bid List disclosure is not required if the public interest served by temporarily withholding said

information clearly outweighs any conceivable public interest served by disclosure. (California Public Records Act, Government Code § 6255).

3.4.5 Delivery Time

Delivery time will be predicated upon the industry standards for the type of commodity ordered. In most instances, the City will require a specific delivery date, but in some cases, delivery time is an item that is included in the bid proposals that the prospective vendor must address.

3.4.6 Pre-Bid Conference

If a Pre-Bid Conference is scheduled, the Notice shall advise of the date, time, and location of the conference, if the conference is virtual, the Notice should include the link to the virtual meeting. For in-person conferences, an attendance sign-in sheet will be used as a permanent record of the Pre-Bid Conference and shall contain the names, contact information, and business affiliations of all bidders and other interested persons in attendance. For virtual conferences, a record of the participants attending will be generated from the meeting software and retained with the bid documentation.

3.4.7 Qualifications of Bidders

In contracts where the nature of the work is such that the qualifications of the bidders are essential criteria for evaluating the bidders' responsibility, the requesting department should identify such criteria in the Special Provisions.

Such provision shall clearly state that the City may reject any bid that does not meet the requirements stated in the qualification's clause. Included in such clause shall be requirements that bidders demonstrate they are regularly engaged in the manufacture, construction, or provision of the work or product called for in the contract, and that they have the necessary resources, facilities, and personnel to perform under the contract. Additionally, bidders must attest that they have previously and satisfactorily performed work comparable to that specified in the contract. Finally, bidders may be required to provide adequate references. The requesting department may prepare and include with the bid documents a form to be completed by bidders that covers the qualifications requirements.

3.4.8 Pricing Schedule

The bidder's completion of the Pricing Schedule (also known as a "Form of Bid") shall constitute the bidder's acceptance of all the terms and conditions contained in the bid documents and shall also indicate the bidder's prices. The requesting department and Purchasing shall develop the Pricing Schedule.

The Pricing Schedule shall seek separate cost quotations for all relevant aspects of the procurement, including, where applicable, unit price, extended price, sales or use taxes, and cost of installation and delivery. In all cases, the Pricing Schedule shall be structured to allow the City to make an objective comparison of all bids. Whenever possible, this will be accomplished by requesting a Total Bid Price.

3.4.9 Bid Addenda

- a. All bidder questions will be entered and answered in the e-procurement portal. All bidders shall be advised to prevent any one bidder from obtaining an unfair advantage.
- b. Once the Notice has been published, any necessary changes, modifications, or adjustments to specifications, requirements, bid quantities, corrections, deadline extensions, or otherwise revise the bid documents shall be accomplished through the issuance of written Addenda, and authorized and published by Purchasing. No private modifications shall be made.
- c. All technical Addenda shall be drafted by the requesting department and approved by Purchasing before publishing. Addenda shall identify the bid number and title, date of issuance, Addendum number, and specific reference to the provisions in the bid documents being amended and the substance of such amendment.
- d. Purchasing shall publicly issue Addenda so that it is available to all firms or persons through the e-procurement portal.

3.4.10 Bid Opening

- a. Bids shall be submitted electronically through the e-procurement portal before the specified time and date.
- b. The e-procurement software will date and time stamp sealed bids as they are received. Sealed bids shall remain unopened and stored securely until the public opening date and time specified in the Request for Bid or subsequent addenda.
- c. Any bids received after the specified date and time of bid opening will not be accepted by Purchasing.
- d. Bids shall be opened publicly by the Purchasing Officer or designee along with another member of the Purchasing staff at, or immediately after, the date and time noticed for the bid opening.
- e. No bidder or interested party will be excluded from the bid opening.
- f. A bid opening attendance record shall be prepared at the time of the opening, containing the names, contact information, and business affiliations of all bidders and other interested non-City persons in attendance.
- g. Bid pricing shall be read aloud by the person opening the bids. Upon request, other non-confidential information contained in the bid forms shall also be read aloud or otherwise made available for inspection. Members of the public shall be permitted to witness the bid opening.
- h. From and following the specified date and hours of the bid opening, no bidder shall be permitted to change their bid. If the opening of the bids is delayed beyond the time specified in the Notice, all bidders shall be so notified.
- i. Original bid documents shall be retained on file in the e-procurement software, until no longer required by the City's Records Retention Policy, or other applicable law.

3.4.11 Evaluation of Bids

3.4.11.1 Criteria

Contract award, if any, shall be made to the lowest-priced responsive and responsible bidder which is defined as the bidder submitting the lowest-priced bid that materially conforms to all requirements of the request for bids, and has demonstrated ability to perform the work. The criteria for evaluating bids shall be lowest monetary bid, the responsiveness of the bid, and responsibility of the bidder. Purchasing shall be principally responsible for the evaluation of bids. In addition, the requesting department shall review the bids for compliance with Technical Specifications and Special Provisions.

3.4.11.2 Price/Cost Analysis

Where more than one bidder submits a proposal, Purchasing shall conduct a price analysis of the bids. In cases where only one bid is received or it is determined that there was a lack of adequate competition for the contract, Purchasing shall conduct a cost analysis, unless the reasonableness of the bid price can be established on the basis of a catalog or market price for a similar commercial product sold in substantial quantities to the general public, or on the basis of prices set by law or regulation. Purchasing shall examine the bids to determine which bid is the lowest in price, or highest in price when appropriate (for example, when leasing out City property). In doing so, staff shall observe the following rules:

- a. Any formula for determining the basis for evaluating bids, as described in the contract documents, shall be utilized;
- b. The unit price shall govern whenever both unit price(s) and extended price(s) or total(s) are given;
- c. All bids showing item extensions and/or totals shall be reviewed for accuracy. Any errors in bidders' calculations shall be noted on a separate sheet of paper. No corrections or changes are to be made on or to the vendor's bid. Purchasing shall review the terms of payment for the effect of those terms upon the bid price. Therefore, where specified in the contract documents, terms such as discounts, transportation costs, sales taxes, and other costs shall be considered in determining which bid is the lowest (or highest) in price. Payment discounts may only be used to determine low bid if payment terms are twenty (20) days or more and prior experience of the City indicates that such discounts are generally taken.

3.4.11.3 Responsiveness

- a. Purchasing shall determine whether the lowest or highest (if applicable) monetary bid is responsive to the contractual and technical requirements, and review the bid documents to ensure that the bidder has made no unauthorized deletions, amendments, or other changes. Purchasing shall verify that the required proposal forms and certificates have been completed and that all signatures are in order. Purchasing may determine whether the deficiency is a minor irregularity (e.g., omission of a signature

on a form, or a bidder's security submitted in an improper amount), or whether the deficiency is more substantive in nature (e.g., taking exception to warranty provisions, or extending the delivery period).

- b. Purchasing may contact the bidder and discuss the aspects of any bid that appears non-responsive. With respect to deficiencies representing minor irregularities, the bidder may be given the opportunity to correct the deficiency so that the bid may be considered responsive. If the bidder does not correct the minor irregularity and make the bid responsive, or if the deficiency is substantive in nature, Purchasing shall determine which bidder is the next lowest or highest monetary bidder and shall follow the procedure above to determine the responsiveness of that bidder.

3.4.11.4 Responsible Bidder

The responsible party shall determine whether the lowest-priced responsive bidder is a "responsible" bidder, i.e., whether such firm or person has sufficient experience, qualifications, and financial stability to perform the contract. The criteria to be used in making such determination may include the bidder's experience and history of service to the City, if any; the bidder's responses on those proposal documents requiring a listing of experience, qualifications, and references, if required; and the expertise, dependability and financial stability of the bidder as revealed to the City from any other legal source. In making this determination, Purchasing may cite the minimum requirements or specifications set forth in the Special Provisions and Technical Specifications.

3.4.11.5 Rejection of Bids

- A. The City Council or City Manager have the right to reject any and all bids when it is in the best interest of the City to do so. Any determination to reject the lowest-priced bid on the basis that the bidder is not responsible or that the bid is not responsive may only be made if there are sound documented reasons evidencing the inability of the bidder to perform the contract, and after notice and an opportunity to have a hearing has been provided to the bidder through the usual Protest process. (TMC §2-7-09(c)(4))
- B. Following bid evaluation, Purchasing may recommend rejecting bids in cases where:
 - 1. The bids received were too high, or the budgeted funds are insufficient to cover the amount of the contract, even if awarded to the lowest-priced responsible bidder;
 - 2. None of the bids were responsive to the requirements of the contract documents;
 - 3. None of the bidders were deemed sufficiently responsible to perform the contract in a satisfactory manner; or
 - 4. Purchasing determines that awarding the contract would not be in the best interests of the City, based upon sound, documented business reasons.
- C. The reason for rejecting the bids should be documented and maintained in

the bid file, along with the City Council's or City Manager's approval.

3.4.11.6 Tied Bids

In any case where two identically priced responsive and responsible bids are also the lowest (or highest) priced, Purchasing shall determine contract award using the following protocol:

1. Qualified local vendor(s) shall have preference over out-of-City vendor(s). (TMC §2-7-09 (c)(5))
2. The City Council may accept the bid it chooses or accept the lowest bid made by negotiation with the tie bidders at the time of the bid opening. (TMC §2-7-09(c)(6))

3.4.12 Award of Contract

3.4.12.1 Purchasing may award a contract to the lowest-priced responsive and responsible bidder whose proposal materially meets the specifications and requirements outlined in the Request for Bid documents. In the case of revenue-generating bids, an award will be made to the highest-paying responsive and responsible bidder. Upon completion of bid evaluation and analysis, Purchasing shall notify all bidders in writing of the City's intent to award a contract. The successful bidder must execute the Agreement and related documents, and provide proof of insurance, within the time specified.

3.4.12.2 If the City intends to award a contract to a bidder other than the apparent lowest priced bidder, Purchasing shall inform each bidder whose total bid was less than that bid of the successful bidder and the reasons for the decision.

3.4.13 Contract Administration

3.4.13.1 Upon contract award and execution, the department shall maintain a contract file. The requesting department head or designated Project Manager shall be responsible for monitoring and reviewing the project to determine whether contract terms and conditions are being met, and for approving invoices for payment.

3.4.13.2 The requesting department, shall endeavor to resolve any problems concerning adherence to terms and conditions of the contract. All financial matters shall be coordinated with the Finance Department.

SECTION 4 : REQUEST FOR PROPOSALS

4.1. REQUEST FOR PROPOSALS (RFP)

Except as otherwise noted in Section 2 of this policy, purchases of equipment, materials, supplies, and services shall be awarded through a competitive procurement process. The Request for Proposals (RFP) process is best suited to procurements where non-price factors are more important than pricing. When procuring Architectural and Engineering (A&E) services, the Request for Qualifications (RFQ) process is used instead (refer to Section 5).

Under the RFP approach, the award of a contract is made on a “best value” basis by identifying the most cost-effective solution to the City’s needs, with both price and non-price factors considered. Evaluation criteria identified in the RFP solicitation documents are subsequently used by an evaluation committee for scoring received proposals. The award need not be made to the lowest-priced proposer; however, in such cases selection must be based on written documentation explaining why the lowest-priced proposer was not selected. Proposers shall be afforded the right to appeal the City’s selection pursuant to the protest and appeal provisions outlined in the RFP documents and Section 2 of this manual.

4.2. RFP PROCESS

4.2.1 Development of Scope of Work and Scoring Criteria

4.2.1.1 It is the responsibility of the requesting department to create a comprehensive scope of work that will describe the commodity or service requested so that detailed specifications can be prepared, and at the same time ensure that they are broad enough to allow competition. Care should be taken not to include specifications that have the effect of limiting qualified vendors through specifications that have little or no bearing on the end function of the goods or services.

- A. The requesting department should include a clear description of the problem to be solved.
- B. Identification of what the proposer should accomplish. This would include any desired approach to the problem; practical, policy, technological, and legal limitations; specific questions to be answered; description of the items to be delivered; format and number of copies of any required reports; and the nature of the City’s assistance and cooperation which will be available to the proposer.
- C. A time schedule including dates for award of contract, commencement of performance, submission of progress reports, if any, and completion.
- D. Payment schedule, including whether progress payments will be allowed.

4.2.1.2 The requesting department should also develop a scoring rubric that adequately addresses the proposer’s qualifications and capabilities to complete the tasks

outlined in the scope of work. Specifically, the requesting department should:

- A. Identify scoring evaluation factors. The factors may include technical capabilities, experience and qualifications, cost and pricing, approach and methodology, compliance with requirements, and references and past performance.
- B. Assign a weight to each identified evaluation factor.
- C. Identify scoring metrics for each factor. For example, scoring metrics for approach and methodology may relate to the project plan, timeline, and risk management strategies; while metrics for price may relate to the total cost, cost breakdown, and value for money.
- D. Develop the scoring rubric that outlines how points will be allocated for each criterion. Verify that the rubric aligns with the weights assigned to each factor.
- E. For procurements for professional architectural, engineering or related services that are expected to lead to construction, state law (California Government Code 4526) and federal law (40 USC Chapter 11 "Brooks Act") require that selection be made solely on the basis of qualifications, which does not allow for the consideration of cost or price during the selection process. Examples of services described in 49 USC Section 5325(b) include: program management, construction management, feasibility studies, preliminary engineering, design, architectural, engineering, surveying, mapping or related services. Once the most-qualified proposer is identified for these services, the City will negotiate costs to obtain pricing that is fair and reasonable. See Section 5 for further information. (Government Code Section 4526)

4.2.2 Procurement Package

The requesting department shall develop the procurement package within the e-procurement portal along with any other documents necessary to implement the process. These shall include but are not limited to:

- a. Documentation and scope of work/services which adequately describe the goods or services required.
- b. Scoring rubric, including identification of the related evaluation factors and metrics.
- c. Special terms and conditions that apply to the specific procurement.
- d. A proposed schedule including advertising and contract commencement dates.
- e. Estimated cost of the contract. The requesting department should ensure they have adequate funding to cover the resultant contract at the time of execution.
- f. A suggested project coordinator, when appropriate, whose duties will include

acting as a liaison between the requesting department and Purchasing.

- g. A suggested contract administrator, shall endeavor to resolve any problems concerning adherence to terms and conditions of the contract. When appropriate, the contract administrator shall also fill the role as the project coordinator.
- h. Procurement Package Checklist, which includes a section to document approval by the head of the requesting department.

Purchasing will review the requesting department's documentation via the e-procurement portal and confirm that the procurement is appropriate for the RFP process before proceeding further. If the procurement method is not appropriate, Purchasing will work with the requesting department to identify the best method to procure the requested goods or services.

4.2.3 RFP Documents

The requesting department shall prepare the RFP template and related documents under the supervision of the Purchasing Officer. Purchasing shall establish a preliminary schedule of events with the department, based upon the anticipated date of advertisement, which designates the date upon which all changes, comments, and required approvals must be submitted. Such a schedule shall permit enough time for review of the contract documents by the individuals involved. Although the provisions and requirements in RFP documents may vary, the RFP documents shall, at a minimum, contain the following items:

4.2.3.1 **RFP Template**

The RFP documents will be prepared utilizing the RFP fillable template. The document will contain:

- A. Proposal Formal Guidelines
- B. Scope of Service
- C. The process for Submitting Proposals
- D. A description of the process for evaluating proposals and selecting the proposal recommended for award.
- E. A description of prohibited communications.
- F. A section requiring the proposer to represent there are no conflicts of interest.
- G. Standard terms and conditions
- H. Draft Agreement
- I. Applicable ordinances and programs

4.2.3.2 Notice Requesting Proposals

The notice requesting proposals ("Notice") is a publicly advertised document that notifies potential proposers of the title and nature of the contract, the date for a Pre-Proposal Conference, if one is scheduled, and establishes the subsequent date and time by which proposals must be submitted to the City. The Notice shall also inform Proposers of significant requirements under federal or state laws, if any. The Purchasing Officer or authorized designee shall publicly advertise the Notice, which shall refer to and incorporate by reference all RFP documents (i.e., the General Conditions and Instructions to Proposer, the Special Provisions, the Technical Specifications, and other certificates, forms, and documents), and shall designate the method for obtaining copies of such documents.

4.2.3.3 Pre-Proposal Conference

If a Pre-Proposal Conference is scheduled, the Notice shall advise of the date, time, and location of the conference. An attendance sign-in sheet will be used as a permanent record of the Pre-Proposal Conference and shall contain the names, contact information, and business affiliations of all Proposers and other interested persons in attendance.

4.2.3.4 Qualifications of Proposers

- A. In contracts where the nature of the work is such that the qualifications of the Proposers are essential evaluation criteria, the requesting department shall include among the RFP documents a clause setting forth such required qualifications. Contracts for services shall contain such clauses. In addition, contracts for the provision of supplies, equipment, and materials, where a specially manufactured product or technical guidance and advice are called for, shall also contain a provision regarding the qualifications of Proposers. Such provisions shall clearly state that the City may reject any proposal that does not meet the requirements stated in the Qualifications clause. Included in such clause shall be requirements that Proposers demonstrate they are regularly engaged in the provision of the work or product called for in the contract, and that they have the necessary experience, training, resources, facilities, and personnel to perform such work.
- B. Additionally, Proposers must attest that they have previously and satisfactorily performed work with characteristics comparable to those specified in the contract. Finally, Proposers may be required to furnish adequate references. The requesting department may, at its option, prepare and include with the RFP documents a form to be completed by Proposers that will cover the qualification requirements described herein.

4.2.3.5 Scope of Work / Services

- A. The RFP shall include the scope of work and services being requested, applicable terms and conditions, the time in which the project must be completed,

requirements concerning coordination with other entities, other information that may be useful in the preparation of the proposal, and evaluation criteria specifically tailored to the project. Such criteria shall include the consultant's proven experience and competence, bondability, insurability, understanding of the scope of work, financial ability, resources to perform the work, willingness to cooperate with City Purchasing and technical staff, and proposed method for assuring timely and acceptable performance and management of the work.

- B. In the event that the City assigns weighted values to the evaluation criteria, such values shall be indicated in the RFP. In addition, résumés of the consultant's staff may be requested to allow the evaluation committee to determine the staff's training, education, experience, and overall competence to perform the work.
- C. Specifications must include detailed descriptions of the qualitative and quantitative nature of the supplies, equipment, materials, or services to be procured. They must also set forth the minimum essential characteristics and standards to which the products, services, or work must conform to satisfy the City's intended use. The use of blueprints, diagrams, charts, and maps is encouraged to clarify the specifications requirements.
- D. Specifications shall not be drafted to unduly restrict competition. Brand names may be used in Technical Specifications only when it is impractical or uneconomical to specify clear and adequate descriptions of the technical requirements for a particular type of needed product. In all cases where brand names are used, Proposers shall be afforded the opportunity to propose to the City a substitute alternate product of equal quality or value. The City's decision to approve or disapprove such an alternate product shall be final and binding on the Proposer.
- E. Note that additional restrictions may apply to federally funded procurements. Refer to Section 7 for additional details.

4.2.3.6 Pricing Schedule

- A. Whenever reasonable and appropriate, a firm not-to-exceed price quotation shall be requested in the RFP. In other cases, the RFP shall solicit a labor fee schedule for all categories of personnel to be utilized by the consultant in connection with the project, and a total proposed project budget.
- B. The Proposer's completion of the Pricing Schedule shall constitute both the Proposer's prices and acceptance of all the terms and conditions contained in the RFP documents, unless exceptions are thereto so noted and approved by the City. Purchasing shall develop the Pricing Schedule in coordination with the requesting department. The Pricing Schedule shall seek separate cost quotations for all relevant aspects of the procurement, including, where applicable, unit price, extended price, sales or use taxes, and cost of installation and delivery. In all cases, the Pricing Schedule shall be structured to allow the City to make an objective comparison of all RFPs.
- C. Whenever possible, this will be accomplished by requesting a Total RFP Price.

4.2.3.7 Advertisement

- A. Purchasing will publish the Invitation to RFP electronically, and when required by the funding agency or by law, in at least one newspaper of general circulation. The advertisement shall state the time and place for the receiving of proposals and shall describe in general terms the work to be done.
- B. Generally, RFPs will be open 14-30 days. The Purchasing Officer will determine the number of days RFPs will be open based on the nature and complexity of the goods or services being procured. City employees, and consultants or contractors under the supervision of City employees, shall refrain from discussing details of the requested goods or services with prospective proposers, unless so authorized by Purchasing.

4.2.3.8 Addenda

- A. All proposer questions will be entered and answered in the e-procurement portal. All proposers shall be able to access the questions and answers through the e-procurement portal, to prevent any one proposer from obtaining an unfair advantage.
- B. Any necessary changes, modifications, or adjustments to specifications, requirements, or RFP quantities shall be authorized and publicized by Purchasing. No private modifications shall be made. Once the RFP has been published, all changes necessary to correct any errors in the RFP documents, to extend deadlines, or to otherwise revise the RFP documents, shall be accomplished through the issuance of a written Addendum, authorized and publicized by Purchasing. No private modifications shall be made.
- C. All technical Addenda shall be drafted by the requesting department and shall be reviewed, approved, and published by Purchasing. Addenda shall identify the RFP number and title, date of issuance, Addendum number, and specific reference to the provisions in the RFP documents being amended and the substance of such amendment.
- D. Purchasing shall publicly issue the addendum so that it is available to all firms or persons.

4.2.3.9 Proposal Submittals

- A. Proposal submittals shall be submitted electronically through the e-procurement portal before the time and date specified in the RFP documents.
- B. The e-procurement software will date and time stamp proposal submittals as they are received. The e-procurement software will prevent the submission of proposals after the time and date specified.
- C. Proposals are not subject to public examination until the City has made an award announcement. Following the specified date and hours proposals are due, no Proposer shall be permitted to change their proposal, except to correct errors or provide additional information, at the discretion and request of Purchasing.

Original RFP and proposal documents shall be retained on file in the e-procurement software, until no longer required by the City's Records Retention Policy, or by applicable law.

4.2.4 Evaluation

Proposals are not subject to public examination until the City has made an award announcement. At a minimum, Proposals shall be reviewed by the Purchasing Officer or authorized designee. The Project Coordinator and other City personnel with appropriate technical expertise shall also be included in the review process, as necessary.

4.2.4.1 **Criteria**

The award shall be made to the Proposer whose proposal is determined in writing to (a) best meet the criteria set forth in the RFP and (b) provide the best value to the City. The review shall adhere strictly to the evaluation criteria set out in the RFP and discussed at the Pre-Proposal Conference, if one is scheduled; no discriminatory waiver of criteria shall be allowed. The conclusions of the reviewers shall be summarized in a memorandum.

4.2.4.2 **Selection Process**

- A. The City shall establish an Evaluation Committee (EC) composed of representatives from the City for the purpose of evaluating the proposals received in response to an RFP. The City may include as part of the Committee qualified representatives from other agencies or entities. Each EC member shall attest in writing that they do not have a conflict of interest in serving in that role for the specified solicitation.
- B. Proposal documentation requirements shall be set forth in the RFP to provide guidance regarding the information considered by the EC. The EC shall be responsible for performing the evaluations of each proposal based on the stated criteria.
- C. Each member of the EC shall rate the proposals separately unless the proposals are technical in nature, in which case a subject matter expert may be called upon to score that section. The scores of each member of the EC shall then be averaged to provide a total score for each of the proposers.

4.2.4.3 **Initial Evaluation: Proposal Submission and Financials**

Purchasing shall conduct an initial pass/fail analysis of (a) each proposal submittal package for completeness ("responsiveness"), and the Finance Director shall review when applicable (b) the financial stability of each Proposer based upon the Financial Report submitted. Upon completion of this analysis, Purchasing will forward the Qualification Proposals of the passing proposers to the Evaluation Committee (EC).

4.2.4.4 Evaluation

- A. The EC will review and evaluate the Qualification Proposals based on the criteria identified in the RFP, and each proposer will be given a score. Reference checks will be performed, and proposers may also be required to submit to interviews, provide presentations, allow facility surveys, and other items deemed necessary during the evaluation process. In no case shall the City's discretionary use or disuse of these optional additional evaluation processes be grounds for protest of an award decision.
- B. Should the City exercise the option to interview, only those proposers judged by the EC to be the most qualified to perform the work shall be requested to make a formal presentation to the City. Based on the oral presentation and the written proposal, the evaluators shall make a final ranking of potential proposers.

4.2.4.5 Calculation of Final Score

Upon completion of all phases of the evaluation process, the e-procurement software shall total the scores to rank the proposals and identify the winning proposer.

4.2.4.6 Negotiations

- A. The Project Coordinator and those City personnel with technical expertise relating to the project, may negotiate with the highest-ranked proposer to establish a precise scope of work, work schedule and completion date, cost of services, and the method and manner of payment. A recommendation for award may be made upon the successful completion of negotiations as to the terms, conditions, and technical requirements of the proposed agreement. The recommendation for award should be submitted to Purchasing so award letters may be generated and distributed.
- B. If negotiations with the highest-ranked proposer prove unsuccessful, the City shall terminate negotiations with this firm and commence discussions with the next-highest-ranked proposer until a price determined to be fair and reasonable to both parties is obtained. Once negotiations have been terminated with a firm, the City may not go back to that firm for additional negotiations – even if the next lower ranked respondent is higher in price.

4.2.4.7 Award of Contract

- A. Award of Contract shall be made on a “best value” basis to the qualified proposer whose proposal best meets the criteria set forth in the RFP and will be most advantageous to the City, with price and all other factors considered. The City Council shall authorize the award of contracts exceeding \$75,000. (TMC §2-7-08(e)).
- B. Upon completion of RFP evaluation and analysis, Purchasing shall notify all

proposers in writing of the City's intent to award a contract. The successful proposer must execute the agreement documents and submit the required Certificate of Insurance within the time specified in the RFP or agreement documents, or if no such time is specified therein, within the time specified in the notice of intent to award issued by Purchasing.

4.2.5 Contract Administration

4.2.5.1 Upon contract award and execution, the e-procurement software will maintain a contract file. The requesting department head or designated Project Manager shall be responsible for monitoring and reviewing the project to determine whether contract terms and conditions are being met, and for approving invoices for payment.

4.2.5.2 The requesting department, shall endeavor to resolve any problems concerning adherence to terms and conditions of the contract. All financial matters shall be coordinated with the Finance Department.

SECTION 5 : REQUEST FOR QUALIFICATIONS

5.1. REQUEST FOR QUALIFICATIONS (RFQ)

The Request for Qualifications (RFQ) process may be used as an alternative to the RFP process for procuring services, with the chief distinction of the RFQ process being that the award of the contract is made by identifying the most qualified proposer first before entering into price negotiations.

5.2. GENERAL

5.2.1 Process Summary

The RFQ process is similar to the RFP process defined in Section 4 of this Purchasing Manual, except proposers are ranked solely on qualification, without regard to pricing. Pricing may be requested in the initial solicitation if it is kept separately sealed from the information used to evaluate and rank the proposers. Once the most-qualified proposer is identified, the City may open the selected proposer's pricing and begin contract negotiations.

Professional services of private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms shall be on the basis of demonstrated competence and professional qualifications. Once the most-qualified proposer is identified for these services, the City will negotiate cost to obtain pricing that is fair and reasonable. If it is determined that the pricing is not fair and reasonable, then the City may begin negotiations with the next most qualified proposer. (Government Code Section 4526)

5.2.2 Development of Scope of Work and Scoring Criteria

5.2.2.1 It is the responsibility of the requesting department to provide create a comprehensive scope of work that will describe the commodity or service requested so that detailed specifications can be prepared, and at the same time ensure that they are broad enough to allow competition. Care should be taken not to include specifications that have the effect of limiting qualified vendors through specifications that have little or no bearing on the end function of the goods or services.

- A. The requesting department should include a clear description of the problem to be solved.
- B. Identification of what the proposer should accomplish. This would include any desired approach to the problem; practical, policy, technological, and legal limitations; specific questions to be answered; description of the items to be delivered; format and number of copies of any required reports; and the nature of the City's assistance and cooperation which will be available to the proposer.
- C. A time schedule including dates for award of contract, commencement of performance, submission of progress reports, if any, and completion.

D. Payment schedule, including whether progress payments will be allowed.

5.2.2.2 The requesting department should also develop a scoring rubric that adequately addresses the proposer's qualifications and capabilities to complete the tasks outlined in the scope of work. Specifically, the requesting department should:

- A. Identify scoring evaluation factors. The factors may include technical capabilities, experience and qualifications, approach and methodology, compliance with requirements, and references and past performance.
- B. Assign a weight to each identified evaluation factor.
- C. Identify scoring metrics for each factor. For example, scoring metrics for approach and methodology may relate to the project plan, timeline, and risk management strategies.
- D. Develop the scoring rubric that outlines how points will be allocated for each criterion. Verify that the rubric aligns with the weights assigned to each factor.

5.2.3 Procurement Package

The requesting department shall develop the procurement package within the e-procurement portal along with any other documents necessary to implement the process. These shall include but are not limited to:

- a. Documentation, scoring criteria, and scope of work/services which adequately describe the goods or services required.
- b. Special terms and conditions that apply to the specific procurement, such as unique qualifications of the prospective vendor.
- c. A proposed bidding schedule (including advertising and contract commencement dates).
- d. Estimated cost of the contract. The requesting department should ensure they have adequate funding to cover the resultant contract at the time of execution.
- e. A suggested project coordinator, when appropriate, whose duties will include acting as a liaison between the requesting department and Purchasing.
- f. A suggested contract administrator, shall endeavor to resolve any problems concerning adherence to terms and conditions of the contract. When appropriate, the contract administrator shall also fill the role as the project coordinator.
- g. Procurement Package Checklist, which includes a section to document approval by the head of the requesting department.

Purchasing shall review the requesting department's documentation via the e-procurement portal and confirm that the procurement is appropriate for the sealed RFQ process. If the procurement method is not appropriate, Purchasing will work with the requesting department to identify the best method to procure the requested goods or services.

5.2.4 RFQ Documents

The requesting department shall prepare RFQ documents under the supervision of the Purchasing Officer. Purchasing shall establish a preliminary schedule of events with the department, based upon the anticipated date of advertisement, which designates the date upon which all changes, comments, and required approvals must be submitted. Such a schedule shall permit a sufficient time period for review of the contract documents by the individuals involved.

5.2.4.1 Although the provisions and requirements in RFQ documents may vary, the RFQ documents shall, at a minimum, contain the following items:

- a. Notice Requesting Statements of Qualifications/Proposals. The notice requesting proposals ("Notice") is a publicly advertised document that notifies potential proposers of the title and nature of the contract, the date for a Pre-Proposal Conference, if one is scheduled, and establishes the subsequent date and time by which proposals must be submitted to the City.
- b. The Purchasing Officer or authorized designee shall publicly advertise the Notice, which shall refer to and incorporate by reference all RFQ documents (i.e., the General Conditions and Instructions to Proposer, the Special Provisions, the Technical Specifications, and other certificates, forms, and documents), and shall designate the method for obtaining copies of such documents.
- c. General Conditions and Instructions to Proposer. The General Conditions and Instructions to Proposer ("General Conditions") sets forth standard terms and conditions that govern the contractual relationship between the successful Proposer and the City.
- d. Special Provisions. Special Provisions prescribe terms and conditions specifically tailored to the particular contract being sought.
- e. Pre-Proposal Conference. If a Pre-Proposal Conference is scheduled, the Notice shall advise of the date, time, and location of the conference. An attendance sign-in sheet will be used as a permanent record of the Pre-Proposal Conference and shall contain the names, contact information, and business affiliations of all Proposers and other interested persons in attendance.
- f. Qualifications of Proposers. Because the nature of professional services obtained through the RFQ process is such that the qualifications of the Proposers are essential evaluation criteria, Purchasing includes among the RFQ documents a clause setting forth such qualifications, and contracts for services also contain such clauses. In addition, contracts for the provision of supplies, equipment, and materials, where a specially-manufactured product or technical guidance and advice are called for, also contain provisions regarding Proposer qualifications. Such provisions shall clearly state that the City may reject any proposal that does not meet the requirements stated in the qualification's clause. Included in such clause will be requirements that Proposers demonstrate they are regularly

engaged in the provision of the work or product called for in the contract, and that they have the necessary experience, training, licenses or certifications, resources, facilities, and personnel to perform such work.

- g. Proposers must attest that they have previously and satisfactorily performed work with characteristics comparable to those specified in the contract.
- h. Proposers may be required to furnish adequate references.

The requesting department may, at its option, prepare and include with the RFQ documents a form to be completed by Proposers that will cover the qualification requirements described herein.

5.2.4.2 Scope of Work / Services.

- A. The RFQ includes the scope of work and services being requested, applicable terms and conditions, the time in which the project must be completed, requirements concerning coordination with other entities, other information that may be useful in preparation of the proposal, and evaluation criteria specifically tailored to the project. Such criteria must include the consultant's proven experience and competence, bondability, insurability, understanding of the scope of work, financial ability, resources to perform the work, willingness to cooperate with City Purchasing and technical staff, and proposed method for assuring timely and acceptable performance and management of the work. If the City assigns weighted values to the evaluation criteria, such values shall be indicated in the RFQ.
- B. In addition, résumés of the consultant's staff may be requested to allow the evaluation committee to determine the staff's training, education, experience, and overall competence to perform the work. Specifications must include detailed descriptions of the qualitative and quantitative nature of the services to be procured. They must also set forth the minimum essential characteristics and standards to which the work must conform to satisfy the City's intended use.
- C. The use of blueprints, diagrams, charts, and maps is encouraged to clarify the specifications requirements. Specifications shall not be drafted to unduly restrict competition. Brand names may be used in Technical Specifications only when it is impractical or uneconomical to specify clear and adequate descriptions of the technical requirements for a particular type of needed product. In all cases where brand names are used, Proposers shall be afforded the opportunity to propose to the City a substitute alternate product of equal quality or value. The City's decision to approve or disapprove such alternative product shall be final and binding on the Proposer.

Note that additional restrictions may apply to federally funded procurements. Refer to Section 7 for additional details.

5.2.4.3 **Pricing Schedule**

- A. Whenever reasonable and appropriate, pricing may be requested in the RFQ. If pricing is requested, the RFQ should specify that pricing should be provided in a separate file. In some cases, the RFQ may solicit a labor fee schedule for all categories of personnel to be utilized by the consultant in connection with the project, and a total proposed project budget. The Proposer's completion of the Pricing Schedule shall constitute both the Proposer's prices and acceptance of all the terms and conditions contained in the RFQ documents unless exceptions are thereto so noted and approved by the City.
- B. Purchasing shall develop the Pricing Schedule in coordination with the requesting department. The Pricing Schedule may seek separate cost quotations for all relevant aspects of the procurement. In all cases, the Pricing Schedule shall be structured to establish a starting point for negotiations and to allow the City to make a reasonable project cost determination. In no case shall such pricing be used to objectively compare RFQ submittals.

5.2.4.4 **Advertisement**

- A. Purchasing will publish the Invitation to RFQ electronically, and when required by the funding agency or by law, in at least one newspaper of general circulation. The advertisement shall state the time and place for the receiving of proposals and shall describe in general terms the work to be done.
- B. Generally, RFQs will be open 14-30 days. The Purchasing Officer will determine the number of days RFQs will be open based on the nature and complexity of the goods or services being procured. City employees, and consultants or contractors under the supervision of City employees, shall refrain from discussing details of the requested goods or services with prospective proposers, unless so authorized by Purchasing.

5.2.4.5 **Addenda**

- A. All proposer questions will be entered and answered in the e-procurement portal. All proposers shall be able to access the questions and answers through the e-procurement portal, to prevent any one proposer from obtaining an unfair advantage.
- B. Any necessary changes, modifications, or adjustments to specifications, requirements, or quantities shall be authorized and publicized by Purchasing. No private modifications shall be made. Once the RFQ has been published, all changes necessary to correct any errors in the RFQ documents, to extend deadlines, or to otherwise revise the RFQ documents, shall be accomplished through the issuance of a written Addendum, authorized and publicized by Purchasing. No private modifications shall be made.
- C. All technical Addenda shall be drafted by the requesting department and shall be reviewed and approved by Purchasing before publishing. Addenda shall identify the RFQ number and title, date of issuance, Addendum number, and specific

reference to the provisions in the RFQ documents being amended and the substance of such amendment.

- D. Purchasing shall publicly issue the addendum so that it is available to all firms or persons, except in the cases of RFQs that require mandatory attendance of Pre-Proposal/Site Inspection Conference(s), in which case only those vendors in attendance may be forwarded addenda.

5.2.4.6 Proposal Submittals

- A. Proposal submittals shall be submitted electronically through the e-procurement portal before the time and date specified in the RFQ documents. Proposals may be submitted physically or electronically, at the discretion of the City.
- B. The e-procurement software will date and time stamp proposal submittals as they are received. Any proposals received after the specified date and time proposals are due will not be accepted by the e-procurement software.
- C. Proposals are not subject to public examination until the City has made an award announcement. Following the specified date and hours proposals are due, the e-procurement software will prevent Proposers from changing their proposal, except to correct errors or provide additional information, at the discretion and request of Purchasing. Original RFQ and proposal documents shall be retained on file in the e-procurement software until no longer required by the City's Record Retention Policy, or by applicable law.

5.2.5 Evaluation

Proposals are not subject to public examination until the City has made an award announcement. At a minimum, Proposals shall be reviewed by the Purchasing Officer or authorized designee. The Project Coordinator and other City personnel with appropriate technical expertise shall also be included in the review process, as necessary.

5.2.5.1 Criteria

The award shall be made to the Proposer whose proposal is determined in writing to best meet the criteria set forth in the RFQ. The review shall adhere strictly to the evaluation criteria set out in the RFQ and discussed at the Pre-Proposal Conference (if applicable); no discriminatory waiver of criteria shall be allowed. The conclusions of the reviewers shall be summarized on the scoring matrix and/or in a memorandum.

5.2.5.2 Selection Process

- A. The City shall establish an Evaluation Committee (EC) composed of representatives from the City for the purpose of evaluating the proposals received in response to an RFQ. The City may include as part of the Committee qualified representatives from other agencies or entities. Each EC member shall attest in writing or electronically that they do not have a conflict of interest in

serving in that role for the specified solicitation.

- B. Proposal documentation requirements shall be set forth in the RFQ to provide guidance regarding the information considered by the EC. The EC shall be responsible for performing the evaluations of each proposal based on the stated criteria.
- C. Each member of the EC shall rate the proposals separately unless the proposals are technical in nature, in which case a subject matter expert may be called upon to score that section. The scores of each member of the EC shall then be averaged to provide a total score for each of the proposers.

5.2.5.3 Initial Evaluation: Proposal Submission and Financials

Purchasing shall conduct an initial pass/fail analysis of (a) each proposal submittal package for completeness (“responsiveness”), and the Finance Director shall review when applicable (b) the financial stability of each Proposer based upon the Financial Report submitted. Upon completion of this analysis, Purchasing will forward the Qualification Proposals of the passing proposers to the Evaluation Committee (EC).

5.2.5.4 Evaluation of Qualifications

- A. The EC will review and evaluate the Qualification Proposals based on the criteria identified in the RFQ, and each proposer will be given a score. Reference checks will be performed, and proposers may also be required to submit to interviews, provide presentations, allow facility surveys, and other items deemed necessary during the evaluation process. In no case shall the City’s discretionary use or disuse of these optional additional evaluation processes be grounds for protest of an award decision.
- B. Should the City exercise the option to interview, only those proposers judged by the EC to be the most qualified to perform the work shall be requested to make a formal presentation to the City. Based on the oral presentation and the written proposal, the evaluators shall make a final ranking of potential proposers.

5.2.5.5 Evaluation of Pricing

- A. Price proposals will remain locked within the e-procurement portal until the EC has completed the evaluation of the Qualification Proposals.
- B. Proposer qualifications are of the utmost importance in service contracts; however, where two or more persons or firms appear equally qualified to perform the desired services, the one proposing the lowest total price shall be ranked first. In the event that the City receives only one proposal in response to an RFQ or the responses reveal a lack of adequate competition, the department may conduct a cost analysis to determine whether the compensation proposals are fair and reasonable.

5.2.5.6 Calculation of Final Score

Upon completion of all phases of the evaluation process, the e-procurement software shall total the scores to rank the proposals and identify the winning proposer.

5.2.5.7 Negotiations

- A. The Project Coordinator, and those City personnel with technical expertise relating to the project, may negotiate with the highest-ranked proposer to establish a precise scope of work, work schedule and completion date, cost of services, and the method and manner of payment. A recommendation for award may be made upon the successful completion of negotiations as to the terms, conditions, and technical requirements of the proposed agreement. The recommendation for award should be submitted to Purchasing so award letters may be generated and distributed.
- B. If negotiations with the highest-ranked proposer prove unsuccessful, the City shall terminate negotiations with this firm and commence discussions with the next-highest-ranked proposer until a price determined to be fair and reasonable to both parties is obtained. Once negotiations have been terminated with a firm, the City may not go back to that firm for additional negotiations – even if the next lower ranked respondent is higher in price.

5.2.5.8 Award of Contract

- A. Award of Contract shall be made on a “best value” basis to the qualified proposer whose proposal best meets the criteria set forth in the RFQ and will be most advantageous to the City, with price and all other factors considered. The City Council shall authorize the award of contracts exceeding \$75,000. (TMC §2-7-08(e)).
- B. Upon completion of RFQ evaluation and analysis, Purchasing shall notify all proposers in writing of the City's intent to award a contract. The successful proposer must execute the agreement documents and submit the required Certificate of Insurance within the time specified in the RFQ or agreement documents, or if no such time is specified therein, within the time specified in the notice of intent to award issued by Purchasing.

5.2.6 Contract Administration

- 5.2.6.1 Upon contract award and execution, the e-procurement software will maintain a contract file. The requesting department head or designated Project Manager shall be responsible for monitoring and reviewing the project to determine whether contract terms and conditions are being met, and for approving invoices for payment.
- 5.2.6.2 The requesting department, shall endeavor to resolve any problems concerning adherence to terms and conditions of the contract. All financial matters shall be coordinated with the Finance Department.

SECTION 6 : PUBLIC WORKS CONTRACTS

6.1. APPLICABILITY

This Section is designed to supplement the procedures outlined in Sections 2 through 5 for Public Works Contracts. The procurement of public projects should follow all established procedures and the unique procedures outlined below. In addition, if the project is federally funded, the requirements outlined in Section 7 should also be followed.

6.1.1 Public Project Defined

Public Project shall mean any of the following: (PCC §20161, TMC §2-9-01(b))

- A project for the construction, reconstruction, erection, alteration, renovation, improvement, demolition, painting, repainting, or repair work involving any publicly owned, leased, or operated facility,
- Work in or about streams, bays, waterfronts, embankments, or other work for protection against overflow,
- Street or sewer work except maintenance or repair,
- Furnishing supplies or materials for any such project, including maintenance or repair of streets or sewers.

All public projects with expenditures exceeding five thousand dollars (\$5,000), shall be contracted for and let to the lowest responsible bidder. (PCC Section 20162) Additionally, all Public Works projects more than \$1,000 are subject to state-mandated prevailing wage and reporting requirements, regardless of the procurement method used (Labor Code §1771). The City shall comply with state Department of Industrial Relations regulations, and to advise contractors of mandatory bonding requirements for projects above \$25,000 (Civil Code §95500; Labor Code §1720; PCC §20170, 20171, 20483, and SB-854)

6.1.2 Federal Funds

The City's procurement actions are primarily governed by the State of California Government Code, Public Contract Code, Federal Transit Administration (FTA) Circular 4220.1F, and Federal Highway Administration (FHWA) regulations as they appear in the Caltrans Local Assistance Procedures Manual (LAPM). In all procurements utilizing any amount of Federal funds, Federal requirements will generally supersede State law. Where no Federal funds are involved, procurement actions will be governed by applicable State law. References to statutes or regulations herein shall be deemed to refer to any subsequent revisions or amendments that may be enacted from time to time.

6.1.3 Federal Contract Law

If no applicable State or Federal law or regulation exists regarding a particular aspect of procurement, then Federal contract law principles defined in the Federal Acquisition Regulations may be applied.

6.1.4 Bidding Procedures – Public Works Projects

The Engineering Division maintains a Standard Specifications and Drawings document that outlines proposal, award, scope of work, control of work and materials, legal relations, and other standards related to a public works construction project. The standards may be supplemented by Special Provisions and/or Technical Specifications for specific projects as necessary to define the scope of work.

6.1.5 Value Engineering

The City of Turlock may use value engineering clauses for construction and other capital projects of sufficient size to offer reasonable opportunity for increased efficiency. Value engineering is a systematic and creative analysis to ensure that the project is designed and constructed to perform its essential functions in the most cost-effective manner. The process may include consideration of life-cycle costing, and intangible or indirect benefits such as sustainability. (2 CFR 200.318(g))

6.1.6 Caltrans Local Assistance Projects

The California Department of Transportation (Caltrans) Local Assistance Program provides funding to the city for the purpose of improving its transportation infrastructure or providing transportation services. The funding comes from various Federal and State programs designed to assist the transportation needs of local agencies. Local Assistance Programs include programs such as the Congestion Mitigation and Air Quality Improvement Program (CMAQ) and Local Highway Safety Improvement Program (HSIP). Local Assistance Programs will be administered in accordance with the Local Assistance Program Guidelines and Local Assistance Program Manuals (LAPMs).

- 6.1.6.1 Pursuant to the Local Assistance Procedures Manual, Chapter 10, Section 10.1.3, contracts below \$1 million are not subject to the Caltrans Financial Document Review, but Local Public Agencies are required to establish that all costs are in compliance with the Federal cost principles, 48 CFR Chapter 1, Part 31, and other applicable requirements are met.
- 6.1.6.2 For identified projects below \$1 million, prior to contract execution, the City will obtain documentation including the Exhibit 10-H1 Cost Proposal and the Exhibit 10-K Consultant Annual Certification of Indirect Costs and Financial Management System form for each consultant.
- 6.1.6.3 Once all documentation is received, the City will complete an ICAP/ICRP Review Checklist for each consultant working on the project.
 - A. If there are any items where the consultant does not appear to meet the requirements, the City will communicate with the consultant to attempt to resolve the discrepancy.
 - B. If there are any items that remain unresolved, the City will determine whether:
 - The rate should be recalculated, making adjustments for any items that were not documented or do not appear reliable.

- Do not proceed with the contract in the event the issues are significant and assurance over the accuracy of the rate cannot be obtained and an adjustment cannot be calculated.

6.1.6.4 Pursuant to LAPM Section 10.1.3, an indirect cost rate (ICR) is valid for the one-year applicable accounting period and consultants must update their ICR annually. However, once an ICR has been established for a contract, the ICR may be extended beyond the one-year applicable period through the duration of the specific contract, provided all concerned parties agree. The contract must clearly specify the ICR period if it is beyond the one-year applicable period.

6.1.7 Advertisement for Bids

Notices inviting informal bids will be sent to all qualified contractors for the category of work being bid and/or all construction trade journals specified in PCC §22036. Public Works of Improvement projects above \$220,000 shall be advertised in one local newspaper of general circulation and the City's website. (PCC §20161, 20162, 20170, 20482, 22036)

For federal and state-aid projects, the bid solicitation shall notify bidders of requirements associated with the participation of Local and Small Business Enterprise (LSBE) or Disadvantaged Business Enterprises (DBE), where applicable.

6.1.8 Bidder Qualifications

The City Engineering Division shall review the bids and determine whether the low bid proposal is responsive to the bid solicitation and whether the low bidder is responsible. The City Engineering Division will recommend an award of an agreement by the City Council to the lowest bidder determined to be both responsive and responsible.

In contracts where the nature of the work is such that the qualifications of the bidders are essential criteria for evaluating the bidders' responsibility, the Engineering Division shall identify such criteria in the Special Provisions. Contracts for services and Public Works of Improvement (construction and maintenance) shall contain such clauses. In addition, contracts for the provision of supplies, equipment, and materials, where a specially manufactured product or technical guidance and advice are called for, shall also contain a provision regarding the qualifications of bidders.

Such provision shall clearly state that the City may reject any bid that does not meet the requirements stated in the qualification's clause. Included in such clause shall be requirements that bidders demonstrate they are regularly engaged in the manufacture, construction, or provision of the work or product called for in the contract, and that they have the necessary resources, facilities, and personnel to perform under the contract. Additionally, bidders must attest that they have previously and satisfactorily performed work comparable to that specified in the contract. Finally, bidders may be required to provide adequate references. The Engineering Division may prepare and include with the bid documents a form to be completed by bidders that covers the qualifications requirements.

6.2. METHODS OF PROCUREMENT

6.2.1 Micro-purchases

Micro-purchases are those purchases up to but not exceeding \$2,500. Purchases below that threshold may be made without obtaining competitive quotations but shall provide for competition whenever practicable. Award may be made if it is determined that the price is fair and reasonable, and that there are no significant differences in quality or price among available vendors. Typically, this would involve items sold "off-the-shelf" to the general public or a specific market. Documentation for a non-competitive micro-purchase need only include a notation that the price is fair and reasonable and the reason for the determination. The determination of price reasonableness may be recorded on preprinted forms or a checklist on the receipt. (2 CFR 200.320(a))

- 6.2.1.1 Micro-purchases are exempt from Buy America requirements. There should be equitable distribution among qualified suppliers, and requirements may not be split to avoid a competitive solicitation process. The City of Turlock will maintain a log of micro-purchases to ensure that there is an equitable distribution of purchases among qualified suppliers. The Davis Bacon Act (40 U.S.C. §3141 et seq.) applies to construction micro-purchases in excess of \$2,000.

6.2.2 Small Purchases

Small purchases are relatively simple and informal solicitations for services, supplies, or other property that cost more than \$5,000 but do not exceed \$25,000. In no case shall small purchase procedures be used for procurements above the Federal simplified acquisition threshold as defined in 41 U.S.C. §403(11), currently \$250,000. If small purchase procedures are used, price or rate quotations shall be solicited from an "adequate number of qualified sources." The number of sources will depend upon the availability of qualified sources, but the objective should ordinarily be to obtain quotes from at least three vendors. If items are purchased from GSA that have been competitively bid or state contracts, then no other solicitations are required. Both the solicitation and quotes should be written, in either electronic or hard copy form.

6.2.3 Existing Contracts: Purchasing Schedules and Piggybacking

- 6.2.3.1 State Purchasing Schedules. To foster greater economy and efficiency, intergovernmental agreements, contracts, and schedules of the U.S. General Services Administration ("GSA") and states may be used as permitted and appropriate. When GSA or state contracts are used to acquire goods or services with federal funds, all federal requirements apply. This will require the City of Turlock to incorporate federal terms and conditions (contract clauses and required vendor "certifications," such as Buy America, etc.), in the first purchase order issued by the City of Turlock under the GSA or state contract. This will be necessary since GSA or the state may not have incorporated required federal terms, including Buy America, when the contracts were awarded. The City of Turlock will therefore require a Buy America certification

in all cases, and if the product being acquired is not Buy America compliant, the City of Turlock will obtain a waiver from the applicable federal agency before proceeding with the procurement.

6.2.4 Competitive Sealed Bidding

- 6.2.4.1 Projects in excess of Two Hundred Twenty Thousand and no/100ths (\$220,000) are publicly solicited through a formal Request for Bids (RFB) with a fixed-price contract (lump sum or unit price) being awarded to the lowest-priced responsive bid from a responsible bidder. Public projects less than \$220,000 may be procured using an informal bidding process where qualified contractors are invited to bid. (TMC §2-9-04)
- 6.2.4.2 Competitive sealed bidding is the preferred method of solicitation, and justification for any other method of procurement must be documented as part of the procurement record.
- 6.2.4.3 All bids will be publicly opened at the time and place prescribed in the RFB. Bidders shall be afforded a suitable opportunity to examine all bids received after they are opened.
- 6.2.4.4 A fixed-price contract award will be made in writing to the responsible bidder submitting the lowest responsive bid at the price stated in the bid. A fixed-price contract type does not preclude consideration of the use of price-varying provisions such as escalation or incentives/disincentives if suitable for the circumstances. The price reasonableness analysis shall consider whether bids are materially unbalanced.
- 6.2.4.5 When specified in bidding documents, factors such as discounts, transportation costs, and life cycle costs may be considered in determining the low bid if specified in the solicitation. Payment discounts shall be requested or considered only when prior experience indicates that the City is able to avail itself of such discounts.
- 6.2.4.6 If the RFB includes pricing for any options or alternatives, the solicitation must define whether or not they will be considered in determining the low bid, and, in the event of multiple options, the basis for and order in which they will be accepted. In order to exercise contract options after award, and also consider them as part of the original competitive process, the options must have been considered during the award of the basic contract.
- 6.2.4.7 In the event that a single responsive bid is received from a responsible bidder, the City may negotiate with the bidder to ensure that a fair and reasonable price is obtained. If the responsive bid from the lowest responsible bidder exceeds available funds, the City may negotiate with the apparent low bidder to obtain a contract price within available funds. The City may not, as part of a negotiation process, modify or alter the scope and specification defined in the RFB in a manner that might have attracted additional bidders if incorporated in the solicitation.
- 6.2.4.8 If the informal bidding process was used and all bids received exceed \$220,000, the City Council may, by adoption of a resolution by a four-fifths vote, award the contract, at Two Hundred Thirty-Five Thousand dollars (\$235,000) or less, to the lowest responsible bidder, if it determines the cost estimate was reasonable. (TMC §2-9-04 (h))

6.2.5 Competitive Negotiation

6.2.5.1 For design/build contracts, the competitive negotiation procurement process is conducted through a formal Request for Proposals (RFP). This method of procurement is generally used when conditions are not appropriate for the use of sealed bids. This method may be used for the acquisition of supplies or services only if the City determines in advance and in writing that competitive sealed bidding is not practicable or fiscally advantageous, pursuant to California Public Contract Code 22160.

6.2.5.2 Either a fixed price or cost-reimbursement contract may be awarded.

6.2.6 Architectural and Engineering (A&E) and Other Professional Services

6.2.6.1 The City will use qualification-based competitive proposal procedures based on the Brooks Act, Chapter 11 of Title 40 of the United States Code, and 49 U.S.C. §5325(b), when contracting for A&E services.

6.2.6.2 The Brooks Act requires that:

- A. An offeror's technical qualifications be evaluated;
- B. Price be excluded as an evaluation factor;
- C. A pricing proposal be requested from, and negotiations be conducted only with the most qualified offeror; and
- D. Failing agreement on price, the proposal must be rejected and negotiations conducted with the next most qualified offeror, until a contract award can be made to the most qualified offeror whose price is fair and reasonable; if the pool of qualified offerors is exhausted without an agreement, the solicitation must be canceled.

6.2.6.3 The Brooks Act "qualifications-based" procurement method can only be used for the procurement of A&E services which are defined to include program management, construction management, feasibility studies, preliminary engineering, design, architectural, engineering, surveying, mapping, and related services, where any amount of Federal funds is utilized. This method of procurement cannot be used to obtain other types of services even though a firm that provides A&E services is also a potential source to perform other types of services. It is also recognized that California law does not require contracts for professional services such as private architectural, landscape, engineering, environmental, legal, land surveying or construction management be competitively bid and the Federal policy to restrict qualifications-based selection procedures to A&E contracts may be considered inconsistent. However, the City hereby determines that acceptance of Federal funds and compliance with the Federal standard is in the public interest even though the Federal limitation of the use of qualification-based procurement procedures is inconsistent with the

California law.

- 6.2.6.4 When no Federal funds are involved in funding a procurement for professional services including accountants, lawyers, architects, engineers, environmental, land surveying or construction management, the City will comply with the applicable provisions of the California Government Code and Public Contract Code and select the contractor based on professional qualifications, excluding price.

6.2.7 Noncompetitive (Sole Source) Proposals

- 6.2.7.1 Noncompetitive (Sole Source) procurements are accomplished through acceptance of a proposal from only one source. A contract amendment or change order that is not within the scope of the original contract is considered a sole source procurement that must comply with this subparagraph.

- 6.2.7.2 Procurement by noncompetitive proposals may be used when only one source is practicably available and the award of a contract is infeasible under small purchase procedures, sealed bids, or competitive proposals and at least one of the following circumstances applies:

1. The item is available only from one responsible source because:
 - (a) It involves a unique or innovative concept or capability not available from another source. A unique or innovative concept means a new, novel, or changed concept, approach, or method that is the product of original thinking, the details of which are kept confidential or are patented or copyrighted, and is available to the City only from one source and has not in the past been available to the City from another source.
 - (b) Patents or Restricted Data Rights. Patent or data rights restrictions preclude competition.
 - (c) Substantial Duplication Costs. In the case of a follow-on contract for the continued development or production of highly specialized equipment and major components thereof, when it is likely that an award to another contractor would result in substantial duplication of costs that are not expected to be recovered through competition.
 - (d) Unacceptable Delay. In the case of a follow-on contract for the continued development or production of highly specialized equipment or major component thereof, an award to another contractor would result in unacceptable delays in fulfilling the City's needs.
2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
3. The federal agency authorizes noncompetitive negotiations (e.g., in the original grant application and approval process);

4. Other circumstances described in Part 6.3 of the Federal Acquisition Regulations exist;
5. After solicitation of a number of sources, competition is determined inadequate, and an evaluation of the specifications determines they are not unduly restrictive of competition; or
6. The item is an associated capital maintenance item as defined in 49 U.S.C. §5307(a) (1) that is procured directly from the original manufacturer or supplier of the item to be replaced, and no other sole source justification applies. The City must first certify to the FTA in writing that the manufacturer or supplier of the capital maintenance item is the only source for the item and that the price is no higher than the price paid by like customers.
 - A. Receipt of a single responsive and responsible bid or proposal is not, by itself, conclusive evidence that competition was inadequate; the City Manager, or designee, must determine if there was a perception of competition which would affect the bid or proposal. Under these circumstances, award is not considered a sole source. The City Manager, or designee, however, must investigate the reason why no other bids or proposals were received; verify that the specification was not unduly restrictive, and that the solicitation cannot be modified in a manner that would result in greater competition; and document the file accordingly.
 - B. A cost analysis is required for each sole source acquisition.
 - C. The contract file must include a sole source determination signed by the City Manager explaining the reasons for the award on a non-competitive basis.

6.2.8 Options

- 6.2.8.1 An option is a unilateral right in a contract by which, for a specified time, the buyer may elect to purchase additional equipment, supplies, or services called for by the contract, or may elect to extend the term of the contract. The use of options must be limited to quantities of goods or services that are reasonably anticipated to be required by the City during the term of the contract; options may not be included solely with the intent of assigning them to another entity in the future; however, contracts may include a provision allowing assignment to other agencies in the event of a change in the City's anticipated requirements, in accordance with federal regulations and guidance.
- 6.2.8.2 The option quantities or periods must be defined in the solicitation; contained in the offer upon which a contract is awarded; and evaluated as part of the initial award process; i.e., the options must be evaluated in combination with bid prices for the base quantity to determine the low bidder. When an option has not been evaluated to determine the low bidder for award of the contract, exercise of the option will be considered a

sole source procurement and must be justified as such.

- 6.2.8.3 The exercise of an option must be in accordance with the terms and conditions of the option as stated in the initial contract, and an option may not be exercised unless it is determined that the option price is better than prices available in the market or that the option is the more advantageous offer at the time the option is exercised, cost and other factors considered.
- 6.2.8.4 If sequential options (e.g., a series of one-year extensions) exist, the failure to timely and properly exercise any option will void all subsequent options.
- 6.2.8.5 The City of Turlock may exercise options in contracts of other public agencies ("piggybacking") in accordance with federal regulations and guidance.

6.3. CONTRACT TYPES

6.3.1 Time and Materials Contracts

Time and Materials ("T&M") contracts are to be used only after a documented determination that no other type of contract is suitable. Such contracts will specify a ceiling price (a limitation of funding) that the contractor shall not exceed except at its own risk. T&M contracts are subject to a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls. (2 CFR 200.318(j))

6.3.2 Cost Reimbursement Contracts

Prior to the use of a cost-type contract, the City Manager, or designee, shall make a determination that the contractor's accounting system is adequate to properly segregate and bill costs, and also adequate to allocate indirect costs in accordance with generally accepted accounting principles. In no event shall fixed indirect cost rates, that are not subject to audit and adjustment, be used in a cost-type contract, as such agreements constitute an unlawful cost-plus-percent-of-cost method of compensation. Provisional indirect billing rates may be used but must be subject to later audit and adjustment.

6.3.3 Cost Plus Percent of Cost Contracts

Contracts that are structured with payment provisions based on the incurrence and payment of actual costs, such as direct labor, with a fixed mark-up on the actual costs incurred for (a) profit, (b) indirect costs, (c) or both, are prohibited by Federal statute and shall not be used.

6.3.4 Construction Contracts for Publicly Funded Buildings

All construction projects for public works contracts costing more than \$4,000 are required to be performed by contract and cannot be separated into smaller work orders for the purposes of evading the provisions of the Public Contract Code.

6.3.5 Design Build

Design-build refers to a procurement for design and construction simultaneously with a contract award to a single contractor, joint venture, etc., that will be responsible for both the project's design and construction. Design-build contracts may be used for the construction of a building or buildings and improvements directly related to the construction of a building or buildings and park and recreational facilities. Design-build contracts may not be used for the construction of other infrastructure, including, streets and highways, public rail transit, or water resources facilities and infrastructure. Design-build contracts may be used for public works projects in excess of one million dollars. (PCC Sections 22160-22169)

6.4. CONTRACT COST AND PRICE ANALYSIS

6.4.1 Requirement

A cost or price analysis must be performed for every procurement action, including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation. (2 CFR 200.324)

6.4.2 Independent Cost Estimate

Any cost or price analysis must be based on an independent cost estimate, which should be developed before a solicitation is issued, but in no event after the receipt of bids or proposals. For contract modifications, the independent estimate must be prepared without knowledge of the contractor's proposed pricing.

6.4.3 Cost Analysis

6.4.3.1 A cost analysis must be performed when the offeror is required to submit the elements (i.e., labor hours, overhead, materials, etc.) of the estimated cost.

6.4.3.2 A cost analysis will be necessary when adequate price competition is lacking, including sole source procurements (which include contract modifications and change orders), unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or on the basis of prices set by law or regulation.

6.4.3.3 Profit is to be negotiated as a separate element of the price for each contract in which there is no price competition and, in all cases, where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

6.4.3.4 Costs or prices based on estimated costs for contracts will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal cost principles contained in Part 31 of the Federal Acquisition Regulations.

6.4.3.5 The cost plus a percentage of cost method of contracting shall not be used.

6.4.4 Price Analysis

6.4.4.1 A price analysis looks at the price as a whole without examination of its various components, and is usually performed by comparing prices to those from other comparable procurements.

6.4.4.2 A price analysis may be used in all instances where a cost analysis is not required to determine the reasonableness of the proposed contract price.

6.4.4.3 Adequate price competition may be determined to exist when the perception of competition exists, even if only one bid or proposal is received; conversely, the receipt of multiple bids or proposals with widely differing prices may not constitute adequate price competition.

6.5. BONDING REQUIREMENTS

6.5.1 Construction

The City of Turlock shall specify bonds in compliance with (1) federal regulations, and (2) the applicable provisions of the California Government code. (2 CFR 200.326)

6.5.2 Non-Construction

For non-construction contracts, bonding requirements are discouraged except where applicable law or regulation provides for such bonding, or the City determines that such a requirement is necessary as part of the risk management plan for a project.

6.6. PAYMENT PROVISIONS

6.6.1 Progress Payments

Progress payments are to be made only for costs incurred in the performance of the contract. When progress payments are used, the City must obtain title to property or other adequate security for the amount of the progress payment. Progress payments for construction contracts may be made on a percentage of completion basis; this method may not be used for non-construction contracts.

6.7. DELAY (LIQUIDATED) DAMAGES

6.7.1 Risk Management

The City of Turlock shall determine whether to use or not to use a delay damages

provision for a specific procurement, as part of an overall risk management program.

6.7.2 Calculation

The amount of delay damages must be reasonably calculated to reflect anticipated damages the City of Turlock might suffer as the result of an inadequacy or delay in contract performance, and such damages would be difficult or impossible to determine.

6.7.3 Measurement

Delay damages may be imposed for an entire contract or for a readily identifiable milestone or deliverable, and the measurement period may be other than a day, where appropriate.

6.7.4 Solicitation Requirements

If it is determined that a delay damages provision will be included, the solicitation shall identify with specificity the circumstances in which the delay damages will be imposed and the rate to be charged. The file shall document the derivation of the rate of assessment and ensure it is reasonable, proper and not arbitrary or punitive.

6.8. CONTRACT AWARD ANNOUNCEMENTS

The City is not required to issue announcements of contract awards utilizing Federal funds; however, when announcements of contract awards using federal funds are made by City of Turlock, they will be made in accordance with federal policy. Federal policy requires that announcements of contract awards, if they are made, identify (1) the federal agency that is or will be providing assistance, (2) the amount of assistance that is provided or expected to be provided, and (3) the Assistance Number of the program that authorizes the Federal assistance.

6.9. PROTEST PROCEDURES

Upon receipt of a protest, the City Engineer shall review all submitted materials, create and retain a written record of the review, and respond in writing at least generally to each material issue raised in the protest no later than ten (10) business days after receipt of the protest. If the protest involves a procurement involving FTA funds, refer to Section 6.10.6 for specific FTA protest procedures.

If the solicitation is for goods or services that are expected to be funded, in whole or in part, with federal funds, the City Engineer shall promptly notify the appropriate federal agency of the receipt of a third-party contract protest, in accordance with the Common Grant Rule (49 CFR Part 18).

If the protest cannot be resolved by mutual agreement, or if the protesting bidder is not satisfied with the decision of the City Engineer, the protesting bidder shall have the right to appeal to the City Manager, in writing, within five (5) business days after notification of the decision.

If the protesting bidder is not satisfied with the decision of the City Engineer, except as otherwise provided below, the final level of appeal is with the City Council. The protesting bidder may appear at a City Council meeting to be heard by the Council. If the solicitation is for

goods or services that are expected to be funded, in whole or in part, with federal funds, the protesting bidder may have additional protest escalation options as outlined in the respective solicitation.

In general, the filing of a protest should cause the solicitation proceedings subject to protest to be halted until the appeal is resolved. In order to allow essential City functions to continue, the City may proceed with the solicitation or award of the contract, despite the protest, upon an adequate determination in writing by the City's Engineer that such action is necessary. It is expected that such determination will occur only in those few circumstances where it is necessary to protect a substantial interest of the City of Turlock.

In an effort to limit frivolous protests, protestors who file two (2) protests within twelve (12) calendar months, whose protests are not resolved in their favor, may be withheld from future bids or proposals

6.10. FTA-SPECIFIC REQUIREMENTS

6.10.1 Contract Scope

Guidance as to what is "within the scope" of a contract may be found in the FTA Best Practices Procurement Manual. "Tag-ons" are defined by FTA as additions to the scope of work or deliverable items that were not included in the original contract competition, and which must be treated as sole source additions to the contract. Tag-ons are not to be treated as changes within the scope of the contract.

6.10.2 A&E Procurement

Where the procurement is for A&E services, the selection process will not involve prices (in accordance with FTA regulations); however, for all other procurements, including non-A/E professional services, such as legal, medical, auditing, etc., price must be considered in the selection process in accordance with FTA regulations. (FTA Circular 4220.1F, Chapter VI, Section 3(f)(1)-(3))

6.10.3 Cost Analysis

The "Pricing Guide for FTA Grantees" will be used as guidance to perform the appropriate degree of cost or price analysis for FTA-funded contracts.

6.10.4 Piggy-Backing

Piggybacking-Exercising Options in Other Agency Contracts. The term "piggybacking" is often used to describe one transit agency's use of another transit agency's existing contract when the awarding agency's contract did not originally envision its use by the piggybacking agency. When another agency's contract has been identified for potential use by the City of Turlock, a number of FTA requirements must be met before the contract may be used. FTA requires that the existing contract contain an assignability clause and all required FTA contract clauses and certifications (Buy America, etc.). If the existing contract does not contain both an assignability clause and required contract clauses, it may not be used. This requirement differs from GSA and California state contracts, where FTA contract clauses may be added later with the first purchase order issued. In the case

of an existing agency contract, PTA contract clauses may not be added later. Additionally, the items being acquired by assigned contract rights must not cause the original contract quantities (including options) to be exceeded by the piggybacking action. The City of Turlock must also determine that a cost or price analysis was performed for the existing contract prices, including options, and then the City of Turlock will perform a price analysis to determine that the option prices are fair and reasonable. If the contract options were not evaluated as part of the original award, exercising those options after the contract award will result in a sole source award. In conclusion, the City of Turlock will determine that an existing contract meets all FTA requirements before using that contract and will document the file accordingly.

6.10.5 Advance Payments

The use of FTA funds for payments in advance of the incurrence of costs by the contractor is generally prohibited, without prior written approval from FTA. FTA does permit advance payments from FTA funds for those purchases where advance payment is customary in the commercial marketplace such as utility services, rents, and subscriptions. FTA approval of such advance payments is required when the amount exceeds \$100,000. City of Turlock should not make advance payments using other funds (including local match funds) except where (a) it is customary in the industry, or (b) there are sound business reasons (e.g., to enable a more cost-effective pricing structure) for doing so; in the latter case, the file shall be documented to fully justify the advance payment.

6.10.6 FTA Review of Protest

A protester must exhaust all administrative remedies with the City of Turlock before pursuing a protest with the FTA. Review of a protest by FTA will be limited to:

- City of Turlock's failure to have or follow its protest procedures, or its failure to review a complaint or protest; or
- Violations of Federal law or regulation.

Following any adverse decision by the City Council or the City Manager, the bidder may file a protest if there has been a violation related to the above. An appeal to FTA must be received by the U.S. Department of Transportation, Federal Transit Administration ("FTA"), Region 9 Office, San Francisco Federal Building, 90 7th Street, Suite 15-300, San Francisco, CA 94103, within five (5) working days of the date the protester learned or should have learned of an adverse decision by the City Council or the City Manager or other basis of appeal to FTA.

6.10.6.1 **Contents of Protest to FTA**

A bidder filing a protest with FTA must submit the protest in writing, via certified United States mail with a return receipt request, to the U. S. Department of Transportation, Federal Transit Administration ("FTA"), Region 9, San Francisco Federal Building, 90 7th Street, Suite 15-300, San Francisco, CA 94103. The protest must include:

- A. The name and address of the bidder;
- B. Identification of the grantee (City of Turlock), project number, and the number of the solicitation;
- C. A detailed and factual statement of the grounds for protest and any supporting documentation. The documentation submitted to FTA must be fully supported to the extent possible;
- D. A copy of the protest filed with the City of Turlock, and a copy of the City of Turlock decision, if any; and
- E. The desired relief, action or ruling from FTA.

FTA will not consider any data that was not submitted to the City. If new data becomes available after the exhaustion of administrative remedies with the City, that data should be submitted to the City with a request for reconsideration. If the request is denied or if the protester's administrative remedies with the City are again exhausted, the protester may then submit the new data to FTA. No formal briefs or other technical forms of pleading or motion are required, but a protest and other submission should be concise, logically arranged, and clear. Bid protests must be filed with FTA no later than five (5) days after the exhaustion of administrative remedies with the City is known or should have been known, whichever is earlier.

6.10.7 FTA Contract Period

The period of contract performance for rolling stock and replacement parts shall not exceed five years, inclusive of options, as defined in FTA C 4220. 1F. The length of all other contracts shall be based upon sound business judgment, including consideration of issues such as the nature of the item being purchased, the need to afford the contractor a reasonable opportunity to recapture any start-up costs, the need to afford competing vendors the opportunity to do business with the City, and the relative benefit to the City of a longer or shorter contract term.

6.10.8 Recovery Credited to Project

All delay damages recovered under an FTA funded contract will be credited to the project unless the FTA agrees otherwise.

6.11. CONTRACT PERIOD

All contracts must specify a contract period of performance, either in the form of delivery schedules for contract deliverables such as commodities, or a specific end date for service contracts.

6.12. NOTICE TO PROCEED

For Engineering contracts, upon receipt of the successful bidder's executed Agreement, sureties, and evidence of insurance, the City will issue a Notice to Proceed letter to the Contractor with a copy to the City's Project Coordinator.

SECTION 7 : FEDERAL REQUIREMENTS

7.1. APPLICABILITY

The City of Turlock utilizes federal funds to procure contracts in Public Works and in other areas of the City. All federally funded contracts must adhere to the procurement guidelines outlined in Title 2, Parts 200.317-200.326, Code of Federal Regulations. All contracts funded in whole or in part with federal funds must contain the provisions outlined in Title 2, Appendix II to Part 200, Code of Federal Regulations.

Additionally, Public Works contracts funded through the Federal Transit Agency (FTA) have additional requirements. FTA requirements are set forth in the FTA Master Agreement, which is published on the FTA web page as of October 1 of each year. The FTA Procurement Circular 4220.1F, Appendix D, contains guidance in the form of a contract clause matrix for various types of commodities and services being procured. The FTA Best Practices Procurement & Lessons Learned Manual ("BPPM"), Appendix A, contains instructions for the contract clauses required by FTA as shown in FTA Circular 4220.1F. The complete list of Federal contract clauses can be found within the Annual Comprehensive Review Contractor's Manual (FTA CORTAP Contractor's Manual).

7.2. PROCUREMENT VS. NONPROCUREMENT TRANSACTIONS

7.2.1 Contractor vs. Subrecipient Determination

To determine whether federal procurement (contractor) or nonprocurement (subrecipient) requirements apply, the requesting department should make a determination as to whether the activities outlined in the contract represent a contractor or subrecipient relationship. NOTE: Contracts may be used in either a procurement or nonprocurement transaction, therefore, the use of a contract document does not automatically preclude the transaction from representing a subrecipient relationship. (2 CFR 200.331)

7.2.2 Subrecipients

A subaward (nonprocurement transaction) is for the purpose of carrying out a portion of a federal award and creates a federal assistance relationship with the subrecipient. Characteristics which support the classification as a subrecipient include when the non-federal entity:

- Determines who is eligible to receive what federal assistance;
- Has its performance measured in relation to whether objectives of a federal program were met;
- Has responsibility for programmatic decision-making;
- Is responsible for adherence to applicable federal program requirements specified in the federal award; and
- Uses the federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

Examples of a subrecipient agreement include agreements with non-profit entities for

activities such as residential rehabilitation and economic development under the CDBG program.

7.2.3 Contractors

A contractor (procurement transaction) is for the purpose of obtaining goods and services for the City's own use and creates a procurement relationship with the contractor. Characteristics indicative of a procurement relationship between the non-Federal entity and a contractor are when the contractor:

- Provides the goods and services within normal business operations;
- Provides similar goods or services to many different purchasers;
- Normally operates in a competitive environment;
- Provides goods or services that are ancillary to the operation of the Federal program; and
- Is not subject to compliance requirements of the federal program as a result of the agreement.

Examples of a contractor relationship include virtually all agreements with for-profit entities.

7.2.4 Use of Judgment

In determining whether an agreement between the City and an entity casts that entity as either a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement. All of the characteristics of a subrecipient or a contractor may not be present and the City must use judgment in classifying each agreement as a subaward or procurement contract.

As the resulting requirements for procurement and nonprocurement transactions vary significantly and the determination of the nature of the relationship is subject to judgment, Purchasing maintains a Contractor vs. Subrecipient Determination Checklist. Requesting departments should prepare this Checklist and maintain it in the contract file to document their determination for each agreement. The use of this Checklist helps ensure the appropriateness of the determination and prevents questions upon post-audit on the application of the correct requirements.

7.3. SUBRECIPIENT REQUIREMENTS

7.3.1 Agreements

The applicable department should ensure that all contracts/agreements with subrecipients clearly identifies that the agreement represents a subaward and includes the following information: (2 CFR 200.332)

- Federal award identification
 - Subrecipient name;
 - Subrecipient's unique entity identifier;
 - Federal Award Identification Number (FAIN);
 - Federal Award Date;
 - Subaward Period of Performance Start and End Date;

- Subaward Budget Period Start and End Date;
- Amount of Federal Funds Obligated by this action;
- Total Amount of Federal Funds Obligated to the subrecipient by the City;
- Total Amount of the Federal Award committed to the subrecipient by the City;
- Federal award project description;
- Name of Federal awarding agency, pass-through entity, and contact information for the City's awarding official;
- Assistance Listings number and title;
- Identification of whether the award is research and development (R&D); and
- Indirect cost rate for the Federal award, including if the de minimis rate is charged.
- All requirements imposed by the City on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations, and the terms and conditions of the Federal award;
- Any additional requirements that the City imposes on the subrecipient in order for the City to meet its own responsibility to the awarding agency including identification of any required financial and performance reports;
- A requirement that the subrecipient permit the City and auditors to have access to the subrecipient's records and financial statements as necessary; and
- Appropriate terms and conditions concerning closeout of the subaward.

7.3.2 Suspension and Debarment

The City must ensure that all subawards to subrecipients are made to entities that have not been suspended or debarred. The City must verify that the entity is not suspended or debarred or otherwise excluded from participating in the transaction. The verification can be accomplished by (1) checking the System for Award Management Exclusions available at SAM.gov (click on Search Record, then click on Advanced Search-Exclusions), (2) collecting a certification from the entity, or (3) adding a clause or condition to the transaction with that entity. Prior to contracting with an entity, staff will check SAM.gov to verify the entity is not suspended or debarred or otherwise excluded. The verification is saved electronically, ensuring that it includes the date and time of the verification.

7.3.3 Monitoring

The City is required to monitor all subrecipients in accordance with the requirements of 2 CFR 200.332(b)-(h). This monitoring should include a risk assessment and a monitoring plan detailing monitoring activities to be performed based on the risk assessment.

7.4. PROCUREMENT REQUIREMENTS

The requirements and the procedures outlined below apply to all City contracts funded in whole or in part with federal funds. This is not intended to be an exhaustive list of all requirements when entering into contracts funded with federal funds. The requesting department should refer to the resources noted in Section 7.1 to ensure compliance with all key requirements.

7.4.1 General Standards

The City must have and use its documented procurement procedures for the acquisition

of property or services required under a Federal award or subaward. (2 CFR 200.318(a))

7.4.2 Full and Open Competition

All procurement transactions over \$10,000 will be awarded competitively, without providing an unfair competitive advantage to any potential vendor. Some of the situations considered to be restrictive of competition include, but are not limited to: (2 CFR 200.319)

- 7.4.2.1 Unreasonable requirements placed on firms in order for them to qualify to do business.
- 7.4.2.2 Unnecessary or excessive experience, excessive bonding, insurance, warranty or similar requirements which affect an otherwise qualified firm's ability to compete. Such requirements must also, however, be established in a manner consistent with the protection of the City's interests.
- 7.4.2.3 Noncompetitive pricing practices between firms or between affiliated companies.
- 7.4.2.4 Noncompetitive awards to any person or firm on retainer contracts.
- 7.4.2.5 Organizational conflicts of interest. An organizational conflict of interest exists where other activities, relationships, or contracts of a contractor inhibit, affect, or prevent the contractor from rendering impartial assistance or advice to City of Turlock; a contractor's objectivity in performing the contract work is or might be otherwise impaired (e.g., a contractor assisting with a design might have a financial interest in a product or system that could be utilized in implementing that design); or a contractor has an unfair competitive advantage which might be gained through its involvement in writing, or reviewing the solicitation and contract documents, including the scope or specification except as part of a general industry review.
- 7.4.2.6 Specifying only a "brand name" product, without specifying that equivalent products will be accepted and providing salient characteristics or other descriptive information sufficient to allow bidders to identify and propose such equivalent products.
- 7.4.2.7 The use of specification requirements and evaluation criteria that unnecessarily favor an incumbent contractor.
- 7.4.2.8 Any arbitrary action in the procurement process.

7.4.3 Geographic Preferences

Procurement transactions using Federal funds will be conducted in a manner that prohibits the use of in-state or local geographical preferences in the solicitation and evaluation of bids or proposals, except in those cases where applicable Federal statutes or regulations expressly mandate or permit geographic preference. This does not preempt State or local licensing laws. However, geographic location may be a selection criterion in procurements for architectural and engineering (A&E) services, provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

7.4.4 Suspension and Debarment

The City is prohibited from contracting with parties under covered transactions that are suspended or debarred. Covered transactions include contracts for goods and services that are expected to equal or exceed \$25,000. The City must verify that the entity is not suspended or debarred or otherwise excluded from participating in the transaction. The verification can be accomplished by (1) checking the System for Award Management Exclusions available at SAM.gov (click on Search Record, then click on Advanced Search-Exclusions), (2) collecting a certification from the entity, or (3) adding a clause or condition to the transaction with that entity. Prior to contracting with an entity, the staff will check SAM.gov to verify the entity is not suspended or debarred or otherwise excluded. The verification is saved electronically, ensuring that it includes the date and time of the verification.

7.5. PUBLIC WORKS PROJECT REQUIREMENTS

7.5.1 Build America, Buy America Act

The City must comply with the Build America, Buy America (BABA) requirements for all federal awards related to infrastructure projects if the award terms and conditions require compliance. These requirements include incorporating a Buy America preference in the terms and conditions of each award with an infrastructure project. The Act requires the following preference:

- All iron and steel used in the project are produced in the United States;
- All manufactured products used in the project are produced in the United States; and
- All construction materials are manufactured in the United States.

However, Federal agencies may waive this preference. For example, the Federal Transit Administration (FTA) waives the BABA requirements from all purchases of \$150,000 or less. The requesting department should ensure that, if required by the award documents and not waived by the applicable federal agency, the BABA preference is included in procurement documents. A listing of waivers by agency may be obtained at: <https://www.madeinamerica.gov/waivers/financial-assistance>.

7.5.2 Cost Principles

The Federal Acquisition Regulation Part 31 cost principles will be incorporated by reference in all contracts where allowable costs must be determined for payment (e.g., all cost reimbursement contracts), and for negotiating all fixed price contracts and modifications where costs are estimated by the contractor and then negotiated for purposes of establishing a contract price.

7.6. MINORITY, DISADVANTAGED, AND WOMEN-OWNED BUSINESS UTILIZATION

7.6.1 Policy

It is the policy of the City of Turlock that business concerns owned and controlled by women and/or socially and economically disadvantaged individuals shall have equal and maximum practicable opportunity to participate in the City's purchasing program when funded in whole or in part by federal funds. (2 CFR 200.321)

7.6.2 Definitions

- 7.6.2.1 Small Business – Those businesses that fall in the category of small by the Small Business Administration.
- 7.6.2.2 Minority Business Enterprise (MBE) – An independent and continuing business or profit, which performs a commercially useful function, and which is owned and controlled by one or more minority group members. For purpose of this definition, minority group members include, but not limited to, Black Americans, Hispanic Americans, Native Americans (including American Indians, Eskimos, Aleutians and Native Hawaiians) and Asian-Pacific Americans (including persons whose origins are from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the United States, Trust Territories of the Pacific, Northern Marianas, Laos, Cambodia and Taiwan).
- 7.6.2.3 Women-Owned Business Enterprise (WBE) – An independent and continuing business for profit, which performs a commercially useful function, and which is owned and controlled by one or more women.
- 7.6.2.4 Disadvantaged Business Enterprise (DBE) - A small business concern which is (a) at least fifty-one percent (51%) owned by one or more socially and economically disadvantaged individuals, or in the case of any publicly owned business, at least fifty-one percent (51%) of the stock of which is owned by one or more socially and economically disadvantaged individuals; and (b) whose management and daily business operations are controlled by one or more socially and economically disadvantaged individuals who own it. Socially and economically disadvantaged individuals include MBE's, WBE's and any other minorities or individuals found to be disadvantaged by the Small Business Administration pursuant to Section 8(a) of the Small Business Act.
- 7.6.2.5 Handicapped-Owned Business Enterprise (HBE) – An independent and continuing business for profit, which performs a commercially useful function, and which is owned and controlled by one or more disabled individuals pursuant to the federal ADA Act.

7.6.3 Good Faith Effort

The City of Turlock expects all general contractors to solicit minority, disadvantaged and women-owned business firms as subcontractors and materials suppliers. All general contractors should make a good faith effort to work with the City to fulfill our joint commitment to these business enterprises. Only through this combined effort can we create a business climate favorable to all citizens of the City of Turlock.

7.6.4 Minority Determination

For purposes of determining whether a business is a Minority-Owned Business Enterprise, Disadvantaged-Owned Business Enterprise or a Women-Owned Business Enterprise, the minority or minorities, the woman or women, or a combination of minorities and women as the context requires shall (1) possess legal authority and power to manage business assets, good will and daily operation of the business, and (2) actively and continuously exercise such authority and power in determining the policies and directing the daily operations.

7.6.5 General Requirements

City Contract Administrator and City Purchasing Division staff will:

- Provide all qualified DBE's an opportunity to bid on any City contract.
- Provide one-on-one counseling to DBE's with respect to obtaining bid bonds and performance bonds.
- Advertise all upcoming contracts in minority publications.
- Take a leadership role in interacting with organizations that promote minority business development such as the Hispanic Chamber of Commerce and the Small Business Development Center.
- Hold special events to acquaint DBE's with City purchasing procedures and upcoming opportunities.
- Coordinate pre-bid conferences to include general contractors and subcontractors at the same time so as to provide opportunities for minority, women and handicapped business owners to meet general contractors.

7.7.DISADVANTAGED BUSINESS ENTERPRISES (DBE)

7.7.1 Policy Statement

It is the policy of the City of Turlock to utilize Disadvantaged Business Enterprises (DBE's) and firms as defined in 49 CFR Part 23 in all aspects of contracting, to the maximum extent possible. This policy, which is fully described herein, constitutes policy and commitment to substantially increase DBE utilization in all program activities funded wholly or in part by the U.S. Department of Transportation.

The City, its contractors and subcontractors, which are the recipients of Federal-aid funds, agree to ensure DBE firms have the maximum opportunity to participate in the performance of contracts and subcontracts. In this regard, this Agency and all of its contractors and subcontractors will take all reasonable steps in accordance with 49 CFR Part 23 to ensure that DBE firms have the maximum opportunity to compete for and perform contracts.

7.7.2 Disadvantaged Business Enterprise Liaison Officer

7.7.2.1 The City Manager will appoint the DBE Liaison Officer(s). The DBE Liaison Officer(s) shall be assigned such staff as necessary to fully implement the provisions of 49 CFR Part 23 and such other DBE programs as may be required.

7.7.2.2 The DBE Liaison Officer shall develop, manage and implement the DBE Program

on a day-to-day basis. The Liaison Officer shall:

- Develop and carry out technical assistance programs for DBE's.
- Arrange solicitations, time for the presentation of bids, quantities, specifications and delivery schedules so as to facilitate the participation of DBE's. Where such changes are found necessary to increase DBE utilization, they will be made in consultation and cooperation with the functional unit involved.
- Provide guidance to DBE's in overcoming barriers such as inability to obtain bonding or financing.
- Carry out information and communication programs on contracting opportunities in timely manner. Programs shall be bilingual where applicable.
- Investigate the services offered by banks owned and controlled by DBE's.
- Listing of certified DBE's are to be made available to all project bidders. Such listing will include the following information: Name, address, telephone number, DBE classification and type of work performed by the firm.
- Prior to approval of the substitution of any DBE subcontractor for any given project, the prime contractors will be required to provide and prove good faith effort to replace the DBE with another eligible DBE.
- Establish a DBE overall annual goal. The goal shall be evaluated annually and adjusted as necessary.
- Establish an appropriate individual project DBE goal for each Federal Aid Project advertised.
- Perform good faith analysis when the project goal is not achieved.
- Maintain such documentation as is necessary to verify performance of all activities included in this program.

7.7.3 Public Notification

Public notification shall include published notice in both a minority and majority local media and shall include the following information:

- Annual overall DBE goal.
- Notification that a description of how the goal was set is available for public inspection for a period of thirty (30) days.
- Notification that both the U.S. DOT and the City of Turlock will accept comments on the goal for 45 days from the date of the notice. The notice shall advise interested parties that comments are for information purposes only.

The program will be reaffirmed annually, by public notice, at the time of the publication of the overall goal. If substantial changes are made to this document, the entire document shall be subject to notification as noted above. In addition to the foregoing, interested DBE and majority contractor organizations will receive direct mailings of this complete program.

7.7.4 Establishment of Goal

The DBE goal will be established both annually (overall) and on a per contract basis. The overall goal will be based on planned contract activity for the coming year. The overall

goal established will be subject to methodology and procedures established in 49 CFR Part 23, Subparts (C) and (D) and takes effect on October 1st of each year.

The overall DBE goal established with this program is 10%. Individual project goals will be established based on the following criteria:

- Attainment of established overall goals.
- Size of the project.
- Opportunities for DBEs as subcontractors, vendors and suppliers.
- Minority population of the geographic area in which the work is to be performed.
- DBE goals being utilized in the geographic area by other State, Federal, or local jurisdictions.
- Availability of certified DBEs.
- Past experience on projects similar to the project being evaluated.
- Such other factors as may affect the utilization of DBEs.

Projects that do not contain a specific goal will contain the following provisions:

- **Policy.** It is the policy of the Department of Transportation that Disadvantaged Business Enterprises as defined in 40 CFR Part 23 shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with Federal funds provided by the USDOT.
- **DBE Obligation.** The recipient or its contractor agrees to ensure that Disadvantaged Business Enterprises, as defined in 49 CFR Part 23, have the maximum opportunity to participate in the performance of contracts and subcontracts financed in whole or in part with Federal funds provided under this agreement. In this regard, all recipients or contractors shall take all necessary and reasonable steps in accordance with 49 CFR Part 23 to ensure that Disadvantaged Business Enterprises have the maximum opportunity to compete for and perform contracts. Recipients and their contractors shall not discriminate on the basis of race, color, national origin, ancestry, religion handicap or gender in the award or performance of U.S. DOT-assisted contracts.

7.7.5 Contract Procedure

These procedures require bidders to submit the names of DBE subcontractors and suppliers, a description of the work each is to perform or material to be furnished, and the dollar value of each DBE sub activity.

7.7.6 DBE Notification

Projects will be advertised in local newspapers and minority-focus newspapers when possible. These ads will include reference to DBE requirements and will indicate the DBE project goal. DBE supportive service assistance centers will receive notification of projects scheduled to be advertised. Such centers will be afforded the opportunity to receive complementary plans and specifications for projects within their geographical area of responsibility.

7.7.7 Selection Criteria for Projects with DBE Goals

Every project containing a DBE goal shall be evaluated by the DBE Liaison Officer or

his/her designee to ascertain the bidding contractor's efforts to attain the DBE goal. The award of any project must be concurred by the DBE Liaison Officer or his/her designee before said contract may be awarded. Should there be a disagreement between functional units concerning the contractor's efforts to attain contract goals for DBE participation, the matter shall be referred to the City Manager or his/her designee, for final determination. Competitors that fail to meet the DBE goal and fail to demonstrate sufficient reasonable good faith efforts shall be declared non-responsive and ineligible for award of the contract.

All contracts that contain a DBE goal, pursuant to this policy, will be monitored on an ongoing basis by City project personnel during the course of construction. The DBE Liaison Officer is to be immediately advised of any circumstances wherein contractor compliance with the DBE provision of the contract is questionable. The contractor shall submit a final report for each project that includes total payments to the prime contractor, as well as any payments the prime contractor has made to DBE subcontractors, vendors, and suppliers. If the report indicates the prime contractor has not achieved the project goal, project personnel shall attach an evaluation in narrative form, of the reasons for failure to attain the goal and any corrective action that was taken. Prime contractors will be required to notify the Agency of any situation in which regularly scheduled progress payments are not made to DBE subcontractors, vendors, or suppliers.

7.7.8 Counting DBE Participants

This City, its contractors and subcontractors shall count DBE participation in accordance with the provisions of Section 23.47, Title 49, of the Code of Federal Regulations.

7.7.9 Records and Reports

The DBE Liaison Officer shall maintain such records, and provide such reports as are necessary to ensure full compliance with this policy. Such records and reports shall include, as a minimum, the following information:

- Awards to DBE's.
- Awards to majority contractors.
- Final project reports concerning DBE Utilization.
- Such other data as is needed to fully evaluate compliance with this program.

The DBE Liaison Officer shall submit reports to the California Department of Transportation or U.S. DOT element as required. These reports will include:

- Number and dollar value of contracts awarded.
- Number and dollar value of contracts and subcontracts awarded to DBE's.
- The percentage of the dollar value of all contracts awarded during the year which were awarded to DBE's.

Reports shall be broken down separately by ethnic grouping.

7.7.10 Complaints

Any complaints received by the City of Turlock concerning this program will be investigated. The City shall endeavor to resolve said complaints within ninety (90) days of receipt of the complaint by the DBE Liaison Officer. The appropriate U.S. DOT element

will be furnished a copy of the complaint and may be invited to participate in the investigation/resolution of the complaint. The U.S. DOT will receive a complete investigative report on the complaint and may be requested to concur in the proposed disposition of said complaint. The contractor will be directed to notify the City of any complaints they may receive concerning this program.

7.7.11 Summary of Significant Regulations

The table below summarizes some of the more significant regulations related to public works projects:

Clause	Threshold	Citation
Bonding (a) A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified. (b) A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor’s obligations under such contract. (c) A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided in the contract.	For construction or facility improvement contract or subcontract exceeding the Federal Simplified Acquisition Threshold, the Federal awarding agency or pass through entity may accept the bonding policy and requirements for the non-Federal entity provided that the Federal awarding agency or pass through entity has made a determination that the Federal interest is adequately protected.	2 CFR 200.326
The bidder’s security shall be in an amount equal to at least 10 percent of the amount bid. A bid shall not be considered unless one of the forms		PCC Section 20171, 20483

Clause	Threshold	Citation
of bidder's security is enclosed with it.		
The faithful performance of the contract shall be secured by not less than 25 percent of the contract price. The contractor shall also furnish a labor and material bond as required by law in a sum not less than 50 percent of the contract price.		PCC Section 20483
Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for sanctions and penalties as appropriate.	For procurement over the Federal Simplified Acquisition threshold	Appendix II to Part 200
Termination for cause and for convenience including the manner by which it will be affected at the basis for settlement.	For procurement over \$10,000	Appendix II to Part 200
Equal Employment Opportunity	All contracts that meet the definition of the "federally assisted construction contract" in 41 CFR Part 60-1.3	Appendix II to Part 200
Davis- Bacon Act	All prime construction contracts in excess of \$2,000	Appendix II to Part 200
Contract Work Hours and Safety Standard Act	All contracts in excess of \$100,000 that involve the employment of mechanics or laborers	Appendix II to Part 200
Rights to Inventions Made Under a Contract or Agreement	Contracts that meet the definition of "funding agreement" under 37 CFR 401 Part 2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organizations regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement", the recipient or sub recipient must comply with the requirements of 37 CFR Part 401, rights to inventions made by nonprofit organization and small business firms under government grant, contract and cooperative agreement.	Appendix II to Part 200

Clause	Threshold	Citation
Clean Air Act (42 U.S.C. 7401-7671q.) and Federal Water Pollution Control Act (33 U.S.C. 1251-1381)	Contracts in excess of \$150,000	Appendix II to Part 200
Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)	Contracts in excess of \$100,000	Appendix II to Part 200
6002 of the Solid Waste Disposal Act When procuring only items designated in guidelines of the Environmental Protection Agency EPA at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable consistent with maintaining A satisfactory level of competition. Procuring solid waste management services in a manner that maximizes energy and resource recovery and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines	For a non-Federal entity that is a state agency or agency of a political subdivision of a state, a contract with a purchase price that exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000.	2 CFR 200.323
Notice to FTA and U.S. DOT Inspector General of information related to fraud, waste, abuse, or other legal matters.	Applies to all contracts at all tiers expected to equal or exceed \$25,000. The recipient must require a prime contractor to flow down the requirement to subcontractors.	FTA master agreement 39B note: this requirement only applies to procurements awarded after October 2018. See the master agreements at FTA Grant Agreements FTA (dot.gov) .
Prohibition of certain telecommunications and video surveillance services or equipment.	All contracts made by the non-Federal entity under the federal award.	2 CFR 200. 216
Domestic preferences for procurements.	To the greatest extent practicable and consistent with law, provide a preference for the purchase, acquisition, or use of goods, products or materials produced in the United States.	2 CFR 200.322

SECTION 8 : CONTRACTS

8.1.APPLICABILITY

8.1.1 Sound and Complete Agreement

All contracts shall include provisions to define a sound and complete agreement, appropriate to the type and complexity of the project. At a minimum, these include a well-defined statement of work or specification, a defined contract term, a clear statement of the price and payment terms, and all applicable clauses required by federal, state, or local laws and regulations. Contracts will not contain so-called "un-priced options," either for extending services or for additional items. All purchase orders and contracts will be drafted by the City and contain standard terms and conditions.

8.2.GENERAL REQUIREMENTS

8.2.1 Retroactive Contracts

No City contract shall be commenced prior to approval by the City Manager or the City Council. Contractors and vendors shall be advised by the responsible department head that performance under the contract may not commence prior to such approval. No payment shall be made prior to this approval. Any variation of this policy must be justified in writing to the Purchasing Officer.

8.2.2 Contract Periods

Multiple-year contracts must include provisions for early termination and must be contingent upon available funding.

Unless exempted by the City Manager, no contract shall extend, either by original contract or by renewals or amendments, for more than a total period of five (5) years (60 months) unless there is a distinct and particular advantage to the City to contract for longer periods of time.

8.2.3 Compensation for Contracts

8.2.3.1 Compensation Methods

- A. Lump sum or fixed price: Utilized when the contract is for a given result and the City is not concerned with the cost incurred by the contractor, but with the end product.
- B. Hourly rate plus cost reimbursement, with a ceiling on that total project or contract amount. This method may also be used for a contract with a given result. In this case the contractor agrees to charge only for the hours utilized at an agreed rate of compensation and reimbursement of costs.
- C. Monthly compensation for those contractors whose services are rendered generally not less than forty (40) hours per week and no longer than a one-year period.

8.2.3.2 Payment Terms

All contracts should contain payment terms addressing the following:

- A. The rates of compensation to be paid to the contractor. There are no set rates for paying contracts. Amounts to be paid depend upon the complexity and difficulty of the project, the going rate for similar work, and the qualifications and reputation of the individual or firm being awarded the contract. The rates of compensation included in the contract should agree with the rates listed in the bid or proposal submitted.
- B. Independent contractors are responsible for bearing all costs incidental to the performance of their services to the City.
- C. Any other expenses shall be clearly and specifically set forth in the contract.
- D. Progress payments shall be avoided whenever possible and especially on contracts less than three (3) months in duration. If it is essential that progress payments be made, they shall not be made more frequently than monthly in arrears or at clearly identifiable stages of progress based upon written progress reports submitted with the Contractor's invoices. In the aggregate, progress payments shall not exceed ninety percent (90%) of the total amount of the contract. Progress or other payments shall always be based on at least equivalent services rendered and not made in advance of service rendered, unless otherwise negotiated.
- E. While advance payments by the City are legally permitted, such payments are discouraged and should only be made when absolutely necessary. Contracts or agreements containing provisions for advance payment by the City shall provide for small, periodic payments that are tied to deliverable goods or services, rather than total contract price or lump sum advances.

8.3. CONTRACT PREPARATION AND PROCESSING

8.3.1 Negotiation

Once the prospective vendor has been identified, it is up to the requesting department, with assistance from Purchasing, to negotiate a contract. The requesting department should draft the contract, with assistance from Purchasing and the City Attorney. It is critical to involve all departments that may be affected by the particular contract in the negotiations as soon as possible.

8.3.2 Contract Drafting

City Attorney has developed template agreements for suppliers, professional services, public works improvement projects, and service providers with prevailing wage language, when applicable. The requesting department should obtain the appropriate template and add information from the successful proposal to complete the contract.

8.3.3 Contract Processing

- 8.3.3.1 The Requesting department completes the contract and obtains the vendor's signature on the contract.
- 8.3.3.2 Once the vendor has signed the contract, the department will fill out a Contract Routing Sheet that identifies pertinent contract information and the approvals required. The contract is then routed through Finance for review and to the City Manager for signature if the contract is within the signing authority.
- 8.3.3.3 If the contract requires Council approval, once the vendor has signed the contract, it is returned to the department for processing and presentation to the Council. The department will fill out a Contract Routing Sheet that identifies pertinent contract information and the approvals required.
- 8.3.3.4 The department will provide the City Clerk's Office with the Contract Routing Sheet, the required number of copies of the contract, and identify the signatures required. If the City Council approves the contract, the information provided will allow the Council and City Attorney to fully execute the contract at the Council meeting.

SECTION 9 : CONTRACT ADMINISTRATION

9.1. APPLICABILITY

9.1.1 Contract Administration

Contract administration is the post-award administration of the contract to ensure compliance with the terms of the contract by both the contractor and City of Turlock. Every type of contract will have different contract administration actions and the documentation required to support that administration will differ as well. Supply contracts have different specific administrative actions than construction contracts do, just as fixed price contracts are administered differently than cost-reimbursement contracts.

9.1.2 Contract Monitoring

Contract monitoring allows the City to diagnose problems that may lead to work change orders, schedule delays, cost overruns, or unacceptable product quality. In order to guard against these problems, the requesting department will designate a Contract Administrator, establish administrative controls, monitor work progress regularly, and establish cost controls.

9.1.3 Contract Administrator

The requesting department head will assign responsibility for each contract. This individual will be the single contact person and be responsible for:

- Coordinating the flow of information between the contractor and the City.
- Responding to requests made by the contractor.
- Monitoring the procurement progress against the work scheduled.
- Coordinating the delivery of data or services to the contractor.
- Approving all contract deliverables.

The Contract Administrator should have a technical background to promptly diagnose problems in the development, testing, implementation, and operation of the product or service.

9.1.4 Administrative Controls

The Contract Administrator and the contractor's project manager shall hold a kick-off meeting or separately discuss the rights, obligations, and responsibilities of both parties soon after the contract is signed. During this review, they should discuss all issues that were difficult to settle, if any, since these issues are the most likely points for future disagreement. The Contract Administrator should review the following:

- Communication channels between the City and the contractor, designating

specific personnel by name, title, responsibility, address, and telephone number. This should include the designation of personnel who should be contacted in the event problems arise.

- Major milestones, including the due dates for all contract deliverables and the provision of all property, material, and manpower by the City to the contractor.
- Administrative and technical requirements for reporting work progress.
- Administrative requirements for reporting expenses and procedures for progress payments or other financial arrangements.
- Administrative and technical procedures for inspecting and accepting contract deliverables.
- Administrative procedures for authorizing modifications to the contract.

9.1.5 Work Progress

9.1.5.1 Written progress reports are an effective tool for the Contract Administrator to maintain control over the project and should be required from the contractor. The frequency of the progress reports should be based on the terms of the contract. Shorter-term contracts may require biweekly progress reports, whereas long-term contracts may require monthly reports.

9.1.5.2 The progress reports should describe:

- Actual progress during the current reporting period;
- Deviations from planned progress;
- Problems anticipated in the next reporting period.

9.1.6 Cost Controls

Cost controls are another means of determining whether the procurement is proceeding as planned. Cost controls warn the Contract Administrator of any problems the contractor may have in completing the required work within the contractual cost limits by showing the relationships between actual and expected costs. Cost controls can also be used with cost-reimbursement contracts as a means of noting deviation from target costs. The Contract Administrator can then suggest actions that will reduce costs and future deviations.

Cost control is maintained by requiring the contractor to submit a cost plan and a cost status report with the written progress report.

- A cost plan is a task-by-task budget of direct labor costs, fringe benefits, overhead, direct materials, direct services, and other expenses, as well as general and administrative costs.
- A cost status report provides information using the same cost elements found in the cost plan. The cost status report is used to update the City on actual costs, cumulative costs-to-date, and variances between actual and planned costs.

9.1.7 Invoice Review and Approval

9.1.7.1 Upon receipt of an invoice from a contractor, the Contract Administrator should review the invoice for accuracy before submitting it to the Finance Department in an accounts payable batch for payment. The review should include verifying:

- Compliance with contract terms and conditions,
- Mathematical accuracy,
- Goods and services were received, and
- Any applicable discounts were applied.

9.1.7.2 Any discrepancies in the contractor's invoice should be promptly resolved by the Contract Administrator.

9.1.7.3 The Contract Administrator should sign or obtain the authorized signature and date the invoice denoting their approval and forward the invoice to the staff member paying the invoice.

9.1.8 Inspection of Plant and Audit of Records

9.1.8.1 When applicable, the contract administrator should prepare a plan establishing a schedule for inspecting the plant or place of business of the contractor or any subcontractor that is related to the performance of the contract.

- The schedule should provide for both announced and unannounced visits.
- The frequency of the visits should be determined by the contract administrator based on the nature of the contract and the risks to the City if the goods or services received are defective. At a minimum, a site visit should be conducted within the first month after contract execution.

9.1.8.2 The contract administrator should perform audits of the contractor's records when invoices are based on the units provided or the contractor's actual costs (e.g., cost reimbursement and time and materials contracts).

- The nature and extent of the review should be based on the materiality of the amounts invoiced.
- Audits involve more extensive procedures than the monthly invoice approval process. When auditing a contractor's records, the contract administrator should select invoices for testing and trace the amounts on the invoices through the contractor's records to the original documentation. For example, contractor time on the invoice may be checked to the contractor's time reports, and then, for a sample of employees, their time should be checked back to their timesheets.
- Payments should be subsequently adjusted for any errors noted during an audit. Additionally, if significant errors are noted, the contract administrator should work with the Purchasing Officer or City Engineer on whether additional actions, up to and including contract termination are required.

9.1.9 Contract Administration Files - Procurement

The City shall maintain records detailing the history of a procurement in a manner consistent with the size, complexity, and cost of the contract. Purchase orders and contract files will be kept in storage for 10 years from the date of final payment. At a minimum, these records shall include: (2 CFR 200.318(i))

9.1.9.1 The rationale for the method of the procurement,

9.1.9.2 Selection of the contract type,

- 9.1.9.3 Reasons for each contractor's selection or rejection, and
- 9.1.9.4 The basis for the contract price.

9.1.10 Contract Files – Post-Award

For all contracts above the micro-purchase level, the awarding department will ensure that the contract file includes the following, as applicable:

- 9.1.10.1 The executed contract
- 9.1.10.2 Performance and payment bonds, bond-related documentation, and correspondence with any sureties;
- 9.1.10.3 Contract-required insurance documentation;
- 9.1.10.4 Post-award (pre-performance) correspondence from or to the contractor or other Governmental agencies;
- 9.1.10.5 Notice to proceed;
- 9.1.10.6 Approvals or disapprovals of contract submittals required by the contract and requests for waivers or deviations from contractual requirements;
- 9.1.10.7 Modifications/changes to the contract including the rationale for the change, change orders issued, and documentation reflecting any time and or increases to or decreases from the contract price as a result of those modifications;
- 9.1.10.8 Memos/Letters/Reports including field reports, meeting notes, correspondence, and progress reports.
- 9.1.10.9 Documentation related to any inspections of the contractor's plant or audit of the contractor's records;
- 9.1.10.10 Documentation regarding settlement of claims and disputes including, as appropriate, results of audit and legal reviews of the claims and approval by the proper City, State, or Federal official (i.e., FTA, City Council, City Manager) of the settlement amount;
- 9.1.10.11 Documentation regarding stop work and suspension of work orders and termination actions (convenience as well as default); and
- 9.1.10.12 Documentation relating to contract close-out.
- 9.1.10.13 Executed Resolution when applicable
- 9.1.10.14 Staff report when applicable
- 9.1.10.15 Hard copies need to be sent to the City Clerk to file in the vault.

SECTION 10 : SPECIAL PURCHASING PROCEDURES

10.1. APPLICABILITY

This section includes information regarding the procurement of specific items that have unique restrictions or requirements.

10.2. INFORMATION TECHNOLOGY

10.2.1 Information Technology (IT)

IT means equipment, hardware, software, firmware, programs, systems, networks, infrastructure, media, and related material used to automatically, electronically, and wirelessly collect, receive, access, transmit, display, store, record, retrieve, analyze, evaluate, process, classify, manipulate, manage, assimilate, control, communicate, exchange, convert, converge, interface, switch, or disseminate information of any kind or form. All acquisitions of information technology require close coordination as well as approval from the Information Technology Department. IT approval will be documented through a Help Desk ticket.

10.2.1.1 The user/requestor should determine the need and type of equipment or software required. IT Department staff are available for technical consultation and assistance if required.

10.2.1.2 The user/requestor may submit the acquisition request to IT one of three ways. The requestor may email the Help Desk at HelpDesk@turlock.ca.us, call Ext. 4321 and leave a voicemail, or create an IT Request through the Turlock City Intranet.

10.2.1.3 IT Department staff will work with the requestor department to determine the most appropriate method of procurement and initiate the procurement or assist with the process, depending on the nature of the items or services being requested. If the department will be proceeding with the purchase, the IT department approval documentation will need to be included on the purchase order.

10.3. MOTOR VEHICLES

Vehicles are crucial to many City operations. Consequently, the development of specifications for vehicles should take into consideration the function(s) for which the vehicle will be operated; the acquisition process; operating and maintenance costs; and other relevant factors.

10.3.1 Utilization of Contract

10.3.1.1 The Fleet Division will develop specifications with the requesting department for all vehicle purchases.

10.3.1.2 The following two-step review process is implemented through; first determining the operational need (qualitative) and second a cost benefit analysis (quantitative):

- a. The operational need or qualitative assessment ensures that the vehicle or equipment is needed, that the vehicle being purchased is optimized to meet the operational needs of the customer department, and that the vehicle being purchased is the right size/class of vehicle to purchase.
- b. The cost benefit or quantitative analysis compares potential vehicles in terms of initial cost, lifetime fuel cost, environmental impact, maintenance cost, depreciation, and resale value.

Public Safety vehicles being utilized for emergency response shall be selected at the discretion of the Department Chief.

10.3.1.3 Vehicles should generally be acquired through a competitive process; which may be accomplished by utilizing a cooperative agreement or by contract piggyback in order to streamline the procurement processes.

10.3.1.4 When vehicles are not available for purchase through a cooperative agreement, piggyback contracts, or sole source procurement but are deemed necessary by the Fleet Manager, a recommendation will be made to the City Manager for approval to procure a vehicle(s) through other sources (ex. auctions, dealerships, etc.) if a budgeted appropriation exists. The purchase shall not require the City Council's approval prior to the purchase unless the purchase amount exceeds the City Manager's approval threshold, which it must then be reported at the next City Council meeting.

The following procedures and requirements must be followed to purchase a vehicle from a dealership. The Fleet Division will develop specifications based on the user department's needs. The Fleet Division may solicit at least three (3) written quotes utilizing informal procurement procedures; an attempt will be made to solicit from local vendors. A thorough inspection of each vehicle under consideration will be performed by Fleet Division staff, who will make recommendation for purchase. Once the purchase order has been created and approved, Fleet will arrange for transportation to the city, ensure vehicle registration is complete and submit sale documentation to the Accounting Division in a timely manner. If necessary, the Department making the purchase will prepare the council item.

10.4. BLANKET PURCHASE ORDERS

10.4.1 Use of Blanket Purchase Orders

Blanket purchase orders will be allowed on a very limited basis as approved by the Purchasing Division. Blanket purchase orders are intended for small, repetitive purchases, where individual transactions are equal or less than \$5,000 and total fiscal year spending is under \$25,000 with the same vendor, or for similar goods and services.

10.4.2 Requests for a Blanket Purchase Order

Requests for blanket orders will be reviewed for approval when requested by departments and approved by the Purchasing Division for given fiscal year. Departments are advised that these orders are not to be used to circumvent the bidding process and are subject to being closed if in the opinion of the Purchasing Officer, the City would be better served with the

items being bought in a competitive bid process.

10.4.3 Vendor Selection

The decision for selecting vendors for a blanket (open) purchase order shall be based on the following criteria:

- a. Geographic location (how much time will be spent by employees in traveling to purchase goods?)
- b. Responsiveness and capabilities of the vendor to provide the needed materials.

User departments should monitor the usage of blanket purchase orders to ensure that they do not exceed the established budget or the transaction threshold.

10.5. PETTY CASH

Petty cash purchases may be made by authorization of the Department Head up to an amount of seventy-five dollars (\$75.00) inclusive of sales tax. Petty cash purchases should be made in compliance with the City's Petty Cash Policy.

SECTION 11 : SURPLUS CITY PROPERTY AND UNCLAIMED PROPERTY

11.1. APPLICABILITY

Pursuant to §2-7-04 (j), of the Turlock Municipal Code, the Purchasing Officer shall have the authority to recommend to the City Manager the transfer of surplus or unused supplies and equipment between departments as needed and the sale of all supplies and equipment which cannot be used by any agency or which have become unsuitable for City use.

11.2. PROCEDURES

11.2.1 Disposal Methods

The Purchasing Officer or designee, upon approval of the City Manager, may dispose of surplus property by any of the following methods:

- a. Trade-in on New Equipment
- b. Sale at Public Auction
- c. Sale by Sealed Bids
- d. Junking
- e. Sale as Scrap
- f. Donation to Non-profit Organization or another governmental agency

Only the City Manager has the authority to approve the sale or disposition of personal property owned by the City. The Purchasing Officer or designee will facilitate the sale and disposition of property subsequent to approval.

11.2.2 General Procedure

11.2.2.1 Owner Department Procedures

- A. Notifies Purchasing of materials and equipment by completing and submitting a surplus property form. The form should identify the contact person's name and phone number.
- B. Coordinate with IT that all information technology equipment has been properly sanitized prior to disposition.
- C. Dispose of supplies and equipment in accordance with the method approved by the City Manager.
- D. Sell recyclable materials to scrap dealers.
- E. Ensure applicable state or federal regulations if the surplus equipment was acquired with a grant.
- F. The department collecting revenues from sales will prepare deposits for submission to Finance.

11.2.2.2 Purchasing Division Procedures

- A. Recommend to the City Manager the most appropriate method of disposition for materials and equipment identified as surplus.
- B. Review the surplus property form submitted by the Owner Department and submit it to the City Manager for approval.
- C. Dispose of equipment in accordance with the method approved by the City Manager.
 - 1) Sell surplus equipment at auction or by sealed bid. Sealed bids are opened on the due date in the presence of witnesses.
 - 2) Ensure applicable state or federal regulations if the surplus equipment was acquired with a grant.
- D. Maintain records of sales and advise the Accounting Division of fixed asset disposition as appropriate.
- E. Maintain records of surplus property on hand.
- F. The department collecting revenues from sales will prepare deposits for submission to Finance.

11.2.3 Trade-Ins

Departments are encouraged to trade in equipment that is being replaced at the time of the new equipment acquisition when possible. Trade-ins earn credits against the purchase of a new item, transfer moving and storage costs to the vendor, and result in a faster, less costly disposition of unwanted equipment than the sealed bid or auction processes. To trade in equipment, the department should attach a list of the equipment to be traded to the requisition for the new equipment purchase.

If the new equipment acquisition is through a competitive procurement process, the requesting department should request bids on the trade-in equipment as part of the bid for the new equipment.

11.2.4 Information Technology

Information technology equipment, including computers, printers, and copiers, should be sent to the Information Technology Department for sanitization prior to disposition by Purchasing.

11.2.5 Vehicle Disposal

Disposal of City-owned vehicles must be facilitated by Fleet Services Division, who will work directly with the Purchasing Officer. Prior to disposal of any vehicle, Fleet Services will evaluate the vehicle for usage in other City departments. This may result in the transfer of the assets to another department, without compensation to the originating department, when applicable.

City Council Staff Report

November 18, 2025



From: Michael Harcksen, Fire Division Chief Operations
Prepared by: Michael Harcksen, Fire Division Chief Operations
Agendized by: Susan E. Borrego, Interim City Manager

1. ACTION RECOMMENDED:

Resolution: Appropriating \$299,399 to Fund 119 "American Rescue Plan Act" account # 119-30-300.51035 "Helmet Cameras" for the agreement with Qwake Technologies Inc. for the purchase of C-Thru technology equipment, software, training and support.

Motion: Approving an agreement with QWAKE Technologies for the purchase of sixteen (16) C-THRU Navigator units, four (4) Command tablets, accessories, shipping, three (3) year term for software subscription and initial training and start up in a form approved by the City Attorney

2. NARRATIVE:

The Turlock Fire Department is requesting approval to enter into a contract with Qwake Technologies for the purchase of C-THRU navigators and command tablets. The C-THRU system is an advanced visual navigation and situational awareness tool designed to enhance firefighter safety and operational effectiveness in smoke-filled or low-visibility environments. This technology provides real-time thermal imaging and augmented-reality overlays that allow firefighters to identify victims, navigate hazardous conditions, and maintain visual contact with team members and command personnel. Implementation of this system supports the City's goal to modernize emergency response capabilities and improve safety for both firefighters and the public.

Firefighting operations often occur in complex, low-visibility environments where rapid decision-making and situational awareness are critical. The C-THRU system provides an innovative solution that improves visibility and communication for firefighters operating in hazardous conditions. By integrating augmented reality with thermal imaging, the devices enhance search and rescue efficiency, reduce disorientation, and allow incident command staff to monitor firefighter positions in real time through the command tablets. This investment represents a significant step forward in ensuring firefighter safety and operational readiness.

This technology aligns with the City of Turlock's strategic goals of enhancing public safety services, utilizing innovation to improve operational effectiveness, and ensuring the well-being of first responders. The C-THRU system has been successfully adopted by other fire agencies and has demonstrated measurable improvements in response time, safety, and mission success rates. The Fire Department anticipates that adoption of this system will provide long-term benefits in terms of both safety outcomes and operational efficiency.

3. FISCAL IMPACT / BUDGET AMENDMENT:

The total cost of the proposed purchase will be funded through the City's unspent allocation of American Rescue Plan Act (ARPA) funds (Fund 119) as a one-time expenditure. All costs

associated with the acquisition—including equipment, training, and initial support services—will be paid at the time of contract execution. The contract with Qwake Technologies will be established for an initial term of three (3) years, which includes warranty coverage, software support, and system updates during that period. No ongoing operational or maintenance costs are anticipated to impact the General Fund during the term of the agreement.

The Purchasing Division has made the determination that this item does not require a competitive procedure due to TMC 2-7-08 (b) (2) that states, bidding is not required when supplies, materials, equipment, or services can be obtained from only one (1) vendor.

4. ENVIRONMENTAL DETERMINATION:

This action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) of the CEQA guidelines. This action consists of “organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment” and therefore is not considered a project.

5. ATTACHMENTS:

1. Draft Resolution
2. The City of Turlock - Qwake Quote
3. The City of Turlock, CA- Qwake Sole Source Justification- 2025
4. The City of Turlock, CA Qwake MSPA
5. Qwake Addendum

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF APPROPRIATING }
\$299,399 TO FUND 119 "AMERICAN }
RESCUE PLAN ACT" ACCOUNT # 119-30- }
300.51035 "HELMET CAMERAS" FOR THE }
AGREEMENT WITH QWAKE }
TECHNOLOGIES INC. FOR THE }
PURCHASE OF C-THRU TECHNOLOGY }
EQUIPMENT, SOFTWARE, TRAINING AND }
SUPPORT }

RESOLUTION NO. 2025-XXX

WHEREAS, Appropriating \$299,399 to Fund 119 "American Rescue Plan Act" account # 119-30-300.51035 "Helmet Cameras" for the agreement with QWAKE Technologies Inc. for the purchase of C-thru technology equipment, software, training and support; and

WHEREAS, this technology aligns with the City of Turlock's Strategic goals of enhancing public safety service, utilizing innovation to improve operational effectiveness, and insuring the well-being of the first responders; and

WHEREAS, The Purchasing Division has made the determination that this item does not require a competitive procedure due to TMC 2-7-08 (b) (2) that states, bidding is not required when supplies, materials, equipment, or services can be obtained from only one (1) vendor;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Turlock does hereby approve the appropriation of funds from Fund 119 "American Recovery Act Plan" (ARPA) to Account # 119-3-300.51035 "Helmet Cameras".

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 18th day of November, 2025, by the following vote:

AYES:	()
NOES:	()
NOT PARTICIPATING:	()
ABSENT:	()

ATTEST:

Nichole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California



Qwake Technologies, Inc.
14205 N Mo Pac Expy Ste 570
PMB 691758
Austin, Texas 78728-6529 US

**Pioneer Program Pricing
Quote**

Sales Contact
Melanie Dziewit
480.589.9499

Melanie.dziewit@qwake.tech

Date Issued: 10/25/25
Revised Date: 11/5/25
Quote Expiration: 12/30/2025
Account Number:
Estimated Effective Date: 1/1/2026
Effective End Date: 12/1/2028
Payment Terms: Net 30
Ship Date: January 2026

Bill to		Ship to						
Contact Name	Isaac Moreno	Contact Name	Michael Harcksen					
City Name	City of Turlock, CA	Agency	Turlock Fire Department					
Address	156 S. Broadway, Suite 230	Address	701 S Walnut Rd. Turlock, Ca 95380					
Phone	(209) 668-6072	Phone	209 648-7438					
Email Address	imoreno@turlock.ca.us	Email Address	MHarcksen@turlock.ca.us					
Products		Units	MSRP	Extended Price	Discount	Pioneer Price/Unit	Total	Comments
C-THRU Navigator	Augmented Reality system that attaches to a helmet. Box contains Vision Module, Power Module, USB-C charger	16	\$9,200.00	\$147,200.00	50%	\$4,600.00	\$73,600.00	
C-THRU Power Module	Power Module, USB-C Charger	6	\$4,400.00	\$26,400.00	50%	\$2,200.00	\$13,200.00	
C-THRU Tablet	Real-time streaming video from C-THRU Navigators, with 2-way visual communication, via QwakeConnect. Box contains C-THRU Tablet, USB-C charger	4	\$2,000.00	\$8,000.00	60%	\$793.60	\$3,174.40	
C-THRU Ready Helmets (Standard)	C-THRU ready Cairns 880(BLK) helmets with Front and Rear set of mounts mounted, and Tin Shield	16	\$1,478.56	\$23,656.96	60%	\$586.69	\$9,387.08	
Vehicle Box	Full device case cradle, feedback card, and charging cord.	16	\$250.00	\$4,000.00	60%	\$99.20	\$1,587.20	
Medium Rugged Rolling Case	36.5 in. Black Heavy Duty Med Rolling Toolbox	1	\$170.00	\$170.00	60%	\$67.46	\$67.46	
Large Rugged Rolling Case	36.5 in. Black Heavy Duty Large Rolling Toolbox	3	\$200.00	\$600.00	60%	\$79.36	\$238.08	
Total Hardware Charges Year One							\$101,254.22	
C-THRU Command+Operations Center	Live video streaming with two-way communication via QwakeConnect. Includes secure access to review footage and manage users, devices, and apparatus	1	\$29,000.00	\$29,000.00	0%	\$29,000.00	\$29,000.00	
QwakeConnect	Device connectivity, firmware updates, and support through a high-reliability public-safety network (QoS)	26	\$1,300.00	\$33,800.00	0%	\$1,300.00	\$33,800.00	
Software & Subscription Year One							\$62,800.00	
Pioneer Onboarding and Training	In-person onboarding and training by Qwake personnel on the safe operation and best practices of the C-THRU Platform.	1	\$9,000.00	\$9,000.00	0%	\$9,000.00	\$9,000.00	
Shipping and Handling	Standard S&H for FedEx Ground	1	\$745.68	\$745.68	0%	\$745.68	\$745.68	
Training& Shipping							\$9,745.68	
C-THRU Command+Operations Center	Live video streaming with two-way communication via QwakeConnect. Includes secure access to review footage and manage users, devices, and apparatus	1	\$29,000.00	\$29,000.00	0%	\$29,000.00	\$29,000.00	
QwakeConnect	Device connectivity, firmware updates, and support through a high-reliability public-safety network (QoS)	26	\$1,300.00	\$67,600.00	0%	\$1,300.00	\$33,800.00	
Software & Subscription Year Two							\$62,800.00	
C-THRU Command+Operations Center	Live video streaming with two-way communication via QwakeConnect. Includes secure access to review footage and manage users, devices, and apparatus	1	\$29,000.00	\$29,000.00	0%	\$29,000.00	\$29,000.00	
QwakeConnect	Device connectivity, firmware updates, and support through a high-reliability public-safety network (QoS)	26	\$1,300.00	\$67,600.00	0%	\$1,300.00	\$33,800.00	
Software & Subscription Year Three							\$62,800.00	
This Quote is subject to and incorporates by reference the Master Services and Purchasing Agreement entered into between Qwake and the Agency on or about the date hereof (the "Agreement"). All capitalized terms used in this Order Form have the meanings stated in the Agreement, unless stated otherwise. By signing this Quote, each party represents and warrants that: (a) it has read and understands the Agreement that is incorporated by reference to this Quote and agrees to be bound by the terms of the Agreement, and (b) it has full power and authority to accept the Agreement and this Quote. This Quote has been signed by the parties' authorized representatives and is effective as of the date of last signature. The total contract value shall not exceed Two Hundred Ninety-Nine Thousand Three Hundred Ninety-Nine Dollars and Ninety Cents (\$299,399.90) for the three-year Pioneer Program Term. The full contract payment is due upon execution of the contract agreement. Any renewal or continuation beyond the initial three-year term will require a new agreement and an updated quote.						Total MSRP	\$475,772.64	
						Pioneer Discounted Total	\$299,399.90	
						Year One Total	\$173,799.90	
						Year Two Total	\$62,800.00	
						Year Three Total	\$62,800.00	
						Total Tax	\$0.00	
						Total Contract Value	\$299,399.90	

For Agency: _____ **For Qwake Technologies, Inc.:** _____

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

Date Signed: _____ Date Signed: _____

NAICS Code: _____



To: Shannon Evans
Fire Chief
The City of Turlock, CA
From: Melanie Dziewit
Qwake Technologies
Date: 10/25/2025

Sole Source Declaration for Qwake Technologies Inc. C-THRU System

Introduction

This document justifies the procurement of the C-THRU system developed by Qwake Technologies as a sole-source purchase under The City of Turlock, CA procurement regulations. The C-THRU Navigation, Visual Communication, and Accountability Platform, featuring the helmet-mounted C-THRU Navigator, is an advanced situational awareness tool specifically designed to enhance firefighter safety and operational effectiveness. The system addresses both short-term and long-term health risks by reducing exposure to hazardous carcinogenic environments.

Product Uniqueness and Market Position

The C-THRU system utilizes proprietary, patented technology that delivers capabilities unmatched by any other product currently available, with a significant development lead of over five years. These specialized features make the C-THRU system crucial for The City of Turlock, CA operational needs, providing superior visibility, enhanced communication, and improved decision-making in high-risk environments.

Product Description

C-THRU is a hands-free, helmet-mounted augmented reality (AR) solution that enhances situational awareness and operational effectiveness in challenging environments. It offers

firefighters have the ability to quickly and accurately understand their surroundings, thus increasing their operational speed and effectiveness.

Key Features of the C-THRU System:

1. **Enhanced Vision and Communication:** The system accelerates information sharing via cellular and WiFi-enabled video streaming, enabling real-time visual communication with command centers. This feature ensures that critical information is disseminated quickly, enhancing coordination during firefighting operations.
2. **Guided Navigation:** C-THRU provides navigation assistance in GPS-denied environments using entry compasses and breadcrumb trails. This ensures that firefighters maintain orientation and can find safe exit routes even under low-visibility conditions.
3. **Tracking and Safety Alerts:** The system includes tracking features and safety alerts, along with automatic record-keeping. These functionalities help reduce exposure to dangerous environments by providing timely alerts and maintaining detailed operational logs.
4. **Training and Operational Review:** The inclusion of a game tape/black box recorder allows for comprehensive training and post-incident review. Firefighters can analyze recorded footage to learn from real scenarios, enhancing knowledge transfer and improving future response strategies.

Critical Need and Impact

The C-THRU system's unique capabilities are vital for The City of Turlock, CA

- **Enhanced Firefighter Safety:** By improving navigation, communication, and decision-making in smoke-filled and low-visibility environments, C-THRU significantly boosts firefighter safety. Its real-time visual communication and thermal imaging capabilities help identify obstacles, locate victims, and detect critical hot spots, minimizing risks and enhancing overall team safety.
- **Operational Effectiveness:** Real-time incident analytics and visual data sharing enhance operational effectiveness. The system facilitates informed decision-making, better coordination, and improved incident response, which are crucial in high-stress firefighting scenarios.
- **Training Efficacy:** The system's advanced training features, such as the game tape forensic mode and in-situ response logs, improve training effectiveness. They provide valuable insights for post-incident analysis, aiding in continuous skill improvement and strategic planning.

Market Analysis

A comprehensive market analysis confirms that no other products offer the same combination of features and capabilities as the C-THRU system:

- **Longan Fusion Vision System (FVS):** This system is still in the prototype stage, primarily focusing on thermal imaging. It lacks advanced navigation, communication, and accountability features, making it unsuitable for immediate fire service deployment.
- **Smart Firefighter Helmet:** Developed by the University of Edinburgh, this helmet is in the early research phase, focusing on demonstrating technological capabilities rather than being ready for operational deployment.
- **Scott Sight:** This in-mask thermal imaging system offers limited functionality with lower resolution imaging and lacks features for post-incident data analysis, making it less effective compared to C-THRU.

Conclusion

C-THRU represents a substantial advancement in firefighter safety and operational efficiency, fundamentally transforming interaction with the environment through unmatched situational awareness. Developed over several years with significant financial backing and validated by the Department of Homeland Security, C-THRU stands out as the only viable solution for The City of Turlock, CA needs. Therefore, we formally request approval to procure C-THRU as a sole-source item from Qwake Technologies, ensuring significant improvements in safety, efficiency, and effectiveness for The City of Turlock, CA firefighting operations.

Prepared By:

Melanie Dziewit
Head of Pioneer Selection Committee
Qwake Technologies
E: melanie.dziewit@qwake.tech
M: 480.589.9499





Qwake Technologies Master Services and Purchasing Agreement for Agency

This Master Services and Purchasing Agreement ("**Agreement**") is entered into between Qwake Technologies, Inc. ("**Qwake**") and The City of Turlock CA ("**Agency**"). This Agreement is effective as of the last signature date on this Agreement ("**Effective Date**"). Qwake and Agency are each a "**Party**" and collectively "**Parties**". This Agreement governs Agency's purchase and use of the Qwake Devices and Services detailed in the Quote (as defined herein). It is the intent of the Parties that this Agreement will govern all subsequent purchases by Agency for the same Qwake Devices and Services in the Quote, and all such subsequent quotes accepted by Agency shall also be incorporated into this Agreement by reference as a Quote. The Parties agree as follows:

1. Definitions

- 1.1. "**Qwake Software Services**" refers to Qwake's web applications, mobile applications, embedded device software, cloud software and cloud storage, and interactions among each of these and video and audio streaming from Qwake Devices or Qwake software. This excludes third-party applications, hardware warranties, and Agency's technology.
- 1.2. "**Qwake Device**" encompasses all hardware provided by Qwake under this Agreement. Devices manufactured by Qwake are a subset of Qwake Devices.
- 1.3. "**Quote**" means a quote provided to Agency by Qwake, which is only valid for the Qwake Software Services and Qwake Devices specified in the quote at the stated prices, and which quote incorporates this Agreement by reference. Any inconsistent or supplemental terms within the Agency's purchase order in response to a Quote will be void. Orders are subject to prior credit approval. Changes in the estimated ship date for deployment may affect charges in the Quote. Shipping dates are estimates only. Qwake is not responsible for typographical errors in any Quote and reserves the right to cancel any orders resulting from such errors.
- 1.4. "**Services**" includes all services provided by Qwake under this Agreement, including training, onboarding, support, Qwake Software Services, and other services as may be introduced during the Subscription Term (as defined below).



Qwake Technologies Master Services and Purchasing Agreement for Agency

2. Services

- 2.1. **License Grant.** Subject to and conditioned upon Agency's compliance with the terms and conditions of this Agreement and any terms of use governing the Qwake Software Services (a copy of this terms are attached hereto as Exhibit A) (the "**TOS**"), Qwake hereby grants to Agency a non-exclusive, non-sublicensable, non-transferable, revocable, limited license during the Subscription Term to use the Services and the Qwake Devices for all lawful fire department purposes, including but not limited to the training of Agency's personnel in compliance with the NFPA 1403 Standard on Live Fire Training Evolutions, emergency response and operational use, subject to the terms and conditions of this Agreement and any Qwake-provided user instructions or guidelines. Qwake will ensure that each of its personnel using the Services and/or Qwake Devices is compliant with the TOS and this Agreement and follows Qwake's instructions provided from time to time, and the Agency shall be responsible for the usage of its personnel thereof. Any reliance on any Qwake-provided instructions is at Agency's own discretion and risk and Qwake does not guarantee any results thereof. The Agency acknowledges and agrees that operational use of Qwake Devices and Services in emergency response or other real-world scenarios may involve risks, including but not limited to user health and safety, property damage, and equipment malfunction. The Agency represents that it has reviewed and understands the limitations and appropriate applications of the Products and assumes full responsibility for assessing fitness for its operational purposes.
- 2.2. **Restrictions.** Except as expressly authorized in this Agreement or by Qwake, Agency will not, and will not permit any third party to: (i) access or use the Services or Qwake Devices for any other purposes (including for any competitive analysis, commercial, professional, or other for-profit purposes); (ii) copy the Services or Qwake Devices; (iii) modify, adapt, or create derivative works of the Services or Qwake Devices; (iv) rent, lease, loan, resell, transfer, sublicense, display or distribute the Services or Qwake Devices to any third party; (v) use or offer any functionality of the Services or Qwake Devices on a service provider, service bureau, hosted, software as a service, or time sharing basis, provide or permit other individuals or entities to create Internet "links" to the Services, or "frame" or "mirror" the Services on any other server, or wireless or Internet-based device; (vi) decompile, disassemble, translate or reverse-engineer the Services or Qwake Devices or otherwise attempt to derive the Services source code, algorithms, methods or techniques used or embodied in the Services or Qwake



Qwake Technologies Master Services and Purchasing Agreement for Agency

Devices; (vii) disclose to any third party the results of any benchmark tests or other evaluation of the Services or Qwake Devices, (viii) remove, alter, obscure, cover or change any trademark, copyright or other proprietary notices, labels or markings from or on the Services or Qwake Devices; (ix) interfere with or disrupt servers or networks connected to any website through which the Services or Qwake Devices are provided; (x) use the Services or Qwake Devices to collect or store personal data about any person or entity; (xi) use the Services or Qwake Devices to build a similar or competitive product or service; (xii) use the Services or Qwake Devices to transmit code, files, scripts, agents or programs intended to do harm, including without limitation viruses, worms, time bombs and trojan horses; or (xiii) use the Services or Qwake Devices for any illegal, unauthorized or otherwise improper purposes. Qwake reserves the right to suspend the Agency's account and/or access to the Services or Qwake Devices if it knows of or has reason to suspect any violation of the TOS or this Agreement.

3. **Term** - This Agreement begins on the Effective Date and continues until all Subscription Terms have expired or have been terminated ("**Term**").

- 3.1. **Subscription Term** - All subscriptions, including C-THRU Operations Center, and QwakeConnect, begin on the date stated in the Quote. Each subscription term begins and ends as stated in the Quote (the "**Subscription Term**").

3.2. **General Payment Terms-**

Agency agrees to pay all fees set forth in the Quote. Except as otherwise set forth below or in the Quote, all payments are due within thirty (30) days of the invoice date ("**Net 30**"), must be made in accordance with Qwake's approved payment methods and, unless indicated otherwise, and are non-cancelable. Unless otherwise prohibited by law, overdue invoices shall accrue interest at the lesser of 1.5% per month (18% per annum) or the maximum rate permitted by law. Payments must be made in full, without setoff, deduction, or withholding. In the event of non-payment, Agency's account may be referred to collections, and Agency shall be responsible for all reasonable collection costs, attorney's fees, and any other expenses incurred in enforcing payment obligations.

- 3.3. **Post-Beta Terms** – The Agency acknowledges and agrees that the Services provided under this Agreement are in beta and that the Subscription Term only applies to the beta version of the Services. Notwithstanding anything herein to the contrary, Qwake may



Qwake Technologies Master Services and Purchasing Agreement for Agency

notify the Agency during the Subscription Term that the non-beta version of the Services (the “**Production Services**”) is available, which may be used by the Agency in an operational setting. The Agency may elect to enter into a new Quote to purchase, and a new definitive agreement to govern, such Production Services moving forward (which such new definitive agreement shall terminate and supersede this Agreement and terminate the Subscription Term). The Parties agree that: (i) Qwake shall not provide such Production Services unless and until a new Quote and definitive agreement are mutually agreed to and executed by Qwake and the Agency; and (ii) such Quote and definitive agreement will honor the pricing of Qwake Software Services for the duration of the original Subscription Term, and (iii) such definitive agreement shall include an option for a one-time upgrade of Agency’s beta version Qwake Devices covered by QwakeConnect to production versions, if available. Total value (MSRP) of upgrades shall not exceed the total Hardware Charges (described in the Quote) made under this Agreement. Upgrades may take the form of device replacements, partial replacements, repairs, or refurbishments, in Qwake’s sole discretion.

4. **Taxes** - The Agency is responsible for sales and other taxes associated with the order unless Agency provides Qwake with a valid tax exemption certificate.
5. **Shipping** - Qwake may make partial shipments and ship Qwake Devices from multiple locations. All shipments are EXW (Incoterms 2020) via a common carrier. Title and risk of loss pass to Agency upon Qwake’s delivery to the common carrier. The Agency is responsible for paying any shipping and shipping insurance charges specified in the Quote.
6. Pioneer Program Specific Terms - This Section 6 applies specifically to Agency as a participant in Qwake’s Pioneer paid beta program under this Agreement.
 - 6.1. **Hardware Pricing Assurance During Subscription Term** - During the Subscription Term of this Agreement, Qwake agrees to offer any additional Qwake Devices purchased by Agency via subsequent Quotes at the same unit price for such devices as specified in the initial Quote referencing this Agreement, provided such additional devices are the same model and configuration as those purchased in the initial Quote and are subject to availability.
 - 6.2. **Software Charges Protection During Extended Beta** - The initial paid Subscription Term for Qwake Software Services (including C-THRU Operations Center and QwakeConnect), as specified in the initial Quote, is for one (1) year commencing on the date specified in that Quote. If the Production Services, as described in Section 3.3 (Post-Beta Terms), have not been made generally available by the date that is twelve



Qwake Technologies Master Services and Purchasing Agreement for Agency

(12) months after the Effective Date of this Agreement, the start date for subsequent paid Subscription Term(s) for Qwake Software Services under this Agreement shall be delayed month-for-month for each full month that the general availability of Production Services is delayed beyond such twelve (12) month anniversary. This delay mechanism shall cease immediately upon Agency entering into a new definitive agreement for Production Services or upon Qwake making the Production Services generally available, whichever occurs first. This provision applies only to recurring Software Services fees and not to any Hardware Charges or other fees.

6.3. **Post-Beta Subsequent Purchase Pricing Assurance** - If Agency remains a continuous customer of Qwake Software Services without a material lapse in service coverage immediately following the end of the original Subscription Term under this Agreement by entering into a new definitive agreement for Production Services as contemplated in Section 3.3 (Post-Beta Terms), then for a period of three (3) years following the effective date of such new definitive agreement, for each subsequent quote which incorporates such definitive agreement and is issued by Qwake to Agency for additional Qwake Devices or line items, Qwake shall ensure that the unit price quoted for each specific Qwake Device or Production Service line item is no higher than the lowest unit price at which Qwake has sold the identical Qwake Device or Production Service line item to any other United States government agency customer in a transaction with a comparable volume (defined as within twenty percent (20%) of the quantity for that specific line item in the subsequent quote) within the preceding twelve (12) months. This assurance applies only to subsequent purchases and not to the pricing in the initial Quote under this Agreement, unless otherwise specified therein.

7. **Returns** - All sales are final. Qwake does not allow refunds or exchanges, except for warranty returns as set forth herein or as required by state or federal law.

8. **QwakeConnect and Qwake Device Warranty**

8.1. **QwakeConnect** - The C-THRU device, which is a Qwake Device, delivers mission-critical situational awareness to frontline teams. To ensure uninterrupted connectivity, ongoing software evolution, and predictable support costs, each C-THRU device requires Agency to subscribe to QwakeConnect, an all-in-one, and mandatory annual subscription that is a component of the Qwake Software Services hereunder and that provides first-responder-grade data, continuous firmware updates, and streamlined return merchandise authorization (RMA) support, and that is further described in Exhibit A. Agency agrees to comply with its obligations set forth in Exhibit A.



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8.2. **Limited Warranty** - Qwake warrants that Qwake-manufactured Qwake Devices and accessories are free from defects in workmanship and materials under normal application, use and conditions for one (1) year from the date of the Agency's receipt (the "**Warranty Period**"). During the Warranty Period and provided Qwake has verified the performance failure of the Qwake-manufactured Qwake Device or accessory, Qwake agrees that it will, at its option: (a) replace the defective Qwake-manufactured Qwake Device or accessory with a new or remanufactured equivalent at no additional charge; (b) repair the defect with new and/or reconditioned parts at no additional charge; or (c) refund a Prorated Amount (defined below) of the Purchase Price (defined below). For any replacement devices or accessories, the limited warranty shall apply for the longer of the remaining Warranty Period of the original Qwake-manufactured Qwake Device or accessory, or ninety (90) days from the date of repair or replacement. For the purposes of this limited warranty, the "**Purchase Price**" shall be deemed to be the actual purchase price paid by the Agency as shown on the proof of purchase. The "**Prorated Amount**" shall be the product of (x) the Purchase Price and (y) the percentage obtain by dividing the remaining months left in the Warranty Period by the total one (1) year Warranty Period. In order to submit a warranty claim, Agency must provide Qwake with written notice of the issue, including the device or accessory serial number, proof of purchase, the date the defect was discovered and a detailed description of the defect. Devices and accessories that are found to be in good working condition are subject to a restocking fee of ten percent (10%) of the Purchase Price. No claim under this limited warranty may be brought after the Warranty Period. THE LIMITED WARRANTY DESCRIBED HEREIN SHALL BE THE SOLE AND EXCLUSIVE WARRANTY GRANTED BY QWAKE WITH RESPECT TO ANY QWAKE-MANUFACTURED QWAKE DEVICES OR ACCESSORIES AND SHALL BE THE SOLE AND EXCLUSIVE REMEDY AVAILABLE TO THE AGENCY.

8.3. **Limited Warranty Limitations** – In no event shall limited warranty provided in Section 8.2 cover defects and/or failures related to:

- 8.3.1. Failure to follow Qwake Device or accessory use instructions;
- 8.3.2. Qwake Devices or accessories used with equipment not manufactured or recommended by Qwake;
- 8.3.3. Intentional damage, misuse, abuse, accident, negligence or use not in accordance with applicable laws and regulations ;



Qwake Technologies Master Services and Purchasing Agreement for Agency

- 8.3.4. fire, water, generalized corrosion, biological infestations, natural forces, acts of God or animals, civil disorder, or other force majeure events, including high input voltage from generators or lightning strikes;
 - 8.3.5. Improper handling during transportation or storage or damage during shipping;
 - 8.3.6. Qwake Devices or accessories repaired or modified by persons other than Qwake without Qwake's written permission;
 - 8.3.7. Normal wear and tear; or
 - 8.3.8. Qwake Devices or accessories with a defaced or removed serial number. Qwake's warranty will be void if the Agency resells Qwake Devices.
- 8.4. **Service for Qwake-Manufactured Devices.** Before delivering a Qwake-manufactured Qwake Device for service, the Agency must request a Return Materials Authorization from Qwake Support, via Qwake's support contacts at <https://qwake.tech>, or via email to support@qwake.tech. Qwake is not responsible for any loss of software, data, or other information contained on any part of the Qwake-manufactured Qwake Device sent to Qwake for service.
- 8.5. **Exclusive Warranties and Remedies; Disclaimer** - To the extent permitted by law, the above warranties and remedies are exclusive. EXCEPT FOR SECTION 8.2, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE SERVICES AND QWAKE DEVICES ARE PROVIDED "AS IS" AND "AS AVAILABLE", WITH ALL FAULTS AND WITHOUT WARRANTY OF ANY KIND QWAKE DISCLAIMS ALL OTHER WARRANTIES, REMEDIES, AND CONDITIONS, WHETHER ORAL, WRITTEN, STATUTORY, OR IMPLIED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, NON-INFRINGEMENT, ACCURACY, AND TITLE, AND ALL WARRANTIES ARISING FROM COURSE OF DEALING, USAGE, OR TRADE PRACTICE. AGENCY UNDERSTANDS THAT THE SERVICES AND QWAKE DEVICES ARE IN BETA AND ANY EXPECTATIONS AND ESTIMATES REGARDING THE SERVICES AND QWAKE DEVICES ARE BASED ON FACTORS CURRENTLY KNOWN AND ACTUAL EVENTS OR RESULTS COULD DIFFER MATERIALLY. In addition, any information about Qwake's roadmap outlines Qwake's general product direction and is subject to change at any time without notice. Such information is for informational purposes only and shall not be incorporated into this Agreement or any contract or other commitment. Qwake undertakes no obligation either to develop the features or functionality provided in the Services or Qwake Devices, or to include any such feature or functionality in a future release of the Services or Qwake Devices. Agency expressly acknowledges that the Services and Qwake Devices have not been fully tested, and may contain defects or deficiencies which may not be corrected by Qwake. The Services and Qwake Devices may undergo significant changes prior to release of the corresponding generally available



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final version. If statutory or implied warranties cannot be lawfully disclaimed, then such warranties are limited to the duration of the warranty described above and by the provisions in this Agreement. The Agency confirms and agrees that, in deciding whether to sign this Agreement, it has not relied on any statement or representation by Qwake or anyone acting on behalf of Qwake related to the subject matter of this Agreement that is not in this Agreement. Qwake makes no representation or warranty that use of the Qwake Devices or Services in operational environments will prevent injury, loss of life, or property damage, or achieve any specific outcome. The Agency is solely responsible for determining the suitability of the Qwake Devices or Services for its specific needs and operational environment.

8.6. **Limitation of Liability** - QWAKE'S CUMULATIVE LIABILITY TO ANY PARTY FOR ANY LOSS OR DAMAGE RESULTING FROM ANY CLAIM, DEMAND, OR ACTION ARISING OUT OF OR RELATING TO ANY QWAKE DEVICE OR SERVICE WILL NOT EXCEED THE PURCHASE PRICE PAID TO QWAKE FOR THE QWAKE DEVICE, OR IF FOR SERVICES, THE AMOUNT RECEIVED BY QWAKE FROM AGENCY FOR SUCH SERVICES OVER THE TWELVE (12) MONTHS PRECEDING THE CLAIM. NEITHER PARTY WILL BE LIABLE FOR DIRECT, SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, HOWEVER CAUSED, WHETHER FOR BREACH OF WARRANTY OR CONTRACT, NEGLIGENCE, STRICT LIABILITY, TORT OR ANY OTHER LEGAL THEORY. For operational or emergency response use, Agency acknowledges that Qwake Devices and Services are intended as supplemental tools and are not a substitute for standard firefighting protocols, personal judgment, or regulatory requirements. Qwake shall not be liable for any damages, injuries, losses, or claims arising from the use of its Qwake Devices or Services in operational contexts outside of Qwake's express written instructions or documentation, except to the extent caused by Qwake's gross negligence or willful misconduct.

8.7. **Third-Party Software and Services** - Use of software or services other than those provided by Qwake is governed by the terms, if any, entered into between Agency and the respective third-party provider, including, without limitation, the terms applicable to such software or services located at www.qwake.tech/terms, if any.

9. **Qwake Device Warnings** - See <https://www.qwake.tech/terms> for the most current Qwake Device warnings.



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10. **Design Changes** - Qwake may make design changes to any Qwake Device or Service without notifying the Agency or making the same change to Qwake Devices and Services previously purchased by the Agency.
11. **Bundled Offerings** - Some offerings in bundled offerings may not be generally available at the time of Agency's purchase. Qwake will not provide a refund, credit, or additional discount beyond what is in the Quote due to a delay of availability or Agency's election not to utilize any portion of an Qwake bundle.
12. **Insurance** - Qwake will maintain General Liability and Workers' Compensation insurance. Upon request, Qwake will supply certificates of insurance.
13. **IP Rights** - Qwake owns and reserves all right, title, and interest in and to all Qwake-manufactured Qwake Devices and the Services, including all related intellectual property rights. Agency will not cause any Qwake proprietary rights to be violated. Agency hereby assigns to Qwake, at no charge, all right title and interest in and to all feedback and suggestions Agency provides to Qwake related to the Services or any Qwake Devices.
14. **IP Indemnification** - Qwake will indemnify the Agency against all losses and reasonable attorneys' fees from any third party claim alleging that the use of Qwake-manufactured Qwake Devices or Services infringes or misappropriates the third party's intellectual property rights. Agency must promptly provide Qwake with written notice of such claim, tender to Qwake the defense or settlement of such claim at Qwake's expense and cooperate fully with Qwake in the defense or settlement of such claim. Qwake's IP indemnification obligations do not apply to claims based on: (a) modification of Qwake-manufactured Qwake Devices or Services by Agency or a third-party not approved by Qwake; (b) use of Qwake manufactured Devices and Services in combination with hardware or services not approved by Qwake; (c) use of Qwake Devices and Services other than as permitted in this Agreement; or (d) use of Qwake software that is not the most current release provided by Qwake.
15. **Agency Responsibilities** - Agency is responsible for: (a) Agency's use of Qwake Devices; (b) breach of this Agreement or violation of applicable law by Agency or an Agency end user; (c) disputes between Agency and a third-party over Agency's use of Qwake Devices (except to the extent Qwake is obligated to indemnify Agency under Section 14); (d) either (i) returning Qwake Devices to Qwake for disposal, or (ii) disposing



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of Qwake Devices security and sustainably in accordance with Qwake's written guidance; and (e) any regulatory violations or fines, as a result of improper destruction or disposal of Qwake Devices.

16. Termination

16.1. **For Breach** - A Party may terminate this Agreement for cause if it provides thirty (30) days written notice of the breach to the other Party, and the breach remains uncured at the end of thirty (30) days. If the Agency terminates this Agreement due to Qwake uncured breach, Qwake will refund prepaid amounts on a prorated basis based on the effective date of termination.

16.2. **By Agency** - If sufficient funds are not appropriated or otherwise legally available to pay the fees, the Agency may terminate this Agreement. Agency will deliver notice of termination under this section as soon as reasonably practicable.

16.3. **Effect of Termination** - Upon termination of this Agreement, Agency's rights and licenses immediately terminate. Agency remains responsible for all fees incurred before the effective date of termination. If Agency purchases Qwake Devices for less than the manufacturer's suggested retail price ("MSRP") and Agency terminates this Agreement pursuant to Section 16.2 before the end of the Term, then Agency may choose (a) to pay the difference between the MSRP for Qwake Devices received (including any spare Qwake Devices), and amounts paid towards those Qwake Devices or (b) return Qwake Devices and any spares in good working condition to Qwake within thirty (30) days of termination. MSRP is the standalone price of the individual Qwake Device at the time of sale. For bundled Qwake Devices, MSRP is the standalone price of all individual components.

17. **Confidentiality - "Confidential Information"** means nonpublic information designated as confidential or, given the nature of the information or circumstances surrounding disclosure, should reasonably be understood to be confidential, including without limitation, the content, terms and conditions of this Agreement and any Quote. Each Party will take reasonable measures to avoid disclosure, dissemination, or unauthorized use of the other Party's Confidential Information. Unless required by law, neither Party will disclose the other Party's Confidential Information during the Term and for five (5) years thereafter. pricing is confidential Information and competition-sensitive and shall be



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considered the Confidential Information of Qwake. If Agency receives a public records request to disclose Qwake Confidential Information, Agency will promptly notify Qwake of the request and will cooperate with Qwake in any lawful effort to protect the confidentiality of such information.

18. General

- 18.1. **Force Majeure** - Neither Party will be liable for any delay or failure to perform due to a cause beyond a Party's reasonable control.
- 18.2. **Independent Contractors** - The Parties are independent contractors. Neither Party has the authority to bind the other. This Agreement does not create a partnership, franchise, joint venture, agency, fiduciary, or employment relationship between the Parties.
- 18.3. **Third-Party Beneficiaries** - There are no third-party beneficiaries under this Agreement.
- 18.4. **Non-Discrimination** - Neither Party nor its employees will discriminate against any person based on race, religion, creed, color, sex, gender identity and expression, pregnancy, childbirth, breastfeeding, medical conditions related to pregnancy, childbirth, or breastfeeding, sexual orientation, marital status, age, national origin, ancestry, genetic information, disability, veteran status, or any class protected by local, state, or federal law.
- 18.5. **Export Compliance** - Each Party will comply with all import and export control laws and regulations.
- 18.6. **Assignment** - Neither Party may assign this Agreement without the other Party's prior written consent. Qwake may assign this Agreement, its rights, or obligations without consent: (a) to an affiliate or subsidiary; or (b) for purposes of financing, merger, acquisition, corporate reorganization, or sale of all or substantially all its assets. This Agreement is binding upon the Parties' respective successors and assigns.



Qwake Technologies Master Services and Purchasing Agreement for Agency

- 18.7. **Waiver** - No waiver or delay by either Party in exercising any right under this Agreement constitutes a waiver of that right.
- 18.8. **Severability** - If a court of competent jurisdiction holds any portion of this Agreement invalid or unenforceable, the remaining portions of this Agreement will remain in effect.
- 18.9. **Survival** - The following sections will survive termination: Sections 1, 3.2, 6, 13, 14, 15, 16.3, 17, and 18.
- 18.10. **Governing Law** - The laws of the state of California, without reference to conflict of law rules, govern this Agreement and any dispute arising from it. The United Nations Convention for the International Sale of Goods does not apply to this Agreement.
- 18.11. **Notices** - All notices must be in English. Notices posted on the Agency's Qwake Evidence site are effective upon posting. Notices by email are effective on the sent date of the email. Notices by personal delivery are effective immediately. Notices to the Agency shall be provided to the address on file with Qwake. Notices to Qwake shall be provided to:
- Qwake Technologies
14205 N Mo Pac Expy Ste 570
PMB 691758
Austin, Texas 78728-6529
Email: legal@qwake.tech
- 18.12. **Entire Agreement** - This Agreement, including any Quote(s), represents the entire agreement between the Parties. This Agreement supersedes all prior agreements or understandings, whether written or verbal, regarding the subject matter of this Agreement. This Agreement may only be modified or amended in a writing signed by the Parties.



Qwake Technologies Master Services and Purchasing Agreement for Agency

Each Party, by and through its respective representative authorized to execute this Agreement, has duly executed and delivered this Agreement as of the date of signature.

For Agency:

By: _____

Name: _____

Title: _____

Date Signed: _____

For Qwake Technologies, Inc. :

By: _____

Name: _____

Title: _____

Date Signed: _____



Qwake Technologies Master Services and Purchasing Agreement for Agency

QwakeConnect Description

1. High-QoS 4G LTE Connection
 - 1.1. 4G LTE network: Connectivity delivered via Qwake's authorized reseller partnerships, currently leveraging Verizon's nationwide coverage for reliable services, subject to change from time to time.
 - 1.2. Agency understands and agrees that wireless services use radio technologies and are subject to transmission and service area limitations, interruptions and dropped calls caused by atmospheric, topographical or environmental conditions, cell site availability, governmental regulations, system limitations, maintenance or other conditions or activities affecting wireless service operation. Qwake is not responsible for any such transmission and service area limitations, interruptions and dropped calls. Qwake does not make any representations or guarantees regarding the accuracy, completeness or timeliness of any Location Information or location capabilities of the Services or any network provided in connection therewith.
 - 1.3. Agency hereby consents to, and shall ensure that each of its users authorized to access the Services and use any C-THRU device affirmatively consents in writing to, Qwake and its third party providers (including Verizon and any other carrier) accessing, using, copying, storing, collecting and disclosing data that can be used to describe, determine or identify the location of any C-THRU or Qwake Device (or any other device connected to the applicable 4G LTE network provided by QwakeConnect), including without limitation latitude/longitude data, cell sites/sector data, WiFi SSID, device signal strength or other format regardless of accuracy, type or source ("Location Information"). Agency agrees to provide Qwake with evidence of such consents upon Qwake's request and to retain such evidence for a period of five (5) years after the termination of this Agreement. Furthermore, Agency agrees to immediately notify Qwake of any denial, revocation or withdrawal of any such consent and to ensure that such user does not access or otherwise use any C-THRU device after such denial, revocation or withdrawal.
 - 1.4. 4G LTE network with priority access and application-aware Quality of Service (QoS) enabled through Private Network Traffic Management (PNTM)
2. Software Updates & Upgrades
 - 2.1. Automatic OTA updates for security patches, stability fixes, and UX improvements.
 - 2.2. Major version upgrades included—no per-release fees.
 - 2.3. Optional channel for early access to new features.
3. Subsidized RMA & Out-of-Warranty Support
 - 3.1. Fast turnaround: devices are repaired or replaced and shipped within 1 week of receipt at our facility.
 - 3.2. Round-trip ground shipping included for qualified RMAs.



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- 3.3. Out-of-warranty incidents not covered by manufacturing defects or device warranty, such as accidental damage, or misuse shall be billed at \$120/hour for labor plus parts, up to a maximum of \$3,500 per incident.
- 3.4. Agency will receive transparent cost estimates before any non-warranty work begins, allowing Agency to approve or decline service.



Qwake Technologies Master Services and Purchasing Agreement for Agency

Exhibit A

Terms

February 2023

What you can expect from our site and what we expect from you

Applicability

These Terms of Use apply to the website owned, operated, and maintained by or on behalf of Qwake Technologies®, INC ("Qwake Technologies®", "Qwake", "we", or "us"). This webpage (together with the other policies referred herein) informs you of the terms and conditions governing your use of Qwake Technologies®' website (the "Site"). Use of the Site includes accessing, browsing, linking to or registering with the Site.

Third Party Links

Portions of the Site may contain links to other websites and resources provided by third parties.

In addition, portions of the Site may be electronically hosted by other third-party service providers. Qwake Technologies® has, unless explicitly indicated otherwise, no control over the content or functionality of those sites and resources. Qwake Technologies® does not endorse, guarantee, or make any representations or warranties regarding any other website, content, or materials or information accessible from any other website.

Qwake Technologies®' Intellectual Property

Qwake Technologies® is the owner or the licensee of the Site, all content of the Site, and all the material published on the Site, as well any newsletter, updates, emails, and/or social media or informational updates and/or postings (collectively "Content"). Qwake Technologies® owns or licenses various trademarks, graphics, logos, designs, page headers, button icons, scripts and service names. Except as expressly authorized by Qwake Technologies®, you agree not to use, sell, license, rent, modify, copy, reproduce, transmit, publicly display, or otherwise distribute Qwake Technologies®' Content. The Content is protected by copyright and other intellectual



Qwake Technologies Master Services and Purchasing Agreement for Agency

property laws, regulations and treaties around the world. All such rights under these laws are fully reserved by Qwake Technologies®.

Children's Online Privacy Protection Act

The Site is not designed or intended to collect information from children under the age of 13. Qwake Technologies® does not knowingly collect or maintain any information from children under the age of 13. The Site is not designed with the purpose of attracting any person under age 13. To respect the privacy of children and to comply with the Children's Online Privacy Protection Act, if you are under the age of 18, you should only use the Site with the involvement of a parent or guardian.

Limitation of Liability

Subject to any limitation required by applicable law, We assume no responsibility for, and shall not be liable for, any direct, indirect, incidental, consequential, or punitive damages, or any other losses, costs, or expenses of any kind which may arise, directly or indirectly, through your access and use of THE Site. This extends to your downloading, UPLOADING OR SUBMISSION of any materials, data, text, images, video or audio from OR TO this Site, including but not limited to any issues caused by viruses, bugs, or any computer system, phone line, hardware, software or program malfunctions, or any other errors, failures or delays in computer transmissions or network connections. In the event of any problem with this Site, you agree that your sole remedy is to cease using the Site.

No Reliance on Information

Qwake Technologies®' Site provides no information which can be used for investment and/or transactional decisions. The Content is provided for information only and is of a general and approximate nature and it is not intended to amount to, nor is, information or advice on which you should rely. In particular, the Content does not constitute professional, financial or investment advice. Professional or specialist advice should be obtained before taking, or refraining from, any action on the basis of the Content. Qwake Technologies® is not acting, nor is it seeking to act, as a broker or dealer in respect of any securities of any companies or the information concerning such companies.

Content Standards

The content standards apply to any and all material which you contribute to the Site or any interactive service associated with the Site. Contributions must be accurate and lawful, and



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must not contain material, which is defamatory, obscene, offensive, hateful, sexually explicit, violent, infringing on intellectual property rights, promoting of discrimination, misrepresentative of actual identity, or otherwise deemed inappropriate by Qwake Technologies®. We may take any action we reasonably deem necessary to cure or prevent any violation of these standards, including removal from this Site. In addition, we will fully cooperate with law enforcement authorities requesting us to disclose the identity of any such individuals.

General Provisions

THE FOLLOWING TERMS OF USE, TOGETHER WITH THE PRIVACY POLICY AND SUPPLEMENTAL TERMS, CONDITIONS, OR RULES POSTED TO A SPECIFIC SUBSECTION OF THIS SITE CONSTITUTE LEGALLY BINDING TERMS GOVERNING YOUR USE OF THE SITE.

Please read these Terms of Use carefully before you start to use the Site, as they will apply to your use of and access to the Site. Each time you use the Site, you confirm you accept these Terms of Use and you agree to comply fully with them. If you do not agree to these Terms of Use, you must not use or access the Site and must leave the Site immediately.

Severability

If any competent legal authority determines any part of these Terms of Use is illegal or unenforceable, then such part will be eliminated and the remainder of these Terms of Use will remain in force and effect and the unenforceable part shall be deemed to be modified solely to the extent necessary to make it enforceable.

No Warranties

THE SITE IS PRESENTED "AS IS" AND NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, ARE MADE REGARDING THE CONTENT OF THE SITE OR ANY MATERIALS PUBLISHED ON THE SITE.

Specifically, without limitation, Qwake Technologies® does not warrant that you will be able to use the Site or that any portion of this Site will be free of viruses, Trojan horses, or other technical defects.

In addition, it is your responsibility to check that the Site's content is accurate and/or complete. The Site may be updated from time to time and may change its content at any time. Although



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Qwake Technologies® makes reasonable efforts to update the information on the Site, it makes no representations, warranties or guarantees, whether express or implied, that the Content is accurate, complete or up-to-date.

Local Regulatory Restrictions

The Site is not directed at any person in any jurisdiction where (by reason of nationality, residence or otherwise) the access to or availability of the Site is prohibited or which would be subject to any restriction, including registration or other requirements within such jurisdiction. Qwake Technologies® reserves the right to limit access to the Site to any such persons. Persons who access the Site do so on their own initiative and are responsible for compliance with applicable law. If in doubt, you should seek independent legal advice.

Accessing and Using the Site

It is not guaranteed that the Site, or any content on it, will always be available or be uninterrupted. Access to the Site is permitted on a temporary "as is" basis. All or any part of the Site, without notice, may be suspended, withdrawn, discontinued, removed or changed. Qwake Technologies® will not be liable to you if for any reason the Site (or any portion thereof) is unavailable (temporarily or permanently) at any time or for any period.

You are responsible for making all arrangements necessary for you to have access to the Site. You are also responsible for ensuring that all persons to whom you provide access to the Site are made fully aware of these Terms of Use and other applicable terms and conditions, and that they comply fully with them.

You may only use the Site for lawful purposes. You acknowledge and agree you may not use the Site.

Applicable Law and Class Action Waiver

These Terms of Use, its subject matter and its formation (and any non-contractual disputes or claims) are governed by the laws of the State of Georgia. Qwake Technologies® and you consent to the jurisdiction of the Superior Court of Hall County, Georgia, and waive any objections as to personal jurisdiction or as to the laying of venue in such courts due to inconvenient forum or any other basis.



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FURTHER, YOU HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THESE TERMS OF USE, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. YOU AGREE THAT WE MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG US TO IRREVOCABLY WAIVE TRIAL BY JURY AND THAT ANY ACTION OR PROCEEDING WHATSOEVER BETWEEN US RELATING TO THESE TERMS OF USE SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY. IN ADDITION, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, NO CLAIM UNDER THIS AGREEMENT SHALL BE JOINED TO ANY OTHER CLAIM FROM OTHER CURRENT OR FORMER USERS OF THE SITE. NO CLAIM BROUGHT UNDER THIS AGREEMENT SHALL PROCEED AS A CLASS ACTION.

Digital Millennium Copyright Act Notice

Should you believe that any material on this Site infringes on your copyright rights, please contact Qwake Technologies®' designated agent for Digital Millennium Copyright Act notice at: Legal Department at Qwake Technologies®, INC Email address: legal@qwake.com In your notice, please: Include your physical or electronic signature; Identify the copyrighted work you claim to have been infringed, or, if there are multiple copyrighted works, a list of such works; Identify the material that you claim to be infringing, and where the material is located on the Site; Include your address, telephone number, and email address; Include a statement that you have a good faith belief that use of the material in the manner complained of is not authorized by you or applicable law; and Include a statement, under penalty of perjury, that the information in your notice is true and accurate and submitted in good faith. If the notice is submitted on your behalf by another person, the notice should contain a statement that, under penalty of perjury, the person submitting the notice is authorized to act on your behalf.

**ADDENDUM TO
CITY OF TURLOCK
AGREEMENT FOR SERVICES**

Quake: _____ **Date:** _____

City Contract No. _____ **Scope of Work:** _____

1. INSURANCE:

Quake shall not commence work under this Agreement until Quake has obtained City's approval regarding all insurance requirements, forms, endorsements, amounts, and carrier ratings, nor shall Quake allow any subcontractor to commence work on a subcontract until all similar insurance required of the subcontractor shall have been so obtained and approved. Quake shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by Quake, its agents, representatives, employees or subcontractors. Failure to maintain or renew coverage or to provide evidence of renewal may constitute a material breach of contract. Any available insurance proceeds in excess of the specified minimum limits and coverage shall be available to City.

(a) Commercial General Liability Insurance: Quake shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office (ISO) form CG 00 01, in an amount not less than Two Million Dollars (\$2,000,000) per occurrence, Four Million Dollars (\$4,000,000) general aggregate, and Two Million Dollars (\$2,000,000) products and completed operations for bodily injury, personal injury, and property damage. The general aggregate limit shall apply separately to this Project or the general aggregate shall be doubled.

(b) Workers' Compensation Insurance: Quake shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance with limits of at least One Million Dollars (\$1,000,000) each accident or disease. Quake shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees, and volunteers.

(c) Commercial Automobile Liability Insurance: Quake shall maintain commercial automobile liability insurance using ISO Business Auto Coverage form CA 00 01, or the equivalent, in the amount of no less than Two Million Dollars (\$2,000,000) each accident for owned, leased, hired, non-owned, and borrowed automobiles. The policy shall provide and be endorsed that the City, its officials, officers, agents, employees, and volunteers are included or named as additional insureds. If Quake owns no vehicles, this requirement may be met through a non-owned auto coverage or an endorsement to the CGL policy.

(d) Cyber Liability Insurance: [Intentionally Omitted]

(e) Builder's Risk Insurance: [Intentionally Omitted]

**ADDENDUM TO
CITY OF TURLOCK
AGREEMENT FOR SERVICES**

Quake: _____ **Date:** _____

City Contract No. _____ **Scope of Work:** _____

(f) Quakes Pollution Insurance: [Intentionally Omitted]

(g) Professional Liability Insurance: [Intentionally Omitted]

(h) Umbrella or Excess Policy: Quake may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required. The Umbrella or Excess policies shall be provided on a true “following form” or broader coverage basis, with coverage at least as broad as provided on the underlying policies of insurance. No coverage or policies maintained by the City (“Additional Insureds”), whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Professional’s primary and excess liability policies are exhausted.

(i) Deductibles and Self-Insured Retentions: Upon request of City, any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its elective and appointive boards, officers, agents, employees, and volunteers; or (2) Quake shall provide a financial guarantee satisfactory to City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

(j) Other Insurance Provisions: The commercial general liability policy shall contain, or be endorsed to contain, the following provisions:

(1) City, its elective and appointive boards, officers, agents, employees, and volunteers are to be covered as additional insureds with respect to liability arising out of work or operations performed by or on behalf of Quake, including materials, parts or equipment furnished in connection with such work or operations. The coverage shall be provided in the form of an endorsement to Quake’s insurance (at least as broad as ISO CG 20 10 for ongoing operations and CG 20 37 for products/completed operations for construction services).

(2) For any claims related to this project, Quake’s insurance coverage shall allow and be endorsed primary insurance as respects City and any insurance or self-insurance maintained by City shall be excess of Quake’s insurance and shall not contribute with it.

(3) In the event of cancellation, non-renewal, or material change that reduces or restricts the insurance coverage afforded to City under this Agreement, the insurer, broker/producer, or Quake shall provide City with thirty (30) days’ prior written notice of such cancellation, non-renewal, or material change.

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**ADDENDUM TO
CITY OF TURLOCK
AGREEMENT FOR SERVICES**

Quake: _____ **Date:** _____

City Contract No. _____ **Scope of Work:** _____

(4) Coverage shall not extend to any indemnity coverage for the sole negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

(k) Acceptability of Insurers: Insurance is to be placed with insurers admitted in California with a current A.M. Best's rating of no less than A-:VII or with an insurer to which the City has provided prior approval.

(l) Additional Insurance Requirements: Within five (5) days of the Effective Date, Quake shall provide City with certificates of insurance and amendatory endorsements for all of the policies required under this Agreement ("Certificates and Endorsements"). Such Certificates and Endorsements shall be kept current for the Term of the Agreement and Quake shall be responsible for providing updated copies. With the exception of the workers' compensation insurance, all of the insurance policies required in this Agreement shall: (a) provide that the policy will not be cancelled, allowed to expire, or materially reduced in coverage without at least thirty (30) days' prior written notice to City of such cancellation, expiration, or reduction and each policy shall be endorsed to state such. If a carrier will not provide the required notice of cancellation, the Quake shall provide written notice to the City no later than ten (10) business days before cancellation; (b) name City, and City's Agents as additional insureds with respect to liability arising out of Services, work or operations performed by or on behalf of Professional and shall be endorsed to state such; (c) name City of Turlock as a certificate holder; (d) cover products and completed operations of Professional, premises owned, occupied, or used by the Professional, or automobiles owned, leased, or hired or borrowed by the Professional; contain no special limitations on the scope of protection afforded to City; (e) allow and be endorsed primary with respect to any insurance or self-insurance programs covering City or City's Agents and any insurance or self-insurance maintained by City or City's Agents shall be in excess of Professional's insurance and shall not contribute to it; (f) contain standard separation of insured provisions; and (g) state that any failure to comply with reporting or other provisions of the policy including breaches of warranties shall not affect the coverage provided to City.

(m) Waiver of Subrogation: With the exception of professional liability, Quake hereby agrees to waive subrogation which any insurer of Quake may acquire from Quake by virtue of the payment of any loss. The commercial general liability policy, automobile liability policy, and workers' compensation policy shall be endorsed to contain a waiver of subrogation in favor of City for all work performed by Quake, its agents, employees, independent Quakes and subcontractors. Quake shall provide written proof of waiver of subrogation in the Certificate of Insurance. Additionally, Quake agrees to obtain any available endorsements that may be necessary to effectuate this waiver of subrogation.

**ADDENDUM TO
CITY OF TURLOCK
AGREEMENT FOR SERVICES**

Quake: _____ **Date:** _____
City Contract No. _____ **Scope of Work:** _____

(n) Subcontractors: Quake shall ensure all subcontractors furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

(o) Surety Bonds: [Intentionally Omitted]

2. INDEMNIFICATION:

Indemnity for Professional Liability: When the law establishes a professional standard of care for Quake's Services, to the fullest extent permitted by law, Quake shall indemnify, protect, defend, and hold harmless City and any and all of its elective and appointive boards, officers, officials, agents, employees or volunteers from and against any and all losses, liabilities, damages, costs, and expenses, including legal counsel's fees and costs but only to the extent the Quake (and its Subcontractors) are responsible for such damages, liabilities and costs on a comparative basis of fault between the Quake (and its Subcontractors) and the City in the performance of professional services under this Agreement. Quake shall not be obligated to defend or indemnify City for the City's own negligence or for the negligence of others.

Indemnity for other than Professional Liability: Other than in the performance of professional services and to the full extent permitted by law, Quake shall indemnify, defend, and hold harmless City and any and all of its elective and appointive boards, officers, officials, agents, employees or volunteers from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel's fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Quake or by any individual or agency for which Quake is legally liable, including, but not limited to, officers, agents, employees, or subcontractors of Quake.

3. BUSINESS LICENSE: Quake shall obtain a business license from City before they commence performance of the Services.

4. VOLUNTARY TERMINATION: Either party may terminate this Agreement without cause or legal excuse by providing thirty (30) days' written notice to the other party.

5. CONFLICT: Should any conflict exist between the terms and conditions of the Agreement and this Addendum, the terms and conditions of this Addendum shall prevail.

6. CONFIDENTIALITY AND CALIFORNIA PUBLIC RECORDS ACT COMPLIANCE: Notwithstanding Section 17 of Quake's agreement Quake understands and
10/2025

**ADDENDUM TO
CITY OF TURLOCK
AGREEMENT FOR SERVICES**

Quake: _____ **Date:** _____

City Contract No. _____ **Scope of Work:** _____

agrees that City must comply with the California Public Records Act, California Government Code section 7920 et seq. which may affect or limit City's obligations.

7. EXECUTION AND COUNTERPARTS. This Addendum may be executed simultaneously, and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument. The Parties agree that this Addendum and any other documents to be delivered in connection herewith may be electronically signed utilizing services such as DocuSign and Nitro Sign, or by transmitting signatures in pdf or similar format, and that any electronic signatures appearing on this Addendum or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

8. GOVERNING LAW: This Addendum shall be interpreted, construed, and governed according to the laws of the State of California, and venue for all actions arising from or related to this Agreement shall be in the County of Stanislaus, State of California.

9. Conformity with Law and Safety: Service Provider shall observe and comply with all applicable laws, ordinances, codes and regulations of governmental agencies, including federal, state, municipal and local governing bodies having jurisdiction over any or all of the scope of Services, including all provisions of the Occupational Safety and Health Act of 1979 as amended, all California Occupational Safety and Health Regulations, the California Building Code, the Americans with Disabilities Act, any copyright, patent, or trademark law, and all other applicable federal, state, municipal and local safety regulations, appropriate trade association safety standards, and appropriate equipment manufacturer instructions. All Services performed by Service Provider must be in accordance with these laws, ordinances, codes and regulations. Service Provider's failure to comply with any laws, ordinances, codes, or regulations applicable to the performance of the Services hereunder shall constitute a breach of contract. In cases where standards conflict, the standard providing the highest degree of protection shall prevail.

If a death, serious personal injury or substantial property damage occurs in connection with the performance of this Agreement, Service Provider shall immediately notify City's risk manager by telephone. If any accident occurs in connection with this Agreement, Service Provider shall promptly submit a written report to City, in such form as City may require. This report shall include the following information: (a) name and address of the injured or deceased person(s); (b) name and address of Service Provider's subcontractor, if any; (c) name and address of Service Provider's liability insurance carrier; and (d) a detailed description of the accident, including whether any of City's equipment, tools or materials were involved.

If a release of a hazardous material, substance, or waste occurs in connection with the performance of this Agreement, Service Provider shall immediately notify City. Service Provider

**ADDENDUM TO
CITY OF TURLOCK
AGREEMENT FOR SERVICES**

Quake: _____ Date: _____

City Contract No. _____ Scope of Work: _____

shall not store hazardous materials or hazardous waste within City limits without a proper permit from City.

Including but not limited to implementing Section 1.2 of the QwakeConnect Description, Service Provider and City shall comply with all California laws involving privacy law, and public employee labor and employment law. Qwake shall not use, sell, or disclose any personal information or Location Information except to provide the services under the Agreement.

9.1. Compliance with Federal Requirements: Service Provider agrees to comply with all applicable federal statutes, regulations, and requirements, including but not limited to:

- 2 CFR Part 200 (Uniform Guidance) procurement and cost principles;
- Equal Employment Opportunity (41 CFR Part 60);
- Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352);
- Debarment and Suspension (2 CFR Part 180).
-

Service Provider certifies it is not debarred, suspended, or otherwise excluded from participation in federal programs.

10. Notices: All notices pursuant to Section 18.11 of the Agreement must be in writing.

11. CONTRACT ADMINISTRATOR: The City's contract administrator and contact person for this Agreement is:

Michael Harcksen
City of Turlock
Fire Department
156 S. Broadway, Suite ____
Turlock, California 95380
E-mail Address: mharcksen@turlock.ca.us

IN WITNESS WHEREOF, the parties have caused this Addendum to be executed by and through their respective officer's thereunto duly authorized.

CITY OF TURLOCK, a California municipal corporation

QUAKE

By: _____
Susan E. Borrego, Interim City Manager

By: _____

Title: _____

10/2025

**ADDENDUM TO
CITY OF TURLOCK
AGREEMENT FOR SERVICES**

Quake: _____ **Date:** _____

City Contract No. _____ **Scope of Work:** _____

Date: _____

Print name: _____

By: _____

Date: _____

Shanon Evans, Deputy Fire Chief

APPROVED AS TO FORM:

By: _____

George A. Petrulakis, City Attorney

ATTEST:

By: _____

Nichole Fiez, City Clerk

City Council Staff Report

November 18, 2025



From: Adrienne Werner, Development Services Director
Prepared by: Adrienne Werner, Development Services Director
Agendized by: Susan E. Borrego, Interim City Manager

1. ACTION RECOMMENDED:

Resolution: Approving a Memorandum of Understanding (MOU), in a form approved by the City Attorney, between the City of Turlock and Stanislaus Council of Governments (StanCOG) accepting the sub-allocation of 2021 Regional Early Action Planning (REAP 2.0) grant funds in the amount of \$454,769 and authorizing the Interim City Manager to enter into, execute and deliver the MOU and any and all other documents necessary to secure the grant.

Resolution: Appropriating \$454,769 to Revenue Account Number 271-40-400-452.34168 "REAP Grant" to be funded from a sub-allocation from the 2021 Regional Early Action Planning (REAP 2.0) grant and to appropriate \$454,769 to Expense Account Number 271-40-400-452.43055_000 "Consultant General" for the preparation of a comprehensive master plan for seven County Islands and the necessary zoning amendments

Motion: Authorizing the Interim City Manager to enter into a professional services agreement, in a form approved by the City Attornye, with Dyett and Bhatia Urban and Professional Planners for the preparation of a comprehensive master plan for the seven unincorporated county islands within the City's Sphere of Influence and prepare the appropriate and necessary documents and rezone amendments.

2. NARRATIVE:

Through the California Department of Housing and Community Development (HCD) Regional Early Action Planning Grant Program of 2021 (REAP 2.0), the Stanislaus Council of Governments (StanCOG) received \$7.1 million in REAP 2.0 funds, with \$3.1 million allocated to member agencies. The REAP 2.0 Transformative Funding Suballocation Program supports projects that advance housing and equity goals, reduce vehicle miles traveled (VMT), and implement the region's Sustainable Communities Strategy (SCS). Through the grant program, Turlock is eligible for up to \$454,769 to support projects aligned with REAP 2.0. Eligible uses include planning for infill housing, infrastructure upgrades, affordable housing development, and multimodal transportation improvements.

On August 12, 2025, the Turlock City Council approved submittal of the City's REAP 2.0 application to StanCOG. On October 1, 2025, staff was notified by StanCOG that HCD has completed its review of all jurisdictional applications for StanCOG's REAP 2.0 Transformative Funding Allocation Program, and Turlock's application has been approved to move forward.

StanCOG presented a funding agreement/MOU between StanCOG and the City of Turlock to the StanCOG Policy Board on October 15, 2025. The draft MOU is attached for review.

City of Turlock staff has identified the following potential projects that meet the criteria to receive the grant funds:

- Objective development standards
- Master Plan for the Montana-West County Islands
- Small Lot Subdivision Ordinance
- Congregational Overlay

The Montana-West area (approx. 50 acres) includes three unincorporated County islands with underutilized parcels. The Turlock General Plan prioritizes master planning and eventual incorporation of these areas, consistent with Policy 3.1-m.

In May 2021, the City of Turlock entered into a professional services agreement with Dyett and Bhatia Urban and Regional Planners (Dyett and Bhatia) for the 6th Cycle Turlock Housing Element update. Staff is requesting City Council approval to enter into a separate professional services agreement with Dyett and Bhatia for the work proposed under the REAP 2.0 grant. The Turlock Municipal Code 2-7-08 allows the City Council to award a contract without going through the formal bidding procedure if one of six identified circumstances exist.

Under TMC §2-7-08(b), formal bidding procedures are not required for certain types of contracts, including those involving professional or specialized services such as attorneys, engineers, accountants, or consultants. Staff has determined that this request qualifies for this exemption as it involves the procurement of professional or specialized services consistent with TMC §2-7-08(b).

Dyett & Bhatia is currently assisting City staff with the preparation and review of the 6th Cycle Housing Element Update, which is under review by the Department of Housing and Community Development (HCD). The scope of work proposed for REAP 2.0 funding will focus on advancing policies and implementing programs identified in the 6th Cycle Turlock Housing Element. Due to the distinct scope and separate grant funding source, this work is proposed under a new, standalone contract rather than as an amendment to the existing agreement.

Staff will work closely with Dyett & Bhatia to prepare all necessary documents to ensure compliance with State housing laws. The REAP 2.0 grant program operates under an accelerated schedule, requiring timely coordination and delivery. Applications were due August 15, 2025, and award notifications were issued by the local Council of Governments in early October. All grant funds must be fully expended by December 31, 2026, leaving a limited window for project completion and implementation.

3. FISCAL IMPACT / BUDGET AMENDMENT:

The budget will be amended to add the revenue from the REAP 2.0 grant and the proposed expenses as follows:

Revenue:

271-400-452.34168 REAP Grant	\$454,769
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Expenses

271-40-400-452.43055_000 Consultant General \$454,769

4. ENVIRONMENTAL DETERMINATION:

This action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) [Project] of the CEQA guidelines. This is an organizational or administrative activity involving the submittal of an application to receive additional suballocation of Regional Early Action Planning (REAP) Funds. This action will not result in direct or indirect physical changes in the environment.

5. ATTACHMENTS:

1. DRAFT REAP 2.0 MOU Transformative Program Template (002)
2. Professional Services Agreement Template rev 10-2025
3. 20251016 REAP 2025 Grant Project 1 - Master Plan (proposal)
4. 20251016 REAP 2025 Grant Project 2 - Zoning Amendments (proposal)
5. Resolution REAP 2.0 budget amend
6. Resolution REAP 2.0 MOU

MEMORANDUM OF UNDERSTANDING
between
STANISLAUS COUNCIL OF GOVERNMENTS
and
{NAME OF STANISLAUS COUNTY JURISIDCTION}
for
SUBALLOCATION OF REGIONAL EARLY ACTION PLANNING GRANT FUNDS OF
2021 (REAP 2.0)

This Memorandum of Understanding is made and entered into between the Stanislaus Council of Governments (StanCOG) and the {Name of Stanislaus County Jurisdiction}, the “**Sub-Recipient**”, and is dated October 15, 2025 {DATE}, for reference purposes.

Recitals

- A. WHEREAS, StanCOG is a council of city and county governments in Stanislaus County, established by a joint powers agreement in 1971, to address regional transportation issues and is the designated metropolitan planning organization for the Stanislaus region;
- B. WHEREAS, StanCOG is the recipient of funds from the California Department of Housing and Community Development (“HCD”) for administration of the Regional Early Action Planning Grant Program of 2021 (REAP 2.0);
- C. WHEREAS, StanCOG issued a non-competitive call for projects under the Transformative Funding Suballocation Program, making funds available to all jurisdictions in Stanislaus County for eligible planning and implementation activities consistent with the goals of the REAP 2.0 program;
- D. WHEREAS, {Name of Stanislaus County Jurisdiction} applied for, and has been deemed eligible to receive, funding to carry out such planning and implementation activities (the “Project”);
- E. WHEREAS, {Name of Stanislaus County Jurisdiction} agrees to implement the Project and collaborate with StanCOG to further the goals of promoting affordable infill housing opportunities, expanding multimodal transportation options, and reducing vehicle miles travelled withing the region.

NOW, THEREFORE, in consideration of the mutual promises, covenants, terms, and conditions hereinafter contained, the parties hereto agree as follows:

AGREEMENT

1. Recitals, and Funding Agreement between HCD and StanCOG

The recitals above are hereby incorporated in this Agreement. The funding agreement between HCD and StanCOG is attached to this Agreement as Exhibit “A” and all applicable provisions of said agreement shall apply to the Sub-Recipient, in addition to the Agreement terms set forth below. The key guidance and requirements of the REAP 2.0 program applicable to all the Sub-Recipients are presented in the Notice of Funding Availability and Final Guidelines – Metropolitan Planning Organization Allocation Regional Early Action Planning Grant (REAP 2.0) attached to this Agreement as Exhibit “B”.

2. Funding Amount:

The amount to be paid to Sub-Recipient under this MOU will not exceed {spell out dollar amount} (\$xxx,xxx.00)(Funds), which represents Sub-Recipients allocation. In no instance will StanCOG be liable for any payments or costs for work in excess of this amount, nor for any unauthorized or ineligible costs. Nor shall StanCOG be liable for any amounts if HCD fails to allocate or distribute REAP 2.0 funding to StanCOG.

3. Term/Timeline:

The term of this MOU shall begin on the “Effective Date” of this MOU, which shall be the last date of execution of the MOU by the parties hereto. All work identified in the Scope of Work must be completed by December 31, 2026, unless terminated earlier as provided herein. No extensions will be granted to complete the Scope of Work unless authorized by HCD. All final reporting and invoicing, set forth in Section 9 of this Agreement, is due to StanCOG by January 31, 2027.

4. Project Management and Notices:

The StanCOG point of contact for all communication regarding invoicing, reporting and noticing shall be:

Michael Sigala
Stanislaus Council of Governments,
1111 “I” Street Suite 308
Modesto, CA 95354
Telephone: (209) 525-4600
Email: msigala@stancog.org

The Subrecipient Project Manager for all communication, invoicing, reporting and noticing shall be:

{Name}
{Title}
{Name of Stanislaus County Jurisdiction}
{Address line one}
{Address line two}
Telephone: {number}
Email: {address}

5. Scope of Work:

The scope of work for the Project (“Scope of Work”) is set forth in Sub-Recipient’s REAP 2.0 Application for the StanCOG’s Transformative Suballocation Program, attached to this Agreement as Exhibit “C”.

The Sub-Recipient shall use the Funds in accordance with the scope of work as contained in the grant application approved by HCD. Sub-Recipient request for amendments or modifications in scope must be made in consultation with, and with the prior approval of, StanCOG. If deemed appropriate by StanCOG, StanCOG will seek prior approval from HCD regarding proposed changes in task budget or scope/approach to ensure that any changes to the scope of work as proposed in the grant application are acceptable to HCD.

6. Compliance

By entering into this Agreement and thereby accepting the Funds, the Grantee agrees to comply with the terms and conditions set forth in Exhibit “A”, Exhibit “B”, Exhibit “C”, and this Memorandum of Understanding.

Sub-Recipient will, also, comply with all applicable Federal, State, and local laws, codes, ordinances, regulations, orders, circulars, and directives, including, without limitation, all State regulatory requirements associated with the REAP 2.0 funding provided to Sub-Recipient hereunder, including all reporting requirements set forth in the REAP 2.0 Guidelines and reporting requirements in the funding agreements between StanCOG and HCD.

Further, Sub-Recipient will require the appropriate debarment certification form from all Sub-Recipient contractors and Sub-Recipient certifies that it will not knowingly enter into any transaction with a contractor, subcontractor, material supplier, or vendor who is debarred, suspended, declared ineligible, or voluntarily excluded from covered transactions by any Federal or State agency.

7. Independent Contractor:

Sub-Recipient, and the agents and employees of the Sub-Recipient, in the performance of this Agreement, will act as and be independent contractors and not officers or employees or agents of StanCOG. Sub-Recipient, its officers, employees, agents, and subcontractors, if any, will have no power to bind or commit StanCOG to any decision or course of action, and will not represent to any person or business that they have such power. Sub-Recipient has

and will retain the right to exercise full control of the supervision of the work and over the employment, direction, compensation and discharge of all persons assisting Sub-Recipient in the performance of work funded by this Agreement. Sub-Recipient will be solely responsible for all matters relating to the payment of its employees and contractors including, but not limited to, compliance with all laws, statutes, and regulations governing such matters.

8. Accounting Records:

- a. Sub-Recipient, its staff, contractors and subcontractors shall establish and maintain an accounting system and reports that properly accumulate incurred project costs by line. The accounting system shall conform to Generally Accepted Accounting Principles (GAAP), enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment voucher or invoices.
- b. Sub-Recipient shall establish a separate ledger account for receipts and expenditure of the Funds and maintain expenditure details in accordance with the scope of work, project timeline and budget.
- c. Sub-Recipient shall maintain documentation of its normal procurement policy and competitive bid process (including the use of sole source purchasing), and financial records of expenditures incurred during the course of the project in accordance with GAAP.
- d. Sub-Recipient agrees that StanCOG, HCD and the State of California and/or their designated representative(s) shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement.

9. Reporting and Payment:

- a. On a quarterly basis, Sub-Recipient will provide StanCOG with both (1) a written report on the progress made on the Scope of Work; and (2) an invoice for reimbursement containing attached back up documentation, including itemized receipts clearly showing the amount requested for reimbursement, including vendor name, purchase date, and a description of the items, services procured, or Sub-Recipient staff time billed to the Project; statement of reason to provide a clear explanation of why the expense was incurred, such as a copy of a meeting invitation, event flyer, or a written explanation outlining the business purpose of the expense; and proof of payment. If no receipt is available, a proof of payment (e.g., a canceled check or credit card statement) may be required). Sub-Recipient shall submit the quarterly reports within 30 days of the end of the reporting period. The quarterly report shall be provided by e-mail to StanCOG. Sub-Recipient's written progress report shall be completed as required by StanCOG, and shall be for the periods ending March, June, September and December of each year. StanCOG may provide a reporting template for the Quarterly Report, and the Sub-Recipient shall report all required information on the template provided. Sub-recipient's failure to submit timely, accurate, and complete Quarterly Reports and invoices consistent with the approved Scope of Work and budget (and the REAP grant agreement) may result in payment delay, non-payment, or other actions deemed necessary to ensure compliance

with the REAP program reporting requirements. In addition, StanCOG reserves the right to withhold future reimbursements or funding distributions, and to disallow expenses not properly and timely invoiced or lacking the required reporting information.

- b. Sub-Recipient shall annually report to StanCOG by January 31st for the previous calendar year of the Agreement: (1) detailed status of the Project overall, including subtasks (2) status of the uses and expenditures, including subtasks, (3) an explanation and quantification, where appropriate, of the progress achieved toward all of the objectives of the REAP 2.0 program, barriers and solutions for the proposed activities including (a) corresponding impact and measurable outcomes for accelerating infill housing development, (b) reductions in vehicle miles traveled per capita, (c) actions for affirmatively furthering fair housing (d) location of investment, (e) socioeconomic statistics about the impacted geography, and (f) regional impact explanation. Additional information on indicators, outcomes and anticipated changes and other reporting requirements deemed necessary by StanCOG may be required in the Annual Report. StanCOG may provide a reporting template for the Annual Report, and the Sub-Recipient shall report all required information on the template provided.
- c. Payments to Sub-Recipient hereunder will be made in arrears.
- d. Invoices for expenditures incurred prior the Effective Date of this MOU will not be reimbursed.
- e. Sub-Recipient shall not be entitled to reimbursement of indirect costs unless a copy of an applicable, approved indirect cost plan has been received by StanCOG prior to submittal of the first invoice from the Sub-Recipient. Indirect cost rates shall be submitted annually in accordance with StanCOG requirements.
- f. Sub-Recipient will be notified within ten (10) business days following receipt of its invoice by StanCOG of any circumstances or data identified by StanCOG in Sub-Recipient's invoice that would cause withholding of approval and subsequent payment.

10. Audit, Retention and Inspection of Records:

- a. StanCOG or its designee, including but not limited to any State or Federal agency, will have the right to review, obtain, copy, and audit all books, records, computer records, accounts, documentation and any other materials (collectively "Records") pertaining to performance of this Agreement, including any Records in the possession of any contractors or subcontractors. Such Records shall include all records of employment, employment advertisements, employment application forms, and other pertinent employment data, as well as any records pertaining to compliance with Public Contract Code Sections 10115, et seq. and Title 21, California Code of Regulations, Chapter 21, Section 2500, et seq. (when applicable) and other matters connected with the performance of the contract pursuant to Government Code Section 8546.7.
- b. Sub-Recipient agrees to provide StanCOG or its designee, the State, the California State Auditor or any duly authorized representative of the State or Federal government, with any

relevant information requested and will permit StanCOG or its designees access to its premises, upon reasonable notice, during normal business hours, for the purpose of interviewing employees and inspecting and copying such Records for the purpose of determining compliance with any applicable Federal and State laws and regulations. Sub-Recipient further agrees to maintain such Records for a period of three (3) years after final payment under the Agreement or three (3) years from the conclusion or resolution of any and all audits or litigation relevant to this Agreement and any amendments, whichever is later. If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the three (3) years after final payment under this Contract, all records must be retained by Sub-Recipient, its contractors and subcontractors until completion of the action and resolution of all issues which arise from it. Records related to any and all audits or litigation relevant to this Agreement shall be retained for five (5) years after the conclusion or resolution of the matter.

- c. In addition to any other remedies available to StanCOG in law or equity for breach of this Agreement, StanCOG, may at its discretion, exercise a variety of remedies, including, but not limited to, requiring repayment of the Funds disbursed and expended under this Agreement.

11. Third Party Contracts:

- a. All procurements related to the expenditure of the Funds must be conducted using a fair and competitive procurement process. Sub-Recipient may use its own procurement procedures as long as the procedures comply with all City/County laws, rules and ordinances governing procurement, HCD's REAP 2.0 Guidelines, and all applicable provisions of California law.
- b. Any contract entered into as a result of this MOU shall contain all the provisions stipulated in this MOU and shall be applicable to Sub-Recipient's contractors and subcontractors. Copies of all agreements with contractors and subcontractors shall be submitted to StanCOG's project manager.
- c. Sub-Recipient shall be responsible for monitoring and enforcement of all agreements with contractors and subcontractors to ensure compliance with the terms of this MOU.

12. Assignment:

Sub-Recipient shall not assign or subcontract its duties under this MOU. No subcontract, whether existing or later entered into as set forth herein, under any circumstances shall relieve the Sub-Recipient of its liability and obligation under this contract, and all transactions with StanCOG must be through the Sub-Recipient.

13. Indemnity:

Sub-Recipient specifically agrees to indemnify, defend, and hold harmless StanCOG, its directors, officers, members, boards, committees, agents, and employees (collectively the "Indemnitees") from and against any and all actions, claims, demands, losses, costs,

expenses, including reasonable attorneys' fees and costs, damages, and liabilities (collectively "Losses") arising out of or in any way connected with the performance of this MOU. Sub-Recipient shall pay all costs and expenses that may be incurred by StanCOG in enforcing this indemnity, including reasonable attorneys' fees. The provisions of this Section shall survive the expiration, termination, or assignment of this MOU.

14. Amendments:

If HCD, StanCOG or any other State agency having jurisdiction, requires a change to the terms of this MOU, the parties will amend this MOU as necessary, or will terminate it immediately. No alteration or variation of the terms of this MOU will be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein, will be binding on any of the parties hereto.

15. Termination:

- a. Either party may terminate this MOU for any reason, with or without cause, at any time, by giving the other party fifteen (15) days written notice. If either party issues a notice of termination, StanCOG will reimburse Sub-Recipient for work actually performed up to the effective date of the notice of termination.
- b. Sub-Recipient will have the right to terminate this MOU in the event StanCOG is unable to make required payments, including, without limitation, a failure of HCD to appropriate funds. StanCOG has the right to terminate this agreement should Sub-Recipient fail to perform the Scope of Work in a complete and timely manner or should Sub-Recipient fail to meet the Quarterly, Annual or other reporting requirements deemed necessary by StanCOG provided Sub-Recipient shall have thirty (30) calendar days in which to cure its reporting non-compliance.

This MOU may be executed in any number of counterparts with the same effect as if the parties had all signed the same document, and which together shall constitute one and the same instrument.

Each party agrees that this MOU and any other documents to be delivered in connection herewith may be electronically signed, and that any electronic signatures appearing on this MOU or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

IN WITNESS WHEREOF, this MOU has been executed by the parties hereto and shall be effective when executed by both parties.

**Stanislaus Council of Governments, a Joint
Powers Agency**

{Name of Stanislaus County Jurisdiction}

By: _____

Interim Executive Director

Date: _____

APPROVED AS TO FORM:

By: _____

{Name}

{Title of Authorized Signatory}

Date: _____

APPROVED AS TO FORM:

By: _____

Monica Streeter
General Counsel

By: _____

{Name}

{Title of Authorized Legal Counsel}

DRAFT

EXHIBIT A
FUNDING AGREEMENT BETWEEN HCD AND STANCOG

DRAFT

EXHIBIT B
NOTICE OF FUNDING AVAILABILITY AND FINAL GUIDELINES –
METROPOLITAN PLANNING ORGANIZATION ALLOCATION REGIONAL EARLY
ACTION PLANNING GRANT (REAP 2.0)

DRAFT

EXHIBIT C
**SUB-RECIPIENTS REAP 2.0 APPLICATION FOR THE STANCOG TRANSFORMATIVE
SUBALLOCATION PROGRAM**

DRAFT



**AGREEMENT BETWEEN THE CITY OF TURLOCK
and
DYETT AND BHATIA URBAN AND REGIONAL PLANNERS
for
PROFESSIONAL SERVICES**

City Contract No. 2026-0074

THIS PROFESSIONAL SERVICES AGREEMENT (the “Agreement”) is entered into by and between the CITY OF TURLOCK, a California municipal corporation (“City”), and Dyett and Bhatia Urban and Regional Planners, a California Corporation (“Professional”), on this 18th day of November, 2025 (the “Effective Date”). City and Professional may be collectively referred to herein as the “Parties” or individually as “Party.” There are no other parties to this Agreement.

RECITALS

A. City seeks to hire an independent contractor to perform professional services to assist City with the preparation of a master plan for unincorporated County island areas wholly surrounded by the City of Turlock and zoning amendments intended to increase the supply of housing in the City (the “Project”).

B. Professional has made a proposal to City to provide such professional services. A description of the services Professional proposes to provide is included in the Scope of Services in **Exhibit A** attached hereto and incorporated herein by reference (“Services”). City desires to retain Professional to perform the Services, subject to the terms and conditions set forth in this Agreement.

C. The Parties have outlined the schedule or timeline for providing the Services (“Completion Schedule”), which shall be included in the Scope of Services in **Exhibit A**.

D. The Parties have outlined the rates and method of payment to Professional for its performance of the Services under this Agreement (“Compensation Schedule”), which shall be included in the Scope of Services in **Exhibit A**.

NOW, THEREFORE, in consideration of the promises and covenants set forth below, the Parties agree as follows:

AGREEMENT

1. **Recitals.** The recitals set forth above (“Recitals”) are true and correct and are hereby incorporated into and made part of this Agreement by this reference. In the event of any inconsistency between the Recitals and Sections 1 through 53 of this Agreement, Sections 1 through 53 shall prevail.

2. **Term.** The term of this Agreement shall be one (1) year and will commence on the Effective Date and terminate on the 18th day of November, 2026 (“Term”) unless the Parties mutually agree in writing to terminate the Agreement earlier or extend the Term pursuant to this Agreement.

3. **Extension of Agreement.** City may elect to extend this Agreement for one (1) additional one (1) year term, on the same terms and conditions, upon issuing an “Election to Extend Agreement” letter executed by the City Manager and Professional thirty (30) days prior to the expiration of this Agreement.

4. **Effective Date.** This Agreement shall only become effective once all of the Parties have executed the Agreement (the “Effective Date”).

5. **Work.**

5.1. **Services.** Subject to the terms and conditions set forth in this Agreement, Professional shall provide City the Services described in **Exhibit A**. Any request for Services not included in **Exhibit A** will be considered a request for additional or modified Services (“Modification” or “Modifications”). Professional shall not receive additional compensation for any Modification of the Services unless the Parties agree otherwise in a writing executed by both Parties.

5.2. **City Requested Modification of Services.** City may, by written order, authorize Modifications to the Services described in **Exhibit A**. If such Modifications cause an increase in the cost or time required for performance of Professional’s Services, the Parties shall enter into a written amendment to this Agreement to adjust the Services and the compensation to be paid to Professional and, if necessary, amend the Completion Schedule or Compensation Schedule. The Services, Completion Schedule, or Compensation Schedule shall not be revised unless City and Professional mutually agree to a written amendment to this Agreement reflecting such revisions, additional compensation, time for performance or such other terms or conditions mutually agreed upon by the Parties.

5.3. **Professional Requested Modification in Services.** Professional shall not be compensated for work outside the Services described in this Agreement, unless, prior to the commencement of the Services:

(a) Professional provides City with written notice that specific work requested by City or required to complete the Project is outside the agreed upon Services. Such notice shall: (1) be supported by substantial evidence that the work is outside the Services; (2) set forth the Professional's proposed course of action for completing the work and a specific request for City to approve the Modification to the Services; (3) set forth the Professional's proposed revisions, if any, to the Completion Schedule; and (4) set forth the Professional's proposed revisions, if any, to the Compensation Schedule; and

(b) City agrees that the work requires a Modification;

(c) City approves all adjustments, if any, to the Completion Schedule and Compensation Schedule; and

(d) The Parties execute a written amendment to this Agreement describing any Modification, together with any adjustment in the Completion Schedule and Compensation Schedule for Professional's work.

6. Compensation.

6.1. Amount, Time and Manner of Payment for Professional Services. City shall pay Professional according to the rates and timing set forth in the Compensation Schedule. On each anniversary date of the Effective Date, Professional will be allowed to increase prices with thirty (30) days' written notice to City. Increases may not exceed increases in the San Francisco-Oakland Consumer Price Index for all urban consumers or percentage increases in Professional's published prices, whichever is lower. In all cases, City may cancel this Agreement if a requested price increase is not acceptable. City's total compensation to Professional shall not exceed Four Hundred Fifty Four Thousand Seven Hundred Sixty Nine and No/100ths Dollars (\$454,769.00) ("Maximum Payment"), unless the Parties mutually agree in writing otherwise.

6.2. Deposit. Intentionally Omitted

6.3. Subsequent Payments. City shall make monthly payments in the amount invoiced by Professional within thirty (30) calendar days of receiving such invoice. In the event that an amount of an invoice is in dispute, City shall inform Professional of the amount and basis for the dispute and may withhold the amount which is in dispute until the dispute has been resolved.

6.4. Invoices. Professional shall provide City with monthly invoices sufficiently evidencing Professional's expenses and completion of the Services. All invoices furnished to City by Professional shall be in a form approved by City. The payments specified shall be the only payments made to Professional for performance of the Services, including compensation for any Modification. Professional shall submit all billings for Services to City within forty-five (45) days of the performance of such Services. City shall issue payment according to City's customary procedures and practices for issuing payments to independent contractors.

7. **Notice to Proceed.** Professional shall not commence the performance of the Services until it has been given notice by City ("Notice to Proceed").

8. **Time of Performance.** Professional warrants that it will commence performance of the Services within thirty (30) calendar days of the date the agreement was executed and shall conform to the Completion Schedule. The time of performance is a material term of this Agreement relied on by City in entering into this Agreement.

9. **City Assistance to Professional. Intentionally Omitted**

10. **Time and Personnel Devoted to Services.** Professional shall devote such time and personnel to the performance of this Agreement, as is necessary to perform the Services in compliance with the Completion Schedule, Compensation Schedule, and this Agreement.

11. **Performance by Qualified Personnel; No Subcontracting.** Services under this Agreement shall be performed only by competent personnel under the supervision and direct employment of Professional. Professional will conform with City's reasonable requests regarding assignment of personnel, but all personnel, including those assigned at City's request, shall be supervised by Professional. Professional is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is expressly approved by City in writing. Neither Party shall, on the basis of this Agreement, contract on behalf of, or in the name of the other Party. An agreement made in violation of this provision shall confer no rights on any Party and shall be null and void.

12. **Representations of Professional.** City relies upon the following representations by Professional in entering into this Agreement:

12.1. **Qualifications.** Professional represents that it is qualified to perform the Services provided in **Exhibit A** and that it possesses the necessary licenses and permits required to perform the Services or will obtain such licenses or permits prior to the time such licenses or permits are required. Professional shall also ensure that all subcontractors are similarly licensed and qualified. Professional and all subcontractors shall also obtain a business license from City before they commence performance of the Services. Professional represents and warrants to City that Professional shall, at Professional's sole cost and expense, keep in effect or obtain at all times during the Term of this Agreement, any licenses, permits, and approvals which are legally required for Professional to practice Professional's profession at the time the Services are rendered.

12.2. **Professional Performance.** Professional represents that all Services under this Agreement shall be performed in a professional manner and shall conform to the customs and standards of practice observed on similar, successfully completed projects by specialists in the Services to be provided. Professional shall adhere to accepted professional standards as set forth by relevant professional associations and shall perform all Services required under this Agreement in a manner consistent with generally accepted professional customs, procedures and standards for such Services. All work or products completed by Professional shall be completed using the best practices available for the profession. Professional agrees that, if a Service is not so performed, in

addition to all of its obligations under this Agreement and at law, Professional shall re-perform or replace unsatisfactory Service at no additional expense to City.

12.3. No Waiver of Claims. The granting of any progress payment by City, or the receipt thereof by Professional, or any inspection, review, approval or oral statement by any representative of City, or state certification shall not, in any way, waive, limit, or replace any certification or approval procedures normally required or lessen the liability of Professional to re-perform or replace unsatisfactory Service, including, but not limited to, cases where the unsatisfactory character of such Service may not have been apparent or detected at the time of such payment, inspection, review or approval.

12.4. City's Remedies are Cumulative. Nothing in this Section shall constitute a waiver or limitation of any right or remedy, whether in equity or at law, which City or Professional may have under this Agreement or any applicable law. All rights and remedies of City, whether under this Agreement or applicable law, shall be cumulative.

12.5. No Conflict of Interest. Professional represents that no conflict of interest will be created under state or federal law by entering into or in carrying out this Agreement.

13. Conformity with Law and Safety. Professional shall observe and comply with all applicable laws, ordinances, codes and regulations of governmental agencies, including federal, state, municipal and local governing bodies having jurisdiction over any or all of the scope of Services, including all provisions of the Occupational Safety and Health Act of 1979 as amended, all California Occupational Safety and Health Regulations, the California Building Code, the Americans with Disabilities Act, any copyright, patent, or trademark law, and all other applicable federal, state, municipal and local safety regulations, appropriate trade association safety standards, and appropriate equipment manufacturer instructions. All Services performed by Professional must be in accordance with these laws, ordinances, codes and regulations. Professional's failure to comply with any laws, ordinances, codes, or regulations applicable to the performance of the Services hereunder shall constitute a breach of contract. In cases where standards conflict, the standard providing the highest degree of protection shall prevail.

If a death, serious personal injury or substantial property damage occurs in connection with the performance of this Agreement, Professional shall immediately notify City's risk manager by telephone. If any accident occurs in connection with this Agreement, Professional shall promptly submit a written report to City, in such form as City may require. This report shall include the following information: (a) name and address of the injured or deceased person(s); (b) name and address of Professional's subcontractor, if any; (c) name and address of Professional's liability insurance carrier; and (d) a detailed description of the accident, including whether any of City's equipment, tools or materials were involved.

If a release of a hazardous material, substance, or waste occurs in connection with the performance of this Agreement, Professional shall immediately notify City. Professional shall not store hazardous materials or hazardous waste within City limits without a proper permit from City.

14. Contact by Professional with Project Owner or Project Applicant. Unless otherwise set forth in the Services, neither Professional nor Professional's subcontractors shall directly contact the owner of the property involved in the Project or any party who is the applicant for the Project ("Interested Party"), or an employee or contractor of an Interested Party, on any matter relating to the Project without the prior consent of the Contract Administrator. In no event shall Professional take any instructions or directions from an Interested Party on any matter pertaining to the Professional's Services to be performed for City under this Agreement.

15. Confidentiality. Professional understands and agrees that, in the performance of Services under this Agreement or in the contemplation thereof, Professional may have access to private or confidential information that may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City ("Confidential Information").

Professional shall not, either during or after the Term, disclose to any third party any Confidential Information without the prior written consent of City. If City gives Professional written authorization to make any such disclosure, Professional shall do so only within the limits and to the extent of that authorization. Professional may be directed or advised by the City Attorney on various matters relating to the performance of the Services on the Project or on other matters pertaining to the Project and, in such event, Professional agrees that it will treat all communications between itself, its employees and its subcontractors as being communications which are within the attorney-client privilege.

Notwithstanding the foregoing, Professional may disclose Confidential Information required to be disclosed under law, provided that, prior to disclosure, Professional shall first give notice to City and make a reasonable effort to obtain a protective order requiring that City's Confidential Information not be disclosed. This exception is limited to the extent disclosure is required under law.

16. Excusable Delays; Notice to Other Party of Delay. Professional shall not be in breach of this Agreement in the event that performance of Services is temporarily interrupted or discontinued due to a "Force Majeure" event which is defined as: riots, wars, sabotage, civil disturbances, insurrections, explosion, natural disasters such as floods, earthquakes, landslides, fires, strikes, lockouts and other labor disturbances or other catastrophic events, which are beyond the reasonable control of Professional. Force Majeure does not include: (a) Professional's financial inability to perform; (b) Professional's failure to obtain any necessary permits or licenses from other governmental agencies; or (c) Professional's failure to obtain the right to use the facilities of any public utility where such failure is due solely to the acts or omissions of the Professional.

17. Assignment Prohibited. No Party to this Agreement may assign any right or obligation pursuant to this Agreement. Any attempt or purported assignment of any right or obligation pursuant to this Agreement shall be void and of no effect.

18. Suspension of Services by City. City reserves the right to suspend Professional's Services under this Agreement when City determines that it is necessary to do so. When possible, City shall give Professional notice of such suspension and Professional shall, upon receipt of said notice,

suspend all Services except any Services, the completion of which is authorized by the notice given by City. If the Services are suspended by City for more than sixty (60) consecutive days, for reasons other than the fault of the Professional, the Professional shall be compensated for Services performed prior to notice of such suspension. When the Project is resumed, the Professional's compensation shall be equitably adjusted by City to provide for expenses incurred by the interruption of the Services. In this regard, Professional shall furnish to City such financial information that, in the judgment of the City Manager, is necessary to determine the reasonable value of the Services rendered by Professional during the period when Services were suspended.

If the Parties are unable to agree upon the amount of extra compensation which is due to Professional within thirty (30) days of Professional resuming Services, the amount of such additional compensation, if any, that is required to appropriately compensate the Professional for its expenses incurred by the interruption of Services may, upon the request of either Party, be determined by arbitration conducted in accordance with the "Arbitration of Disputes" section of this Agreement. Such arbitration shall be commenced by the Professional no later than sixty (60) calendar days following the event which entitles the Parties to pursue arbitration unless the Parties agree in writing to an extended time period for commencement of arbitration. Unless otherwise agreed in writing, all Parties shall carry on the Services and perform their duties during any arbitration proceedings, and City shall continue to make payments for the Services in progress as required by this Agreement.

19. Ownership of Work Product. Any and all work, artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, designs, specifications, drawings, diagrams, surveys, source codes, professional or technical information or data, photographs, notes, letters, emails or any original works of authorship created by Professional or its subcontractors or subcontractors in connection with Services performed under this Agreement ("**Products**") shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of City. In the event it is ever determined that any Product created by Professional or its subcontractors, or subcontractors under this Agreement, are not works for hire under U.S. law, Professional hereby assigns all copyrights to such Products to City. With the prior written approval of City's point of contact for the Project, Professional may retain and use copies of such Products for reference and as documentation of its experience and capabilities.

All Products shall become the property of City irrespective of where located or stored, and Professional agrees to deliver all such documents and information to City, without charge and in whatever form it exists, on the completion of the Professional's Services hereunder. Professional shall have no ownership interest in such Products.

All work product of Professional under this Agreement, including written information which City will cause to be distributed for either internal or public circulation, including both preliminary and final drafts, shall be delivered to City in both printed and electronic form, or as may be specified in **Exhibit A**.

When this Agreement is terminated, Professional agrees to return to City all documents, drawings, photographs and other written or graphic material, however produced, that it received

from City, its contractors or agents, in connection with the performance of its Services under this Agreement. All materials shall be returned in the same condition as received.

20. Termination of Work by City for Its Convenience. City shall have the right to terminate this Agreement at any time for its convenience by giving notice of such termination to Professional. In the event City shall give such notice of termination, Professional shall cease rendering Services upon receipt of said notice given as required in this Agreement. If City terminates this Agreement:

(a) Professional shall deliver copies of all Products prepared by it pursuant to this Agreement.

(b) If City terminates this Agreement for convenience before City issues the Notice to Proceed to Professional or before Professional commences any Services hereunder, whichever last occurs, City shall not be obligated to make any payment to Professional. If City terminates this Agreement after City has issued the Notice to Proceed to Professional and after Professional has commenced performance under this Agreement, City shall pay Professional the reasonable value of the Services rendered by Professional pursuant to this Agreement prior to termination of this Agreement. City shall not in any manner be liable for Professional's actual or projected lost profits had Professional completed the Services. Professional shall furnish to City such financial information that, in the judgment of the City Manager, is necessary to determine the reasonable value of the Services rendered by Professional prior to termination. In the event of a dispute as to the reasonable value of the Services rendered by Professional prior to termination and the Parties are unable to agree upon said amount within sixty (60) calendar days following the date of the notice of termination by City, such dispute may, upon the request of either Party, be resolved by arbitration conducted in accordance with the "Arbitration of Disputes" section of this Agreement.

(c) Except as provided in this Agreement, in no event shall City be liable for costs incurred by or on behalf of Professional after the date of the notice of termination.

21. Assurance of Performance. If, at any time, City believes Professional may not be adequately performing its obligations under this Agreement or may fail to complete the Services as required by this Agreement, City may submit a written request to Professional for written assurances of performance and a plan to correct observed deficiencies in Professional's performance. Failure to provide written assurances subsequent to such written request, constitutes grounds to declare a breach under this Agreement.

22. Cancellation for Breach by Either Party. Should either Party fail to substantially perform its obligations in accordance with the provisions of this Agreement, the other Party shall thereupon have the right to cancel the Agreement by giving written notice and specifying the effective date of such cancellation. If City cancels this Agreement for breach and it is subsequently determined that Professional did not fail to substantially perform its obligations in accordance with this Agreement, then cancellation for breach by City shall be deemed, and treated, as termination for convenience.

Neither Party waives the right to recover damages against the other for breach of this Agreement, including any amount necessary to compensate City for all detriment proximately

caused by Professional's failure to perform its obligations hereunder or which in the ordinary course of things would be likely to result therefrom. City reserves the right to offset such damages against any payments owed to Professional.

City shall not in any manner be liable for Professional's actual or projected lost profits had Professional completed the Services required by this Agreement.

23. Non-Discrimination. In its performance of the Services, Professional shall adhere to City's EEO Policy which states, "The City is committed to ensuring that all qualified individuals have a full and fair opportunity to compete in all phase of the hiring process and promotion, and to enjoy the benefits of employment with the City. All employees and applicants shall receive equal consideration and treatment in employment without regard to race, color, religion, gender, sexual orientation, national origin, age, disability, genetic information, marital status, amnesty, or status as a covered veteran in accordance with applicable federal or state statutes, the City's ordinances, resolutions, rules or regulations."

In addition, all agreements with sub-contractors will include language as required by the Office of Federal Contract Compliance Programs (OFCCP) that requires sub-contractors to maintain equal employment opportunity policies, and, as necessary, affirmative action policies.

24. Arbitration of Disputes. All claims, disputes, and other matters in question between City and Professional arising out of or relating to this Agreement or the breach thereof, including claims of Professional for extra compensation for Services related to the Project, shall be decided by arbitration before a single arbitrator in accordance with the provisions of Sections 1281 to 1284.2 of the California Code of Civil Procedure (the "Arbitration Laws") unless the Parties mutually agree otherwise. The provisions of Section 1283.05 of the Arbitration Laws apply to any arbitration proceeding except as otherwise provided in this Agreement. The arbitrator shall have authority to decide all issues between the Parties including, but not limited to, claims for extras, delay and liquidated damages, if any, provided for in this Agreement, matters involving defects in the work product of the Professional, rights to payment, and whether the necessary procedures for arbitration have been followed. The award rendered by the arbitrator shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

Notice of the demand for arbitration shall be filed in writing with the other Party. The demand for arbitration shall be made within a reasonable time after the claim, dispute, or other matter in question has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such claim, dispute, or other matter in question would be barred by the applicable statute of limitation.

The Parties shall jointly appoint an arbitrator within fifteen (15) calendar days of the date of giving of the notice of the demand for arbitration. If the Parties are unable to jointly agree upon the appointment of an arbitrator within said fifteen (15) calendar day period, and do not agree in writing to extend said period for a fixed period, then either Party may seek to have the arbitrator appointed by the Superior Court of Stanislaus County in accordance with the Arbitration Laws.

If any proceeding is brought to contest the right to arbitrate and it is determined that such right exists, the losing Party shall pay all costs and attorneys' fees incurred by the prevailing party.

In addition to the other rules of law which may be applicable to any arbitration hereunder, the following shall apply:

(a) Promptly upon the filing of the arbitration, each Party shall be required to set forth in writing and to serve upon each other Party a detailed statement of its contentions of fact and law.

(b) All parties to the arbitration shall be entitled to the discovery procedures as provided in Section 1283.05 of the California Code of Civil Procedure.

(c) The arbitration shall be commenced and conducted as expeditiously as possible consistent with affording reasonable discovery as provided herein.

(d) These additional rules shall be implemented and applied by the arbitrator.

The costs of arbitration shall be borne by the Parties as determined by the arbitrator, but each Party shall bear its own attorney's fees associated with the dispute with the other Party and to the arbitration.

25. Insurance Coverage. During the Term, the Professional, at its own cost and expense, shall maintain in full force and effect policies of insurance set forth herein, which shall be placed with insurers admitted in California with a current A M Best's rating of no less than A-:VII and will provide City with written proof of said insurance. Professional shall maintain coverage as follows:

25.1. Commercial General Liability. Professional shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office (ISO) form CG 00 01, in the amount of no less than Two Million Dollars (\$2,000,000.00) per occurrence, Four Million Dollars (\$4,000,000.00) general aggregate, and Two Million Dollars (\$2,000,000.00) products and completed operations for bodily injury, personal injury, and property damage. The general aggregate limit shall apply separately to this Project or the general aggregate shall be doubled.

25.2. Worker's Compensation Insurance. Professional shall maintain workers' compensation insurance (Statutory Limits) and Employer's Liability Insurance with limits of at least One Million Dollars (\$1,000,000.00) each accident or disease. Professional shall submit to City, along with the certificate of insurance a Waiver of Subrogation endorsement in favor of City, its officers, agents employees, and volunteers.

25.3. Professional Liability. Professional shall maintain professional liability insurance that insures against professional errors and omissions that may be made in performing professional services in the amount of no less than Two Million Dollars (\$2,000,000.00) per claim and in the aggregate or greater if appropriate for the Professional's profession. Any deductibles or self-

insured retentions must be declared to and approved by City. At the option of City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to City, its elected and appointed councils, commissions, directors, officers, employees, agents, and representatives (“City’s Agents”); or the Professional shall provide a financial guarantee satisfactory to City guaranteeing payment of losses and related investigations, claims administration and defense expenses.

25.4 Commercial Automobile Liability. Professional shall maintain commercial automobile liability insurance using ISO Business Auto Coverage form CA 00 01, or the equivalent, in the amount of no less than Two Million Dollars (\$2,000,000.00) each accident for owned, leased, hired, non-owned, and borrowed automobiles. The policy shall provide and be endorsed that the City, its officials, officers, agents, employees, and volunteers are included or named as additional insureds. If Professional owns no vehicles, this requirement may be met through a non-owned auto coverage or an endorsement to the CGL policy.

25.4. Umbrella or Excess Policy. Professional may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required. The Umbrella or Excess policies shall be provided on a true “following form” or broader coverage basis, with coverage at least as broad as provided on the underlying policies of insurance. No insurance coverage or policies maintained by the City (“Additional Insured”), whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Professional’s primary and excess liability policies are exhausted.

25.5. Waiver of Subrogation. With the exception of professional liability, Professional hereby agrees to waive subrogation which any insurer of Professional may acquire from Professional by virtue of the payment of any loss. The commercial general liability policy, automobile liability policy, and workers’ compensation policy shall be endorsed to contain a waiver of subrogation in favor of City for all work performed by Professional, its agents, employees, independent contractors and subcontractors. Professional shall provide written proof of waiver of subrogation in the Certificate of Insurance. Additionally, Professional agrees to obtain any available endorsements that may be necessary to effectuate this waiver of subrogation.

26. Additional Insurance Requirements. Within five (5) days of the Effective Date, Professional shall provide City with certificates of insurance and amendatory endorsements for all of the policies required under this Agreement (“Certificates and Endorsements”). Such Certificates and Endorsements shall be kept current for the Term of the Agreement and Professional shall be responsible for providing updated copies. With the exception of the workers’ compensation insurance, all of the insurance policies required in this Agreement shall: (a) provide that the policy will not be cancelled, allowed to expire, or materially reduced in coverage without at least thirty (30) days’ prior written notice to City of such cancellation, expiration, or reduction and each policy shall be endorsed to state such. If a carrier will not provide the required notice of cancellation, the Professional shall provide written notice to the City no later than ten (10) days before cancellation; and (b) name City, and City’s Agents as additional insureds with respect to liability arising out of

Services, work or operations performed by or on behalf of Professional and shall be endorsed to state such; (c) name City of Turlock as a certificate holder (d) cover products and completed operations of Professional, premises owned, occupied, or used by the Professional, or automobiles owned, leased, or hired or borrowed by the Professional; contain no special limitations on the scope of protection afforded to City; (e) allow and be endorsed primary with respect to any insurance or self-insurance programs covering City or City's Agents and any insurance or self-insurance maintained by City or City's Agents shall be in excess of Professional's insurance and shall not contribute to it; (f) contain standard separation of insured provisions; and (g) state that any failure to comply with reporting or other provisions of the policy including breaches of warranties shall not affect the coverage provided to City.

27. Indemnification by Professional. To the fullest extent permitted by law, Professional shall defend with legal counsel reasonably acceptable to City, indemnify and hold harmless City and City's Agents from and against any and all claims, loss, cost, damage, injury (including, without limitation, injury to or death of an employee of Professional or its subcontractors), expense and liability of every kind, nature and description that arise out of, pertain to, or relate to acts or omissions of Professional, or any direct or indirect subcontractor, employee, contractor, representative or agent of Professional, or anyone that Professional controls (collectively "Liabilities"). Such obligations to defend, hold harmless, and indemnify City and City's Agents shall not apply to the extent that such Liabilities are caused in whole by the sole negligence, active negligence, reckless or willful misconduct of City or City's Agents, but shall apply to all other Liabilities. With respect to third party claims against the Professional, the Professional waives any and all rights of any type of express or implied indemnity against City and City's Agents.

28. Liability of City. Notwithstanding any other provision of this Agreement, in no event shall City be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with this Agreement or the Services performed in connection with this Agreement.

29. Independent Contractor. At all times during the Term, Professional shall be deemed to be an independent contractor and shall be wholly responsible for the manner in which Professional performs the Services required under this Agreement. Professional shall be liable for its acts and omissions and those of its employees, contractors, subcontractors, representatives, volunteers, and its agents. Nothing contained herein shall be construed as creating an employment, agency or partnership relationship between City and Professional. City shall have the right to control Professional only insofar as the result of Professional's Services rendered pursuant to this Agreement; however, City shall not have the right to control the means by which Professional accomplishes Services rendered pursuant to this Agreement.

30. Professional Not Agent. Except as City may specify in writing, Professional shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Professional shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

31. Payment of Taxes and Other Expenses. Payment of any taxes, including California sales and use taxes, levied upon this Agreement, the transaction, or the Services or goods delivered pursuant hereto, shall be the obligation of Professional.

32. Notices. All notices shall be in writing and delivered in person or transmitted by certified mail, postage prepaid. Any Party hereto may at any time, by giving ten (10) days' written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below.

If to City: **City of Turlock
Attn: Adrienne Werner
156 S. Broadway, Suite 120
Turlock, California 95380**

With courtesy copies to: **City of Turlock, City Attorney's Office
Attn: George A. Petrulakis, City Attorney
156 S. Broadway, Suite 230
Turlock, California 95380-5456**

If to Professional: **Dyett and Bhatia Urban and Professional Planners
Attn: Rajeev Bhatia
1330 Broadway, Suite 604
Oakland, CA 94612**

33. City Contract Administrator. City's contract administrator and contact person for this Agreement is:

Adrienne Werner
Development Services Director
156 S. Broadway, Suite 120
Turlock, California 95380
Telephone: (209) 668-5640
E-mail: awerner@turlock.ca.us

34. Interpretation. As used herein, any gender includes each other gender, the singular includes the plural and vice versa.

35. Use of City Project Number. Intentionally Omitted

36. Modification. No alteration, amendment, modification, or termination of this Agreement shall be valid unless made in writing and executed by all of the Parties to this Agreement.

37. Waiver. No covenant, term, or condition or the breach thereof shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the

breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

38. Assignment. No Party to this Agreement shall assign, transfer, or otherwise dispose of this Agreement, in whole or in part, to any individual, firm, or corporation without the prior written consent of the other Party. Subject to the forgoing provisions, this Agreement shall be binding upon, and inure to the benefit of, the respective successors and assigns of the Parties hereto.

39. Authority. All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states or firms and that all former requirements necessary or required by state or federal law in order to enter into the Agreement have been fully complied with. Further, by entering into this Agreement, neither Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

40. Drafting and Ambiguities. Each Party acknowledges that it has reviewed this Agreement with its own legal counsel, and based upon the advice of that counsel, freely entered into this Agreement. Each Party has participated fully in the review and revision of this Agreement. Any rule of construction that ambiguities are to be resolved against the drafting Party does not apply in interpreting this Agreement.

41. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of California.

42. Venue. Venue for all legal proceedings shall be in the Superior Court of the State of California, in and for the County of Stanislaus.

43. Severability. If this Agreement in its entirety is determined by a court to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry of judgment. If any provision of this Agreement shall be determined by a court to be invalid and unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any federal or state statute, which becomes effective after the Effective Date of this Agreement, the remaining provisions shall continue in full force and effect and shall be construed to give effect to the intent of this Agreement.

44. Execution and Counterparts. This Agreement may be executed simultaneously, and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument. The Parties agree that this Agreement and any other documents to be delivered in connection herewith may be electronically signed utilizing services such as DocuSign and Nitro Sign, or by transmitting signatures in pdf or similar format, and that any electronic signatures appearing on this Agreement or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

45. Audit. City shall have access at all reasonable times to all reports, contract records, contract documents, contract files, and personnel necessary to audit and verify Professional's charges to City under this Agreement.

46. Entire Agreement. This Agreement, together with its specific references, attachments, and exhibits, constitutes the entire agreement of the Parties with respect to the subject matters hereof and supersedes any and all prior negotiations, understanding, and agreements with respect hereto, whether oral or written.

47. Supersedes Prior Agreement. It is the intention of the Parties hereto that this Agreement shall supersede any prior agreements, discussions, commitments, or representations, whether written, electronic or oral, between the Parties with respect to the subject matter of this Agreement.

48. Mandatory and Permissive. "Shall" and "will" and "agrees" are mandatory. "May" and "can" are permissive.

49. Successors and Assigns. All representations, covenants, and warranties specifically set forth in this Agreement, by or on behalf of, or for the benefit of, any or all of the Parties hereto, shall be binding upon and inure to the benefit of such Party, its successors and assigns.

50. Headings. Headings used in this Agreement are for reference purposes only and shall not be considered in construing this Agreement.

51. Attorney's Fees and Costs. If any action at law or in equity not resolved pursuant to the "Arbitration of Disputes" section of this Agreement, including action for declaratory relief, is brought to enforce or interpret provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

52. Necessary Acts and Further Assurances. The Parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

53. Time is of the Essence. Time is of the essence in this Agreement for each covenant and term of a condition herein.

[Signatures on Following Page]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by and through their respective officers thereunto duly authorized.

**Dyett and Bhatia Urban and Regional
Planners, a California Corporation**

Date_____

By: _____
Nichole Fiez, City Clerk

M E M O R A N D U M

To: Adrienne Werner and Katie Quintero, City of Turlock

From: Andrew Hill, Principal

Re: Proposal for Stanislaus Council of Governments (StanCOG) Transformative Funding Suballocation Program Grant Funding – Project #1: Master Plan for Unincorporated County Islands

Date: July 28, 2025

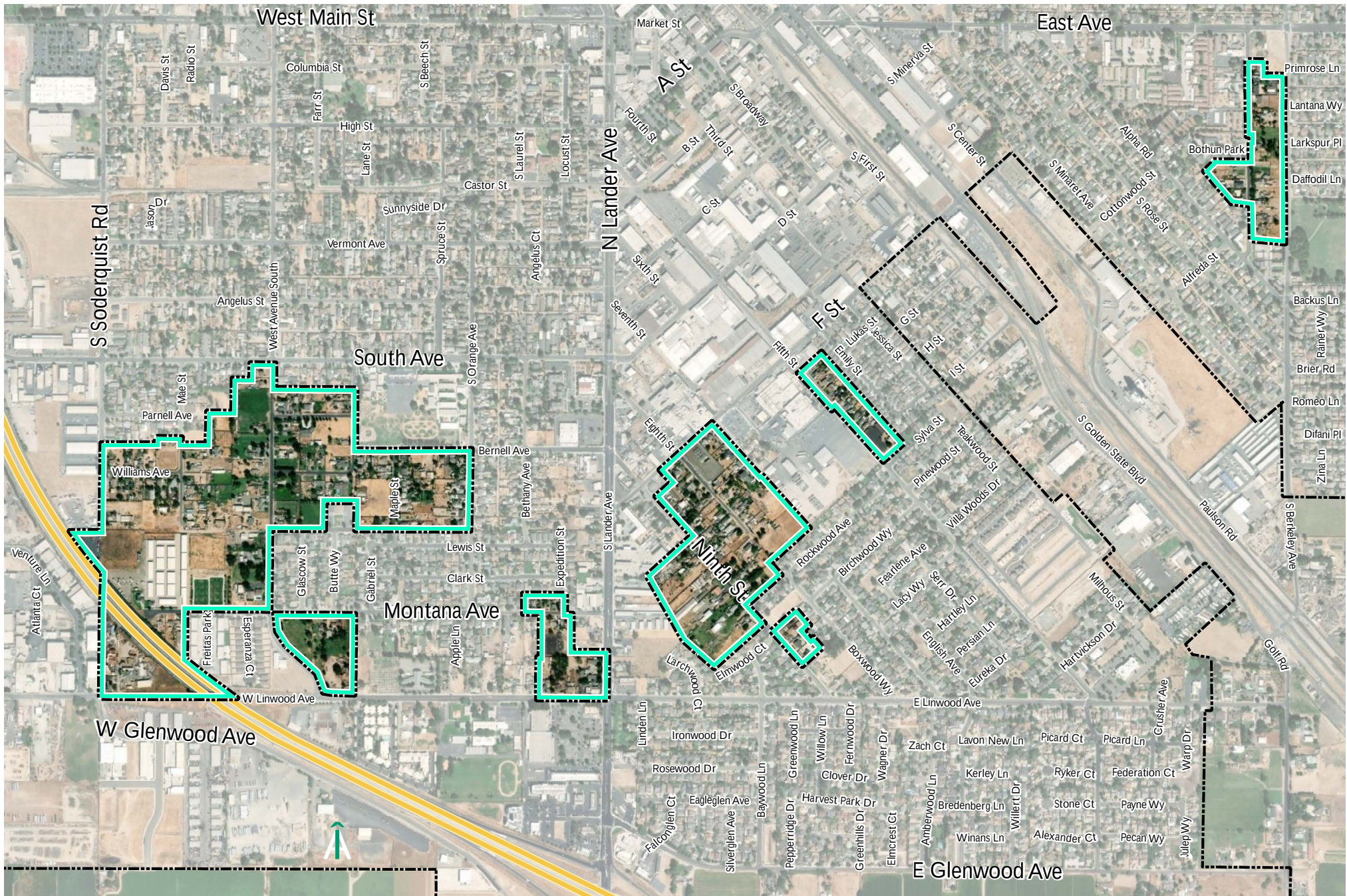
Adrienne and Katie:

The City of Turlock is eligible for non-competitive grant funding from the Stanislaus Council of Governments (StanCOG) through the Transformative Funding Suballocation Program. The funding is intended to help local jurisdictions achieve housing and equity goals and advance implementation of the region's long-range transportation and land use plan, known as the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). This memo outlines a project that the City will undertake with the funding: preparation of a master plan for unincorporated County island areas wholly surrounded by the City of Turlock. Below, a scope of work is presented for the project, together with an associated fee and schedule.

BACKGROUND

There are seven unincorporated County Islands located south of East Avenue in Turlock, all entirely surrounded by land within the City (see Map 1). The islands range in size from 1.69 acres to 69.90 acres and have a total area of 125.78 acres. Existing uses within the islands are predominantly single-family homes, with some vacant parcels, multifamily homes, industrial uses and utilities. Some of the islands currently receive water and sewer service from the City of Turlock. All seven islands are classified by the State as Disadvantaged Communities (DACs), or lower income areas that are disproportionately affected by pollution and negative health outcomes.

The Stanislaus County Local Formation Commission (LAFCo) encourages annexation of unincorporated County islands in order to promote logical and orderly agency boundaries and the efficient provision of municipal services. State law and LAFCo policy also provide a streamlined process for annexation of existing unincorporated County islands for areas that meet established criteria, including that the island substantially developed and that it does not exceed 150 acres in size, contain prime agricultural land, or include a gated community. The purpose of this project is to evaluate the feasibility and prepare a master plan to guide the future annexation of these unincorporated County islands. The master plan will establish criteria and phasing for annexation of the areas.



Map 1 Master Plan Area and Unincorporated County Islands

SCOPE OF WORK

This section details the scope of work to be performed in preparing a master plan to guide evaluation and planning for the future annexation of seven unincorporated County islands located south of East Avenue in Turlock. The master plan will explore opportunities to incorporate new housing opportunities into the areas - including the potential for smaller "missing middle" homes that can be more affordable by virtue of their size and small lot subdivisions that can increase opportunities for homeownership - as well as strategies to improve the quality of life for local residents. The scope of work includes community outreach, existing conditions analysis, master plan preparation, environmental review, ongoing project management and coordination with staff, and adoption and finalization. The timing and sequence of tasks are shown on the schedule at the end of this chapter. Initials in parentheses following the sub-section heading identify the lead firm for each sub-task:

- Dyett & Bhatia (D&B) - master plan preparation, community outreach, environmental analysis
- Kosmont Companies (KOS) - market and fiscal analysis
- West-Yost (WY) - infrastructure and utility capacity analysis
- LSA Associates (LSA) - transportation analysis

TASK 1-A START UP AND ONGOING MANAGEMENT

This task involves startup of the project and preparation for public engagement as well as regular ongoing project management and coordination with City staff throughout the process.

Kickoff Meeting (Team). D&B will facilitate a meeting with City staff to: review project objectives; discuss project issues and challenges; review the work plan, schedule, and preliminary public engagement program; clarify responsibilities and expectations; and establish communication protocols. The kickoff meeting is an important opportunity for staff to highlight project priorities and desired outcomes. The meeting will also be an opportunity to review and confirm data needs and to discuss stakeholder interviews and initial outreach to be conducted in Task 1-B.

Community Involvement Strategy (D&B). Following the kick off meeting, we will prepare a written Community Involvement Strategy that outlines engagement strategies and approaches, project messaging, stakeholder identification, timeframes and responsibilities. It will identify meaningful opportunities for community members to provide input that influences project outcomes. D&B will compile and summarize public comment obtained through community engagement and involvement.

Web Presence and Social Media (D&B). We assume that a page on the City's website will be created to serve as a one-stop portal for all information related to the master plan. D&B will create materials for the webpage to be shared via the City's social media channels to raise awareness of the project and promote participation.

Ongoing Project Management (D&B). D&B will participate in regular check-in meetings with City staff throughout the course of the project, maintaining the schedule and action item list as needed for ongoing project management. Other team members may attend check-in meetings on an as needed basis. In addition to check-in meetings, the scope of work assumes ad hoc phone calls and email correspondence with staff for coordination through the project.

- *Deliverables: Kick Off Meeting Summary, Community Involvement Strategy, web materials.*
- *Meetings: Kick Off, ongoing coordination meetings.*

TASK 1-B EXISTING CONDITIONS ANALYSIS

This task involves analysis and documentation of existing conditions, opportunities, and constraints in the unincorporated County islands to lay the foundation for alternatives and options to be explored in development of the master plan. Findings will be summarized in a user-friendly report that emphasizes maps and graphics and highlights key implications for the master plan process.

Existing Conditions Report (Team). We will prepare a comprehensive Existing Conditions Report (ECR) that provides a detailed analysis of baseline conditions and trends and identifies opportunities and implications for the master plan. The ECR will be formatted as an "atlas," emphasizing graphics, maps and charts to illustrate the current conditions and key issues in the unincorporated County islands, with deeper exploration in text as warranted for specific topics. We will submit a draft for staff review and revise once to address a consolidated set of comments from staff. The ECR will include the following analysis/components:

Land Use and Built Form (D&B). Existing land use and physical development patterns in the unincorporated islands will be documented and described, together with a summary of current land use and zoning applicable to the areas. Vacant and underutilized sites will be identified and mapped. Based on publicly available information and reports from Stanislaus County, recent development activity, including major renovations and rehabilitations will be summarized.

Public Infrastructure (W-Y, with D&B). Document current utility services (water, sewer, stormwater) within the unincorporated county islands, based on previously completed master plans (sewer and storm) for the City, prepared by Carollo Engineers, to assess collection system capacities and the 2020 Urban Water Master Plan as well as an updated joint urban water management plan for the City and the Stanislaus Regional Water Authority to assess water supplies and demands. The existing roadway network will also be described. Supporting maps will be prepared.

Real Estate Market Conditions and Absorption Study (KOS). Conduct a high-level analysis of local residential-market trends affecting the broad southwestern Turlock Area using real estate market information from local brokers and data sources such as ESRI / CoStar to understand the development potential. An Absorption Study that meets LAFCo requirements will be prepared, including: (a) an absorption analysis based on existing, pending, and not yet

constructed projects; (b) historical absorption rates, new construction pipeline data, and sales value market data; (c) projected absorption analyses. The absorption analysis will be informed by research and analysis and real estate supply and demand conditions (e.g., inventory, vacancy, lease rates, sales prices, historical absorption), consumer spending trends, and other local, regional, and national real estate development trends.

Public Services (D&B). Document police, fire, school, library and park conditions, staffing, equipment levels, and established service ratios and standards based on existing plans, reports, phone interviews, email inquiries. We will rely on the 2019 Municipal Services review, supplemented with more recent information available from service providers. GIS-based analysis of accessibility to parks and public facilities will be conducted.

Community Health and Environmental Conditions (D&B). Document conditions, constraints and opportunities within the unincorporated islands related to air quality, biological resources, cultural resources, geology, hazardous materials, water quality, and noise. Publicly available data and information from federal, State and local agencies will be used. A cultural resource record search, a Sacred Lands File search, a review of historic aerial photographs for known resources, and a review local historical archives will also be conducted. Additionally, we will document conditions related to physical and social determinants of health. Urban heat islands and access to healthy food resources will also be mapped and data on indicators such as health outcomes, social and economic factors, health behaviors, physical environment, and clinical care will be compiled and presented in an easy-to-read format. Data sources to be consulted: CityHealth Dashboard, the California Environmental Protection Agency, Office of Environmental Health Hazard Assessment, Stanislaus County Public Health, Healthy Places Index, Federal Bureau of Investigation Crime Reports, and the Turlock Police Department. An assessment of climate vulnerabilities will be included, based on analysis in the City's Local Hazard Mitigation Plan and other publicly available information.

- *Deliverables: Existing Conditions Report (draft/final).*
- *Meetings: Ad hoc meetings with staff.*

TASK 1-C COMMUNITY OUTREACH

This task involves a series of community outreach and engagement activities intended to inform community members about the master plan process and invite input from a broad cross-section of community members and groups. Outreach equally on issues and solutions to address them. Results will inform development of the master plan to ensure it aligns with community priorities.

Stakeholder Interviews (D&B). D&B and other team members will conduct eight (8) face-to-face interviews in small groups at key points in the project. Interviews may include property owners, developers, business owners, public agency staff, elected officials, and others. The intent is to elicit candid input to inform development of the master plan and ensure we explore feasible strategies with the potential for decision-maker and key stakeholder support. Comments and input will be summarized in a memorandum. Provisionally, we assume:

- Four (4) interviews at the outset of the process to elicit candid input on planning issues and give us a broad sense of the community, major issues of concern, deal breakers, desirables, and the political factors that may come into play. If the interviews are done in-person, they would be conducted on consecutive days; if held via zoom, they can be spaced out over a week.
- Four (4) interviews as the Alternatives/Preferred Plan is developed.

Neighborhood Listening Session (D&B). D&B will host a neighborhood listening session, intended as a forum for discussion of neighborhood-specific issues and opportunities. Input from residents of these areas is essential for development of master plan goals and policies related to quality of life in the unincorporated island areas. This event is intended as active listening session to directly connect to community members directly and provide a forum for the residents of disadvantaged neighborhoods to voice their concerns and priorities so that they can be reflected and addressed from the outset of the process. A nutritious dinner or other incentive will be provided for community members that participate in each event.

Online Survey (D&B). Knowing that many residents lead busy lives and may not be able to set aside time to participate in person, we will design and disseminate an online activity to engage residents in the process and provide an additional opportunity for public input. We propose to use a software platform such as Social Pinpoint or Konve.io, interactive online platforms which have the ability to integrate images, video, and maps, allowing participants to engage with and comment directly on the material presented. We will draft content and revise it based on staff feedback prior to launching activities. Participation will be promoted with Facebook ads and social media outreach. Results of each will be summarized in a survey report that highlights key findings and highlights any notable differences in responses between neighborhoods and demographics groups.

- *Deliverables: Stakeholder interview summary; neighborhood listening session summary.*
- *Meetings: Stakeholder interviews (8); neighborhood listening session (1); online survey (1).*

TASK 1-D OPTIONS EXPLORATION

This task involves preparation of up to three distinct alternatives for land use, public services, infrastructure, and quality of life that respond to the existing conditions, opportunities, constraints identified in prior tasks as well as input received from the initial outreach and engagement with stakeholders. Each alternative will be represented conceptually with illustrations and examples to facilitate understanding. Through community engagement activities, we will seek to build consensus around key strategies to guide preparation of the master plan.

Preliminary Alternative Plans (D&B, with team). Focusing on opportunity sites identified in Task 1-B, D&B will prepare up to three land use alternatives in “sketch plan” form, addressing findings from the market study and the issues, opportunities, and constraints identified in Task 1-B and incorporating feedback from community members and decision makers during the previous outreach. Each alternative will offer real choices for future

development, and each will be depicted conceptually with illustrations and examples from peer communities to facilitate understanding. The Alternatives will incorporate an illustrative pro forma evaluation of several potential development prototypes (small lot SF, townhomes, attached SF and missing middle typologies) undertaken to understand the feasibility in the various study areas together with potential policies that can incentivize desired land uses and/or offset negative financial impacts. An assessment of each alternative's impacts and outcomes will be included, along with projected growth forecasts and common metrics to facilitate evaluation. Additionally, potential strategies to prevent the displacement of existing housing units and residents will be identified. An Admin Draft of the Alternative Plans will be submitted to the City and revised once prior to presentation to the Planning Commission.

Planning Commission Study Session(D&B). Present the Preliminary Alternative Plans (with growth forecasts and metrics) to the Planning Commission and facilitate a discussion to review and refine them for use in community outreach activities.

Preferred Plan and Key Strategies (D&B, with team). Based on input from the community engagement activities outlined in Task 1-C (stakeholder interviews, neighborhood listening session, online survey), we will prepare a Preferred Plan and Key Strategies package that reflects the consensus that emerges from the outreach process. The Preferred Plan and Key Strategies package will be in the form of a report with a series of maps and key goals for land use, housing, infrastructure, public services, community health, and environmental conditions. It will include projections for population, housing and employment likely to result from buildout in the horizon year. An administrative draft will be reviewed with staff refined for staff review and revised once for presentation to decision-makers.

Decision-Maker Review (D&B). At the culmination of this task, the Preferred Plan and Key Strategies that result from the conversation with the community will be presented to the Planning Commission and the City Council. Refinements directed by the City Council will be made to guide preparation of the General Plan Update, Zoning Amendments, and EIR.

- *Deliverables: Preliminary Alternative Plans (draft/final); Preferred Plan and Key Strategies (draft/final).*
- *Meetings: Planning Commission study sessions (2); City Council study session (1).*

TASK 1-E DRAFT MASTER PLAN PREPARATION

This task involves preparation of the Draft master plan reflecting community input and decision-maker direction on the Preferred Plan and Key Strategies package. An administrative draft will be prepared for review by City staff. Additionally, to inform the draft master plan, a fiscal impact analysis will be prepared.

Fiscal Impact Analysis (KOS). To understand the General Fund impacts from annexation and infill development pursuant to the master plan, Kosmont will research City Budget and Annual Comprehensive Financial Report to identify revenue sources and tax rate factors (e.g., property tax, sales tax, utility taxes etc), and fiscal expenditures (e.g., public safety, public

works, community services) on a per capita basis, to estimate the resulting net fiscal impact at buildout.

Prepare Administrative Draft / Public Review Draft Master Plan (D&B, with team). D&B will prepare an Administrative Draft master plan, based on direction from City Council on the Preferred Plan and Key Strategies. Text, graphics, and maps will be integrated to support and provide context for the goals and policies. We will respond to one round of consolidated comments from staff on the Administrative Draft General Plan and then prepare a Public Review Draft Plan. Provisionally, we assume the Plan will include the following chapters:

- Introduction and Vision: The intent, organization, and introduction to the master plan, together with a summary of the community engagement processes and community input and a statement of goals, concepts, and desired outcomes.
 - Land Use and Development Standards: Land use designations, permitted and/or required use mixes, and development intensities will be defined. Development and design standards addressing site design, setbacks, lot coverage, building scale and massing, roof design, entries, lighting, exterior color, and use of materials and other topics will be incorporated with supporting illustrations. Development potential will be projected, and anti-displacement strategies will be incorporated. Supportive maps and graphics will also be included.
 - Infrastructure. Based on the Preferred Plan and Key Strategies approved by the City Council at the end of Task 1-D, WY will determine what utility improvements will be needed to support annexation and development within each of the unincorporated county islands. For all identified utility improvements, WY will prepare preliminary construction cost estimates. Roadway and multimodal improvements will also be identified and associated costs estimates provided. Corresponding goals and policies will be developed.
 - Parks and Public Services. Drawing on the existing conditions analysis and community and decision-maker input, goals and policies related to police; fire, and emergency services; schools; and parks will be developed. Supporting maps and graphics will be prepared.
 - Community Health and Environmental Conditions. A series of maps will characterize relevant issues, and policy and program level solutions will focus on improving community health and environmental quality, addressing air pollution, increasing access to healthy food and services, mitigating the effects of urban heat, and expanding recreation opportunities. Priorities identified through community outreach will be summarized and addressed.
 - Implementation and Phasing. This chapter will summarize the specific actions to be taken to carry out the master plan. For each action, the timing and priority for implementation will be identified together with the responsible entity, agency or department. Recommendations on the phasing and timing for potential future annexations will be included, together with criteria for assessing annexation timing and priority.
-
- *Deliverables: Fiscal Impact Analysis (draft/final); Draft Master Plan (admin/public review draft).*
 - *Meetings: Ad hoc meetings with staff.*

TASK 1-F ENVIRONMENTAL REVIEW

This task involves to conducting environmental review pursuant to the California Environmental Quality Act (CEQA) to identify and mitigate the environmental impacts of the Draft Master Plan. Given the level of development anticipated to result from any land use changes proposed in the Draft Master Plan in combination with recently approved and reasonably foreseeable development within the City is anticipated to be well within the growth increment analyzed in the Turlock General Plan Environmental Impact Report (SCH NO. 2010122096) and that new significant impacts or substantially more adverse impacts than previously analyzed are not anticipated, we assume that an addendum to the Turlock General Plan Environmental Impact Report will be the appropriate level of CEQA.

Traffic Study (LSA). LSA will prepare a traffic study addressing both level of service (LOS) and vehicle miles travelled (VMT) to support the CEQA analysis. Traffic volumes for the General Plan Build Out scenario with and without the proposed master plan will be developed using the approved travel demand model and in consultation with City staff. The methodology to develop General Plan Build Out traffic volumes at roadway segments will be consistent with the regionally approved procedures for post-processing of modeled traffic volumes. The resulting levels of service will be calculated using the volume-to-capacity (V/C) methodologies previously used in the 2012 EIR or other methodologies approved by the City. LSA will prepare a draft memorandum documenting analysis methodologies, existing conditions, future year conditions and potential circulation improvements (if needed). The draft memorandum will summarize and compare the LOS analysis between the General Plan EIR and proposed master plan to identify any circulation improvements will be required to offset forecasted deficiencies, if any. The draft memorandum will be submitted to City staff for review. Upon completion of the City's review draft memorandum, LSA will coordinate with City staff to address up to one round of comments on the study. LSA will then revise the memorandum for final review and approval.

Initial Study (D&B). Drawing on the findings of the technical analysis outlined above, D&B will prepare an administrative draft initial study, evaluating all resource categories required under CEQA to determine whether the Draft master plan would result in significant environmental impacts. The following resource categories identified in the CEQA Appendix G checklist will be evaluated in the initial study:

- Aesthetics and Visual resources
- Agriculture and Forestry Resources
- Air Quality
- Biological Resources
- Cultural and Tribal Cultural Resources
- Geology, Soils and Seismicity,
- Energy and Greenhouse Gas Emissions
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Land Use, Population, and Housing
- Mineral Resources
- Noise

- Public Services and Recreation
- Transportation
- Utilities and Service Systems
- Wildfire
- Mandatory Findings of Significance

Upon completion of the administrative draft initial study, D&B will recommend the appropriate level of subsequent CEQA analysis. If it is determined that implementation of the Draft master plan would not result in new or substantially more adverse impact that previously analyzed and mitigated in the Turlock General Plan Environmental Impact Report (EIR), then an addendum to that EIR will be prepared. Per CEQA Section 15164, an addendum to a previously certified EIR need not be circulated for public review.

- *Deliverables: Traffic study (draft/final); Initial study (draft/final).*
- *Meetings: Ad hoc meetings with staff.*

TASK 1-G ADOPTION AND FINALIZATION

This task involves preparing documents for public hearings, presenting at public hearings, and project finalization.

Public Hearings (D&B, with team). The Draft Master Plan and CEQA addendum will be presented at hearings before the Planning Commission and City Council. D&B will document comments received during the public review period and prepare a memo to support the staff report for public hearings, as well as a PowerPoint presentation introducing the Draft master plan process and content. We will closely coordinate with City staff prior to the hearings to ensure that our presentations respond to specific questions and issues likely to be encountered during the hearings.

Prepare City Council-Approved Master Plan (D&B). Following adoption of the master plan and CEQA addendum, a final master plan will be prepared, incorporating any direction from the City Council at the adoption hearing.

- *Deliverables: Memo to support staff report; presentation; final master plan.*
- *Meetings: Planning Commission hearing; City Council hearing.*

SCHEDULE

The following is a preliminary schedule of key project deliverables and meetings, assuming a project start date in early September 2025. A detailed schedule will be prepared as part of Task 1-A:

• Kick Off Meeting	2-Sep
• Community Involvement Strategy and Web Materials	12-Sep
• Stakeholder Interviews	15-Sep to 19-Sep
• Draft Existing Conditions Report	7-Nov
• Final Existing Conditions Report	19-Dec
• Neighborhood Listening Session	14-Jan
• Preliminary Alternative Plans	20-Feb
• Planning Commission Study Session	5-Mar
• Stakeholder Interviews	16-Mar to 20-Mar
• Online Survey	20-Mar to 10-Apr
• Preferred Plan and Key Strategies	15-May
• Decision-Maker Review of Preferred Plan/Key Strategies	4-Jun to 16-Jun
• Fiscal Impact Analysis	15-Jul
• Admin Draft Master Plan	28-Aug
• Traffic Study	29-Jul
• Initial Study	16-Sep
• Public Review Draft Master Plan	1-Oct
• Public Hearings	5-Nov to 17-Nov
• Final Master Plan	27-Nov

FEE

The guaranteed maximum fee for the scope of work identified above in our proposal is \$369,769. This fee will not be exceeded provided there are no changes in the Scope of Work. The worksheets on below show detailed hours and budget by task. Two tables are shown on the following page: one for hours and one for fees. Fees include all personnel costs and direct costs, including travel, and data gathering. This scope of work does not assume printed copies of documents will be provided.

DYETT & BHATIA

Urban and Regional Planners

Table 1 - Hours by Task

	Task I-A	Task I-B	Task I-C	Task I-D	Task I-E	Task I-F	Task I-G	
	Start Up	Existing Conditions Analysis	Community Outreach	Options Exploration	Draft Master Plan	Environmental Review	Adoption/ Finalization	TOTAL
Dyett & Bhatia								
Andrew Hill, Principal	30	48	40	54	72	28	24	296
Michael Dyett, Participating Principal	4	26		8				38
Associate	24	80	60	100	120	72	16	472
Planner	16	100	60	48	100			324
GIS Technician	12	48	24	48	40	24	8	204
Project Assistant	8	60	40	24	32	16	24	204
Sub-Total	94	362	224	282	364	140	72	1,538
Kosmont Companies								
President	4	4	6	4	4			22
Senior Advisor	8	12	6	12	12			50
Vice President	8	24	6	12	12			62
Sub-Total	20	40	18	28	28	0	0	134
West Yost								
Principal	1	10			9			20
Senior Engineer	1	54			16			71
Administrative		4			4			8
Sub-Total	2	68	0	0	29	0	0	99
TOTAL HOURS	116	470	242	310	421	140	72	1,771

Table 2 - Budget by Task

	Hourly Rate	Task I-A	Task I-B	Task I-C	Task I-D	Task I-E	Task I-F	Task I-G	TOTAL
		Start Up	Existing Conditions Analysis	Community Outreach	Options Exploration	Draft Master Plan	Environmental Review	Adoption/ Finalization	
Dyett & Bhatia									
Andrew Hill, Principal	255	\$7,650	\$12,240	\$10,200	\$13,770	\$18,360	\$7,140	\$6,120	\$75,480
Michael Dyett, Participating Principal	265	1,060	6,890	0	2,120	0	0	0	10,070
Associate	175	4,200	14,000	10,500	17,500	21,000	12,600	2,800	82,600
Planner	155	2,480	15,500	9,300	7,440	15,500	0	0	50,220
GIS Technician	165	1,980	7,920	3,960	7,920	6,600	3,960	1,320	33,660
Project Assistant	110	880	6,600	4,400	2,640	3,520	1,760	2,640	22,440
Direct Cost: Travel, online survey, outreach, printing		200		2,500	300			391	3,391
Sub-Total		\$18,450	\$63,150	\$40,860	\$51,690	\$64,980	\$25,460	\$13,271	\$277,861
Kosmont Companies									
President	\$ 425	\$1,700	\$1,700	\$2,550	\$1,700	\$1,700	\$0	\$0	\$9,350
Senior Advisor	395	3,160	4,740	2,370	4,740	4,740	0	0	19,750
Vice President	295	2,360	7,080	1,770	3,540	3,540	0	0	18,290
Direct Cost: travel			1500						1,500
Sub-Total		\$7,220	\$15,020	\$6,690	\$9,980	\$9,980	\$0	\$0	\$48,890
West Yost									
Principal	\$373	\$373	\$3,730	\$0	\$0	\$3,357	\$0	\$0	\$7,460
Senior Engineer	338	338	18,252	0	0	5,408	0	0	23,998
Administrative	195	0	780	0	0	780	0	0	1,560
Direct Cost									0
Sub-Total		\$711	\$22,762	\$0	\$0	\$9,545	\$0	\$0	\$33,018
LSA Associates									
Direct Cost							10,000		10,000
Sub-Total		\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$10,000
TOTAL FEE		\$26,381	\$100,932	\$47,550	\$61,670	\$84,505	\$35,460	\$13,271	\$369,769

M E M O R A N D U M

To: Adrienne Werner and Katie Quintero, City of Turlock

From: Andrew Hill, Principal

Re: Proposal for Stanislaus Council of Governments (StanCOG) Transformative Funding Suballocation Program Grant Funding

Date: July 28, 2025

Adrienne and Katie:

The City of Turlock is eligible for non-competitive grant funding from the Stanislaus Council of Governments (StanCOG) through the Transformative Funding Suballocation Program. The funding is intended to help local jurisdictions achieve housing and equity goals and advance implementation of the region's long-range transportation and land use plan, known as the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). This memo outlines a project that the City will undertake with the funding: zoning amendments intended to increase the supply of housing in the city and expand opportunities for homeownership. Below, a scope of work is presented for the project, together with an associated fee and schedule.

BACKGROUND

The City's 2023-31 Housing Element outlines several programs intended to increase the supply of housing in Turlock, diversify the range of housing types in the city, facilitate development of smaller homes that can be more affordable by virtue of their size, and expand options for homeownership locally. This project involves preparation of zoning amendments and related development and design standards to implement these programs. The programs are summarized as follows:

- SB 9 Housing Ordinance (Program 1-C): develop an ordinance and related objective development standards to implement Senate Bill (SB) 9, permitting ministerial approval of a housing development with no more than two primary units in a single-family zone or subdivision of a parcel in a single-family zone into two parcels. The intent is to increase the supply of smaller "missing middle" housing types in established residential neighborhoods and high resource areas of Turlock.
- Small Lot Subdivision Ordinance (Program 1-D): identify appropriate locations for small lot subdivisions and adopt an ordinance to facilitate their development as part of a strategy to increase the supply of entry level homes and expand options for homeownership. Small lot subdivisions permit free-standing single-family houses or duplexes on lots that are smaller than conventional single-family lots and homes are owned fee simple, reducing ownership costs. The ordinance will preclude small lot subdivisions if they do not result in an increase in housing supply relative to the

number of existing units on the site in order to prevent the displacement of existing housing units.

- Congregational Overlay (Program 1-F): Conduct outreach to faith-based organizations in Turlock to gauge interest in potentially developing affordable housing on their properties and prepare an ordinance and associated objective development standards that permits residential development at up to 24 dwelling units per acre by-right on properties owned by religious institutions.
- Objective Standards for Multifamily and Mixed Use Development (Program 2-B): Adopt objective standards to meet the requirements of SB 35/423 and bring the zoning ordinance into compliance with other provisions of the Housing Accountability Act, including establishing a ministerial approval process for projects proposing to make at least 10 percent of the proposed units affordable to lower income households. Application checklist forms that staff can use to quickly determine whether projects are eligible for expedited processing will also be prepared.

Turlock's citywide design guidelines, used as an advisory reference during design review, and the recently prepared Downtown Design Standards and Guidelines are well-conceived and suggest ways to design buildings that will fit into Turlock's neighborhoods and commercial areas. They offer specific guidance on building scale and massing, roof design, window design and placement, entries, awnings, lighting, exterior color, and use of materials. They will be used as a reference in developing objective standards to implement the Housing Element programs listed above, together with standards and practices from other peer communities in the Central Valley.

SCOPE OF WORK

This section details the scope of work to be performed by Dyett & Bhatia (D&B) in preparing zoning amendments and related objective standards to increase housing supply and address affordability.

TASK A STARTUP, RECONNAISSANCE, AND COORDINATION

This task will involve preparation of a summary memo on issues to be addressed and regulatory options to be explored through the project. D&B will attend a kickoff meeting with City staff to review project objectives, refine the work plan and schedule, clarify responsibilities and expectations, and establish communication protocols, as well as to identify key stakeholder groups and confirm the key points of the community engagement strategy. The kick off will also be an opportunity to discuss ways to respect the integrity of the established design guidelines while also meeting requirements for objectives standards set in State law. Prior to the kickoff meeting, D&B will also prepare a list of data needs from City staff; these will include a selected sample of recent development and other project applications related to the zoning standards and design review. This task also includes time for ongoing project management and coordination meetings with City staff.

- *Deliverables: Kick Off Meeting Summary, web materials.*
- *Meetings: Kick Off, ongoing coordination meetings.*

TASK B TECHNICAL REVIEW AND STAKEHOLDER OUTREACH

This task involves stakeholder and community outreach as well as background research, compilation of case studies, and preparation of recommendations for implementing the SB9 ordinance, small lot subdivision ordinance, congregational housing overlay, and objective standards for mixed use and affordable housing.

Review of Turlock Standards and Guidelines (D&B). D&B will review the design criteria in Citywide Design Guidelines, Downtown Design Guidelines, and Beautification Master Plan to identify: 1) those criteria and guidelines that can express standards with only minimal editing and Code references; 2) those that could be converted to standards with major editing but might also be retained as additional review criteria or guidelines with no changes; and 3) those guidelines that should remain as guidelines. Additionally, D&B will review the technical requirements in State law that require use of design standards for approvals and when additional design criteria and guidelines may apply. Based on the results of the review, D&B will prepare a summary memo recommending an overall approach to revisions of the design criteria and incorporation of objective standards into Title 9 of the Turlock Municipal Code, Zoning Regulations and Zoning Ordinance.

Stakeholder Interviews. D&B will prepare for and participate in eight (8) small group interviews with code users and stakeholders over two days at the outset of the project. Participants may include property owners, community members, developers, architects, City staff, and/or elected and appointed officials. The list of participants will be developed in coordination with City staff, and once finalized, D&B will schedule the meetings. The interviews, held either virtually or face-to-face, will be structured as informal discussions meant to elicit candid input on key issues and give us a broad sense of the community, major issues of concern, deal breakers, desirables, and the political factors that may come into play. Issues identified by code users that relate to the focus of the update will be classified and sorted to identify common themes and shared concerns, summarized in a short memorandum.

Site Suitability and Testing (D&B). Using data from the Stanislaus County Assessor, D&B will conduct a GIS-based analysis of parcel characteristics in Turlock to identify candidate sites for SB9 housing, small lot subdivisions, and congregational housing. A database and maps of candidate sites will be produced. Design "test fits" for up to three (3) representative sites per ordinance (SB9 ordinance, small lot subdivision ordinance, congregational housing overlay) will be conducted to establish appropriate development standards. Development standards will also be informed by the market and fiscal analysis performed by Kosmont as part of the Master Plan for Unincorporated County Islands to be performed in parallel.

Case Studies and Background Research (D&B). A series of new State laws aims to incentivize small housing development in California communities to provide additional housing options that may be "affordable by design," based on their smaller size. These laws allow for subdivision of single-family lots, construction of small "starter" homes on qualifying lots, and various alternative ownership structures, including fee-simple ownership, condominium, common interest developments, housing cooperatives, or community land trusts. State law also provides for streamlined approval and ministerial review of small housing developments. We will review provisions of State law on small lot development and

determine appropriate standards and review procedures considering a variety of building types, such as bungalow courts, townhouses, and small lot single-family development (attached and detached). Potential incentives for lot mergers will be identified, such as adjustments to setback, height, building coverage, and landscaping standards and the number of bedrooms based on a review of standards used in comparable jurisdictions and feedback from stakeholder interviews. Consideration will also be given to standards and permitting procedures used in peer cities, based on up to four (4) case studies, research, and input from stakeholder interviews. Recommendations will propose additional standards and review procedures, reflecting specific conditions on sites in Turlock, and highlight considerations for alternative ownership models.

- *Deliverables: Memo of Turlock standards and guidelines; Site suitability and testing report; Case studies and background research; Stakeholder interview summary; neighborhood listening session summary.*
- *Meetings: Stakeholder interviews (8).*

TASK C DRAFT ZONING AMENDMENTS AND OBJECTIVE STANDARDS

Based on the results of the research, analysis and outreach conducted as part of Task B, this task involves preparing draft zoning amendments and related objective standards for public review and conducting study sessions for decision-maker feedback on the drafts prior to public hearings.

Annotated Outline of Zoning Amendments (D&B). As an initial step, based on the technical review and outreach completed in Task B, D&B will prepare an annotated outline of the proposed zoning amendments to review with City staff and, if appropriate, the Planning Commission or other body. It will identify what existing regulations and standards will be updated and what new regulations and standards are proposed.

Draft Zoning Amendments (D&B). After approval of the annotated outline, modules of draft regulations will be prepared. These will be illustrated with zoning diagrams for form-based development standards. Separate modules will be prepared for SB9 ordinance, small lot subdivision ordinance, congregational housing overlay, and objective standards for mixed use and affordable housing. We will submit an Administrative Draft for City staff review and revise once based on a consolidated set of comments to prepare the Public Review/Hearing Draft.

Decision-Maker Study Sessions (D&B). The Draft zoning amendments and objective standards will be presented to the Planning Commission at up to two (2) study sessions. The intent is to provide an opportunity for City officials to ask questions and become familiar with materials and for the consultant to receive input that can be used to refine revisions before the hearing process begins. For each study session, D&B will prepare a PowerPoint presentation and facilitate a discussion to elicit feedback on the options and recommendations, summarizing and documenting input received in a memo.

- *Deliverables: Outline of Zoning Amendments; Draft Zoning Amendments (admin/public review draft).*
- *Meetings: Decision-Maker Study Sessions (2).*

TASK D ADOPTION AND FINALIZATION

This task involves revising drafts of the zoning amendments and related objective standards for public hearings, supporting City staff with public hearings for adoption, and project finalization. Pursuant to Public Resources Code 21080.085.(a), zoning amendments that implement the schedule of actions contained in an approved housing element are exempt from CEQA. Therefore, this scope of work assumes that no environmental impact report, negative declaration, mitigated negative declaration, or addendum will be required for Project 2.

Prepare Hearing Materials. D&B will prepare materials for the public review and adoption phase, including hearing drafts of the zoning amendments and related objective standards reflecting public input from prior phases, a PowerPoint presentation, and a memo to support the staff report.

Public Hearings (D&B). Present the Public Review/Hearing Draft of the zoning amendments and related objective standards to the Planning Commission and City Council at up to three (3) public hearings.

Final Zoning Amendments and Standards (D&B). Following adoption hearings, any revisions directed by the City Council at the hearing, including any Planning Commission recommendations, will be incorporated to finalize the zoning amendments and objective standards.

- *Deliverables: Memo to support staff report; presentation; final zoning amendments.*
- *Meetings: Planning Commission hearing; City Council hearings (2)*

SCHEDULE

The following is a preliminary schedule of key project deliverables and meetings. A detailed schedule will be prepared as part of Task A:

- | | |
|--|-----------------|
| • Kick Off Meeting | Sep |
| • Stakeholder Interviews | 2-Sep to 26-Sep |
| • Memo on Turlock Standards and Guidelines | 3-Oct |
| • Site Suitability and Testing | 7-Nov |
| • Case Studies and Background Research | 14-Nov |
| • Outline of Zoning Amendments | 9-Jan |
| • Draft Zoning Amendments | 20-Feb |
| • Decision-Maker Study Sessions | Apr |
| • Public Hearings | Jul to 14-Jul |

DYETT & BHATIA

Urban and Regional Planners

FEE

The guaranteed maximum fee for the scope of work identified above in our proposal is \$85,000. This fee will not be exceeded provided there are no changes in the Scope of Work. The worksheets on below show detailed hours and budget by task. Two tables are shown on the following page: one for hours and one for fees. Fees include all personnel costs and direct costs, including travel, and data gathering. This scope of work does not assume printed copies of documents will be provided.

Table 1 - Hours by Task

	<i>Task A</i>	<i>Task B</i>	<i>Task C</i>	<i>Task D</i>	
	<i>Start Up</i>	<i>Technical Review and Outreach</i>	<i>Draft Zoning Amendments</i>	<i>Adoption and Finalization</i>	TOTAL
Company Name					
Andrew Hill, Principal	12	48	56	24	140
Michael Dyett, Participating Principal	8	12	24	4	48
Associate	2	72	48		122
Planner	2	32			34
GIS Technician	4	12	8		24
Project Assistant	2	24	16	8	50
Total	30	200	152	36	418

Table 2 - Budget by Task

		<i>Task A</i>	<i>Task B</i>	<i>Task C</i>	<i>Task D</i>	
	<i>Hourly Rate</i>	<i>Start Up</i>	<i>Technical Review and Outreach</i>	<i>Draft Zoning Amendments</i>	<i>Adoption and Finalization</i>	TOTAL
Company Name						
Andrew Hill, Principal	\$255	3,060	12,240	14,280	6,120	\$ 35,700
Michael Dyett, Participating Principal	265	2,120	3,180	6,360	1,060	12,720
Associate	175	350	12,600	8,400	0	21,350
Planner	155	310	4,960	0	0	5,270
GIS Technician	165	660	1,980	1,320	0	3,960
Project Assistant	110	220	2,640	1,760	880	5,500
Direct Cost				200	300	500
Total		6,720	37,600	32,320	8,360	\$ 85,000

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

**IN THE MATTER OF APPROPRIATING }
\$454,769 TO REAP GRANT REVENUE }
ACCOUNT TO BE FUNDED FROM A }
SUBALLOCATION FROM THE 2021 }
REGIONAL EARLY ACTION PLANNING }
GRANT AND APPROPRIATE \$454,769 TO }
REAP EXPENSE ACCOUNT CONSULTANT }
GENERAL FOR THE PREPARATION OF A }
MASTER PLAN FOR UNINCORPORATED }
COUNTY ISLAND AREAS AND NECESSARY }
ZONING AMENDMENTS TO FACILITATE }
ADVANCING POLICIES AND IMPLEMENTING }
PROGRAMS IDENTIFIED IN THE 6TH CYCLE }
TURLOCK HOUSING ELEMENT }**

RESOLUTION NO. 2025-

WHEREAS, pursuant to Health and Safety Code 50515 et. Seq, the Department of Housing and Community Development (HCD) issued a Notice of Funding Availability (NOFA) as part of the Regional Government Planning Support Grants Program (herein after referred to by the HCD as the Regional Early Action Planning Grants Program of 2021 or REAP 2.0; and

WHEREAS, pursuant to section 50515.08 of the Health and Safety Code, the Stanislaus Council of Governments (StanCOG), consisting of the cities of Ceres, Hughson, Modesto, Newman, Oakdale, Patterson, Riverbank, Turlock, Waterford, and Stanislaus County, through the Transformative Funding Suballocation Program, has been awarded \$7,091,993 million REAP 2.0 grant funds; and

WHEREAS, StanCOG's Transformative Suballocation Program will distribute \$3.1 million in REAP 2.0 funds allocated to StanCOG by HCD; and

WHEREAS, the City of Turlock is to be suballocated \$454,769 in REAP 2.0 Grant Funds.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Turlock does hereby resolves as follows:

Section 1. the City Council approves the appropriation of \$454,769 to Revenue Account Number 271-40-400-452.34168 "REAP Grant" to be funded from a suballocation from the 2021 Regional Early Action Planning Grant and to appropriate \$454,769 to Expense Account Number 271-40-400-452.43055_000 "Consultant General" for the preparation of a master plan for unincorporated County islands and zoning amendments intended to increase the supply of housing and expand opportunities for homeownership implementing the policies and goals of the 6th Cycle Turlock Housing Element.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock
this 18th day of November, 2025, by the following vote:

AYES:	()
NOES:	()
NOT PARTICIPATING:	()
ABSENT:	()

ATTEST:

Nichole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

**IN THE MATTER OF APPROVING A }
MEMORANDUM OF UNDERSTANDING (MOU), }
IN A FORM APPROVED BY THE CITY }
ATTORNEY, BETWEEN STANISLAUS }
COUNCIL OF GOVERNMENTS (STANCOG) }
AND THE CITY OF TURLOCK FOR }
SUBALLOCATION OF 2021 REGIONAL EARLY }
ACTION PLANNING GRANT (REAP 2.0) }
PROGRAM FUNDS AND AUTHORIZING }
RECEIPT OF REAP 2.0 GRANT FUNDS AND }
AUTHORIZING THE INTERIM CITY MANAGER }
TO ENTER INTO, EXECUTE AND DELIVER THE }
MOU, AND ANY AND ALL NECESSARY }
DOCUMENTS TO SECURE THE GRANT }**

RESOLUTION NO. 2025-

WHEREAS, pursuant to Health and Safety Code 50515 et. Seq, the Department of Housing and Community Development (HCD) issued a Notice of Funding Availability (NOFA) as part of the Regional Government Planning Support Grants Program (herein after referred to by the HCD as the Regional Early Action Planning Grants Program of 2021 or REAP 2.0; and

WHEREAS, pursuant to section 50515.08 of the Health and Safety Code, the Stanislaus Council of Governments (StanCOG), consisting of the cities of Ceres, Hughson, Modesto, Newman, Oakdale, Patterson, Riverbank, Turlock, Waterford, and Stanislaus County, through the Transformative Funding Suballocation Program, has been awarded \$7,091,993 million REAP 2.0 grant funds; and

WHEREAS, StanCOG's Transformative Suballocation Program will distribute \$3.1 million in REAP 2.0 funds allocated to StanCOG by HCD; and

WHEREAS, the City of Turlock is to be suballocated \$454,769 in REAP 2.0 Grant Funds.

WHEREAS, the City Council of the City of Turlock desires to enter into a Memorandum of Understanding with StanCOG to receive a suballocation of \$454,769 in REAP 2.0 grant funds to facilitate the preparation of a master plan for unincorporated County island areas and zoning amendments in support of the City of Turlock's 6th Cycle Housing Element programs and policies; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Turlock does hereby resolves as follows:

The City Council approves a memorandum of understanding, in a form approved by the City Attorney, between Stanislaus Council of Governments (StanCOG) and City of Turlock

for the suballocation of 2021 Regional Early Action Planning (REAP 2.0) grant funds and authorizing receipt of REAP 2.0 funds and authorizing the Interim City Manager to enter into, execute and deliver the MOU, and any and all other documents necessary to secure the grant; and

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 18th day of November, 2025, by the following vote:

AYES:	()
NOES:	()
NOT PARTICIPATING:	()
ABSENT:	()

ATTEST:

Nichole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California

City Council Staff Report

November 18, 2025



From: Isaac Moreno, Finance Director
Prepared by: Michael Lenhardt, Principal Accountant
Agendized by: Susan E. Borrego, Interim City Manager

1. ACTION RECOMMENDED:

Accepting the City of Turlock's audited Financial Statements and related reports for the Fiscal Year ended June 30, 2024

2. NARRATIVE:

This overview and analysis are provided by the Finance Department of the City of Turlock (City) for the Fiscal Year 2023-2024 Financial Statements (with comparative information for 2022-2023).

FISCAL YEAR 2023-2024 FINANCIAL HIGHLIGHTS

Government-Wide Highlights

- The City's net position (assets and deferred outflows in excess of liabilities and deferred inflows) at June 30, 2024, totaled \$724.9 million. Governmental activities accounted for \$400.7 million of the net position, while \$324.2 million are in the business-type activities.
- Total City revenues, including program and general revenues, were \$175.9 million, while total expenses were \$128.8 million.
- Governmental program revenues were \$34.1 million compared to governmental program expenses of \$86.5 million.
- Program revenues from business-type activities were \$60.8 million, while expenses for business-type activities were \$42.4 million.

Fund Highlights

- Net General Fund revenues exceeded expenditures and other financing sources (uses) by \$4.6 million as compared to the prior year when revenues exceeded expenditures and other financing sources (uses) by \$13.2 million. For financial reporting purposes, the "General Fund" includes not only the City's General Fund, but also the Parks, Arts and Recreation Commission, Special Public Safety, Tourism (2 funds), Cannabis and Measure A funds.
- Fund balance of the General Fund is \$56.5 million at June 30, 2024 compared to a projected \$43.7 million when the 2023-2024 budget was originally adopted.

Additional discussion regarding the financial results for Fiscal Year 2023-2024 can be found in the "Financial Activities" section of the MD&A of the financial statements.

The City's independent external auditors, Brown Armstrong Accountancy Corporation, have completed the City's annual audit and issued the following financial reports for the Fiscal Year ended June 30, 2024:

- Basic Financial Statements for the City of Turlock
- Appropriations Limit Increment for the City of Turlock
- Component Unit Financial Statements for the Turlock Public Financing Authority
- Component Unit Financial Statements for the Transportation Development Act Funds
- Component Unit Financial Statements for the Abandoned Vehicle Abatement Program

The above financial statements are prepared by the City's Finance Department in accordance with Generally Accepted Accounting Principles (GAAP). Our external auditors have the responsibility to audit these statements in accordance with Generally Accepted Auditing Standards with the goal of determining whether the financial statements are free of material misstatement. If this goal can be supported with the results of their audit, the external auditor will issue an unqualified or "clean" opinion. All the above listed financial statements contain an unqualified opinion.

In addition to the financial statements the Auditor's also issue reports on Required Communications and a Memorandum of Internal Control (MOIC). These reports detail specifics about items of significant concern to the financial well-being of the City. The MOIC identifies deficiencies in the City's system of internal control and identifies the weaknesses as either "material weaknesses" or "significant deficiencies". A Material Weakness is a deficiency that creates a reasonable possibility a material misstatement will occur in the financial statements and a Significant Deficiency is a deficiency that is less severe than a Material Weakness.

The City's report for June 30, 2024 includes zero Material Weakness and zero Significant Deficiencies and Other Matters for Fiscal Year 2023-2024. The report also includes a section on the Status of Prior Year Material Weaknesses, Significant Deficiencies and an update of same (the complete report is attached). The Auditor's report on Required Communications, in addition to addressing new accounting pronouncements, addresses the financial concern of the General Fund.

As noted above, the accompanying financial statements are prepared in accordance with GAAP, which is necessary to obtain an unqualified opinion from our auditors. This opinion provides overall assurance to Management as to the reliability of the City's financial statements. In addition, an annual audit is a requirement for many of the City's granting agencies as well as debt issuers and rating agencies related to the City's outstanding bonds.

3. FISCAL IMPACT / BUDGET AMENDMENT:

Funds are budgeted for the independent audit services required. There is no additional fiscal impact.

4. ENVIRONMENTAL DETERMINATION:

This action is not subject to the provisions of the California Environmental Quality Act

(CEQA) in accordance with Section 15378(b)(5) of the CEQA guidelines. This action consists of “organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment” and therefore is not considered a project.

5. ATTACHMENTS:

1. Draft Audit Acceptance Resolution
2. FY 2023-2024 City of Turlock Financial Statements
3. FY 2023-2024 City of Turlock Single Audit Report
4. FY 2023-2024 City of Turlock Memorandum On Internal Controls
5. FY 2023-2024 City of Turlock Required Communications Letter (SAS 114)
6. FY 2023-2024 City of Turlock Proposition 111 Appropriations (GANN) Limit Report Report - Final
7. FY 2023-2024 Public Financing Authority (PFA) Financial Statements
8. FY 2023-2024 PFA Required Communications Letter (SAS 114)
9. FY 2023-2024 Transportation Development Act (TDA) Funds Financial Statements
10. FY 2023-2024 TDA Required Communications Letter (SAS 114)

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF ACCEPTING THE }
FINANCIAL STATEMENTS AND SINGLE }
AUDIT FROM BROWN ARMSTRONG }
ACCOUNTANCY CORPORATION }
FOR FISCAL YEAR 2023-2024 }
_____ }

RESOLUTION NO. 2025-XXX

WHEREAS, audited Financial Statements are necessary for all governmental entities; and

WHEREAS, on September 22, 2025, Brown Armstrong Accountancy Corporation issued their opinion on the City of Turlock’s Financial Statements, Single Audit; and

WHEREAS, on September 22, 2025, Brown Armstrong Accountancy Corporation issued the City of Turlock’s Memorandum on Internal Control, Required Communications; and

WHEREAS, on October 2, 2025, Brown Armstrong Accountancy Corporation issued their opinion on the Proposition 111 Appropriations Limit Increment, Required Communications; and

WHEREAS, on November 5, 2025, Brown Armstrong Accountancy Corporation issued their opinion on the Turlock Public Financing Authority Financial Statements, Required Communications; and

WHEREAS, on November 5, 2025, Brown Armstrong Accountancy Corporation issued their opinion on the Transportation Development Act Funds Financial Statements, Required Communications; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Turlock does hereby accept the above stated Financial Statements and Reports listed above.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 18th day of November, 2025, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

Nicole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California



CITY OF TURLOCK
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2024

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CITY OF TURLOCK
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2024

PREPARED BY
THE FINANCE DEPARTMENT

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**CITY OF TURLOCK
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2024**

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council
City of Turlock, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Turlock, California (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Former LMI Housing Fund, and Gas Tax/Street Improvement Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the Required Supplementary Information (RSI), as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis and the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from

and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
September 22, 2025

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**CITY OF TURLOCK
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

This narrative overview and analysis are provided by the management of the City of Turlock (City) for the fiscal year 2023-2024 financial statements (with comparative information for 2022-2023). We encourage our readers to consider this information in conjunction with the information provided in the accompanying basic financial statements and notes thereto.

FISCAL YEAR 2023-2024 FINANCIAL HIGHLIGHTS

Government-Wide Highlights

- The City's net position (assets and deferred outflows in excess of liabilities and deferred inflows) at June 30, 2024, totaled \$724.9 million. Governmental activities accounted for \$400.7 million of the net position, while \$324.2 million are in the business-type activities.
- Total City revenues, including program and general revenues, were \$175.9 million, while total expenses were \$128.8 million.
- Governmental program revenues were \$34.1 million compared to governmental program expenses of \$86.5 million.
- Program revenues from business-type activities were \$60.8 million, while expenses for business-type activities were \$42.4 million.

Fund Highlights

- Net General Fund revenues exceeded expenditures and other financing sources (uses) by \$4.6 million as compared to the prior year when revenues exceeded expenditures and other financing sources (uses) by \$13.2 million. For financial reporting purposes, the "General Fund" includes not only the City's General Fund, but also the Parks, Arts and Recreation Commission, Special Public Safety, Tourism (2 funds), Cannabis, and Measure A funds.
- The fund balance of the General Fund is \$56.5 million at June 30, 2024, compared to a projected \$43.7 million when the 2023-2024 budget was originally adopted.

Additional discussion regarding the financial results for fiscal year 2023-2024 can be found in the "Financial Activities" section of this document.

OVERVIEW OF THESE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements which are broken into the following four parts:

- 1) Management's Discussion and Analysis (this part),
- 2) The Basic Financial Statements, which include the Government-Wide and the Fund Financial Statements, along with the Notes to these financial statements,
- 3) Required Supplementary Information, and
- 4) Supplemental Information.

THE BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

The Government-Wide Financial Statements provide a longer-term, broader view of the City's activities as a whole. These statements are more similar to private-sector financial statements than the fund financial statements. The Government-Wide Financial Statements are comprised of the *Statement of Net Position* and the *Statement of Activities*.

The *Statement of Net Position* provides information about the financial position of the City as a whole, including all its capital assets and long-term liabilities on the full accrual basis of accounting, similar to that used by the private sector. The difference between the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as "net position." Over time, this statement may serve as an indicator of the City's general health and whether its overall financial position is improving or deteriorating.

The *Statement of Activities* provides information about all the City's revenues and all its expenses. This statement is also prepared using the full accrual basis of accounting, with an emphasis on measuring net revenues or expenses for each of the City's programs.

All of the City's activities are grouped into either governmental or business-type activities as explained below. All the amounts in the *Statement of Net Position* and the *Statement of Activities* are separated into governmental or business-type activities in order to provide a summary of these two activities of the City as a whole.

- **Governmental Activities** – All of the City's basic services are considered to be governmental activities. These services include public safety (police and fire), parks and recreation, public ways and facilities/transportation, community development, and general administration. General City revenues such as taxes and program-specific revenues such as user and developer impact fees support and finance these services.
- **Business-Type Activities** – All the City's enterprise activities are reported here including water, sewer, and transit operations. Unlike governmental services, these services are supported by charges paid by the users of these services.

As noted above, the Government-Wide Financial Statements are prepared on the full accrual basis of accounting, which means they measure the flow of all economic resources of the City as a whole.

Fund Financial Statements

The Fund Financial Statements report the City's operations in more detail than the government-wide statements and focus primarily on the short-term activities of the City's General Fund and other major funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt, and other long-term amounts.

The Fund Financial Statements provide detailed information about each of the City's most significant funds, called "major funds." Major funds account for the most significant financial activities of the City and are presented individually, while the activities of nonmajor funds are presented in summary with subordinate schedules presenting the detail for each of these other funds. Since the City's most significant fiscal activities may change from year to year, the funds designated as "major funds" may also change from year to year.

Fund Financial Statements include governmental, enterprise, internal service, and fiduciary funds as follows:

Governmental Fund Financial Statements are prepared on the modified accrual basis of accounting, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements.

The City has thirty (30) governmental funds, of which three (3) are considered major funds for presentation purposes – the General Fund, Former Low and Moderate Income (LMI) Housing Fund, and the Gas Tax/Street Improvement Fund. Each major fund is presented separately in the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances. The financial information for the remaining nonmajor governmental funds is combined into a single, aggregated presentation. The basic Governmental Fund Financial Statements can be found starting on page 28 in this report.

Enterprise and Internal Service Fund Financial Statements are prepared on the full accrual basis of accounting and include all their assets, liabilities, and deferred outflows/inflows of resources, current and long-term. The City's Enterprise Funds account for the financial activity of the City's water, sewer, and transportation (fixed route and dial-a-ride) services. The Internal Service Funds account for the financial activity of the City's equipment pool, self-insurance, and information technology activities. Because these activities primarily benefit the governmental rather than business-type functions, the resulting financial activities of the Internal Service Funds have been included within the governmental activities in the Government-Wide Financial Statements. The Enterprise and Internal Service Fund Financial Statements can be found starting on page 36.

Fiduciary Fund Financial Statements are used to account for resources held for the benefit of parties outside the government. They are not included in the Government-Wide Financial Statements because their resources are not available to support City programs. With the dissolution of the Redevelopment Agency, the activities of the Successor Agency to the former Turlock Redevelopment Agency are reported as a Private-Purpose Trust Fund in the Fiduciary Fund Section. Additional information about the dissolution of the Redevelopment Agency can be found in Note 14 on page 87 of the financial statements.

Notes to the Financial Statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The notes can be found starting on page 42.

FINANCIAL ACTIVITIES OF THE CITY AS A WHOLE

Statement of Net Position

Over time, the City's net position may serve as an indicator of its financial position. The City's *Statement of Net Position* and *Statement of Activities* presented below and on a following page focus on the City's net position and changes to net position for governmental and business-type activities.

STATEMENT OF NET POSITION AS OF JUNE 30 (in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Cash and investments	\$ 180,263	\$ 166,447	\$ 74,984	\$ 61,216	\$ 255,247	\$ 227,663
Other assets	55,471	54,718	53,164	52,124	108,635	106,842
Capital assets, net	269,302	252,079	316,308	312,753	585,610	564,832
Total assets	505,036	473,244	444,456	426,093	949,492	899,337
Deferred outflows of resources	33,695	36,058	5,884	5,903	39,579	41,961
Long-term liabilities	101,625	97,492	103,174	107,804	204,799	205,296
Other liabilities	19,803	22,686	20,051	16,466	39,854	39,152
Total liabilities	121,428	120,178	123,225	124,270	244,653	244,448
Deferred inflows of resources	16,625	16,884	2,882	3,407	19,507	20,291
Net position:						
Net investment in capital assets	266,097	248,914	231,960	222,230	498,057	471,144
Restricted	131,801	122,673	-	-	131,801	122,673
Unrestricted	2,780	653	92,273	82,089	95,053	82,742
Total net position	\$ 400,678	\$ 372,240	\$ 324,233	\$ 304,319	\$ 724,911	\$ 676,559

As noted above, the City's primary investment is in its *Net Investment in Capital Assets*. Capital assets, which account for approximately 68.7% of the City's total net position, include all infrastructure such as the street/roadway system; sewer, water, and storm drain collection systems, as well as retention basins; the wastewater treatment plant, water wells, and pump stations; streetlights and traffic signals; and parks. Capital assets also include all vehicles, equipment, and buildings used by City employees in the course of their daily activities. By their very nature and use, capital assets are not available for future spending and are, therefore, not assets available to fund future activities.

Approximately \$131.8 million or 18.2% of the City's non-capital net position is subject to external restrictions as to their use. The remaining \$95.1 million is unrestricted and available to meet the City's on-going obligations to its citizens and creditors. Of this amount, \$2.8 million is related to governmental activities and \$92.3 million to business-type activities.

The City's overall net position increased by \$48.4 million during the 2023-2024 fiscal year. governmental activities experienced a \$28.4 million increase in net position while the City's business-type activities – those intended to be self-sufficient – experienced a \$19.9 million increase in net position. More information regarding the results of operations for all the City's funds can be found later in this report.

Summary of Changes in Net Position

As the below table shows, \$94.9 million of the City's \$175.9 million in total revenues comes from program revenue sources. Program revenues are those derived directly from the program itself (user fees) or from parties outside the reporting government's taxpayers or citizenry. Program revenues reduce the need for the cost of the function to be financed by general government revenues. The largest portion of the City's program revenues is "Charges for Services," which include user fees from the City's water and sewer operations, building permit-related fees, developer impact fees, and special assessments.

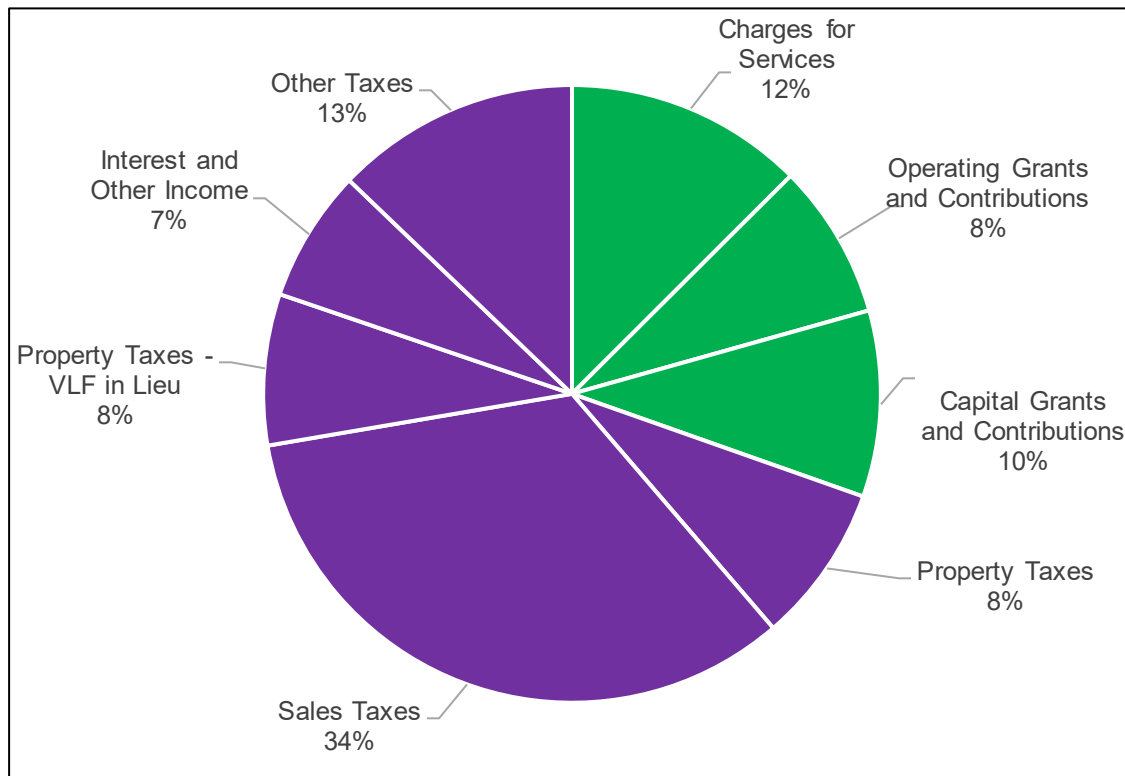
Expenses are presented on a functional basis and represent only current year expenses. As such, they do not include capital outlay expenditures as capital outlay expenditures are included in "Capital Assets" on the City's *Statement of Net Position*.

Citywide expenses, which totaled \$128.8 million, consisted of \$86.4 million for governmental activities and \$42.4 million for business-type activities. Of the \$86.4 million in governmental activities expenses, \$48.7 million or 56.4% relate to the provision of public safety (police and fire) services. The next largest component was \$13.8 million or 15.9% for public ways, facilities, and transportation. This component accounts for activities involved in the maintenance and construction of City streets and roads as well as City buildings.

SUMMARY OF CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Program Revenues						
Charges for services	\$ 14,033	\$ 11,526	\$ 50,196	\$ 47,712	\$ 64,229	\$ 59,238
Operating grants and contributions	9,094	5,978	4,880	4,327	13,974	10,305
Capital grants and contributions	10,934	11,563	5,767	4,614	16,701	16,177
Total Program Revenues	34,061	29,067	60,843	56,653	94,904	85,720
General Revenues						
Property taxes	9,303	8,803	-	-	9,303	8,803
Sales taxes	37,664	36,309	-	-	37,664	36,309
Property taxes - VLF in lieu	8,869	8,336	-	-	8,869	8,336
Other taxes	14,385	14,353	-	-	14,385	14,353
Interest and investment earnings	7,398	1,290	3,009	28	10,407	1,318
Other income	367	1,228	-	-	367	1,228
Gain (loss) on disposal of capital assets	11	1	9	(205)	20	(204)
Total General Revenues	77,997	70,320	3,018	(177)	81,015	70,143
Total Overall Revenues	112,058	99,387	63,861	56,476	175,919	155,863
Expenses						
General government	10,328	9,435	-	-	10,328	9,435
Public safety	48,733	38,025	-	-	48,733	38,025
Public ways/facilities/transportation	13,787	9,776	-	-	13,787	9,776
Parks and recreation	6,477	4,755	-	-	6,477	4,755
Community development	7,004	8,665	-	-	7,004	8,665
Interest on long-term debt	126	129	-	-	126	129
Water	-	-	10,774	9,949	10,774	9,949
Sewer	-	-	20,616	18,182	20,616	18,182
Transportation	-	-	5,900	5,487	5,900	5,487
SRWA operations	-	-	5,074	-	5,074	-
Building and safety	-	-	-	952	-	952
Total Expenses	86,455	70,785	42,364	34,570	128,819	105,355
Increase (Decrease) in Net Position Before Transfers and Contributions	25,603	28,602	21,497	21,906	47,100	50,508
Transfers	1,583	1,899	(1,583)	(1,899)	-	-
Contributions for capital assets	1,159	2,400	-	-	1,159	2,400
Contribution from Private-Purpose Trust	93	131	-	-	93	131
Change in Net Position	28,438	33,032	19,914	20,007	48,352	53,039
Net Position, Beginning of Year	372,240	339,208	304,319	284,312	676,559	623,520
Net Position, End of Year	\$ 400,678	\$ 372,240	\$ 324,233	\$ 304,319	\$ 724,911	\$ 676,559

Governmental Activities Revenue Composition



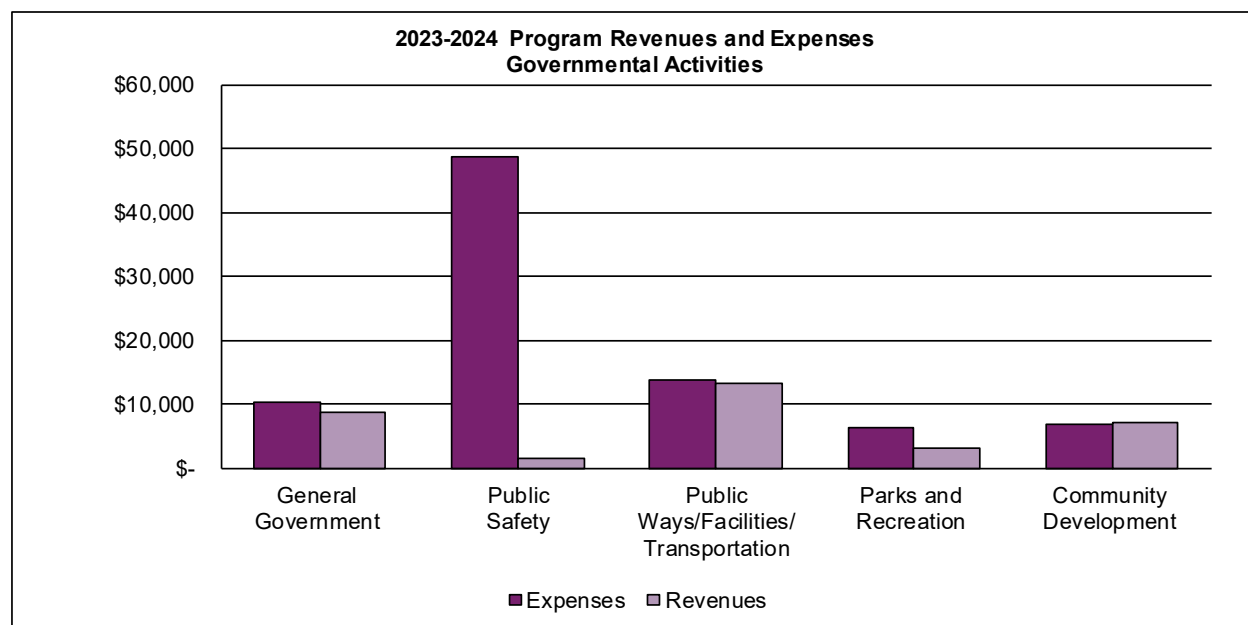
Governmental activities revenues totaling \$112.1 million are comprised of various non-dedicated tax revenues ([General Revenues](#)) as well as revenues received for specific purposes ([Program Revenues](#)), and revenues are categorized as follows:

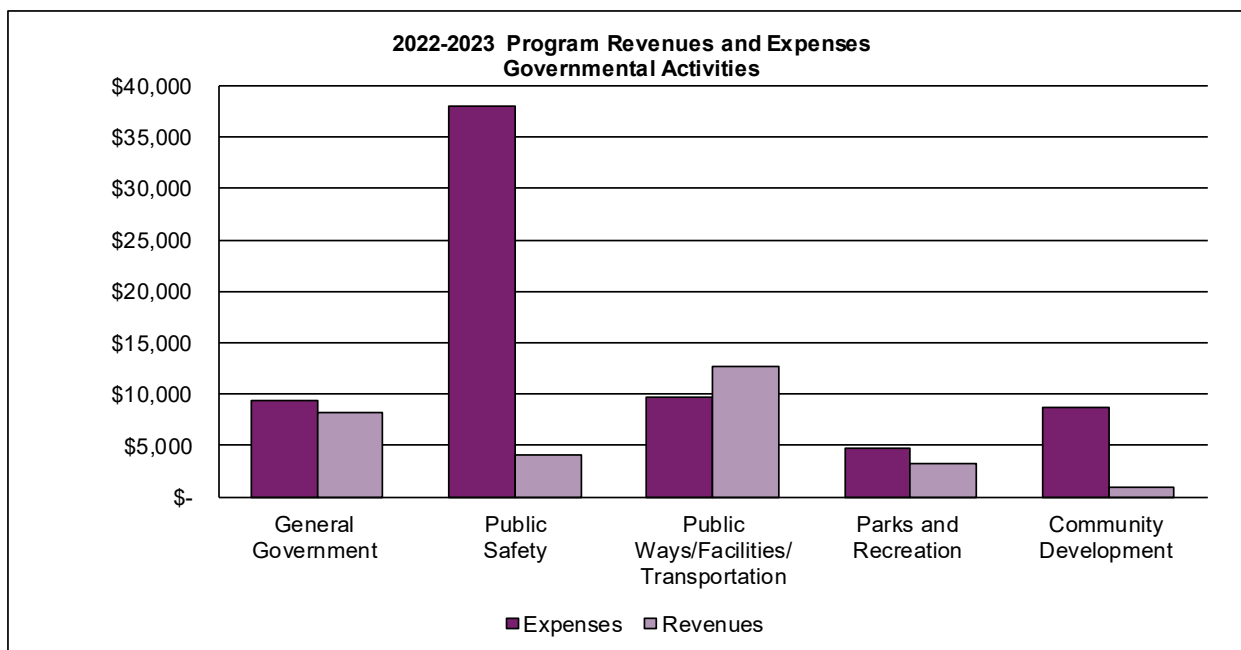
- **Charges for Services** – Revenues for specialized City services which are typically not demanded by the general population – totaled \$14.0 million. Included in this revenue category are the special assessment revenues charged by the City's Lighting and Landscape Maintenance Districts as well as charges for specialized services provided by departments throughout the City and fees for participation in City-offered recreation programs.
- **Operating Grants and Contributions** – Revenues received from other governmental agencies which are primarily used for operational needs – totaled \$9.1 million. Operating grants include revenues received from the (1) U.S. Department of Housing and Urban Development (HUD) and the California Department of Housing and Community Development supporting the City's affordable housing activities; (2) U.S. Department of Justice and California Office of Traffic Safety supporting various police activities; (3) Gas Tax and Local Transportation Funds used for street/road maintenance; and (4) revenues received by the City's recreation division to support after school enrichment programs. Since these types of revenues are generally received on a reimbursement basis, annual amounts will vary from year-to-year depending on the activities in which the City is engaged.
- **Capital Grants and Contributions** – These are typically development impact related revenues which are collected to finance the cost of new infrastructure as well as federal Department of Transportation revenues. Total revenues for 2023-2024 were \$10.9 million. The Department of Transportation revenues are used for street/road reconstruction and other maintenance that is more extensive than pothole patching and slurry seals. Funds from Measure L, a locally approved sales tax measure to be used for transportation needs within Stanislaus County, are used for street/road maintenance and rehabilitation.

- General revenues are all other revenues not classified as program revenues and are generally received for unrestricted uses. General revenues include property taxes, sales tax, property tax – VLF in lieu, franchise fees, business license fees, transient occupancy taxes, and investment earnings. The City's governmental activities general revenues totaled \$70.3 million for fiscal 2023-2024. Property tax assessed values increased 7.4% or \$662.4 million between 2022-2023 and 2023-2024 to a total of \$9.6 billion in assessed value for parcels within the City. This resulted in a \$1.3 million increase in assessed value related revenues. Sales taxes increased \$2.0 million from 2022-2023. The increase in sales tax can be primarily attributed to the increased sales in the region from the local Amazon facility.

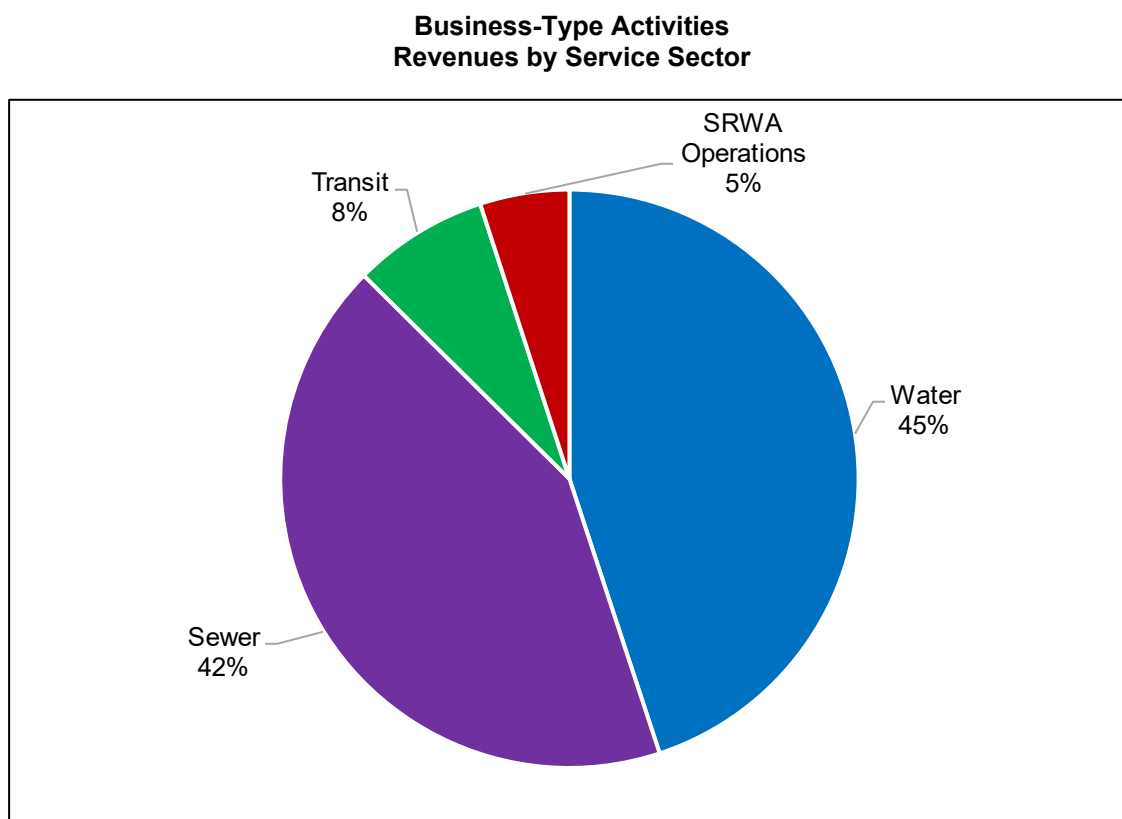
Governmental Activities Revenues and Expenses

Governmental activities revenues are primarily used to finance governmental activities such as public safety, park maintenance, culture and recreation programs, and general government administration. The tables below graphically depict the typical relationship between program revenues and expenses for governmental activities for the past two years. In total, 2023-2024 expenses for governmental activities exceeded program revenues by \$52.4 million whereas in 2022-2023 expenses exceeded revenues by \$41.7 million.



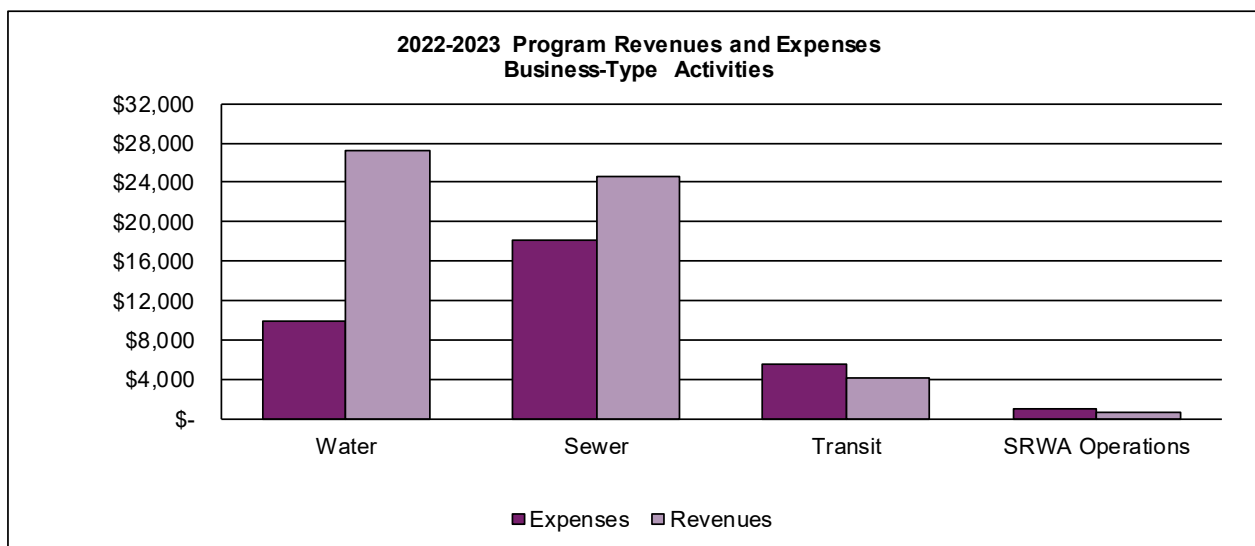
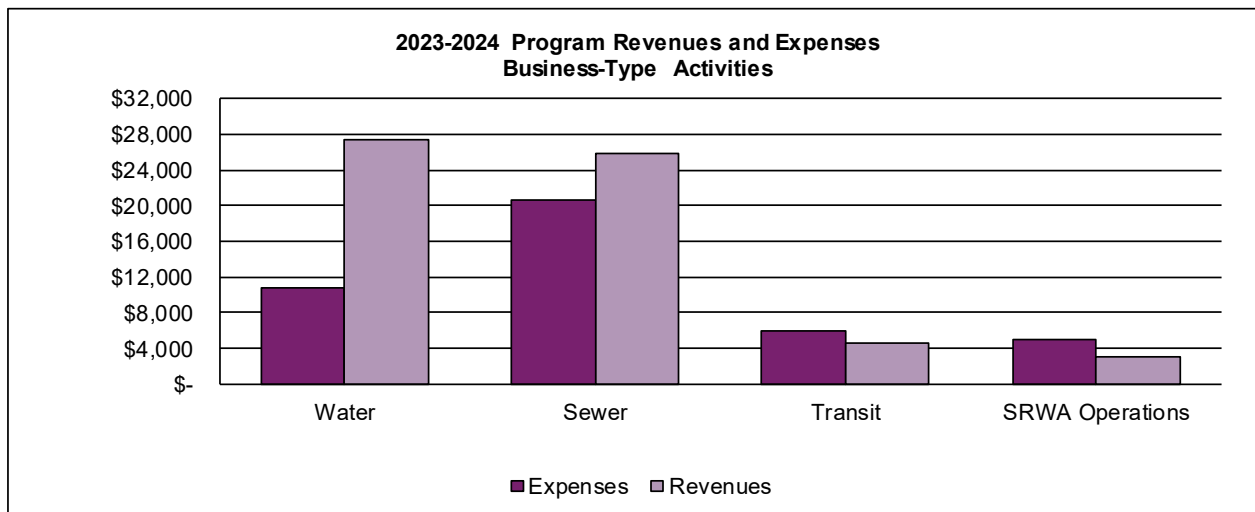


Business-Type Activities



Revenues for business-type activities totaled \$63.9 million and related expenses totaled \$42.4 million, of which \$20.6 million or 48.7% related to the maintenance and operations of the City's wastewater treatment plant and the City's storm drain collection system. Potable water maintenance and operations accounted for \$10.8 million or 25.4% of business-type activities expenses. Other business-type activities include the operation of both fixed route and dial-a-ride transit systems which provide service in the City as well as connecting those in need with County-wide transportation services. The City's Building Division assists all residents and developers in their pursuits of property development and improvements within the City limits.

The pie chart above and the graphs below present the composition of revenue for the City's business-type activities by functional area as well as a comparison for both fiscal years 2023-2024 and 2022-2023 of the program revenues vs. expenses for each of the four functional areas.



THE CITY'S FUND FINANCIAL STATEMENTS

Governmental Funds

As noted earlier, the focus of the City's governmental funds (General, Special Revenue, and Capital Projects) is to provide information related to resources (mainly cash), near-term inflows, outflows, and spendable balances. This focus does not include capital assets or long-term debt.

At June 30, 2024, the City's governmental funds reported combined fund balances of \$159.7 million, a \$16.6 million increase over the prior year. The General Fund's fund balance is \$56.5 million at June 30, 2024. Governmental fund revenues (including transfers in) were \$120.5 million this year, of which General Fund revenues totaled \$82.0 million or 68.0%. Governmental fund expenditures (including transfers out) totaled \$105.7 million with the General Fund representing 73.7% of the total or \$77.9 million. The following provides additional information for select governmental funds.

General Fund – As previously mentioned, for financial reporting purposes, the “General Fund” includes not only the City’s General Fund, but also the Parks, Arts and Recreation Commission, Special Public Safety, Tourism (2 funds), Cannabis, and Measure A funds. At June 30, 2024, the General Fund had a fund balance of \$56.5 million with \$35.3 million in the unassigned category. As noted in footnote 8, fund balances in governmental funds can fall into one of five categories – nonspendable, restricted, committed, assigned or unassigned. Balances falling in the nonspendable through assigned categories are there by virtue of (1) legal restrictions, (2) City Council action to commit resources for specific activities, and/or (3) action taken by management which signals the City’s intended use of resources. All other balances are categorized as unassigned.

General Fund revenues exceeded expenditures by \$4.6 million for 2023-2024. On-going General Fund revenues increased from \$70.8 million in 2022-2023 to \$78.7 million in 2023-2024.

The City continues to work balancing the economic vs. service demand challenges associated with the activities funded by the General fund. The primary reason the General Fund was able to generate increases to the fund balance in 2023-2024 was primarily due to increases in taxes and assessments revenue of \$1.7 million, use of money and property revenue of \$3.0 million, intergovernmental revenue of \$0.7 million, and charges for current services of \$2.2 million.

Former LMI Housing Fund – This fund serves as the successor to the former Housing Set-Aside Fund and was formed after the dissolution of the City’s Redevelopment Agency. The purpose of this fund is to account for housing related activities and assets the City elected to retain from the former Redevelopment Agency. For fiscal year 2023-2024 the fund’s expenditures included \$187,406 in support of a Mobile Home Rental Subsidy program for income eligible senior citizens. This program is an enforceable obligation of the Successor Agency to the Turlock Redevelopment Agency.

Gas Tax/Street Improvement Fund – This fund comprises the revenues and related expenditures the City receives from Gas Tax, Local Transportation Fund (LTF), Stanislaus County Measure L, State of California Senate Bill (SB) 1 and Federal Department of Transportation (DOT) sources. Revenues (including transfers in) for 2023-2024 totaled \$11.4 million while expenditures (including transfers out) totaled \$6.9 million. Federally-funded projects typically take 3-4 years from beginning to end. The funding is received on a reimbursement basis, meaning that the City spends the money first in accordance with the grant documents and is then reimbursed. The City uses Gas Tax Section 2103 dollars for the local match portion for many federally-funded projects. Major projects for which there were expenditures in 2023-2024 include: Active Transportation Program improvements for the Southeast Quadrant Road Rehabilitation, Lander Avenue Rehabilitation between D St and SR-99, Pedras Rd Rehabilitation, and Intersection Improvements at Countryside Dr and the Business Entrance.

The Gas Tax and LTF dollars are used for general street maintenance (pothole repairs, crack sealing, slurry seals, and striping) as well as the operational costs of the City’s street lights which are not in an assessment district, traffic signals, leaf pick-up, and street tree trimming. LTF dollars are also used for bicycle and pedestrian related-improvements contiguous to the City’s street/road system. The Gas Tax and LTF revenues are based on taxes paid when gasoline is purchased, which is a revenue source that is not growing due to more fuel-efficient vehicles on the road. Expenditures funded by these revenue sources were at a level consistent with the prior year.

Enterprise Funds

The City’s enterprise funds provide the same information found in the Government-Wide Financial Statements for Business-Type Activities only in a little more detail. The net position for the City’s enterprise funds increased \$324.2 million during fiscal year 2023-2024, which compares to a \$19.9 million increase for fiscal year 2022-2023. Overall operating revenues were approximately \$2.5 million higher than the prior year while operating expenses increased by \$7.7 million. An increase of \$2.7 million from charges for services in operating revenues, which was offset by an increase in salaries and benefits of \$4.0 million. The City is a member of the Stanislaus Regional Water Authority (SRWA) which is a joint powers authority developing a surface water supply project to supply additional drinking water to the customers within SRWA members’ service area. More information related to this project can be found at

www.stanrwa.org/ and in Note 13 to the financial statements. Net operating income at the City's wastewater facility was \$2.3 million compared to \$5.0 million in 2022-2023. The City completed work on the North Valley Regional Recycled Water project which provides a beneficial reuse of the City's tertiary treated effluent.

It should be noted that for both the water and wastewater systems, new development pays – via development impact fees – for the construction of infrastructure in the newly developing areas of town. The monthly user fees pay for the on-going delivery of water and sewer services as well as for the cost of replacing infrastructure either due to age or increasing regulatory requirements.

CAPITAL ASSETS

At June 30, 2024, the City had \$584.8 million, net of depreciation, invested in a broad range of capital assets used in governmental and business-type activities. This investment includes land and improvements, buildings, machinery, equipment, vehicles, infrastructure, and construction in progress. Infrastructure assets include items which are not moveable and are normally of use only to the City such as streets/roads, bridges, sidewalks, street lighting and traffic signals, parks, drainage systems, sewer collection and treatment systems, and water distribution systems. Net additions to the City's capital asset investment (including construction in progress but excluding current year depreciation) during fiscal year 2023-2024 was approximately \$38.8 million. Capital expenditures include construction for the roads program as well as road rehabilitation, wellhead treatment installation, Columbia Pool, roof and HVAC replacements, biotower rehabilitation equipment installation, as well as the purchase of vehicles and equipment by various departments which are used in their daily operations. Additional information regarding the City's capital assets can be found in Note 6 to the financial statements starting on page 61.

DEBT ADMINISTRATION

At June 30, 2024, the City had \$90.2 million in debt outstanding as compared to \$97.0 million for the prior year.

The City's principal debt service obligations for 2023-2024, totaling approximately \$6.6 million, are made up of the following:

	<u>Debt Service</u>
2017 Water Revenue Bonds	\$ 835,000
2022 Sewer Loan	2,967,000
SRF - WQC Upgrade	1,187,902
SRF - Harding Drain By-Pass	737,962
SRF - North Valley Water Program	541,540
PNC Lease/Fire Trucks	276,468
Motorola Equipment Lease/IBM	94,687
	<u>\$ 6,640,559</u>

Additional information regarding each of the City's debt issues as well as debt service requirements is discussed in greater detail in Note 7 to the financial statements starting on page 63.

NEXT YEAR'S BUDGET AND THE ECONOMY

In June 2024, the City Council adopted the budget for fiscal year 2024-2025. The 2024-2025 General Fund (Fund 110) budget projected a balanced budget with revenues equaling expenses of just under \$62.5 million. The 2024-2025 budget included personnel cost increases budgeted based on existing Memoranda of Understanding (MOUs) and/or Schedules of Benefits as well as projected increases for retirement and increases to projected revenues, primarily sales tax revenue, and property tax revenue.

More information regarding the City's budget can be obtained by going to the Finance Division section under Administrative Services on the City website at www.ci.turlock.ca.us.

REQUESTS FOR INFORMATION

This Basic Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. Questions about this report should be directed to the City's Finance Department, at 156 South Broadway, Suite 110, Turlock, CA 95380.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

The Statement of Net Position and the Statement of Activities summarize the entire City's financial activities and financial position.

The Statement of Net Position reports the difference between the City's total assets and deferred outflows of resources and the City's total liabilities and deferred inflows of resources, including all the City's capital assets and all its long-term debt. The Statement of Net Position summarizes the financial position of all of the City's governmental activities in a single column, and the financial position of all of the City's business-type activities in a single column; these columns are followed by a Total column that presents the financial position of the entire City.

The City's governmental activities include the activities of its General Fund, along with all its Special Revenue and Capital Projects Funds. Since the City's Internal Service Funds service these funds, their activities are consolidated with governmental activities, after eliminating interfund transactions and balances. The City's business-type activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's net position. It is also prepared on the full accrual basis of accounting, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis of accounting used in the governmental fund financial statements, which reflect only current assets, current liabilities, available revenues, and measurable expenditures.

The Statement of Activities presents the City's expenses first, listed by program, followed by the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the governmental activities or Business-Type Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both of these statements include the financial activities of the City and the Turlock Public Financing Authority, which is legally separate but is a component unit of the City because it is controlled by the City, which is financially accountable for the activities of this entity.

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CITY OF TURLOCK
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments (Note 3)	\$ 180,263,179	\$ 71,624,133	\$ 251,887,312
Restricted cash and investments and cash and investments with fiscal agent (Note 3)	-	3,359,633	3,359,633
Accounts receivable, net (Note 5C)	14,612,360	12,727,920	27,340,280
Interest receivable	1,881,949	655,452	2,537,401
Prepays	1,787,545	33,728	1,821,273
Due from developers (Note 5A)	287,284	157,663	444,947
Long-term loans receivable (Note 5B)	35,875,420	-	35,875,420
Investment in affordable housing property (Note 1K)	327,184	-	327,184
Investment in joint venture (Note 13D)	-	39,589,428	39,589,428
Leases receivable (Note 15)	699,280	-	699,280
Capital assets:			
Capital assets, not being depreciated (Note 6)	70,062,983	68,355,003	138,417,986
Capital assets, being depreciated (net) (Note 6)	198,746,452	247,647,491	446,393,943
Right-to-use lease assets (net) (Note 6)	492,090	143,388	635,478
Right-to-use subscription assets (net) (Note 6)	-	162,140	162,140
Total Assets	505,035,726	444,455,979	949,491,705
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions (Note 9)	32,262,395	5,529,779	37,792,174
Related to OPEB (Note 10)	1,432,828	353,993	1,786,821
Total Deferred Outflows of Resources	33,695,223	5,883,772	39,578,995
LIABILITIES			
Accounts payable	9,032,449	3,383,275	12,415,724
Payroll payable	1,789,631	265,943	2,055,574
Interest payable	23,580	561,016	584,596
Unearned revenue	6,321,242	8,652,415	14,973,657
Deposits payable	1,087,259	468,325	1,555,584
Compensated absences (Note 11):			
Due within one year	780,223	175,767	955,990
Due in more than one year	3,120,892	703,070	3,823,962
Estimated claims liability (Note 12):			
Due within one year	285,654	-	285,654
Due in more than one year	2,795,718	-	2,795,718
Long-term debt (Note 7):			
Due within one year	385,775	6,462,522	6,848,297
Due in more than one year	2,407,654	80,992,811	83,400,465
Lease liability (Note 15):			
Due within one year	96,720	48,170	144,890
Due in more than one year	314,725	96,294	411,019
IT subscription liability (Note 16):			
Due within one year	-	33,554	33,554
Due in more than one year	-	74,276	74,276
Net pension liability (Note 9):			
Due in more than one year	86,131,913	19,614,143	105,746,056
Total OPEB liability (Note 10):			
Due in more than one year	6,854,271	1,693,410	8,547,681
Total Liabilities	121,427,706	123,224,991	244,652,697
DEFERRED INFLOWS OF RESOURCES			
Related to pensions (Note 9)	5,961,726	411,032	6,372,758
Related to OPEB (Note 10)	9,999,564	2,470,487	12,470,051
Related to leases (Note 15)	663,498	-	663,498
Total Deferred Inflows of Resources	16,624,788	2,881,519	19,506,307
NET POSITION (Note 8)			
Net investment in capital assets	266,096,651	231,960,028	498,056,679
Restricted for:			
Capital projects	31,869,600	-	31,869,600
Special projects and programs	99,931,305	-	99,931,305
Unrestricted	2,780,899	92,273,213	95,054,112
Total Net Position	\$ 400,678,455	\$ 324,233,241	\$ 724,911,696

See accompanying notes to basic financial statements.

**CITY OF TURLOCK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General government	\$ 10,328,106	\$ 2,394,926	\$ 6,140,746	\$ 150,482	\$ 8,686,154
Public safety	48,732,396	729,482	910,691	41,188	1,681,361
Public ways and facilities/transportation	13,787,158	2,819,446	-	10,536,061	13,355,507
Parks and recreation	6,477,338	2,126,581	1,152,480	-	3,279,061
Community development	7,003,954	5,962,978	889,805	206,364	7,059,147
Interest and fiscal charges	126,148	-	-	-	-
Total Governmental Activities	86,455,100	14,033,413	9,093,722	10,934,095	34,061,230
Business-Type Activities:					
Water	10,774,371	25,743,272	432,888	1,166,722	27,342,882
Sewer	20,616,050	21,239,759	-	4,599,870	25,839,629
Transportation	5,899,821	174,956	4,447,305	-	4,622,261
SRWA Operations	5,074,153	3,037,888	-	-	3,037,888
Total Business-Type Activities	42,364,395	50,195,875	4,880,193	5,766,592	60,842,660
Total	\$ 128,819,495	\$ 64,229,288	\$ 13,973,915	\$ 16,700,687	\$ 94,903,890
General Revenues:					
Taxes:					
Property taxes					
Sales taxes					
Property tax - VLF in lieu					
Other tax					
Total taxes					
Other revenue					
Interest income (loss)					
Contributions for capital assets					
Contributions from private-purpose trust					
Gain from sale of capital assets					
Transfers (Note 4)					
Total General Revenues and Transfers					
Change in Net Position					
Net Position - Beginning					
Net Position - Ending					

See accompanying notes to basic financial statements.

CITY OF TURLOCK
STATEMENT OF ACTIVITIES (Continued)
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		Total
	Governmental Activities	Business-Type Activities	
Governmental Activities:			
General government	\$ (1,641,952)	\$ -	\$ (1,641,952)
Public safety	(47,051,035)	-	(47,051,035)
Public ways and facilities/transportation	(431,651)	-	(431,651)
Parks and recreation	(3,198,277)	-	(3,198,277)
Community development	55,193	-	55,193
Interest and fiscal charges	(126,148)	-	(126,148)
Total Governmental Activities	(52,393,870)	-	(52,393,870)
Business-Type Activities:			
Water	-	16,568,511	16,568,511
Sewer	-	5,223,579	5,223,579
Transportation	-	(1,277,560)	(1,277,560)
SRWA Operations	-	(2,036,265)	(2,036,265)
Total Business-Type Activities	-	18,478,265	18,478,265
Total	(52,393,870)	18,478,265	(33,915,605)
General Revenues:			
Taxes:			
Property taxes	9,303,073	-	9,303,073
Sales taxes	37,664,648	-	37,664,648
Property tax - VLF in lieu	8,868,839	-	8,868,839
Other tax	14,384,875	-	14,384,875
Total taxes	70,221,435	-	70,221,435
Other revenue	367,448	-	367,448
Interest income (loss)	7,398,252	3,009,548	10,407,800
Contributions for capital assets	1,159,049	-	1,159,049
Contributions from private-purpose trust	92,551	-	92,551
Gain from sale of capital assets	10,937	8,556	19,493
Transfers (Note 4)	1,582,528	(1,582,528)	-
Total General Revenues and Transfers	80,832,200	1,435,576	82,267,776
Change in Net Position	28,438,330	19,913,841	48,352,171
Net Position - Beginning	372,240,125	304,319,400	676,559,525
Net Position - Ending	\$ 400,678,455	\$ 324,233,241	\$ 724,911,696

See accompanying notes to basic financial statements.

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BASIC FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

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MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the City in fiscal year 2024. Individual nonmajor funds may be found in the Supplemental Section.

GENERAL FUND

The General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds. Expenditure activities within the General Fund include public safety (police and fire), park maintenance, general City administration (includes City Clerk, payroll/personnel, accounts receivable, accounts payable, accounting), planning, and the City attorney. For financial reporting purposes, the General Fund for the City also includes Parks, Arts and Recreation Commission, Special Public Safety, Cannabis, Measure A, and Tourism (2 funds).

FORMER LOW AND MODERATE INCOME (LMI) HOUSING FUND

This fund accounts for the activity of the Housing Set-Aside funds post Turlock Redevelopment Agency dissolution.

GAS TAX/STREET IMPROVEMENT FUND

The Gas Tax/Street Improvement Fund accounts for the City's Gas Tax (Highway User's Tax), Local Transportation Fund, and Measure L (Stanislaus County Sales Tax Transportation Measure) revenues as well as federal/state/local grants received for street improvement purposes. These revenue sources are used in the maintenance of the City's street/road system including street sweeping, pothole repairs, streetlight/traffic signal lighting and maintenance, and various street reconstruction projects which are the result of wear and tear. Expenditures in this fund do not include street construction projects which are due to development.

**CITY OF TURLOCK
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	General	Former LMI Housing	Gas Tax/ Street Improvement	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments (Note 3)	\$ 49,503,059	\$ 1,990,735	\$ 24,191,578	\$ 82,750,950	\$ 158,436,322
Accounts receivable (Note 5C)	11,167,311	450	1,959,449	937,303	14,064,513
Interest receivable	948,407	17,796	193,235	620,955	1,780,393
Due from developers (Note 5A)	20,041	-	-	267,243	287,284
Due from other funds (Note 4B)	506,933	-	-	-	506,933
Loans receivable (Note 5B)	7,487	18,102,995	-	17,764,938	35,875,420
Prepays	1,768,627	-	-	18,918	1,787,545
Investment in affordable housing property (Note 1K)	-	327,184	-	-	327,184
Leases receivable (Note 15)	484,703	-	-	214,577	699,280
Total Assets	\$ 64,406,568	\$ 20,439,160	\$ 26,344,262	\$ 102,574,884	\$ 213,764,874
LIABILITIES					
Accounts payable	\$ 4,379,263	\$ 13,600	\$ 1,170,743	\$ 2,150,699	\$ 7,714,305
Payroll payable	1,666,119	-	20,885	51,337	1,738,341
Due to other funds (Note 4B)	-	-	-	506,933	506,933
Unearned revenue	162,120	-	-	6,159,122	6,321,242
Deposits payable	1,081,009	-	-	6,250	1,087,259
Total Liabilities	7,288,511	13,600	1,191,628	8,874,341	17,368,080
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue (Notes 1F and 5B)	193,863	18,102,995	-	17,764,938	36,061,796
Related to leases (Note 15)	463,251	-	-	200,247	663,498
Total Deferred Inflows of Resources	657,114	18,102,995	-	17,965,185	36,725,294
FUND BALANCES (Note 8)					
Nonspendable	2,324,540	-	-	267,243	2,591,783
Restricted	-	2,322,565	25,152,634	47,051,053	74,526,252
Committed	18,106,809	-	-	28,551,389	46,658,198
Assigned	724,625	-	-	-	724,625
Unassigned	35,304,969	-	-	(134,327)	35,170,642
Total Fund Balances	56,460,943	2,322,565	25,152,634	75,735,358	159,671,500
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 64,406,568	\$ 20,439,160	\$ 26,344,262	\$ 102,574,884	\$ 213,764,874

See accompanying notes to basic financial statements.

CITY OF TURLOCK
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION –
GOVERNMENTAL ACTIVITIES
JUNE 30, 2024

Total fund balances reported on the Governmental Funds Balance Sheet	\$ 159,671,500
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Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.	265,390,718
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ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

Internal service funds are not Governmental Funds. However, they are used by management to charge the costs of certain activities, such as insurance, central services, and maintenance, to individual Governmental Funds. The net current assets of the Internal Service Funds are therefore included in Governmental Activities in the following line items in the Statement of Net Position.

Cash and investments	21,826,857
Accounts receivable	741,710
Interest receivable	101,556
Capital assets (net of accumulated depreciation)	3,910,807
Accounts payable	(1,318,144)
Payroll payable	(51,290)
Compensated absences	(137,968)
Estimated claims liability	(3,081,372)
Net pension liability and related deferred outflows and inflows of resources	(2,211,409)
Total OPEB liability and related deferred outflows and inflows of resources	(664,101)

ACCRUAL OF NONCURRENT REVENUES AND EXPENSES

Revenues that are unavailable on the Governmental Fund Balance Sheet because they are not available currently are taken into revenue in the Statement of Activities.	36,061,796
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LONG-TERM ASSETS AND LIABILITIES

The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Governmental Funds:

Accounts receivable	(193,863)
Long-term debt	(2,793,429)
Lease liability	(411,445)
Interest payable	(23,580)
Compensated absences	(3,763,147)
Net pension liability and related deferred outflows and inflows of resources	(57,619,835)
Total OPEB liability and related deferred outflows and inflows of resources	(14,756,906)

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 400,678,455</u>
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See accompanying notes to basic financial statements.

CITY OF TURLOCK
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General	Former LMI Housing	Gas Tax/ Street Improvement	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes and assessments	\$ 34,598,491	\$ -	\$ -	\$ 5,705,652	\$ 40,304,143
Measure A sales tax	15,233,905	-	-	-	15,233,905
Licenses and permits	5,614,646	-	-	41,850	5,656,496
Fines, forfeitures, and penalties	158,052	-	-	-	158,052
Use of money and property	3,559,395	49,280	777,205	2,608,547	6,994,427
Intergovernmental	9,388,952	-	10,536,061	8,971,643	28,896,656
Charges for current services	9,898,306	-	49,885	3,481,209	13,429,400
Other revenue	254,506	87,888	186	544,851	887,431
Total Revenues	78,706,253	137,168	11,363,337	21,353,752	111,560,510
EXPENDITURES					
Current:					
General government	10,245,612	-	-	2,382,878	12,628,490
Public safety	40,808,604	-	-	1,528,012	42,336,616
Public ways and facilities/transportation	480,420	-	2,450,204	4,914,120	7,844,744
Parks and recreation	2,700,474	-	-	1,838,349	4,538,823
Community development	5,307,292	187,407	-	1,335,220	6,829,919
Capital outlay	11,116,152	-	3,917,855	5,972,463	21,006,470
Debt service:					
Principal	457,611	-	-	-	457,611
Interest and fiscal charges	129,630	-	-	-	129,630
Total Expenditures	71,245,795	187,407	6,368,059	17,971,042	95,772,303
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,460,458	(50,239)	4,995,278	3,382,710	15,788,207
OTHER FINANCING SOURCES (USES)					
Issuance of debt	497,902	-	-	-	497,902
Contributions of capital assets	-	-	-	1,159,049	1,159,049
Contributions from private-purpose trust	58,274	34,277	-	-	92,551
Proceeds from sale of property	6,205	-	-	4,732	10,937
Transfers in (Note 4A)	3,285,917	-	-	5,689,228	8,975,145
Transfers (out) (Note 4A)	(6,662,385)	-	(563,467)	(2,681,025)	(9,906,877)
Total Other Financing Sources (Uses)	(2,814,087)	34,277	(563,467)	4,171,984	828,707
NET CHANGE IN FUND BALANCES	4,646,371	(15,962)	4,431,811	7,554,694	16,616,914
BEGINNING FUND BALANCES	51,814,572	2,338,527	20,720,823	68,180,664	143,054,586
ENDING FUND BALANCES	\$ 56,460,943	\$ 2,322,565	\$ 25,152,634	\$ 75,735,358	\$ 159,671,500

See accompanying notes to basic financial statements.

**CITY OF TURLOCK
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES –
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

The schedule below reconciles the Net Change in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, which measures only changes in current assets and current liabilities on the modified accrual basis of accounting, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis of accounting.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 16,616,914
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Amounts reported for Governmental Activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

The capital outlay and other capitalized expenditures are therefore added back to fund balance.	24,627,493
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Depreciation expense is deducted from the fund balance. (Depreciation expense is net of internal service fund depreciation of \$914,355, which has already been allocated to serviced funds.)	(7,862,836)
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LONG-TERM DEBT PROCEEDS AND PAYMENTS

Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position.

Repayment of bond principal is an expenditure in the Governmental Funds, but in the Statement of Net Position the repayment reduces long-term liabilities.

Issuance of debt is deducted from fund balance.	(497,902)
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Repayment of debt principal is added back to fund balance.	457,611
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ACCRUAL OF NONCURRENT ITEMS

The amounts below included in the Statement of Activities do not provide (or require) the use of current financial resources and therefore are not reported as revenue or expenditures in the Governmental Funds (net change):

Unavailable revenue	84,030
Interest payable	3,482
Compensated absences	(364,420)
Net pension liability and related deferred outflows and inflows of resources	(6,387,626)
Total OPEB liability and related deferred outflows and inflows of resources	587,679

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance, to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with Governmental Funds is reported with Governmental Activities because they service those activities.

Change in Net Position - All Internal Service Funds	1,173,905
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 28,438,330</u>
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See accompanying notes to basic financial statements.

CITY OF TURLOCK
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and assessments	\$ 31,452,110	\$ 34,305,500	\$ 34,598,491	\$ 292,991
Measure A sales tax	14,912,570	14,912,570	15,233,905	321,335
Licenses and permits	4,846,030	5,201,030	5,614,646	413,616
Fines, forfeitures, and penalties	85,700	85,700	158,052	72,352
Use of money and property	816,000	839,800	3,559,395	2,719,595
Intergovernmental	9,306,882	9,366,882	9,388,952	22,070
Charges for current services	4,227,779	9,415,779	9,898,306	482,527
Other revenue	107,735	123,385	254,506	131,121
Total Revenues	65,754,806	74,250,646	78,706,253	4,455,607
EXPENDITURES				
Current:				
General government	11,105,451	11,430,840	10,245,612	1,185,228
Public safety	41,647,426	42,354,468	40,808,604	1,545,864
Public ways and facilities/transportation	518,631	518,631	480,420	38,211
Parks and recreation	2,757,364	2,921,864	2,700,474	221,390
Community development	1,213,515	7,173,969	5,307,292	1,866,677
Capital outlay	13,840,600	13,995,783	11,116,152	2,879,631
Debt service:				
Principal	371,156	371,156	457,611	(86,455)
Interest and fiscal charges	118,570	118,570	129,630	(11,060)
Total Expenditures	71,572,713	78,885,281	71,245,795	7,639,486
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,817,907)	(4,634,635)	7,460,458	12,095,093
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	497,902	497,902
Contributions from private-purpose trust	60,444	60,444	58,274	(2,170)
Proceeds from sale of property	-	-	6,205	6,205
Transfers in	6,160,127	13,456,142	3,285,917	(10,170,225)
Transfers (out)	(7,691,812)	(17,032,834)	(6,662,385)	10,370,449
Total Other Financing Sources (Uses)	(1,471,241)	(3,516,248)	(2,814,087)	702,161
NET CHANGE IN FUND BALANCE	\$ (7,289,148)	\$ (8,150,883)	4,646,371	\$ 12,797,254
BEGINNING FUND BALANCE			51,814,572	
ENDING FUND BALANCE			\$ 56,460,943	

See accompanying notes to basic financial statements.

CITY OF TURLOCK
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FORMER LMI HOUSING FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ 49,280	\$ 49,280
Other revenue	20,600	20,600	87,888	67,288
Total Revenues	20,600	20,600	137,168	116,568
EXPENDITURES				
Current:				
Community development	291,500	291,500	187,407	104,093
Total Expenditures	291,500	291,500	187,407	104,093
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(270,900)	(270,900)	(50,239)	220,661
OTHER FINANCING SOURCES (USES)				
Contributions from private-purpose trust	39,500	39,500	34,277	(5,223)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	39,500	39,500	34,277	(5,223)
NET CHANGE IN FUND BALANCE	<u>\$ (231,400)</u>	<u>\$ (231,400)</u>	(15,962)	<u>\$ 215,438</u>
BEGINNING FUND BALANCE			2,338,527	
ENDING FUND BALANCE			<u>\$ 2,322,565</u>	

See accompanying notes to basic financial statements.

CITY OF TURLOCK
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GAS TAX/STREET IMPROVEMENT FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ 199,000	\$ 199,000	\$ 777,205	\$ 578,205
Intergovernmental	15,427,593	15,427,593	10,536,061	(4,891,532)
Charges for current services	48,700	48,700	49,885	1,185
Other revenue	1,000	1,000	186	(814)
Total Revenues	15,676,293	15,676,293	11,363,337	(4,312,956)
EXPENDITURES				
Current:				
Public ways and facilities/transportation	2,862,586	2,957,586	2,450,204	507,382
Capital outlay	8,575,848	8,904,527	3,917,855	4,986,672
Total Expenditures	11,438,434	11,862,113	6,368,059	5,494,054
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,237,859	3,814,180	4,995,278	1,181,098
OTHER FINANCING SOURCES (USES)				
Transfers in	1,779,000	1,942,540	-	(1,942,540)
Transfers (out)	(1,903,675)	(2,067,215)	(563,467)	1,503,748
Total Other Financing Sources (Uses)	(124,675)	(124,675)	(563,467)	(438,792)
NET CHANGE IN FUND BALANCE	\$ 4,113,184	\$ 3,689,505	4,431,811	\$ 742,306
BEGINNING FUND BALANCE			20,720,823	
ENDING FUND BALANCE			\$ 25,152,634	

See accompanying notes to basic financial statements.

MAJOR PROPRIETARY FUNDS

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges. The City has identified the funds below as major proprietary funds in fiscal year 2024, and the remaining enterprise funds are considered nonmajor funds.

WATER

The Water Fund accounts for the revenues collected and expenses incurred in providing potable water to residents throughout the City. All activities necessary to provide this service, including administration, operations/maintenance, capital improvements, billing/collections, and any financing costs, are accounted for in this fund.

SEWER

The Sewer Fund accounts for the revenues collected and expenses incurred in conjunction with the operation and maintenance of the City's sewer and storm drainage systems throughout the City. All activities necessary to provide this service, including administration, operations/maintenance, capital improvements, billing/collections, and any financing costs, are accounted for in this fund.

TRANSPORTATION

The Transportation Fund accounts for the activities of the City's fixed-route and Dial-a-Ride bus systems, which are in part funded with Local Transportation and Federal Transportation funds.

NONMAJOR ENTERPRISE FUNDS

SRWA Operations

The Stanislaus Regional Water Authority (SRWA) operations fund accounts for the activities associated with operation and maintenance of the SRWA Surface Water Treatment Plant (WTP), which provides potable drinking water for the City of Turlock and the City of Ceres. The WTP uses a conventional treatment process using ozone as a primary disinfectant with sodium hypochlorite as the secondary disinfectant. The WTP treatment processes are designed and monitored with stringent health standards to ensure compliance with the water quality standards established by the California State Water Resources Control Board.

CITY OF TURLOCK
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Transportation	Nonmajor Fund SRWA Operations	Total	
ASSETS						
Current assets:						
Cash and investments (Note 3)	\$ 32,935,707	\$ 35,433,910	\$ 3,196,632	\$ 57,884	\$ 71,624,133	\$ 21,826,857
Restricted cash and investments and cash and investments with fiscal agent (Note 3)	3,035	3,356,598	-	-	3,359,633	-
Accounts receivable (Note 5C)	3,242,824	2,882,308	6,602,784	4	12,727,920	741,710
Interest receivable	290,270	341,482	22,672	1,028	655,452	101,556
Due from developers (Note 5A)	-	157,663	-	-	157,663	-
Prepays	-	-	33,728	-	33,728	-
Total current assets	36,471,836	42,171,961	9,855,816	58,916	88,558,529	22,670,123
Noncurrent assets:						
Investment in Joint Venture (Note 12D)	39,589,428	-	-	-	39,589,428	-
Capital assets not being depreciated (Note 6)	54,940,766	9,341,139	4,073,098	-	68,355,003	14,364
Capital assets being depreciated (net) (Note 6)	40,551,961	193,004,333	13,833,198	257,999	247,647,491	3,896,443
Right-to-use lease assets (net) (Note 6)	-	-	-	143,388	143,388	-
Right-to-use subscription assets (net) (Note 6)	-	-	162,140	-	162,140	-
Total noncurrent assets	135,082,155	202,345,472	18,068,436	401,387	355,897,450	3,910,807
Total Assets	171,553,991	244,517,433	27,924,252	460,303	444,455,979	26,580,930
DEFERRED OUTFLOWS OF RESOURCES						
Related to pensions (Note 9)	1,764,898	2,588,353	417,233	759,295	5,529,779	843,619
Related to OPEB (Note 10)	112,762	161,203	30,868	49,160	353,993	61,703
Total Deferred Outflows of Resources	1,877,660	2,749,556	448,101	808,455	5,883,772	905,322
LIABILITIES						
Current liabilities:						
Accounts payable	1,727,552	1,246,771	340,236	68,716	3,383,275	1,318,144
Payroll payable	79,218	121,330	27,486	37,909	265,943	51,290
Interest payable	249,706	311,310	-	-	561,016	-
Claims liability (Note 12)	-	-	-	-	-	285,654
Compensated absences (Note 11)	52,358	87,733	17,293	18,383	175,767	27,594
Bonds and loans payable (Note 7)	880,000	5,582,522	-	-	6,462,522	-
Unearned revenue	-	-	8,652,415	-	8,652,415	-
Deposits payable	468,325	-	-	-	468,325	-
Lease liability (Note 15)	-	-	-	48,170	48,170	-
IT subscription liability (Note 16)	-	-	33,554	-	33,554	-
Total current liabilities	3,457,159	7,349,666	9,070,984	173,178	20,050,987	1,682,682
Long-term liabilities:						
Claims liability (Note 12)	-	-	-	-	-	2,795,718
Compensated absences (Note 11)	209,432	350,932	69,172	73,534	703,070	110,374
Total OPEB liability (Note 10)	539,426	771,153	147,665	235,166	1,693,410	295,179
Net pension liability (Note 9)	6,260,104	9,180,885	1,479,930	2,693,224	19,614,143	2,992,322
Bonds and loans payable (Note 7)	18,262,389	62,730,422	-	-	80,992,811	-
Lease liability (Note 15)	-	-	-	96,294	96,294	-
IT subscription liability (Note 16)	-	-	74,276	-	74,276	-
Total long-term liabilities	25,271,351	73,033,392	1,771,043	3,098,218	103,174,004	6,193,593
Total Liabilities	28,728,510	80,383,058	10,842,027	3,271,396	123,224,991	7,876,275
DEFERRED INFLOWS OF RESOURCES						
Related to pensions (Note 9)	131,186	192,394	31,013	56,439	411,032	62,706
Related to OPEB (Note 10)	786,959	1,125,021	215,426	343,081	2,470,487	430,625
Total Deferred Inflows of Resources	918,145	1,317,415	246,439	399,520	2,881,519	493,331
NET POSITION (Note 8)						
Net investment in capital assets	76,353,373	137,389,126	17,960,606	256,923	231,960,028	3,910,807
Unrestricted	67,431,623	28,177,390	(676,719)	(2,659,081)	92,273,213	15,205,839
Total Net Position	\$ 143,784,996	\$ 165,566,516	\$ 17,283,887	\$ (2,402,158)	\$ 324,233,241	\$ 19,116,646

See accompanying notes to basic financial statements.

CITY OF TURLOCK
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Transportation	Nonmajor Fund SRWA Operations	Total
OPERATING REVENUES					
Charges for services	\$ 25,623,224	\$ 21,207,510	\$ 163,781	\$ 3,037,888	\$ 50,032,403
Other income	120,048	32,249	11,175	-	163,472
Total Operating Revenues	25,743,272	21,239,759	174,956	3,037,888	50,195,875
OPERATING EXPENSES					
Salaries, benefits, and insurance	4,143,432	5,122,964	1,176,659	4,032,160	14,475,215
Contractual	1,720,799	2,639,679	2,764,996	523,925	7,649,399
Supplies and maintenance	786,690	2,296,181	386,441	390,901	3,860,213
Utilities	1,270,095	2,128,799	33,840	12,457	3,445,191
Fleet expense	143,151	328,018	327,048	24,220	822,437
Depreciation and amortization	1,366,766	5,990,345	1,062,038	55,074	8,474,223
Other expenses	555,978	394,305	147,341	22,361	1,119,985
Total Operating Expenses	9,986,911	18,900,291	5,898,363	5,061,098	39,846,663
Operating Income (Loss)	15,756,361	2,339,468	(5,723,407)	(2,023,210)	10,349,212
NONOPERATING REVENUES (EXPENSES)					
Operating grants	432,888	-	4,447,305	-	4,880,193
Interest income	1,341,851	1,630,588	31,174	5,935	3,009,548
Interest (expense)	(787,460)	(1,715,759)	(1,458)	(13,055)	(2,517,732)
Gain (loss) on disposal of capital assets	1,031	6,354	391	780	8,556
Total Nonoperating Revenues (Expenses)	988,310	(78,817)	4,477,412	(6,340)	5,380,565
Income (Loss) Before Contributions and Transfers	16,744,671	2,260,651	(1,245,995)	(2,029,550)	15,729,777
Capital contributions - connection/impact fees	1,166,722	4,599,870	-	-	5,766,592
Transfers in (Note 4A)	227,665	138,663	411,925	-	778,253
Transfers (out) (Note 4A)	(992,158)	(1,290,618)	(78,005)	-	(2,360,781)
Total Contributions and Transfers	402,229	3,447,915	333,920	-	4,184,064
Change in Net Position	17,146,900	5,708,566	(912,075)	(2,029,550)	19,913,841
NET POSITION - BEGINNING	126,638,096	159,857,950	18,195,962	(372,608)	304,319,400
NET POSITION - ENDING	\$ 143,784,996	\$ 165,566,516	\$ 17,283,887	\$ (2,402,158)	\$ 324,233,241

See accompanying notes to basic financial statements.

CITY OF TURLOCK
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Nonmajor Fund					
	Water	Sewer	Transportation	SRWA Operations	Total	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 25,860,472	\$ 21,314,764	\$ (645,527)	\$ 3,037,884	\$ 49,567,593	\$ 13,347,254
Payments to suppliers	(4,711,274)	(7,276,222)	(3,624,475)	(950,121)	(16,562,092)	60,132
Payments to employees and benefits	(4,015,511)	(6,095,218)	(1,179,531)	(1,795,627)	(13,085,887)	(14,044,831)
Other	120,048	32,249	11,175	-	163,472	569,525
Net Cash Flows from Operating Activities	17,253,735	7,975,573	(5,438,358)	292,136	20,083,086	(67,920)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Intergovernmental receipts - operations	432,888	-	7,506,486	-	7,939,374	-
Interfund receipts (payments)	-	-	-	-	-	426,650
Transfers in	227,665	138,663	411,925	-	778,253	2,546,588
Transfers (out)	(992,158)	(1,290,618)	(78,005)	-	(2,360,781)	(32,328)
Net Cash Flows from Noncapital Financing Activities	(331,605)	(1,151,955)	7,840,406	-	6,356,846	2,940,910
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of capital assets, net	(8,511,376)	(2,987,659)	(74,262)	(256,808)	(11,830,105)	(1,384,922)
Proceeds from sale of capital assets	1,031	6,354	391	780	8,556	153,328
Charges for joint project contributions	(111,460)	-	-	-	(111,460)	-
Long-term debt payment - principal	(991,901)	(5,434,404)	-	-	(6,426,305)	-
Long-term debt payment - interest	(801,188)	(1,740,192)	-	-	(2,541,380)	-
Right-to-use leased assets - principal	-	-	-	(44,596)	(44,596)	-
Right-to-use leased assets - interest	-	-	-	(13,055)	(13,055)	-
IT subscription assets - principal	-	-	(58,943)	-	(58,943)	-
IT subscription assets - interest	-	-	(1,458)	-	(1,458)	-
Connection/impact fees	1,166,722	4,599,870	-	-	5,766,592	-
Net Cash Flows from Capital and Related Financing Activities	(9,248,172)	(5,556,031)	(134,272)	(313,679)	(15,252,154)	(1,231,594)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest	1,142,329	1,420,025	13,124	4,907	2,580,385	346,165
Net Cash Flows from Investing Activities	1,142,329	1,420,025	13,124	4,907	2,580,385	346,165
Total Net Cash Flows	8,816,287	2,687,612	2,280,900	(16,636)	13,768,163	1,987,561
Cash and Investments at Beginning of Period	24,122,455	36,102,896	915,732	74,520	61,215,603	19,839,296
Cash and Investments at End of Period	\$ 32,938,742	\$ 38,790,508	\$ 3,196,632	\$ 57,884	\$ 74,983,766	\$ 21,826,857
Displayed in the Statement of Net Position as:						
Cash and investments	\$ 32,935,707	\$ 35,433,910	\$ 3,196,632	\$ 57,884	\$ 71,624,133	\$ 21,826,857
Restricted cash and investments and cash and investments with fiscal agent	3,035	3,356,598	-	-	3,359,633	-
Total	\$ 32,938,742	\$ 38,790,508	\$ 3,196,632	\$ 57,884	\$ 74,983,766	\$ 21,826,857
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities:						
Operating income (loss)	\$ 15,756,361	\$ 2,339,468	\$ (5,723,407)	\$ (2,023,210)	\$ 10,349,212	\$ (1,897,508)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:						
Depreciation and amortization	1,523,667	5,990,345	1,062,038	55,074	8,631,124	927,132
Change in assets and liabilities:						
Accounts receivable	237,248	107,254	(809,308)	(4)	(464,810)	(208,818)
Prepays	-	-	(33,728)	-	(33,728)	-
Accounts payable	(360,240)	510,760	68,919	23,743	243,182	547,625
Payroll payable	9,091	16,241	10,456	8,362	44,150	16,451
Compensated absences	54,149	74,844	4,123	32,565	165,681	21,941
Claims liability	-	-	-	-	-	565,320
Deferred outflows/inflows and total OPEB liability	(86,977)	(374,980)	3,943	388,173	(69,841)	(19,492)
Deferred outflows/inflows and net pension liability	151,658	(688,359)	(21,394)	1,807,433	1,249,338	(20,571)
Deposits payable	(31,222)	-	-	-	(31,222)	-
Net Cash Flows from Operating Activities	\$ 17,253,735	\$ 7,975,573	\$ (5,438,358)	\$ 292,136	\$ 20,083,086	\$ (67,920)
NONCASH INVESTING, CAPITAL, AND FINANCIAL ACTIVITIES:						
Amortization of bond premium	\$ 156,901	\$ -	\$ -	\$ -	\$ 156,901	\$ -
Acquisition of right-to-use leased assets	-	-	-	189,060	189,060	-
Acquisition of right-to-use subscription assets	-	-	166,773	-	166,773	-
Retirement of capital assets	34,491	90,440	-	-	124,931	625,809
Total noncash investing, capital, and financing activities	\$ 191,392	\$ 90,440	\$ 166,773	\$ 189,060	\$ 637,665	\$ 625,809

See accompanying notes to basic financial statements.

FIDUCIARY FUNDS

These funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

SUCCESSOR AGENCY PRIVATE-PURPOSE TRUST FUND

The Successor Agency to the Turlock Redevelopment Agency (SA) was established as a result of the passage of Assembly Bill 1x 26, which dissolved all redevelopment agencies in the State of California effective February 1, 2012. By Resolution No. 2012-009 adopted on January 10, 2012, pursuant to Health and Safety Code Section 34173, the Turlock City Council declared that the City of Turlock would act in a special limited capacity as Successor Agency for the dissolved Turlock Redevelopment Agency, effective February 1, 2012. The SA is responsible for day-to-day administration of the former Turlock Redevelopment Agency, including identification and payment of enforceable and recognized obligations of the former Turlock Redevelopment Agency, and disbursement of available assets. An Oversight Board, consisting of seven members appointed by various taxing entities within Stanislaus County as delineated in the dissolution law, supervises the SA's activities in the winding down of the former Turlock Redevelopment Agency's projects and programs.

CUSTODIAL FUNDS

Custodial Funds are used to report resources, not in a trust, that are held by the City for other parties outside of the City's reporting entity.

CITY OF TURLOCK
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

	Successor Agency Private-Purpose Trust Fund	Custodial Funds	
		Other Custodial Funds	External Investment Pool Fund
ASSETS			
Cash and investments (Note 3)	\$ 1,954,062	\$ 403,370	\$ 37,070,982
Cash and investments with fiscal agent (Note 3)	679,704	112,253	-
Accounts receivable	-	25,689	-
Interest receivable	-	2,909	-
Total Assets	2,633,766	544,221	37,070,982
LIABILITIES			
Accounts payable	3,450	16,407	-
Interest payable	377,798	-	-
Long-term debt (Note 14B):			
Due within one year	1,335,000	-	-
Due in more than one year	29,374,669	-	-
Total Liabilities	31,090,917	16,407	-
NET POSITION (DEFICIT)			
Restricted for:			
Other organizations	-	527,814	-
Pool participants	-	-	37,070,982
Net deficit held in trust for other governments	(28,457,151)	-	-
Total Net Position (Deficit)	\$ (28,457,151)	\$ 527,814	\$ 37,070,982

See accompanying notes to basic financial statements.

CITY OF TURLOCK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Successor Agency Private-Purpose Trust Fund	Custodial Funds	
		Other Custodial Funds	External Investment Pool Fund
ADDITIONS			
Property taxes	\$ 2,578,872	\$ -	\$ -
Assessments	-	482,276	-
Net investment income	17,994	12,088	867,903
Other receipts	-	-	90,044,300
Total Additions	2,596,866	494,364	90,912,203
DEDUCTIONS			
Community development	8,819	-	-
Contributions to the City of Turlock	92,551	-	-
Administration expense	-	26,966	-
Recipient payments	-	203,691	81,181,229
Interest and fiscal charges	1,022,291	260,876	-
Total Deductions	1,123,661	491,533	81,181,229
NET CHANGE IN NET POSITION	1,473,205	2,831	9,730,974
NET POSITION (DEFICIT)			
Beginning of year	(29,930,356)	524,983	27,340,008
End of year	\$ (28,457,151)	\$ 527,814	\$ 37,070,982

See accompanying notes to basic financial statements.

CITY OF TURLOCK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Turlock (the City) was incorporated in 1908. The City operates under a Council-Manager form of government and provides the following services: police and fire, streets and highways, sanitation, water, sewer, parks and recreation, public improvements, planning and zoning, and general administrative services.

The financial statements and accounting policies of the City conform with accounting principles generally accepted in the United States of America applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting principles. Significant accounting policies are summarized below:

A. Reporting Entity

The accompanying basic financial statements present the financial activity of the City, which is the primary government presented, along with the financial activities of the Turlock Public Financing Authority (the Authority) which is controlled by and dependent on the City. Although the City and the Authority are separate legal entities, *blended* component units are in substance part of the City's operations and are reported as an integral part of the City's financial statements.

Turlock Public Financing Authority

The Authority is a separate government entity whose purpose is to assist with the financing or refinancing of certain public capital improvements within the City. The Authority has the power to purchase bonds issued by any local agency at a public or negotiated sale and may sell such bonds to public or private purchasers at a public or negotiated sale. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The Authority was established December 15, 1998, pursuant to Article 1, Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California. The City authorized the formation of a joint powers authority with the former Turlock Redevelopment Agency.

B. Basis of Presentation

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. GASB is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These standards require that the financial statements described below be presented.

Government-Wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government, the City, and its blended component unit. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program, and (c) fees, grants, and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes and franchise fees that are based on gross receipts, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* - are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues and expenses, such as charges for services and the related costs, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues and expenses, such as subsidies, investment earnings, and any related costs, result from nonexchange transactions or ancillary activities.

C. Major Funds

Major funds are defined as funds that have either assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reports the following major governmental funds in the accompanying financial statements:

General Fund – The General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds. Expenditure activities within the General Fund include public safety (police and fire), park maintenance, general City administration (includes City Clerk, payroll/personnel, accounts receivable, accounts payable, accounting), planning, and the City attorney. For financial reporting purposes, the General Fund for the City of Turlock also includes Parks, Arts and Recreation Commission, Special Public Safety, Cannabis, Measure A, and Tourism (2 funds).

Former Low and Moderate Income (LMI) Housing Fund – This fund accounts for the activity of the Housing Set-Aside funds post redevelopment agency dissolution.

Gas Tax/Street Improvement Fund – The Gas Tax/Street Improvement Fund accounts for the City's Gas Tax (Highway User's Tax), Local Transportation Fund, and Measure L (Stanislaus County Sales Tax Transportation Measure) revenues as well as federal/state/local grants received for street improvement purposes. These revenue sources are used in the maintenance of the City's street/road system including street sweeping, pothole repairs, streetlight/traffic signal lighting and maintenance, and various street reconstruction projects that are the result of wear and tear. Expenditures in this fund do not include street construction projects that are due to development.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Major Funds (Continued)

The City reports the following enterprise funds as major funds in the accompanying financial statements:

Water Fund – Accounts for the revenues collected and expenses incurred in providing potable water to residents throughout the City. All activities necessary to provide this service, including administration, operations/maintenance, capital improvements, billing/collections, and any financing costs are accounted for in this fund.

Sewer Fund – Accounts for the revenues collected and expenses incurred in conjunction with the operation and maintenance of the City's sewer and storm drainage systems throughout the City. All activities necessary to provide this service including administration, operations/maintenance, capital improvements, billing/collections, and any financing costs are accounted for in this fund.

Transportation Fund – The Transportation Fund accounts for the activities of the City's fixed-route and Dial-a-Ride bus systems which are in part funded with Local Transportation and Federal Transportation funds.

The City also reports the following fund types:

Internal Service Funds – The funds account for equipment pool, self-insurance, and information technology activities, all of which provide services to other departments on a cost-reimbursement basis.

Trust Fund – Trust funds account for assets held by the City as an agent for various functions. The Successor Agency to the Turlock Redevelopment Agency (the Successor Agency) Private-Purpose Trust Fund accounts for the accumulation of resources to be used for payments at appropriate amounts and times in the future. This fund accounts for winding down the affairs of the former Turlock Redevelopment Agency, makes payments on the Recognized Obligation Payment Schedule, and disposes of assets and property of the former Turlock Redevelopment Agency for the benefit of taxing agencies. The financial activities of this fund are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

Custodial Funds are used to account for assets held by the City for the Northwest Triangle Mello Roos Assessment District, Turlock Property and Business Improvement District (PBID) #2, and monies held for an external investment pool for the Stanislaus Regional Water Authority (SRWA), none of which are held in trust. The financial activities of these funds are excluded from the City-wide financial statements because they are not directly or indirectly governed by the City Council.

D. Basis of Accounting

The government-wide, proprietary, and fiduciary (trust and custodial funds) fund financial statements are reported using the *economic resources* measurement focus and the *full accrual* basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable and available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within ninety days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, including lease liabilities, claims and judgments, and accumulated unpaid vacation, sick pay, and other employee benefit amounts, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as *expenditures* in governmental funds. Proceeds of general long-term debt and financing through leases are reported as *other financing sources*.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis of accounting, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Other revenues susceptible to accrual are sales taxes and interest revenue. Forfeitures, licenses, other permits, and miscellaneous revenue are not susceptible to accrual because they are not measurable until received in cash. Grant funding received in advance of the related expenditure is accounted for as unearned revenue.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by unrestricted resources if necessary.

E. Prepays, Materials, Supplies, and Deposits

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure/expense when consumed, rather than when purchased.

Materials and supplies are valued at cost on a first-in first-out basis. Supplies in the enterprise and internal funds consist principally of materials and supplies for utility and internal operations. Materials and supplies of the governmental funds consist of expendable supplies and materials held for consumption. The cost is recorded as an expense or expenditure in the funds at the time individual inventory items are consumed, rather than when purchased.

Prepays, materials, supplies, and deposits in governmental funds are equally offset by nonspendable fund balance which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

F. Deferred Inflows of Resources and Deferred Outflows of Resources

In addition to assets, the Statement of Net Position or Balance Sheet reports a separate section for deferred outflows of resources. The City has deferred outflows of resources related to pensions and other post-employment benefits (OPEB) as discussed in Notes 9 and 10. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position or Balance Sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenues from loans receivable and accounts receivable. The City also has deferred inflows of resources related to pensions and OPEB as discussed in Notes 9 and 10 and leases receivable as discussed in Note 15. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**G. Property Tax Revenue**

All property taxes are collected and allocated by the County of Stanislaus (the County) to the various taxing entities. Secured property taxes are determined annually as of January 1, and attach as an enforceable lien on real property as of July 1. Taxes are due November 1 and February 1, and are delinquent if not paid by December 10 and April 10, respectively.

In November 1993, the City adopted the “Teeter Plan” method of property tax distribution. Under the Teeter Plan, the County remits property taxes to the City based on assessments, not on collections, according to the following schedule: 55% in December, 40% in April, and 5% at the end of the fiscal year. Under this plan, a need for an allowance for uncollectible taxes is eliminated.

Property tax is recognized when it is available and measurable. The City considers property tax as available if it is received within 60 days after the fiscal year end. Unsecured property taxes are due on July 1, and become delinquent if not paid by August 31.

H. Revenue Recognition for Water and Sewer

All receivables are shown net of an allowance for doubtful accounts. Service charge revenues (water, sewer, and refuse collection) are recorded as billed to customers on a cyclical basis. All utility customers are billed monthly, in arrears. The amounts billed in July for June services are accrued as accounts receivable as of June 30.

I. Compensated Absences

For governmental and business-type activities, compensated absences are recorded as earned (vested) and the related expenses and liabilities are reported in the government-wide financial statements.

In governmental funds, compensated absences are recorded as expenditures in the year paid as it is the City's policy to liquidate any unpaid compensated absences at June 30 from future resources, rather than currently available financial funds. In proprietary funds, compensated absences are expensed to the various funds as earned (vested) and each proprietary fund's share of the unpaid liability is recorded as a liability of the fund.

The City accrues vacation and sick time payable based on negotiated Memoranda of Understanding (MOU) and Schedules of Benefits with the City's various bargaining units. The agreements indicate the methodology for accruing time and the maximum accrual limits.

The changes of the compensated absences during the fiscal year ended June 30, 2024, were as follows:

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
Beginning Balance	\$ 3,514,754	\$ 713,155	\$ 4,227,909
Net Change	<u>386,361</u>	<u>165,681</u>	<u>552,042</u>
Ending Balance	<u>\$ 3,901,115</u>	<u>\$ 878,836</u>	<u>\$ 4,779,951</u>
Current Portion	<u>\$ 780,223</u>	<u>\$ 175,767</u>	<u>\$ 955,990</u>

Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

K. Investment in Affordable Housing Property

The former Turlock Redevelopment Agency purchased parcels that are to be used for affordable housing purposes. The Successor Agency transferred affordable housing property with a carrying value of \$327,184 to the City as Housing Successor during fiscal year 2017. Such land parcels are accounted for at the lower of cost or net realizable value or agreed-upon sales price if a disposition agreement has been made with a developer.

The balance of the investment in affordable housing property in the Former LMI Housing Special Revenue Fund at June 30, 2024, was \$327,184.

L. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

A. Budgetary Control and Accounting

The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. The City Manager submits to the City Council a proposed budget for the fiscal year beginning July 1. The budget includes proposed expenditures and the means of financing them.
2. The City Council reviews the proposed budget at meetings which are open to the public. The Council also conducts a public hearing on the proposed budget to obtain comments from interested citizens.
3. Prior to July 1, the budget is legally adopted through a passage of a resolution.
4. The City Manager is authorized to transfer funds within departmental budgets between major object classifications and between capital projects in the same fund. The City Council must authorize transfers between funds, between departments, and from the fund balances reserved for specific purposes.

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING (Continued)

A. Budgetary Control and Accounting (Continued)

5. Formal budgetary accounting is employed as a management tool for all funds, except the Custodial funds. Annual budgets are legally adopted and amended as required for the General Fund, Special Revenue Funds, Capital Projects Funds, Enterprise Funds, and Internal Service Funds. All budgets are prepared on a basis consistent with accounting principles generally accepted in the United States.
6. Budgeted amounts are reflected after all applicable amendments and revisions.
7. For each legally adopted operating budget, expenditures may not exceed budgeted appropriations at the department level. Departments can reallocate spending within an object (e.g., supplies or utilities) with the exception of personnel or capital outlay. The total expenditures for that object cannot be increased without the approval of the City Manager or City Council. Any reallocations between objects must be approved by the City Manager. Only the City Council can approve increases in the total appropriation for a department within the General Fund or a fund, other than the General Fund. A “department” for legal appropriation purposes may be a single organization (e.g., City Attorney) or an entire department having multiple divisions (e.g., Parks and Recreation).

NOTE 3 – CASH AND INVESTMENTS

The City pools cash resources from all funds, except cash and investments with fiscal agents, in order to facilitate the management of cash. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms.

A. Policies

The City invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. In order to increase security, the City employs the Trust Department of a bank as the custodian of certain City managed investments, regardless of their form.

Cash equivalents are considered amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the City and are presented as “Cash and Investments” in the accompanying Basic Financial Statements.

California law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City’s cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California law, this collateral is held in a separate investment pool by another institution in the City’s name and places the City ahead of general creditors of the institution.

The City’s investments are carried at fair value, as required by accounting principles generally accepted in the United States of America. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

NOTE 3 – CASH AND INVESTMENTS (Continued)**B. Classification**

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or other agreements.

City cash and investments:	
Cash and investments available for operations	\$ 251,887,312
Restricted cash and investments and cash and investments with fiscal agent	<u>3,359,633</u>
Total City Cash and Investments	<u>255,246,945</u>
Cash and investments in Fiduciary Funds (Separate Statement):	
Successor Agency to the Redevelopment Agency	
Private-Purpose Trust Fund:	
Cash available for operations	1,954,062
Cash and investments with fiscal agent	679,704
Custodial Funds:	
Cash and investments available for operations	403,370
Cash and investments with fiscal agent	112,253
Custodial Fund - External investment pool	<u>37,070,982</u>
Total Cash and Investments	<u>\$ 295,467,316</u>

Cash and investments as of June 30, 2024, consist of the following:

Cash on hand	\$ 7,880
Deposits with financial institutions	16,164,450
Investments	<u>279,294,986</u>
Total Cash and Investments	<u>\$ 295,467,316</u>

For purposes of the Statement of Cash Flows, cash equivalents are defined as investments with original maturities of 90 days or less, which are readily convertible to known amounts of cash. The City considers all pooled cash and investments (consisting of cash and investments and restricted cash and investments) held by the City as cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. The City also considers all non-pooled cash and investments (consisting of funds with fiscal agents) as cash and cash equivalents because investments meet the criteria for cash equivalents defined above.

NOTE 3 – CASH AND INVESTMENTS (Continued)**C. Investments Authorized by the California Government Code and the City's Investment Policy**

The City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City, and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code or the City's Investment Policy where it is more restrictive:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Notes, Bonds, and/or Bills	5 years	A	Unlimited	N/A
U.S. Government Agency Securities	5 years	A	Unlimited	25%
Negotiable Certificates of Deposit	5 years	N/A	30%	N/A
Certificates of Deposit	5 years	A	Unlimited	N/A
Bankers' Acceptances	180 days	A	40%	30%
Commercial Paper	270 days	A-1 or Higher	25%	10%
State of California Local Agency Investment Fund (LAIF)	N/A	N/A	Equal to maximum limit set by LAIF	N/A
Repurchase Agreements	1 year	N/A	Unlimited	N/A
Money Market and Mutual Funds	N/A	A	20%	N/A
Corporate Notes	5 years	AA	30%	N/A

D. Investments Authorized by Debt Agreements

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures, or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio
U.S. Treasury Notes, Bonds, and/or Bills	5 years	N/A	No maximum
U.S. Government Sponsored Securities	5 years	N/A	No maximum
State Obligations	N/A	A	No maximum
Pre-Refunded Municipal Obligations	N/A	AAA	No maximum
Certificates of Deposit	30 days	A-1	No maximum
Bankers' Acceptances	30 days	A-1	No maximum
Commercial Paper	270 days	A-1+	No maximum
State of California Local Agency Investment Fund (LAIF)	N/A	N/A	LAIF limits
Repurchase Agreements	270 days	A	No maximum
Guaranteed Investment Contracts	N/A	AA	No maximum
Money Market Funds	N/A	Aam or Aam-G	No maximum
Corporate Notes	N/A	Two highest rating categories	No maximum
Negotiable Certificates of Deposit	N/A	N/A	No maximum

NOTE 3 – CASH AND INVESTMENTS (Continued)**E. Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City generally manages its interest rate risk by holding investments to maturity.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity or earliest call date:

Investment Type	12 Months or Less	13 to 24 Months	25 to 60 Months	Total
Held by City:				
U.S. Treasury Notes	\$ 21,602,180	\$ 17,197,578	\$ 54,209,219	\$ 93,008,977
U.S. Government Agency Securities	6,872,834	15,632,409	34,038,647	56,543,890
California Asset Management Program	67,445,670	-	-	67,445,670
Certificates of Deposit	14,258,907	1,187,974	250,297	15,697,178
Money Market Mutual Funds	1,544,026	-	-	1,544,026
State of California Local Agency Investment Fund	26,535,778	-	-	26,535,778
Held by Trustee:				
Money Market Mutual Funds	794,992	-	-	794,992
Corporate Notes/Bonds	-	-	3,824,475	3,824,475
Total Investments	<u>\$ 139,054,387</u>	<u>\$ 34,017,961</u>	<u>\$ 92,322,638</u>	<u>\$ 265,394,986</u>

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2024, these investments matured in an average of 217 days.

NOTE 3 – CASH AND INVESTMENTS (Continued)**F. Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2024, for each investment type as provided by Standard and Poor's investment rating system:

Investment Type	AAAm	AA+	Total
Held by City:			
U.S. Government Agency Securities	\$ -	\$ 56,543,890	\$ 56,543,890
Held by Trustee:			
Money Market Mutual Funds	794,992	-	794,992
Corporate Notes/Bonds	1,929,534	1,894,941	3,824,475
Total Rated Investments	<u>\$ 2,724,526</u>	<u>\$ 58,438,831</u>	61,163,357
Not Rated:			
California Asset Management Program			26,535,778
Certificates of Deposit			15,697,178
Money Market Mutual Funds			67,445,670
State of California Local Agency Investment Fund			15,444,026
Exempt from Credit Rating Disclosure:			
U.S. Treasury Notes			<u>93,008,977</u>
Total Investments			<u>\$ 279,294,986</u>

G. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

NOTE 3 – CASH AND INVESTMENTS (Continued)**G. Fair Value Hierarchy (Continued)**

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2024:

	Level 1	Level 2	Total
Investments by Fair Value Level:			
Held by City:			
U.S. Treasury Notes	\$ -	\$ 93,008,977	\$ 93,008,977
U.S. Government Agency Securities	-	56,543,890	56,543,890
Certificates of Deposit	-	2,416,471	2,416,471
Subtotal	\$ -	\$ 151,969,338	151,969,338
Investments Measured at Amortized Cost:			
Held by Trustee:			
Money Market Mutual Funds			794,992
Corporate Notes/Bonds			3,824,475
Investment Exempt from Fair Value Hierarchy:			
California Asset Management Program			67,445,670
Certificates of Deposit			13,280,707
Money Market Mutual Funds			15,444,026
State of California Local Agency Investment Fund			26,535,778
Total Investments			\$ 279,294,986

U.S. Treasury Notes and U.S. Government Agency Securities classified in Level 2 of the fair value hierarchy are valued using matrix pricing or Interactive Date Pricing and Reference Data (IDC). Certificate of Deposits classified in the Level 2 of the fair value hierarchy are valued using Bloomberg or IDC pricing. These prices are obtained from various pricing sources by the City's custodian bank.

Fair value is defined as the quoted market value on the last trading day of the period.

NOTE 4 – INTERFUND TRANSACTIONS**A. Transfers Between Funds**

With City Council approval, resources may be transferred from one City fund to another. The City uses interfund transfers for two main purposes. First, to apportion costs initially accounted for in one fund to other funds that benefit from the goods and/or services acquired. Secondly, to account for shared funding of capital improvement projects. The City accounts for capital improvement projects in one fund and the funds that are providing funding assistance transfer monies representing their contribution to the project fund.

NOTE 4 – INTERFUND TRANSACTIONS (Continued)A. Transfers Between Funds (Continued)

Transfers between funds during the fiscal year ended June 30, 2024, were as follows:

<u>Fund Making Transfer</u>	<u>Fund Receiving Transfer</u>	<u>Amount Transferred</u>
General Fund	Nonmajor Governmental Funds	\$ 4,657,933 (A), (B), (C)
	Internal Service Funds	2,004,452 (A)
Gas Tax/Street Improvement Fund	Nonmajor Governmental Funds	22,224 (A), (B)
	Transportation Enterprise Fund	411,925 (D)
	Internal Service Funds	129,318 (A)
Nonmajor Governmental Funds	General Fund	1,160,178 (B)
	Nonmajor Governmental Funds	987,436 (A), (B)
	Water Enterprise Fund	227,665 (B)
	Sewer Enterprise Fund	138,663 (B)
	Internal Service Funds	167,083 (A)
Water Enterprise Fund	General Fund	854,532 (B), (E)
	Nonmajor Governmental Funds	2,626 (B)
	Internal Service Funds	135,000 (A)
Sewer Enterprise Fund	General Fund	1,193,202 (B), (E)
	Nonmajor Governmental Funds	16,681 (A), (B)
	Internal Service Funds	80,735 (A)
Transportation Enterprise Fund	General Fund	78,005 (E)
Internal Service Funds	Nonmajor Governmental Funds	2,328 (B)
	Internal Service Funds	<u>30,000 (B)</u>
		<u><u>\$ 12,299,986</u></u>

(A) To fund capital improvements or equipment.

(B) To fund operations, including computer replacement.

(C) To fund the Internal Service Equipment Pool for future vehicle purchases.

(D) To fund transportation operations from Measure L.

(E) To fund administrative expenses.

NOTE 4 – INTERFUND TRANSACTIONS (Continued)**B. Current Interfund Balances**

Current interfund balances arise mainly due to the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances are expected to be repaid shortly after the end of the fiscal year. Current amounts due to the General Fund from the funds listed below at June 30, 2024, were as follows:

	<u>Amount Due to General Fund</u>
Nonmajor Special Revenue Fund:	
CDBG	\$ 95,342
Grant Funds	308,788
Home ARP	<u>102,803</u>
 Total	 <u><u>\$ 506,933</u></u>

C. Internal Balances

Internal balances are presented in the entity-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

NOTE 5 – DUE FROM DEVELOPERS, LOANS RECEIVABLE, AND ACCOUNTS RECEIVABLE

At June 30, 2024, the City had the following amounts due from developers and loans receivable. These amounts are further described below the table.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Due from developers	\$ 287,284	\$ 157,663	\$ 444,947
Loans receivable	<u>35,875,420</u>	<u>-</u>	<u>35,875,420</u>
 Total	 <u><u>\$ 36,162,704</u></u>	 <u><u>\$ 157,663</u></u>	 <u><u>\$ 36,320,367</u></u>

A. Due from Developers

These amounts represent funds expended by the City in the preparation of the master plan and related planning documents required for the development of the City's Northwest Specific Triangle Plan Area, its Northeast Master Plan Area, and its Morgan Ranch Master Plan Area. The amounts expended by the City are being recovered as these plan areas develop via a specific development impact fee. The Northwest Specific Triangle Plan receivable of \$157,663 is recorded in the Sewer Enterprise Fund, the Northeast Master Plan receivable of \$20,041 is recorded in the General Fund, and the Morgan Ranch Master Plan receivable of \$267,243 is recorded in the Facility Fees Capital Projects Fund.

NOTE 5 – DUE FROM DEVELOPERS, LOANS RECEIVABLE, AND ACCOUNTS RECEIVABLE
(Continued)

B. Loans Receivable

Loans receivable at June 30, 2024, consist of the following:

<u>Type of Loan/Borrower</u>	<u>Amount</u>
Central Valley Coalition for Affordable Housing	\$ 11,022,401
First Time Homebuyer Loans	7,201,173
EAH, Inc. (Avena Bella)	14,031,373
Owner-Occupied Rehabilitation Loans	2,201,966
Rehabilitation Forgivable Loans for Energy Improvements	67,220
Rental Rehabilitation Loans	5,500
Turlock Gospel Mission Loans	255,000
We Care Program Loan	254,000
Haven Women's Center Loan	173,250
Housing Authority of the County of Stanislaus Loan	368,050
Greater Modesto Interfaith Hospitality Network Loan	288,000
Subtotal	35,867,933
Employee Computer Loans	7,487
Total Long-Term Notes Receivable	<u><u>\$ 35,875,420</u></u>

Central Valley Coalition for Affordable Housing

The Central Valley Coalition for Affordable Housing (CVCAH) is a Community Housing Development Organization (CHDO) participating in various projects in the City. A CHDO is a private, nonprofit, community-based service organization that has the capacity to develop affordable housing for the community it serves. The City, under the HOME Investment Partnership Program (HOME), is required to reserve HOME funds for investment in housing to be developed, sponsored, or owned by CHDOs. The City must identify and certify qualifying nonprofit organizations as CHDOs through U.S. Department of Housing and Urban Development (HUD) regulations.

CVCAH is currently participating in three types of projects within the City. The first is Crane Terrace, a 44-unit, three-story, low-income senior living apartment complex. Using 20% Set-Aside monies, the former Turlock Redevelopment Agency loaned \$4 million to this \$10.5 million project under a Disposition and Development Agreement (DDA) dated April 26, 2005. The DDA calls for repayment of the 55-year note to begin in year 31 from residual rental receipts. The note carries 3% simple interest. The total outstanding principal and interest at June 30, 2024, was \$6,541,952.

The second type of project is the acquisition and rehabilitation of single-family residential units which will be rented out to HUD qualifying low/moderate income families. CVCAH currently has three of these properties for which the City holds promissory notes totaling \$1,017,529. The notes each carry a 5% annual interest rate and are due and payable, along with all accrued, unpaid interest at maturity, unless the underlying property is sold, at which time the note and all accrued, unpaid interest is due and payable. Total outstanding principal and interest at June 30, 2024, on these three properties was \$1,911,709.

NOTE 5 – DUE FROM DEVELOPERS, LOANS RECEIVABLE, AND ACCOUNTS RECEIVABLE
(Continued)

B. Loans Receivable (Continued)

Central Valley Coalition for Affordable Housing (Continued)

The third type of project is the acquisition of multi-family properties which will be rented to HUD qualifying, low-income families. CVCAH currently owns three multi-family properties for which the City holds promissory notes totaling \$1,394,604. The notes each carry annual interest rates from 3% - 5% and are due and payable, along with all accrued, unpaid interest at maturity, unless the underlying property is sold, at which time the note and all accrued, unpaid interest is due and payable. Total outstanding principal and interest at June 30, 2024, on these three properties was \$2,569,739.

First Time Homebuyer Loans

The First Time Homebuyer Loan program, funded using Federal and/or State of California HOME funds, Federal Community Development Block Grant (CDBG) funds, and the former Turlock Redevelopment Agency low/moderate income housing funds, provides eligible prospective homebuyers within the City with up to \$80,000 in funding assistance through a silent second deed of trust on their home. The loans are interest free for the first five years and accrue interest at 3% - 5% simple interest annually thereafter. The loans are due and payable should the homeowner refinance or sell the property. Proceeds from repaid loans are used to extend new loans. As of June 30, 2024, the City had 137 loans outstanding, totaling to \$7,201,172.

EAH, Inc. (Avena Bella)

EAH, Inc., (EAH) is a nonprofit corporation which develops and manages affordable housing projects in the western United States. The former Turlock Redevelopment Agency entered into two Disposition and Development Agreements (DDA) with EAH to assist in the development and help secure financing for the Avena Bella multi-family housing project on 6.7 acres of property in the area of Linwood Avenue and Hwy 99. The site was initially owned by the City and will be conveyed to the developer (EAH) pursuant to the terms of the DDA. The proposed project is a two-phased, 140 unit, three-story, apartment complex for low and very low income families with amenities that would complement the project and surrounding neighborhood.

The DDA for Phase I and construction of the first 80 units on 4.3 acres contains funding of up to \$5 million of former Turlock Redevelopment Agency low and moderate income funds divided into two separate funding horizons. The first is a pre-development loan of up to \$1 million to reimburse the developer for certain pre-construction, design, and engineering costs. The second is a development cost loan of up to \$4 million to be used for construction and development of the project, excluding development fees, management fees, or other similar fees.

The DDA for Phase II, which is projected to construct an additional 60 units on the remaining 2.4 acres, provides for up to \$500,000 in advanced pre-development costs in the form of a loan. The balance of the \$3,744,107 million loan is for construction and final development of the project, excluding development fees, management fees, or other similar fees. The California Department of Finance has concluded that the DDA for Phase II is an enforceable obligation and has issued a Letter of Final and Conclusive Determination related to this DDA.

Both DDAs contain conditions which must be achieved in order for the developer to be eligible to receive funding as well as conditions related to the development of the project, additional funding sources which must be obtained, and conditions for the transfer of ownership of the property.

Each loan is memorialized with a Promissory Note and a recorded deed of trust against the property. The combined loans carry a 3% annual simple interest rate and will be repaid using residual receipts over a 55 year period. As of June 30, 2021, EAH had drawn down all the funds associated with the DDAs for Phase I and II of the project.

NOTE 5 – DUE FROM DEVELOPERS, LOANS RECEIVABLE, AND ACCOUNTS RECEIVABLE
(Continued)

B. Loans Receivable (Continued)

EAH, Inc. (Avena Bella) (Continued)

In connection with Phase II of the apartment complex, the City issued two additional loans during fiscal year 2020. The first loan in the amount of \$2,467,373 was funded with HOME funds to assist with the development and construction of the additional 60 multi-family residential housing units. The loan accrues simple interest of 3%, will be repaid with residual receipts. The second loan, in the amount of \$885,000, was issued for the acquisition of the property from the City. The loan accrues simple interest of 1% and no payments are due until the maturity date. Principal and accrued interest on both the HOME loan and the acquisition loan are due October 1, 2074. Both loans were fully drawn down as of June 30, 2020.

Outstanding principal and accrued interest for all four loans for this project totaled \$14,031,373, as of June 30, 2024.

Owner-Occupied Rehabilitation Loans

The Owner-Occupied Rehabilitation Loan program, funded with either Federal CDBG or State of California HOME funds, provides eligible homeowners with funding for health, safety, and/or building code related improvements to their home. Eligibility is established based on the age and income requirements for HUD funded programs. The loans are for a maximum of 20 years and can be either fully amortizing or deferred, depending on the age and income level of the applicant. The fully amortizing loans carry a 5% simple interest rate for the entire term, while the deferred loans accrue simple interest at 5% for the first 10 years and then no interest for the remaining 10 years. All loans are secured by a recorded silent second deed of trust on the property. The loans are due and payable should the homeowner refinance or sell the property. As of June 30, 2024, the City had 28 loans outstanding, totaling to \$2,201,966.

Rehabilitation Forgivable Loans for Energy Improvements

Using CDBG-R funding, the City has been able to provide forgivable loans for energy improvements made as part of the rehabilitation process for a qualified low/moderate income homeowner. The forgivable loans can be used for structural (e.g., windows, weather stripping, insulation) and/or appliance (e.g., HVAC, refrigerator) improvements to the property which reduce the energy usage of the home. The forgivable loans are for up to \$20,000, carry no interest, and are forgiven equally over a five-year period provided the home continues to be the primary residence of the qualified homeowner. At June 30, 2024, the City had six loans outstanding with principal and accrued interest of \$67,220.

Rental Rehabilitation Loans

The Rental Rehabilitation Loan program, funded with CDBG funds, is similar to the owner-occupied program except it is for rental properties. To be eligible, the property must be occupied by a qualified low/moderate income tenant based on HUD requirements. These fully amortizing loans are for a maximum of 20 years and carry a 6.5% simple interest rate. The loans are due and payable should the homeowner refinance or sell the property or have a non-qualifying tenant. As of June 30, 2024, the City had one loan outstanding totaling to \$5,500.

NOTE 5 – DUE FROM DEVELOPERS, LOANS RECEIVABLE, AND ACCOUNTS RECEIVABLE
(Continued)

B. Loans Receivable (Continued)

Turlock Gospel Mission Loans

In March 2016, the City, using CDBG funds, executed a loan agreement and promissory note secured by a deed of trust with the Turlock Gospel Mission (a California nonprofit public benefit corporation) (TGM) to assist TGM with the purchase of property to be used as the home for TGM's Homeless Assistance Ministry Center (HAM Center). Since 2012, the HAM Center serves as a homeless day center as well as provides case management services to obtain identification, connection to mental health services and benefits, substance abuse programs, and other social service assistance. Its mission is to provide hope and assistance to those currently homeless in an effort to help them obtain jobs and essential services, and secure permanent housing opportunities. The loan agreement provides for the note to be forgiven equally over a 10 year period provided TGM continues to use the property for its intended purpose. No interest accrues on the note as long as the borrower is not in default per terms of the loan agreement. As of June 30, 2024, the amount outstanding was \$24,000.

In May 2021, the City, using Homeless Emergency Aid Program (HEAP) funds, executed a second loan agreement and promissory note secured by a deed of trust with TGM to assist with the renovation of a commercial building to provide shelter and intensive case management for homeless intervention. The building is located at 432 South Broadway. The loan agreement in the amount of \$330,000 provides for the promissory note to be forgiven at a rate of 10% per year for a total of ten years provided that the property continues to be used as a homeless shelter. As of June 30, 2024, the amount outstanding was \$231,000.

We Care Program Loan

In September 2015 the City, using both CDBG and HOME funds, executed a loan agreement and two promissory notes each secured by a deed of trust with the We Care Program Turlock (a California nonprofit public benefit corporation) (We Care) to assist We Care with the purchase a fourplex to be used as transitional housing for persons at or below sixty percent (60%) of the median income in the County as defined by HUD. The CDBG portion of the loan is for \$240,000 and the HOME portion is \$110,000. No interest accrues and no periodic payments are due on either note as long as the borrower is not in default and the property continues to be used for its intended purpose.

The HOME loan is equally forgivable over a 20 year period provided We Care continues to use the property for its intended purpose and is not otherwise in default as defined by the loan agreement. The CDBG loan is not forgivable and is repayable at the time the borrower ceases to use the property for its intended purpose. The CDBG loan also contains an equity sharing provision, which means that, if the borrower sells the property for more than the repayment amount required under the CDBG and HOME loan notes, 50% of the excess proceeds will be paid to the City. As of June 30, 2024, the amounts outstanding on the CDBG and HOME notes were \$144,000 and \$110,000, respectively.

Haven Women's Center Loan

In August 2016, using both CDBG and HOME funds, the City executed a loan agreement and two promissory notes each secured by a deed of trust with Haven Women's Center of Stanislaus (a California nonprofit public benefit corporation) (Haven Women's Center) to assist the Haven Women's Center with the purchase of a single family residence to be rented to families or persons at or below sixty percent (60%) of the median income in the County, as defined by HUD. The CDBG portion of the loan is for \$105,000 and the HOME portion is \$105,000. No interest accrues and no periodic payments are due on either loan as long as the borrower is not in default and the property continues to be used for its intended purpose.

NOTE 5 – DUE FROM DEVELOPERS, LOANS RECEIVABLE, AND ACCOUNTS RECEIVABLE
(Continued)

B. Loans Receivable (Continued)

Haven Women's Center Loan (Continued)

The CDBG loan is equally forgivable over a 20 year period provided Haven Women's Center is not otherwise in default as defined by the loan agreement. The HOME loan is not forgivable and is repayable at the time the borrower ceases to use the property for its intended purpose. The HOME loan also contains an equity sharing provision, which means that, if the borrower sells the property for more than the repayment amount required under the CDBG and HOME loan notes, 50% of the excess proceeds will be paid to the City. As of June 30, 2024, the amounts outstanding on the CDBG and HOME loans were \$68,250 and \$105,000, respectively.

Housing Authority of the County of Stanislaus Loan

In November 2020, the City, using HOME funds, executed a loan agreement and promissory note secured by a deed of trust with the Housing Authority of the County of Stanislaus (the Housing Authority) to assist the Housing Authority with the purchase a single family home and a triplex to be used as transitional housing for persons at or below sixty percent (60%) of the median income in the County as defined by HUD. The HOME loan is for \$433,000. No interest accrues and no periodic payments are due on the note as long as the borrower is not in default and the property continues to be used for its intended purpose. The HOME loan is forgivable at a rate of 5% per year over twenty years. As of June 30, 2024, the amount outstanding on the HOME note was \$368,050.

Greater Modesto Interfaith Hospitality Network Loan

In September 2020 the City, using CDBG funds, executed a loan agreement and promissory note secured by a deed of trust with the Greater Modesto Interfaith Hospitality Network (a California nonprofit public benefit corporation) (the Network) to assist the Network with the purchase a single family home to be used as transitional housing for persons at or below eighty percent (80%) of the median income in the City as defined by HUD. The CDBG loan is for \$288,000. No interest accrues and no periodic payments are due on the note as long as the borrower is not in default and the property continues to be used for its intended purpose. The CDBG loan is not forgivable and is repayable at the time the borrower ceases to use the property for its intended purpose. The CDBG loan also contains an equity sharing provision, which means that, if the borrower sells the property for more than the repayment amount required under the CDBG loan notes, 50% of the excess proceeds will be paid to the City. As of June 30, 2024, the amount outstanding on the CDBG note was \$288,000.

Employee Computer Loans

All full-time City employees who have completed their probationary period are eligible to obtain an interest free loan of up to \$2,500 to purchase a computer. All requests for loans are subject to review by the Service Area Director and must be approved by either the City Manager or Assistant City Manager. Repayment of these loans is handled through payroll deductions which are spread out equally over a two year period. Employees must repay the outstanding balance of their loans upon ending their employment with the City. As of June 30, 2024, seven employees had loans due to the City totaling \$7,487.

NOTE 5 – DUE FROM DEVELOPERS, LOANS RECEIVABLE, AND ACCOUNTS RECEIVABLE
(Continued)

C. Accounts Receivable

The following table provides a detailed listing of the City's accounts receivable by type as of June 30, 2024:

	Due from Other Governments	Accounts Receivable	Total
General Fund	\$ 7,648,443	\$ 3,518,868	\$ 11,167,311
Former LMI Housing Special Revenue Fund	-	450	450
Gas Tax/Street Improvement Special Revenue Fund	1,959,423	26	1,959,449
Nonmajor Governmental Funds	709,017	228,286	937,303
Water Enterprise Fund	33	3,242,791	3,242,824
Sewer Enterprise Fund	385,541	2,496,767	2,882,308
Transportation Enterprise Fund	6,600,742	2,042	6,602,784
Nonmajor Enterprise Funds	4	-	4
Internal Service Fund	-	741,710	741,710
Total	17,303,203	10,230,940	27,534,143
Less Allowance for Collectability	(193,863)	-	(193,863)
Total, Net	\$ 17,109,340	\$ 10,230,940	\$ 27,340,280

NOTE 6 – CAPITAL ASSETS

Capital assets, which include land, buildings, improvements, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities in the Government-Wide Financial Statements. Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated assets are valued at their estimated fair value on the date donated. City policy has set the capitalization thresholds for reporting capital assets at the following:

General Capital Assets	\$ 10,000
Infrastructure Capital Assets	\$ 50,000

Depreciation/amortization has been provided on a straight-line basis over the following useful lives:

	Years
Land Improvements and Infrastructure	25-60
Buildings	30-50
Furniture and Equipment	5-10
Vehicles	5-10

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include streets, sewer, parklands, and buildings. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, landscaping, and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

Interest accrued during the construction of capital assets, if any, is capitalized for the business-type activities in the proprietary funds as part of the asset cost.

NOTE 6 – CAPITAL ASSETS (Continued)**A. Capital Assets Additions and Retirements**

At June 30, 2024, the City's capital assets for governmental activities consisted of the following:

	Balance June 30, 2023	Additions	Retirements/ Adjustments	Transfers	Balance June 30, 2024
Capital assets not being depreciated/amortized:					
Land	\$ 17,574,358	\$ -	\$ -	\$ -	\$ 17,574,358
Construction in progress	31,681,343	22,345,093	(10,951)	(1,526,859)	52,488,626
Total capital assets not being depreciated/amortized	49,255,701	22,345,093	(10,951)	(1,526,859)	70,062,984
Capital assets being depreciated/amortized:					
Land improvements	38,163,767	15,970	-	-	38,179,737
Buildings	55,565,323	-	-	413,196	55,978,519
Furniture and equipment	17,454,210	253,824	(289,242)	800,181	18,218,973
Vehicles	13,666,892	1,674,192	(883,254)	-	14,457,830
Infrastructure	224,577,669	1,159,049	-	313,482	226,050,200
Right-to-use leased assets	-	590,508	-	-	590,508
Total capital assets being depreciated/amortized	349,427,861	3,693,543	(1,172,496)	1,526,859	353,475,767
Less accumulated depreciation/amortization for:					
Land improvements	(19,672,111)	(911,956)	-	-	(20,584,067)
Buildings	(18,824,957)	(1,468,765)	-	-	(20,293,722)
Furniture and equipment	(12,665,494)	(510,428)	289,242	-	(12,886,680)
Vehicles	(10,323,885)	(928,993)	867,982	-	(10,384,896)
Infrastructure	(85,118,035)	(4,871,408)	-	-	(89,989,443)
Right-to-use leased assets	-	(98,418)	-	-	(98,418)
Total accumulated depreciation/amortization	(146,604,482)	(8,789,968)	1,157,224	-	(154,237,226)
Net capital assets being depreciated/amortized	202,823,379	(5,096,425)	(15,272)	1,526,859	199,238,541
Governmental activities capital assets, net	\$ 252,079,080	\$ 17,248,668	\$ (26,223)	\$ -	\$ 269,301,525

Governmental activities depreciation/amortization expense for capital assets for the year ended June 30, 2024, was as follows:

Governmental Activities	
General government	\$ 579,026
Public safety	1,360,674
Public ways and facilities/transportation	5,346,623
Parks and recreation	440,318
Community development	136,195
Internal service funds	927,132
Total Governmental Activities	<u>\$ 8,789,968</u>

NOTE 6 – CAPITAL ASSETS (Continued)**A. Capital Assets Additions and Retirements (Continued)**

At June 30, 2024, the City's capital assets for business-type activities consisted of the following:

	Balance June 30, 2023	Additions	Retirements/ Adjustments	Transfers	Balance June 30, 2024
Capital assets not being depreciated/amortized:					
Land	\$ 5,144,541	\$ -	\$ -	\$ -	\$ 5,144,541
Construction in progress	62,451,226	9,069,959	-	(8,310,723)	63,210,462
Total capital assets not being depreciated/amortized	67,595,767	9,069,959	-	(8,310,723)	68,355,003
Capital assets being depreciated/amortized:					
Land improvements	10,283,313	-	-	-	10,283,313
Buildings and improvements	13,020,830	-	-	-	13,020,830
Furniture and equipment	47,031,392	1,032,158	(72,620)	13,399	48,004,329
Vehicles	9,709,993	809,665	(52,311)	-	10,467,347
Infrastructure	369,155,603	918,323	-	8,297,324	378,371,250
Right-to-use leased assets	-	189,060	-	-	189,060
Right-to-use subscription assets	-	166,773	-	-	166,773
Total capital assets being depreciated/amortized	449,201,131	3,115,979	(124,931)	8,310,723	460,502,902
Less accumulated depreciation/amortization for:					
Land improvements	(3,813,863)	(278,479)	-	-	(4,092,342)
Buildings and improvements	(4,666,466)	(392,200)	-	-	(5,058,666)
Furniture and equipment	(22,001,991)	(855,851)	72,620	-	(22,785,222)
Vehicles	(3,933,252)	(663,473)	52,311	-	(4,544,414)
Infrastructure	(169,628,118)	(6,390,816)	-	-	(176,018,934)
Right-to-use leased assets	-	(45,672)	-	-	(45,672)
Right-to-use subscription assets	-	(4,633)	-	-	(4,633)
Total accumulated depreciation/amortization	(204,043,690)	(8,631,124)	124,931	-	(212,549,883)
Net capital assets being depreciated/amortized	245,157,441	(5,515,145)	-	8,310,723	247,953,019
Business-type activities capital assets, net	\$ 312,753,208	\$ 3,554,814	\$ -	\$ -	\$ 316,308,022

Business-type activities depreciation/amortization expense for capital assets for the year ended June 30, 2024, was as follows:

Business-Type Activities	
Water	\$ 1,523,667
Sewer	5,990,346
Stanislaus Regional Water Authority (SRWA) Operations	55,074
Transportation	1,062,037
Total Business-Type Activities	<u>\$ 8,631,124</u>

NOTE 7 – LONG-TERM DEBT

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt.

Government-Wide Financial Statements

Long-term debt and other financial obligations are reported as liabilities in the appropriate activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

NOTE 7 – LONG-TERM DEBT (Continued)

Fund Financial Statements

The Governmental Fund Financial Statements do not include long-term debt, as this liability is not payable in the current period. The face amount of debt issued and any premiums received are reported as other financing sources, while discounts are reported as other financing uses.

Proprietary Fund Financial Statements use the same principles as those used in the Government-Wide Financial Statements.

A. Current Year Governmental Activities Transactions and Balances

The City's governmental debt issues and transactions are summarized below and discussed in detail thereafter.

	Original Issue Amount	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Due Within One Year	Due in More than One Year
Governmental Activities:							
Direct Borrowing:							
Lease Financings:							
Motorola Equipment Lease	\$ 2,727,690	\$ 1,501,039	\$ -	\$ 276,468	\$ 1,224,571	\$ 287,859	\$ 936,712
PNC Lease - Fire Trucks	1,755,110	1,663,545	-	94,687	1,568,858	97,916	1,470,942
Total Governmental Activities Debt	<u>\$ 4,482,800</u>	<u>\$ 3,164,584</u>	<u>\$ -</u>	<u>\$ 371,155</u>	<u>\$ 2,793,429</u>	<u>\$ 385,775</u>	<u>\$ 2,407,654</u>

Lease Financing

Motorola Equipment Lease Purchase Agreement

On March 22, 2018, the City Council approved the lease financing/purchase and installation of the Turlock Radio System with a \$1 million down payment and the purchase of a Public Safety Computer Aided Dispatch/Records Management System (CAD/RMS) and associated components, systems, and programs in a total amount not to exceed \$5,727,690 for the project plus interest from the lease of the radio system. The lease, totaling \$2,727,690, carries an annual interest rate of 4.12% and requires monthly principal and interest payments due on the first of each month until April 2028 when the lease terminates. The City has pledged the radio system as collateral for the lease. Events of default under the lease agreement include failure to make any lease payment within ten days of the due date or failure of other lease covenants or conditions included in the lease agreement not cured within twenty days, which would accelerate repayment of the lease. The City can terminate the lease at any time by paying the prescribed prepayment price as set forth in the lease payment schedule.

Fire Engine Lease Purchase Agreement

On April 15, 2022, the City entered into a lease financing/purchase agreement for the purchase of two new Pierce Velocity Pumpers. The lease, totaling \$1,755,110, carries an annual interest rate of 3.41% and requires annual principal and interest payments due on the 15th of each month until April 2037 when the lease terminates. The City has pledged the velocity pumpers as collateral for the lease. Events of default under the lease agreement include failure to make any lease payment within ten days of the due date or failure to comply with other lease covenants or conditions included in the lease agreement that are not cured within thirty days, which would accelerate repayment of the lease. The City can terminate the lease at any time after April 15, 2024, by paying the prescribed prepayment price as set forth in the lease payment schedule.

NOTE 7 – LONG-TERM DEBT (Continued)**A. Current Year Governmental Activities Transactions and Balances** (Continued)**Debt Service Requirements**

Annual debt service requirements for governmental activities debt are shown below:

For the Year Ending June 30,	Governmental Activities - Direct Borrowing Lease Financing Payable	
	Principal	Interest
2025	\$ 385,775	\$ 103,950
2026	400,974	88,752
2027	416,773	72,950
2028	433,203	56,523
2029	111,970	39,444
2030-2034	619,796	137,274
2035-2037	424,938	29,305
Total	<u>\$ 2,793,429</u>	<u>\$ 528,198</u>

B. Current Year Business-Type Activities Transactions and Balances

The City's business-type debt issues and transactions are summarized below and discussed in detail thereafter:

	Original Issue Amount	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Due Within One Year	Due in More than One Year
Business-Type Activities Debt:							
General Obligation Revenue Bonds:							
2017 Water Revenue Refunding	\$ 22,405,000	\$ 17,820,000	\$ -	\$ 835,000	\$ 16,985,000	\$ 880,000	\$ 16,105,000
Add: Unamortized bond premium	-	2,314,290	-	156,901	2,157,389	-	2,157,389
Loans Payable - Direct Borrowing:							
State Revolving Fund Loan - Harding Drain By-Pass	15,090,416	9,072,130	-	737,962	8,334,168	754,198	7,579,970
State Revolving Fund Loan - TRWQCF Upgrade	24,752,169	16,112,639	-	1,187,902	14,924,737	1,214,036	13,710,701
State Revolving Fund Loan - NVRWP	28,907,112	18,616,579	-	541,540	18,075,039	551,288	17,523,751
2022 Sewer Loan (Webster Bank)	32,924,000	29,946,000	-	2,967,000	26,979,000	3,063,000	23,916,000
Total Business-Type Activities Debt	<u>\$ 124,078,697</u>	<u>\$ 93,881,638</u>	<u>\$ -</u>	<u>\$ 6,426,305</u>	<u>\$ 87,455,333</u>	<u>\$ 6,462,522</u>	<u>\$ 80,992,811</u>

Revenue Bonds**2017 Water Revenue Refunding Bonds**

In June 2017, the Authority issued \$22,405,000 in Water Revenue Bonds Series 2017 to advance refund the series 2008 Water Revenue Bonds and to pay costs of issuance of the 2017 Bonds. The bonds, which carry coupon interest rates ranging from 4.00% - 5.250%, have semi-annual principal and interest payments on the first of March through 2038. Events of default on the 2017 Bonds include failure to make any debt service payment by the due date or failure to perform the other agreements or covenants required in the Master Installment Purchase Agreement (MIPA) between the Authority and the City not cured within sixty days of notice to the City, which would accelerate repayment of the bonds. The City can prepay the bonds at any time by paying the prescribed prepayment premium as set forth in the bond documents.

NOTE 7 – LONG-TERM DEBT (Continued)

B. Current Year Business-Type Activities Transactions and Balances (Continued)

Revenue Bonds (Continued)

2017 Water Revenue Refunding Bonds (Continued)

Pursuant to the MIPA, the City has pledged the net water system revenues (as defined in the MIPA) from the Water Enterprise Fund operations for repayment of the 2017 Bonds. Based on fiscal year 2023-2024 net system revenues of \$17,123,127, annual principal and interest payments (totaling \$1,636,188 in fiscal year 2023-2024) were 9.6% of net water system revenues.

On April 12, 2023, S&P Global Ratings withdrew its ratings on the bonds due to the City's delay in issuing the audited financial statements.

Loans Payable

2022 Sewer Loan

On June 22, 2022, the City entered into a direct placement loan agreement in the amount of \$32,924,000. The proceeds of the loan, secured by revenue from the City's Wastewater Treatment operations as defined in the loan agreement, were used to refund and defease the outstanding 2012 Sewer Revenue Bonds. The 2012 Bonds were repaid in their entirety on September 15, 2022. No new project monies were included in this loan agreement. The refunding resulted in an overall debt service savings of \$1,440,968. The net present value of the debt service savings is called an economic gain and amounted to \$1,231,964. The loan bears interest of 2.99% and matures in September 2033. Payments of principal are due annually on September 15th and interest is due semi-annually on the September 15th and March 15th. Events of default on the loan include failure to make any loan repayment by the due date or failure to perform the other agreements or covenants required in the loan agreement not cured within sixty days of notice to the City, would make all principal and interest outstanding on the loan immediately due and payable. The City can prepay the loan after September 15, 2024, by paying the prescribed prepayment premium as set forth in the loan agreement.

The City has pledged the net sewer system revenues (defined as total system revenues excluding certain revenues related to deposits, and proceeds from borrowings less maintenance and operating costs) from the Sewer Enterprise Fund operations for repayment of the 2022 Sewer Loan and the State Revolving Fund Loans. Based on fiscal year 2023-2024 net system revenues of \$8,329,813, annual principal and interest payments (totaling \$3,818,029 in fiscal year 2023-2024) were 45.8% of net system revenues.

State Revolving Fund Loans

The City entered into three agreements with the California State Water Resources Control Board for State Revolving Fund (SRF) project financing. These loans are on parity with the defeased 2012 Sewer Revenue Bonds. This means that the loans have equal rights to pledged revenues as the sewer bonds.

The first agreement was executed in December 2011 in the amount of \$20 million to fund the Harding Drain By-Pass project. The agreement was amended in October 2012 to reduce the project funding to \$15,811,425. The notice of completion for the project was issued on April 22, 2014. The City drew down all the funds on this loan, including capitalized interest, totaling \$15,090,416. The loan bears annual interest of 2.2%, and annual principal and interest payments are due January 1, 2015, through January 1, 2034.

NOTE 7 – LONG-TERM DEBT (Continued)

B. Current Year Business-Type Activities Transactions and Balances (Continued)

Loans Payable (Continued)

State Revolving Fund Loans (Continued)

The second agreement was executed in April 2012 in the amount of \$24 million to fund the Turlock Regional Water Quality Control Facility (TRWQCF) upgrade and expansion project. The agreement was amended in January 2013 to increase the project funding to \$26,187,900. The notice of completion for the project was issued May 26, 2015. The City drew down all the funds on this loan, including capitalized interest, totaling \$24,752,169. The loan bears annual interest of 2.2%, and annual principal and interest payments are due December 1, 2015, through December 1, 2034.

For the third agreement, the City entered into a construction installment sale agreement with the California State Water Resources Control Board (CSWRCB) for SRF project financing. This loan is on parity with the defeased 2012 Sewer Revenue Bonds and SRF Loans. This means that the loan has equal rights to pledged revenues as the sewer bonds and loans.

The loan and grant agreement was executed in August 2018 in the amount of \$39,461,000 to fund the North Valley Regional Recycled Water Program (NVRWP) project. In December 2019, the loan and grant agreement was amended to adjust the loan amount to \$33,907,112. \$2.5 million of the project funding was forgiven during the fiscal year ended June 30, 2020; \$2.5 million was given as a grant during fiscal year 2020; and the balance (\$28,907,112) was expected to be in the form of two loans payable to the CSWRCB in the amounts of \$14,453,556 each, funded from SRF and Proposition 1. The loans bear annual interest of 1.8% beginning with each disbursement and repayment of principal and interest will begin one year after the completion of construction on the project. The loans will be amortized with equal annual payments over a period from that date to May 18, 2050.

After the loan documents were executed in August 2018, it took until December 2019 for the State to finally approve the Final Budget Document, which is a document required before the City could submit a reimbursement request on the loan funds. In December 2019, the City submitted the first reimbursement request in the amount of \$1,417,418 for pre-construction costs. The City submitted the second reimbursement request in the amount of \$9,740,230 in November 2020 and the final reimbursement request in the amount of \$13,816,579 in August 2021. The full amount of the original loan was not needed due to a combination of lower than expected design and construction costs and the loan forgiveness provisions that were added to the agreement after the original loan was approved. Principal and interest payments on the loan began in fiscal year 2022 and the outstanding balance of the loan is \$18,075,039 as of June 30, 2024. The funding for this project comes from two primary sources (in addition to City Sewer Fund resources for costs which are not reimbursable under either the SRF Loan or the Department of the Interior grant). The SRF reimbursement requests are coordinated with the funding received from the Department of the Interior grant.

Events of default on the loans include a revenue shortfall, unscheduled draws on reserve funds, adverse water quality findings by the Regional Water Quality Control Board, litigation related to the system revenues or the project, or failure to make any debt service payment by the due date, which would accelerate repayment of the loans. The City can prepay the loans at any time by paying the principal and outstanding accrued interest through the date of prepayment.

NOTE 7 – LONG-TERM DEBT (Continued)**B. Current Year Business-Type Activities Transactions and Balances** (Continued)**Debt Service Requirements**

Annual debt service requirements for business-type activities debt are shown below:

For the Year Ending June 30,	Revenue Bonds		Direct Borrowing - Loans Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 880,000	\$ 759,438	\$ 5,582,522	\$ 1,597,927	\$ 6,462,522	\$ 2,357,365
2026	920,000	715,438	5,186,746	1,459,831	6,106,746	2,175,269
2027	970,000	669,438	5,329,101	1,326,002	6,299,101	1,995,440
2028	1,015,000	620,938	5,472,612	1,188,385	6,487,612	1,809,323
2029	1,070,000	570,188	5,613,303	1,047,017	6,683,303	1,617,205
2030-2034	6,190,000	1,996,563	27,525,984	3,143,258	33,715,984	5,139,821
2035-2039	5,940,000	605,600	4,924,721	1,000,850	10,864,721	1,606,450
2040-2044	-	-	3,734,209	648,982	3,734,209	648,982
2045-2049	-	-	4,082,607	300,585	4,082,607	300,585
2050	-	-	861,139	15,500	861,139	15,500
Total	16,985,000	<u>\$ 5,937,603</u>	68,312,944	<u>\$ 11,728,337</u>	85,297,944	<u>\$ 17,665,940</u>
Add: Unamortized Bond Premium	<u>2,157,389</u>		<u>-</u>		<u>2,157,389</u>	
Net Long-Term Debt	<u>\$ 19,142,389</u>		<u>\$ 68,312,944</u>		<u>\$ 87,455,333</u>	

C. Debt With No City Commitment

The City has no legal liability with respect to the payment of any indebtedness of the Community Financing District No. 1 Monte Vista Crossings. The City acts solely as an agent for the bondholders in collecting and forwarding the special assessment. Accordingly, no liability for these bonds has been recorded in the City's basic financial statements. The principal amount of outstanding debt of the above district was \$255,000 at June 30, 2024.

NOTE 8 – NET POSITION AND FUND BALANCES

Net position is measured on the full accrual basis of accounting while fund balance is measured on the modified accrual basis of accounting, as explained in Note 1D.

A. Net Position

Net position is the excess of all assets and deferred outflows of resources over all liabilities and deferred inflows of resources. Net position is divided into three captions. These captions apply only to net position, which is determined only for proprietary funds and at the government-wide level, and are described below:

Net Investment in Capital Assets describes the portion of net position that is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net position that is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter.

Unrestricted describes the portion of net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

NOTE 8 – NET POSITION AND FUND BALANCES (Continued)

B. Fund Balances

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash, receivables, and deferred outflows of resources, less its liabilities and deferred inflows of resources. Portions of a fund's balance may be restricted, committed, or assigned for future expenditure.

The City's fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendable represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Assets not expected to be converted to cash, such as prepaids, notes receivable, and property held for resale, are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed, or assigned, then nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation that requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by resolution of the City Council that may be altered only by formal action of the City Council. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee, the City Manager. This category includes encumbrances; nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose; and residual fund balances, if any, of Special Revenue and Capital Projects Funds that have not been restricted or committed.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual General Fund balance and residual fund deficits, if any, of other governmental funds.

NOTE 8 – NET POSITION AND FUND BALANCES (Continued)

B. Fund Balances (Continued)

Fund Balance Classifications	General Fund	Special Revenue Funds			Total
		LMI Housing Fund	Gas Tax/ Street Improvement Fund	Other Governmental Funds	
Nonspendable:					
Items not in spendable form:					
Prepays	\$ 1,768,627	\$ -	\$ -	\$ -	\$ 1,768,627
Loans receivable	7,487	-	-	-	7,487
Interfund loans	506,933	-	-	-	506,933
Due from developers	20,041	-	-	267,243	287,284
Leases receivable	21,452	-	-	-	21,452
Total Nonspendable Fund Balances	2,324,540	-	-	267,243	2,591,783
Restricted for:					
Low and moderate income housing	-	2,322,566	-	5,526,518	7,849,084
Capital expenditures	-	-	25,152,634	16,948,455	42,101,089
Assessment districts	-	-	-	22,156,854	22,156,854
Resource conservation	-	-	-	1,363,012	1,363,012
Public safety	-	-	-	1,056,213	1,056,213
Total Restricted Fund Balances	-	2,322,566	25,152,634	47,051,052	74,526,252
Committed to:					
Roads projects	12,563,336	-	-	-	12,563,336
Public safety	2,090,755	-	-	166,189	2,256,944
Tourism	1,252,718	-	-	-	1,252,718
Capital expenditures	2,200,000	-	-	28,385,200	30,585,200
Total Committed Fund Balances	18,106,809	-	-	28,551,389	46,658,198
Assigned to:					
Compensated absences	724,625	-	-	-	724,625
Total Assigned Fund Balances	724,625	-	-	-	724,625
Unassigned:					
General Fund	35,304,969	-	-	-	35,304,969
Other governmental fund deficits	-	-	-	(134,327)	(134,327)
Total Unassigned Fund Balances	35,304,969	-	-	(134,327)	35,170,642
Total Fund Balances	\$ 56,460,943	\$ 2,322,566	\$ 25,152,634	\$ 75,735,357	\$ 159,671,500

C. Emergency/Contingency Reserve

The City established a General Fund Emergency/Contingency Reserve with Resolution 2011-123. The required balance of the Emergency/Contingency Reserve is \$6,500,000, which is reported within the unassigned fund balance of the General Fund.

D. Fund Balance/Net Position Deficits

The following funds had deficit fund balances or net position as of June 30, 2024:

	Amount
Nonmajor Governmental Funds:	
Home ARP	\$ 111,146
ARPA	23,181
Nonmajor Enterprise Fund:	
SRWA Operations	2,402,158
Internal Service Fund:	
Information Technology	916,073

NOTE 8 – NET POSITION AND FUND BALANCES (Continued)**D. Fund Balance/Net Position Deficits** (Continued)

The deficit in the Home ARP Special Revenue Fund will be eliminated by future revenues.

The deficit in the ARPA Special Revenue Fund will be eliminated when the unearned revenue is recognized upon the completion of the capital projects funded by the ARPA grant.

The deficit in SRWA Operations Enterprise Fund were primarily due to the recognition of the net pension liability, total OPEB liability and related deferred outflows/inflows of resources. The City will fund the liabilities over time through annual contributions to cure the deficits.

The deficit in the Information Technology Internal Service Fund was primarily due to the recognition of the net pension liability, total OPEB liability, and related deferred outflows/inflows of resources. The City will fund the liability over time through annual contributions to cure the deficit.

NOTE 9 – PENSION PLANS**A. Plan Descriptions and Summary of Balances by Plan**

The City has two defined benefit pension plans, one Miscellaneous Plan and one Safety Plan (Fire and Police) (the Plans). The Miscellaneous Plan is an Agent Multiple-Employer Plan and the Safety Plan is a Cost-Sharing Multiple-Employer Plan. Benefit provisions under the Plans are established by State statute and City Ordinance. All qualified permanent and probationary employees are eligible to participate in the Plan for which they are an eligible member based on their employment position with the City.

Both Plans are administered by the California Public Employees' Retirement System (CalPERS) which acts as a common investment and administrative agent for its participating member employers. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Miscellaneous and Safety Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Below is a summary of the deferred outflows of resources, net pension liability, and deferred inflows of resources by Plan:

	Deferred Outflows of Resources	Net Pension Liability/ Proportionate Share of Net Pension Liability	Deferred Inflows of Resources
Miscellaneous	\$ 15,127,056	\$ 53,655,757	\$ 1,124,405
Safety (Fire and Police)	22,665,118	52,090,299	5,248,353
Total	<u>\$ 37,792,174</u>	<u>\$ 105,746,056</u>	<u>\$ 6,372,758</u>

Each Plan is discussed in detail below.

NOTE 9 – PENSION PLANS (Continued)**B. Miscellaneous Plan**

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to Plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The Public Employees Pension Reform Act of 2013 (PEPRA), Assembly Bill 340, is applicable to employees new to CalPERS and hired after December 31, 2012.

The Plan's provisions and benefits in effect at June 30, 2024, are summarized as follows:

Hire Date	Miscellaneous	
	Tier 1	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Benefit Formula	2.7%@55	2.0%@62
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	50-67	52-67
Monthly Benefits, as a Percentage of Eligible Compensation	2.0% to 2.7%	1.0% to 2.5%
Required Employee Contribution Rates	7.690%	7.250%
Required Employer Contribution Rates	10.670%	10.670%
Required UAL Contribution	\$4,498,768	

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded accrued liability (UAL). The dollar amounts are billed on a monthly basis or the City can elect a lump sum payment option. The City's required contribution for the UAL in the Miscellaneous Plan was \$4,498,768 for the year-ended June 30, 2024, which was made under the lump sum payment option.

Employees Covered – As of the June 30, 2022 actuarial valuation date and the June 30, 2023 measurement date, the following employees were covered by the benefit terms for the Plan:

	Miscellaneous	
	June 30, 2023	June 30, 2022
Inactive employees or beneficiaries currently receiving benefits	291	282
Inactive employees entitled to but not yet receiving benefits	344	341
Active employees	250	207
Total	885	830

NOTE 9 – PENSION PLANS (Continued)**B. Miscellaneous Plan** (Continued)

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as Plan member contribution requirements are classified as Plan member contributions.

Net Pension Liability – The City’s net pension liability for the Miscellaneous Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown in Note 9D below.

Changes in the Net Pension Liability – The changes in the net pension liability for the Miscellaneous Plan follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2022	\$ 173,490,744	\$ 120,862,383	\$ 52,628,361
Changes in the year:			
Service cost	2,611,766	-	2,611,766
Interest on the total pension liability	11,886,226	-	11,886,226
Differences between actual and expected experience	1,636,398	-	1,636,398
Changes in assumptions	-	-	-
Changes in benefit terms	181,892	-	181,892
Plan to Plan resource movement	-	-	-
Contribution - employer	-	6,540,769	(6,540,769)
Contribution - employee	-	1,282,553	(1,282,553)
Net investment income (loss)	-	7,554,441	(7,554,441)
Administrative expenses	-	(88,877)	88,877
Benefit payments, including refunds of employee contributions	(8,701,543)	(8,701,543)	-
Other miscellaneous income/expense	-	-	-
Net changes	7,614,739	6,587,343	1,027,396
Balance at June 30, 2023	\$ 181,105,483	\$ 127,449,726	\$ 53,655,757

NOTE 9 – PENSION PLANS (Continued)B. Miscellaneous Plan (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	5.90%
Net Pension Liability	\$ 78,599,176
Current Discount Rate	6.90%
Net Pension Liability	\$ 53,655,757
1% Increase	7.90%
Net Pension Liability	\$ 33,204,462

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions – For the year ended June 30, 2024, the City recognized pension expense of \$639,112. At June 30, 2024, the City reported deferred outflows/inflows of resources related to pensions for the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 6,642,408	\$ -
Differences between actual and expected experience	1,072,123	(1,124,405)
Changes in assumptions	1,819,140	-
Net differences between projected and actual earnings on Plan investments	5,593,385	-
Total	<u>\$ 15,127,056</u>	<u>\$ (1,124,405)</u>

\$6,642,408 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2025	\$ 2,206,861
2026	1,032,067
2027	3,972,680
2028	148,635
Total	<u>\$ 7,360,243</u>

Actuarial assumptions and information regarding the discount rate are discussed in Note 9D below.

NOTE 9 – PENSION PLANS (Continued)**C. Safety Plan**

The City's Safety Plan is part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by CalPERS. PERF C consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The City sponsors four rate plans (two fire and two police) within the safety risk pool.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to Plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. PEPRA, Assembly Bill 340, is applicable to employees new to CalPERS and hired after December 31, 2012.

The Safety Plan's provisions and benefits in effect at June 30, 2024, are summarized as follows:

Hire Date	Safety - Fire	
	Tier 1	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Benefit Formula	3.0%@50	2.7%@57
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	50-55	50-57
Monthly Benefits, as a Percentage of Eligible Compensation	3.0%	2.0% to 2.7%
Required Employee Contribution Rates	8.990%	13.750%
Required Employer Contribution Rates	27.110%	13.540%
Required UAL Contribution	\$ 1,307,154	\$ 4,919

Hire Date	Safety - Police	
	Tier 1	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Benefit Formula	3.0%@50	2.7%@57
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	50-55	50-57
Monthly Benefits, as a Percentage of Eligible Compensation	3.0%	2.0% to 2.7%
Required Employee Contribution Rates	8.990%	13.750%
Required Employer Contribution Rates	27.110%	13.540%
Required UAL Contribution	\$ 1,936,541	\$ 2,262

NOTE 9 – PENSION PLANS (Continued)

C. Safety Plan (Continued)

Beginning in fiscal year 2016, CalPERS collects employer contributions for the cost-sharing plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the UAL. The dollar amounts are billed on a monthly basis or can be paid in a lump sum at a reduced amount. The City elected to make the lump sum contributions, and the required contribution for the UAL was \$3,250,876 in fiscal year 2024, as shown in the table above.

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Safety Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2024, the employer contributions to the Safety Plan were \$6,283,679.

Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions – For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Safety Plan and additions to/deductions from the Safety Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

As of June 30, 2024, the City reported a net pension liability for its proportionate share of the net pension liability of the Safety Plan of \$52,090,299.

The City's net pension liability for the Safety Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Safety Plan is measured as of June 30, 2023, and the total pension liability for the Safety Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Safety Plan as of June 30, 2022 and 2023, was as follows:

	Safety (Fire and Police)
Proportion - June 30, 2022	0.61%
Proportion - June 30, 2023	0.62%
Change - Increase (Decrease)	0.01%

NOTE 9 – PENSION PLANS (Continued)C. Safety Plan (Continued)

For the year ended June 30, 2024, the City recognized pension expense of \$6,977,281 for the Safety Plan. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the Safety Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 6,283,679	\$ -
Differences between actual and expected experience	3,824,388	(327,408)
Differences in actual and proportional contribution	360,757	(1,836,067)
Changes in assumptions	3,040,059	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	2,027,692	(3,084,878)
Net differences between projected and actual earnings on plan investments	7,128,543	-
Total	<u>\$ 22,665,118</u>	<u>\$ (5,248,353)</u>

\$6,283,679 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2025	\$ 3,701,049
2026	2,203,134
2027	5,029,932
2028	198,971
Total	<u>\$ 11,133,086</u>

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability for the Safety Plan as of the measurement date, calculated using the discount rate for the Safety Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Safety</u>
1% Decrease	5.90%
Net Pension Liability	\$ 77,498,942
Current Discount Rate	6.90%
Net Pension Liability	\$ 52,090,299
1% Increase	7.90%
Net Pension Liability	\$ 31,316,926

Actuarial assumptions and information regarding the discount rate are discussed in Note 9D below.

NOTE 9 – PENSION PLANS (Continued)**D. Information Common to the Miscellaneous and Safety Plans**

Actuarial Assumptions – For the measurement period ended June 30, 2023, the total pension liabilities were determined by rolling forward the June 30, 2022 total pension liability. The June 30, 2022 total pension liabilities were based on the following actuarial methods and assumptions:

	<u>Miscellaneous and Safety (Fire and Police)</u>
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation Rate	2.300%
Payroll Growth	2.750%
Projected Salary Increase	(1)
Investment Rate of Return	7.00% (2)
Mortality	Derived using CalPERS Membership Data for all Funds (3)
Post Retirement Benefit Increase	The lesser of contract cost of living adjustment or 2.30% until Purchasing Power Protection Allowance floor on Purchasing Power applies, 2.30% thereafter

(1) Depending on age, service and type of employment.

(2) Net of pension plan investment expenses, including inflation.

(3) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporated full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2022 valuation were based on the results of the 2021 CalPERS experience study and review of actuarial assumptions. Further details of the Experience Study can be found on the CalPERS website under Forms and Publications.

Discount Rate – The discount rate used to measure the total pension liabilities for the Plans was 6.90%. The projection of cash flows used to determine the discount rate for the Plans assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plans' fiduciary net positions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liabilities.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

NOTE 9 – PENSION PLANS (Continued)**D. Information Common to the Miscellaneous and Safety Plans** (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the expected real rates of return by asset class.

Asset Class (a)	Assumed Asset Allocation	Real Return (a,b)
Global Equity - Cap-Weighted	30.00%	4.54%
Global Equity - Non-Cap-Weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-Backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021 Asset Liability Management study.

Pension Plan Fiduciary Net Position – Detailed information about the pension plans' fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 10 – POST-EMPLOYMENT HEALTH CARE BENEFITS**A. Defined Benefit Other Post-Employment Benefit (OPEB) Plan**

Plan Description – The City administers a single employer defined benefit (implicit subsidy) post-employment health care plan pursuant to negotiated Memoranda of Understanding (MOU) and Schedules of Benefit (Schedule) with its employee bargaining units. No assets have been accumulated in a trust for the payment of benefits that meets the criteria in paragraph 4 of GASB Statement No. 75.

NOTE 10 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)

A. Defined Benefit Other Post-Employment Benefit (OPEB) Plan (Continued)

The City offers medical, dental and vision benefits to its employees, retirees, and their dependents. However, the City does not pay for the cost of retiree health premiums. The MOUs and Schedule are as follows:

Management/Confidential

Employees covered by the Management and/or Confidential Employees Schedule of Benefits and Employees covered by Turlock Management Association - Public Safety MOU

Miscellaneous

Employees covered by Turlock City Employees Association MOU

Police

Employees covered by Turlock Associated Police Officers MOU

Fire

Employees covered by Turlock Firefighters Local #2434 MOU

In general, employees are required to retire from the City and be members of their respective covered group for 10-15 years to be eligible to receive a benefit from their respective plan. The retiree has the option to continue on the City's self-insured health plan (and pay 100% of the premium for continued participation), to become a member of a non-City group plan, or to purchase an individual health insurance policy. For retirees who choose to remain on the City's health plan, this eligibility terminates when the retiree becomes eligible for Medicare benefits, reaches age 65, is deceased, or chooses to voluntarily leave the plan, whichever comes first. Spousal eligibility requirements vary with each employment plan. The City currently has 16 retirees who have chosen to remain on the City's health plan post-employment.

Funding Policy – The City pays the expenses for the plan on a pay-as-you-go basis and the retirees that participate in the plan pay the premiums on a monthly basis.

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the valuation date of July 1, 2023:

	Valuation Date July 1, 2023
Active employees	\$ 378
Inactive employees or beneficiaries currently receiving benefit payments	15
Inactive employees entitled to but not yet receiving benefit payments	-
Total	<u>\$ 393</u>

NOTE 10 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)A. Defined Benefit Other Post-Employment Benefit (OPEB) Plan (Continued)

Total OPEB Liability Actuarial Methods and Assumptions – The City's total OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated July 1, 2023, that was rolled forward using standard update procedures to determine the total OPEB liability as of June 30, 2024, based on the following actuarial methods and assumptions:

Valuation Date	July 1, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age
Actuarial Assumptions:	
Discount Rate	4.21%
Inflation	2.71%
Payroll Growth	3.00%
Mortality Rate	RP 2014 Mortality Table projected to 2024 with Scale BB
Healthcare Trend Rate	8% in 2020 and will decline to 4.5% in 2025 and later years

The underlying mortality assumptions were based on the RP 2014 Mortality Table Projected to 2024 with Scale BB and all other actuarial assumptions used in the July 1, 2023 valuation were based on the results of a July 1, 2023 actuarial valuation.

Discount Rate – The discount rate used to measure the total OPEB liability was 4.21%, the single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the actuarial present value of projected benefit payments calculated using a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (S&P Municipal 20 Year High Grade Rate Index).

Changes in Assumptions – The discount rate was modified from 4.13% to 4.21% and the inflation rate was modified from 2.63% to 2.71%.

Changes in Total OPEB Liability – The changes in the total OPEB liability follows:

	<u>Total OPEB Liability</u>
Balance at July 1, 2023	<u>\$ 8,994,128</u>
Changes Recognized for the Measurement Period:	
Service cost	454,041
Interest on the total OPEB liability	390,209
Changes in benefit terms	-
Differences between expected and actual experience	(927,345)
Changes of assumptions	(105,398)
Contributions from the employer	-
Net investment income	-
Administrative expenses	-
Benefit payments	<u>(257,954)</u>
Net changes	<u>(446,447)</u>
Balance at June 30, 2024	<u><u>\$ 8,547,681</u></u>

NOTE 10 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)

A. Defined Benefit Other Post-Employment Benefit (OPEB) Plan (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Total OPEB Liability/(Asset)		
Discount Rate -1%	Discount Rate	Discount Rate +1%
3.21%	4.21%	5.21%
\$ 9,954,629	\$ 8,547,681	\$ 7,396,308

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.0% decreasing to 3.50%) or 1-percentage-point higher (9.0% decreasing to 5.50%) than the current healthcare cost trend rates:

Total OPEB Liability/(Asset)		
Healthcare Cost		
1% Decrease	Trend Rates	1% Increase
7.00% Decreasing	8.00% Decreasing	9.00% Decreasing
to 3.50%	to 4.50%	to 5.50%
\$ 7,328,782	\$ 8,547,681	\$ 9,954,629

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – For the year ended June 30, 2024, the City recognized OPEB expense of \$(677,010). At June 30, 2024, the City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 123,513	\$ (5,982,257)
Changes in assumptions	1,663,308	(6,487,794)
Total	<u>\$ 1,786,821</u>	<u>\$ (12,470,051)</u>

Deferred outflows/inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30	Annual Amortization
2025	\$ (1,263,306)
2026	(1,263,306)
2027	(1,263,306)
2028	(1,263,306)
2029	(1,263,306)
Thereafter	<u>(4,366,700)</u>
Total	<u>\$ (10,683,230)</u>

NOTE 10 – POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)**B. Defined Contribution OPEB Plans**

Plan Description – The City has post-employment healthcare defined contribution plans in place pursuant to negotiated Memoranda of Understanding (MOU) and Schedules of Benefits (Schedule) with its employee bargaining units. The City's funding obligation for each plan is defined within the respective MOU or Schedule and is a specified percentage of payroll. The plans and the City's funding obligation for each plan are as follows:

Management/Confidential	Employees covered by the Management and/or Confidential Employees Schedule of Benefits	2.5% of base salary
Management/Confidential	Employees covered by Turlock Management Association - Public Safety MOU	3% of base salary
Miscellaneous	Employees covered by Turlock City Employees Association MOU	2.0% of base salary
Police	Employees covered by Turlock Associated Police Officers MOU	3% of salary plus 3% of benefits (1)
Fire	Employees covered by Turlock Firefighters Local #2434 MOU	4% of salary plus 4% of benefits

(1) Effective 7/1/2021, benefits are calculated based on 56% of base salary.

The administration of benefits for each plan rests with the individual plan administrators. The administrator for the Management/Confidential, Police Management, and Miscellaneous plans is ICMA. The respective bargaining unit representatives administer the benefits for the Police and Fire plans.

For the Police and Fire plans, the City remits the contributions as required by the respective MOU to each plan following each pay period. These plans have established irrevocable trusts for their respective plan assets. As noted above, the plans' trustees are responsible for the development of benefit levels that can be sustained from the contributions received as well as the general plan administration. The City does not have any responsibility for nor involvement in these activities. Under the terms of the Police and Fire MOUs, the City is obligated to make current year contributions to the respective trusts based on the 3% and 4% of salary and benefit costs for Police and Fire, respectively. Management believes the City has no obligation to make any additional contributions to the trusts beyond the above amounts, and therefore there is no unfunded actuarial accrued liability the City is obligated to fund.

There are no vesting requirements to be eligible to use these funds post-employment. The benefit can only be used to purchase post-employment health insurance. The retiree has the option to continue on the City's self-insured health plan (and pay the 100% of the premium for continued participation), to become a member of a non-City group plan, or to purchase an individual health insurance policy. The benefit can then be used to provide assistance with paying the monthly premium, as discussed in Note 10A above.

Contributions to each plan during fiscal year 2023-2024 were as follows:

<u>Plan</u>	<u>Contributions</u>
Management/Confidential	\$ 163,259
Miscellaneous	285,003
Police	290,199
Fire	245,841

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS

A. Deferred Compensation Plans

City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plans created in accordance with Internal Revenue Code Sections 401 and 457. Under the plans, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, or death, or in an emergency as defined by the plans.

The plans are part of the public agency agent multiple-employer defined contribution plans that are administered by Mission Square Retirement (formerly ICMA RC). Benefit provisions under the plans are established by City resolution. The City has no liability for any losses incurred by the plans and does not participate in any gains, but does have the duty of due care that would be required of an ordinary prudent investor. The City has a contract with Mission Square Retirement to manage and invest the assets of the plans. The administrator pools the assets of the plans with those of other participants and does not make separate investments for the City. The assets in the plans are the sole property of the participants or their beneficiaries. Since the assets held under the plans are not the City's property and are not subject to claims by general creditors of the City, they have been excluded from these financial statements. The plans require investments to be stated at fair market value and it requires all gains and losses on plan investments to accrue directly to participant accounts. A summary of eligibility and employer contribution requirements for the City's plans are shown below by bargaining unit:

TCEA

Employees with Less than 15 Years of Service – Match of up to 0.5% of the employee's base salary each pay period in which the employee contributes to the 401a Plan.

Employees with More than 15 Years of Service – Match of up to 1.0% of the employee's base salary each pay period in which the employee contributes to the 401a Plan. The increase in the City's match is effective the 1st day of the month following the employee's 15th anniversary.

Employees that waive the City's medical insurance receive \$475 per month to the RHS 457 Plan.

TAPO

Employees that waive the City's medical insurance receive \$475 per month to the RHS 457 Plan.

Fire

Employees that waive the City's medical insurance receive \$475 per month to the RHS 457 Plan.

TMAPS

2.5% of base salary for each pay period, provided the employee contributes 6.0% of base salary to the 401a Plan. Employees that waive the City's medical insurance receive \$475 per month to the RHS 457 Plan.

Confidential (Unrepresented)

0.5% of base salary for each pay period, provided the employee contributes 0.5% of base salary to the 401a Plan. Employees that waive the City's medical insurance receive \$475 per month to the RHS 457 Plan.

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

A. Deferred Compensation Plans (Continued)

Management (Unrepresented)

Directors – 3.5% of base salary for each pay period, provided the employee contributes 3.5% of base salary to the 401a Plan.

Managers – 2.5% of base salary for each pay period, provided the employee contributes 2.5% to the 401a Plan.

Employees that waive the City's medical insurance receive \$475 per month.

The City's required contributions for the year ended June 30, 2024, totaled \$547,111.

NOTE 12 – RISK MANAGEMENT

The City maintains the Self-Insurance Internal Service Fund to account for and finance its risks of loss. Under this program, the City is self-insured for workers' compensation and employee health care.

The City uses a reinsurance agreement to reduce its exposure to large losses under the workers' compensation program. Reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of the City as direct insurer of the risks reinsured. The City does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by reinsurers. Premiums paid to reinsurers during the year ended June 30, 2024, were \$255,364, and the City's deductible under the policy is \$1.250 million, with coverage up to the statutory limit.

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in the Central San Joaquin Valley Risk Management Authority (CSJVRMA), a public entity risk pool currently operating as a common risk management and insurance program for 54 cities. The purpose of CSJVRMA is to spread the adverse effect of losses among the members and to purchase excess insurance as a group, thereby reducing its expense. The City participates in the following pooled coverages through CSJVRMA:

<u>Type of Coverage (Deductible)</u>	<u>Coverage Limits</u>
Liability (\$100,000)	\$ 29,500,000
Automobile - for vehicles with values less than \$25,000 (\$500)	25,000

Effective July 1, 2021, the liability coverage declined from \$39,000,000 to \$29,500,000.

The City contributes its pro rata share of anticipated losses to a pool administered by CSJVRMA. Should actual losses among participants be greater than the anticipated losses, the City will be assessed its pro rata share of that deficiency. Conversely, if the actual losses are less than anticipated, the City will be refunded its pro rata share of the excess. The City paid CSJVRMA premiums of \$1,988,827 for coverage during the year ended June 30, 2024, and in the amount of \$101,272, which the City elected to remain with CSJVRMA to offset future premiums. Settled claims have not exceeded commercial excess liability coverage in any of the past three fiscal years.

NOTE 12 – RISK MANAGEMENT (Continued)

In addition to the coverage through CSJVRMA, the City has purchased the commercial policy coverage for property, vehicles, and contractors equipment with various sublimits up to \$100,000,000:

<u>Type of Coverage (Deductible)</u>
Property, excluding flood (\$25,000)
Property, flood (\$100,000)
Vehicles (\$5,000)
Fire Engines (\$10,000)
Equipment (\$2,500)

All unpaid claims that were probable liabilities that occurred prior to the year end and that were estimated based on actuarial studies or historical data were recorded in accordance with accounting principles generally accepted in the United States of America.

<u>For the Year Ended June 30</u>	<u>Claims Payable July 1</u>	<u>Fiscal Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Claims Payable June 30</u>
2022	\$ 2,497,192	\$ 5,792,618	\$ (5,759,151)	\$ 2,530,659
2023	2,530,659	6,295,030	(6,309,637)	2,516,052
2024	2,516,052	7,879,421	(7,314,101)	3,081,372

NOTE 13 – COMMITMENTS AND CONTINGENCIES**A. Litigation**

As of June 30, 2024, the City is a party to various lawsuits. There are certain personal injury lawsuits that have been denied by the City Council. The outcome and eventual liability to the City, if any, in these cases is not known at this time. After reviewing these lawsuits with legal counsel, management estimates that the potential claims against the City, not covered by insurance, resulting from such litigation would not materially affect the financial statements of the City.

B. Federal and State Grant Programs

The City participates in several Federal and State grant programs. These programs are subject to audit by the City's independent accountants in accordance with the provisions of the federal Single Audit Act, as amended and applicable State requirements. No cost disallowances have been proposed as a result of audits completed to date; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

C. Stanislaus Regional Water Authority

The City of Turlock and City of Ceres formed a joint powers authority, the Stanislaus Regional Water Authority (SRWA), in order to develop and finance the Regional Surface Water Supply Project (RSWSP). The project consists of the construction of a water treatment plant (WTP) and associated facilities with the capacity to treat up to 30 million gallons per day (MGD) of surface water from the Tuolumne River, of which 20 MGD would be available to the City of Turlock. The water will be provided by Turlock Irrigation District (TID). The RSWSP is also expected to include a system of pipelines to transport the water to the project participants. The environmental review process for the RSWSP and related terminal facilities for each Project Participant is complete.

NOTE 13 – COMMITMENTS AND CONTINGENCIES (Continued)

C. Stanislaus Regional Water Authority (Continued)

On June 29, 2020, the SRWA awarded a design-build contract for the project to CH2M Hill Engineers, Inc., for an amount not to exceed \$195,400,357, which includes all project components except the individual Project Participants' terminal facilities. The RSWSP will be constructed in phases with the first phase anticipated to begin in the Fall of 2020. Construction is anticipated to be completed and the WTP operational in mid to late 2023.

In furtherance of the RSWSP, on February 2, 2020, the SRWA, the Project Participants, and TID entered into a Regional Surface Water Supply Phase 3 Project Design and Construction Funding Agreement. Pursuant to the agreement, the City of Turlock will be entitled to 66.7% of the capacity of the RSWSP and the City of Ceres will be entitled to the remaining 33.3%.

The RSWSP project is expected to cost a total of \$266,949,332. The City's share of the total project is expected to be \$180,448,813. The City expects \$23,278,615 in grant funds and \$157,170,198 of State Revolving Loan Funds or other outside financing for its share of the project. The City's investment in the project at June 30, 2024, was \$39,589,428.

Additional information regarding this project can be found at www.stanrwa.com. Financial statements for the SRWA can be obtained from the City at 156 South Broadway, Suite 270, Turlock, CA 95380.

D. Construction and Other Commitments

The City had the following outstanding significant commitments at June 30, 2024:

Stanislaus Regional Water Authority	\$ 2,049,026
Water Improvements	2,939,359
Sewer Improvements	379,673
Other Contracts	3,329,750
Well Rehabilitation Services	94,082
Improvements - Road Rehabilitation	1,452,873
Housing	94,780
Roads - Measure A	2,372,942
Drinking Water Chlorination Project	13,498
Various Bus, Vehicle, and Equipment Purchases	43,888
Transit Center	165,762
Columbia Pool	4,008,503

NOTE 14 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES

A. Redevelopment Dissolution

On December 29, 2011, the California Supreme Court upheld Assembly Bill x1 26 (the Bill) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the entity creating the redevelopment agency or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and/or local government. By Resolution No. 2012-009 adopted on January 10, 2012, pursuant to Health and Safety Code Section 34173, the City Council declared that the City would act in a special limited capacity as Successor Agency for the dissolved Turlock Redevelopment Agency, effective February 1, 2012.

NOTE 14 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(Continued)

A. Redevelopment Dissolution (Continued)

On July 1, 2018, the duties of the Turlock Oversight Board transferred to a new Stanislaus Countywide Consolidated Oversight Board, which will now be responsible for overseeing the winddown affairs of all successor agencies in the County, including the Successor Agency to the Turlock Redevelopment Agency (the Successor Agency).

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in California could not enter into new projects, obligations, or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

The Bill directs the California State Controller Office (SCO) to review the proprietary of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the SCO is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in California were dissolved and ceased to operate as legal entities on February 1, 2012. Prior to that date, the final seven months of activity of the Turlock Redevelopment Agency continued to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved Turlock Redevelopment Agency are reported in a fiduciary fund (private-purpose trust fund) in the City's financial statements. Included in prior year Turlock Redevelopment Agency financial statements was the Downtown Improvement Project Fund. This fund was originally established to account for the construction of infrastructure improvements in the City's downtown core. This project was funded with the proceeds of the 1999 Revenue Bonds along with sewer, water, and street funds. The residual monies in this fund after the completion of the project represented excess funds contributed by the sewer, water, and street funds. Management decided to leave these residual funds in this fund to provide a source of funds for future repairs. This fund is presented as a nonmajor fund in the governmental fund combining statements.

The activities of the Successor Agency are reported in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Turlock Redevelopment Agency.

Assembly Bill (AB) 1484 required the Successor Agency to complete two due diligence reviews – one for the low and moderate income housing assets of the Successor Agency (Housing DDR), and a second for all other balances of the Successor Agency (Non-Housing DDR). The due diligence reviews are to calculate the balance of unencumbered balances as of June 30, 2012, available to be remitted to the County for disbursement to taxing entities. The Successor Agency submitted both due diligence reviews to the State Department of Finance for review and approval. The Department of Finance did not initially approve the Housing DDR, which indicated that the Successor Agency had no funds available for distribution, and the State made adjustments to the Housing DDR and instead made a demand for the return of funds totaling \$1,001,062, which were held by the City's Former LMI Housing Fund. The City remitted that amount to the County in December 2012. The Department of Finance did not initially approve the Non-Housing DDR, which indicated that the Successor Agency had no funds available for distribution, and although the State made adjustments to the Non-Housing DDR, the adjusted balance still indicated that there were no funds available for distribution. The Successor Agency received its Finding of Completion in April 2013, which means it can now utilize bond proceeds for projects consistent with the original bond covenants.

Cash and investments of the Successor Agency as of June 30, 2024, are discussed in Note 3. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2024.

NOTE 14 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(Continued)

B. Long-Term Obligations

Current Year Transactions and Balances

The following bonds are obligations of the Authority payable from and secured by loan payments made by the former Turlock Redevelopment Agency. The bonds are secured by the tax increment revenues of the former Turlock Redevelopment Agency and have been transferred to the Successor Agency. With the dissolution of the Turlock Redevelopment Agency discussed above, tax increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the bonds, with no distinction between housing and non-housing revenues. In addition, under the provisions of the laws dissolving the Turlock Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved enforceable obligations.

The outstanding balances as of June 30, 2024, are as follows:

	Original Issue Amount	Balance June 30, 2023	Retirements	Balance June 30, 2024	Due Within One Year	Due in More Than One Year
General Obligation Revenue Bonds:						
2016 Tax Allocation Refunding Bonds	\$ 35,740,000	\$ 29,870,000	\$ 1,270,000	\$ 28,600,000	\$ 1,335,000	\$ 27,265,000
Add: Unamortized Bond Premium	-	2,247,256	137,587	2,109,669	-	2,109,669
Total Successor Agency Debt	<u>\$ 35,740,000</u>	<u>\$ 32,117,256</u>	<u>\$ 1,407,587</u>	<u>\$ 30,709,669</u>	<u>\$ 1,335,000</u>	<u>\$ 29,374,669</u>

2016 Successor Agency Tax Allocation Refunding Bonds

In November 2016, the Successor Agency issued Tax Allocation Refunding Bonds, Series 2016, in the amount of \$35,740,000. The proceeds from the bonds were to be used to refund the outstanding balance of the 1999 Revenue Bonds, 2006 Tax Allocation Revenue Bonds, and 2011 Tax Allocation Revenue Bonds. The bonds bear interest rates of 2.0 – 5.0%. Interest on the bonds is payable semi-annually March 1 and September 1 and principal is due annually on each September 1 through 2039.

Events of default on the 2016 Bonds include failure to make any debt service payment by the due date or failure to perform the other agreements or covenants required in the Indenture of Trust not cured within 30 days' notice to the Successor Agency. Under such event of default, as defined by the bond documents, the Trustee may, upon the written request of the bondholders, of not less than a majority in aggregate principal amount of the outstanding 2016 Bonds at the time, shall, by notice in writing to the Successor Agency, declare the principal of all of the 2016 Bonds then outstanding, and the interest accrued thereon, to be due and payable immediately. This provision is subject to the condition that if, at any time after the principal of the 2016 Bonds have been declared due and payable, and before any judgement or decree has been entered or obtained the Successor Agency can remedy the default by paying all amounts due and payable. At that time, the bondholders of at least a majority in aggregate principal amount of the 2016 Bonds, then outstanding, can by written notice to the Successor Agency and to the Trustee, rescind and annul such declaration and its consequences. The Successor Agency can prepay the 2016 Bonds at any time by paying the prescribed prepayment premium as for in the 2016 Bond documents.

Bond Issuance Costs, Original Issue Discounts, and Premiums and Deferred Charge on Refunding

For private-purpose trust fund types, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Any differences between proprietary refunded debt and the debt issued to refund it, called a gain or loss on refunding, is amortized over the remaining life of either the refunded debt or the refunding debt, whichever is shorter. The gain or loss is reported as a deferred inflow or outflow of resources, as applicable. Bond issuance costs, other than prepaid insurance, are expensed in the year incurred.

NOTE 14 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(Continued)

B. Long-Term Obligations (Continued)

Debt Service Requirements

Debt service requirements are shown below for all long-term debt:

For the Year Ending June 30,	2016 Tax Allocation Refunding Bonds	
	Principal	Interest
2025	\$ 1,335,000	\$ 1,115,632
2026	1,400,000	1,047,257
2027	1,470,000	975,506
2028	1,545,000	900,131
2029	1,620,000	821,006
2030-2034	9,365,000	2,851,788
2035-2039	11,165,000	1,070,497
2040	700,000	11,813
Total	28,600,000	<u>\$ 8,793,630</u>
Add: Unamortized Bond Premium	<u>2,109,669</u>	
Net Long-Term Debt	<u>\$ 30,709,669</u>	

C. Commitments and Contingencies

State Approval of Enforceable Obligations

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) annually that contains all proposed expenditures for the subsequent twelve-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. Although the State Department of Finance may not question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The amount, if any, of current obligations that may be denied by the State Department of Finance cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

NOTE 15 – LEASES

A. Policies

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. The City recognizes lease receivables or liabilities with an initial, individual value of \$100,000 or more.

Lessee – The City has noncancellable leases of nonfinancial assets as of June 30, 2024. The City recognize a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

NOTE 15 – LEASES (Continued)

A. Policies (Continued)

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments as follows:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Lessor – The City is a lessor for noncancellable leases of communication sites. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts as follows:

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

NOTE 15 – LEASES (Continued)**B. Leases Receivable**

The balances related to leases receivable and deferred inflows of resources as of June 30, 2024, were:

<u>Leases Receivable (Lessor)</u>	<u>Leases Receivable</u>	<u>Deferred Inflows of Resources</u>
General Fund		
Communication Site Lease	\$ 484,703	\$ 463,251
Nonmajor Governmental Funds		
Communication Site Lease	<u>214,577</u>	<u>200,247</u>
Total	<u>\$ 699,280</u>	<u>\$ 663,498</u>

Communication Site Leases – The City leases various locations to third parties for the provisions of mobile/wireless communications services. During the year ended June 30, 2024, the City had two leases with original lease terms ranging from 10 to 30 years, including the optional extension periods, and as of June 30, 2024, the leases had 10-30 years remaining. The City recognized \$40,717 in lease revenue and \$10,742 in interest revenue during the current fiscal year related to these leases. Also, the City has deferred inflows of resources associated with these leases that will be recognized as revenue over the lease term.

C. Leases Payable

The City has entered into various three-year lease agreements as lessee for the acquisition of vehicles and vehicle license plate reader camera system. As of June 30, 2024, the value of the lease liability was \$555,909. The City is required to make monthly principal and interest payments ranging from \$350 to \$8,865. The leases have interest rates that range from 0.2% to 5%. The equipment has a three-year estimated useful life while the license plate reader system has a five-year useful life. The value of the right-to-use assets as of the end of the current fiscal year was \$779,568 and had accumulated amortization of \$144,090.

The future principal and interest lease payments as of June 30, 2024, were as follows:

<u>For the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 144,890	\$ 19,142
2026	151,326	12,705
2027	146,202	6,313
2028	104,651	1,729
2029	<u>8,840</u>	<u>19</u>
Total	<u>\$ 555,909</u>	<u>\$ 39,908</u>

NOTE 16 – SUBSCRIPTIONS

The City has adopted GASB Statement No. 96 which introduced changes in the recognition, measurement and reporting of Subscription-Based Information Technology Arrangements (SBITA). The City identified one SBITA for a Transit Data Tracking application with a term of three years. The value of the SBITA asset as of the end of the current fiscal year was \$166,773 and had accumulated amortization of \$4,633. As of June 30, 2024, the value the SBITA liability was \$107,830.

NOTE 16 – SUBSCRIPTIONS (Continued)

The future principal and interest payments for SBITA as of June 30, 2024, were as follows:

For the Year Ending June 30,	Principal	Interest
2025	\$ 33,554	\$ 7,257
2026	38,389	4,463
2027	35,887	1,299
Total	<u>\$ 107,830</u>	<u>\$ 13,019</u>

NOTE 17 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2024, expenditures exceeded appropriations as follows:

Expenditures	Amount
General Fund	
Debt Service:	
Principal	\$ 86,455
Interest and fiscal charges	11,060

NOTE 18 – SUBSEQUENT EVENTS

In compliance with accounting standards, management has evaluated events that have occurred after year-end to determine if these events are required to be disclosed in the basic financial statements. Events were considered through September 22, 2025, which is the date of issuance of the City's independent auditor's report.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TURLOCK
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
MISCELLANEOUS AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
LAST 10 YEARS
FOR THE YEAR ENDED JUNE 30, 2024

Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Total Pension Liability					
Service cost	\$ 2,252,227	\$ 2,145,944	\$ 2,113,775	\$ 2,535,894	\$ 2,556,275
Interest	8,152,132	8,394,010	8,879,576	9,300,013	9,710,969
Differences between expected and actual experience	-	(2,796,579)	704,751	188,828	254,403
Changes in assumptions	-	(2,114,962)	-	7,890,713	(567,581)
Changes in benefits	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(4,197,372)	(4,620,913)	(5,141,794)	(5,431,662)	(6,138,941)
Net change in total pension liability	6,206,987	1,007,500	6,556,308	14,483,786	5,815,125
Total pension liability - beginning	109,667,670	115,874,657	116,882,157	123,438,465	137,922,251
Total pension liability - ending (a)	<u>\$ 115,874,657</u>	<u>\$ 116,882,157</u>	<u>\$ 123,438,465</u>	<u>\$ 137,922,251</u>	<u>\$ 143,737,376</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 2,650,159	\$ 2,832,416	\$ 3,259,415	\$ 3,684,085	\$ 3,783,927
Contributions - employee	1,031,498	1,042,224	1,027,004	1,109,929	1,133,810
Net investment income (loss)	12,514,268	1,937,886	438,577	9,502,918	7,974,175
Benefit payments, including refunds of employee contributions	(4,197,372)	(4,620,913)	(5,141,794)	(5,431,662)	(6,138,941)
Plan to Plan resource movement	-	78,472	622	(25)	(230)
Administrative expense	-	(94,994)	(51,446)	(123,941)	(144,433)
Other miscellaneous income/expense	-	-	-	-	(274,281)
Net change in plan fiduciary net position	11,998,553	1,175,091	(467,622)	8,741,304	6,334,027
Plan fiduciary net position - beginning	71,240,464	83,239,017	84,414,108	83,946,486	92,687,790
Plan fiduciary net position - ending (b)	<u>\$ 83,239,017</u>	<u>\$ 84,414,108</u>	<u>\$ 83,946,486</u>	<u>\$ 92,687,790</u>	<u>\$ 99,021,817</u>
Net pension liability (a)-(b)	<u>\$ 32,635,640</u>	<u>\$ 32,468,049</u>	<u>\$ 39,491,979</u>	<u>\$ 45,234,461</u>	<u>\$ 44,715,559</u>
Plan fiduciary net position as a percentage of the total pension liability	71.84%	72.22%	68.01%	67.20%	68.89%
Covered payroll	\$ 13,044,287	\$ 12,730,821	\$ 13,052,557	\$ 13,771,230	\$ 13,489,574
Net pension liability as a percentage of covered payroll	250.19%	255.03%	302.56%	328.47%	331.48%

Notes to Schedule:

Changes of Benefit Terms: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes of Assumptions: There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021; 7.65% for measurement dates June 30, 2015, through June 30, 2016; and 7.50% for measurement date June 30, 2014.

CITY OF TURLOCK
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (Continued)
MISCELLANEOUS AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
LAST 10 YEARS
FOR THE YEAR ENDED JUNE 30, 2024

Measurement Date	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
Total Pension Liability					
Service cost	\$ 2,302,531	\$ 2,484,703	\$ 2,350,368	\$ 2,467,656	\$ 2,611,766
Interest	10,263,211	10,837,530	11,195,286	11,365,458	11,886,226
Differences between expected and actual experience	2,064,432	2,271,043	(889,500)	(3,623,085)	1,636,398
Changes in assumptions	-	-	-	5,861,672	181,892
Changes in benefits	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(6,823,311)	(6,967,583)	(7,756,380)	(7,650,663)	(8,701,543)
Net change in total pension liability	7,806,863	8,625,693	4,899,774	8,421,038	7,614,739
Total pension liability - beginning	143,737,376	151,544,239	160,169,932	165,069,706	173,490,744
Total pension liability - ending (a)	\$ 151,544,239	\$ 160,169,932	\$ 165,069,706	\$ 173,490,744	\$ 181,105,483
Plan Fiduciary Net Position					
Contributions - employer	\$ 4,359,068	\$ 4,919,630	\$ 5,268,466	\$ 5,886,502	\$ 6,540,769
Contributions - employee	1,157,716	1,038,613	1,037,625	1,052,686	1,282,553
Net investment income (loss)	6,592,102	5,279,682	24,922,527	(10,068,430)	7,554,441
Benefit payments, including refunds of employee contributions	(6,823,311)	(6,967,583)	(7,756,380)	(7,650,663)	(8,701,543)
Plan to Plan resource movement	-	-	-	-	-
Administrative expense	(70,664)	(146,949)	(108,245)	(82,056)	(88,877)
Other miscellaneous income/expense	230	-	-	-	-
Net change in plan fiduciary net position	5,215,141	4,123,393	23,363,993	(10,861,961)	6,587,343
Plan fiduciary net position - beginning	99,021,817	104,236,958	108,360,351	131,724,344	120,862,383
Plan fiduciary net position - ending (b)	\$ 104,236,958	\$ 108,360,351	\$ 131,724,344	\$ 120,862,383	\$ 127,449,726
Net pension liability (a)-(b)	\$ 47,307,281	\$ 51,809,581	\$ 33,345,362	\$ 52,628,361	\$ 53,655,757
Plan fiduciary net position as a percentage of the total pension liability	68.78%	67.65%	79.80%	69.67%	70.37%
Covered payroll	\$ 14,631,733	\$ 14,259,962	\$ 14,305,346	\$ 13,785,790	\$ 14,822,736
Net pension liability as a percentage of covered payroll	323.32%	363.32%	233.10%	381.76%	361.98%

**CITY OF TURLOCK
SCHEDULE OF CONTRIBUTIONS
MISCELLANEOUS AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
LAST 10 YEARS
FOR THE YEAR ENDED JUNE 30, 2024**

Fiscal year ended June 30	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 3,847,884	\$ 3,256,514	\$ 3,684,324	\$ 3,786,340	\$ 4,359,068
Contributions in relation to the actuarially determined contribution	3,847,884	3,256,514	3,684,324	3,786,340	4,359,068
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 12,730,821	\$ 13,052,557	\$ 13,771,230	\$ 13,489,574	\$ 14,631,733
Contributions as a percentage of covered payroll	30.22%	24.95%	26.75%	28.07%	29.79%
Valuation date	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016
Fiscal year ended June 30	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 4,919,630	\$ 5,268,460	\$ 5,885,609	\$ 6,540,769	\$ 6,642,408
Contributions in relation to the actuarially determined contribution	4,919,630	5,268,460	5,885,609	6,540,769	6,642,408
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 14,259,962	\$ 13,930,302	\$ 14,656,798	\$ 17,714,628	\$ 20,279,270
Contributions as a percentage of covered payroll	34.50%	37.82%	40.16%	36.92%	32.75%
Valuation date	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Average remaining amortization period	15 years as of valuation date
Asset valuation method	Market value of assets
Inflation	2.75% for 2015 to 2019; 2.625% for 2020; 2.50% for 2021 to 2023; and 2.75% for 2024
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.50% for 2015 to 2018; 7.375% for 2019; 7.25% for 2020; and 7.00% for 2021 to 2024, net of pension plan investment and administrative expenses, includes inflation.
Retirement age	The probabilities of retirement are based on the CalPERS Experience Study.
Mortality rate table	The probabilities of mortality are based on the CalPERS Experience Study. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale AA published by the Society of Actuaries for 2015 to 2018. For 2019 to 2023, pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

CITY OF TURLOCK
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SAFETY PLAN – COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
LAST 10 YEARS
FOR THE YEAR ENDED JUNE 30, 2024

Measurement Date	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>
Proportion of the net pension liability	0.39%	0.53%	0.55%	0.55%	0.57%
Proportionate share of the net pension liability	\$ 24,494,695	\$ 21,992,658	\$ 28,313,359	\$ 32,763,059	\$ 33,256,276
Covered payroll	\$ 10,003,385	\$ 9,440,848	\$ 9,870,904	\$ 9,994,012	\$ 10,781,820
Proportionate share of the net pension liability as a percentage of covered payroll	244.86%	232.95%	286.84%	327.83%	308.45%
Plan fiduciary net position as a percentage of the total pension liability	79.82%	78.40%	74.06%	73.31%	75.26%
Measurement Date	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>
Proportion of the net pension liability	0.58%	0.60%	0.67%	0.61%	0.62%
Proportionate share of the net pension liability	\$ 36,264,853	\$ 40,115,075	\$ 23,663,292	\$ 47,369,022	\$ 52,090,299
Covered payroll	\$ 11,959,999	\$ 11,776,264	\$ 11,203,500	\$ 12,110,790	\$ 12,942,203
Proportionate share of the net pension liability as a percentage of covered payroll	303.22%	340.64%	211.21%	391.13%	402.48%
Plan fiduciary net position as a percentage of the total pension liability	75.26%	75.10%	88.29%	72.45%	71.88%

**CITY OF TURLOCK
SCHEDULE OF CONTRIBUTIONS
SAFETY PLAN – COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
LAST 10 YEARS
FOR THE YEAR ENDED JUNE 30, 2024**

Fiscal year ended June 30	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially determined contribution	\$ 3,951,824	\$ 2,633,557	\$ 2,919,564	\$ 3,335,223	\$ 3,975,052
Contributions in relation to the actuarially determined contribution	<u>3,951,824</u>	<u>2,633,557</u>	<u>2,919,564</u>	<u>3,335,223</u>	<u>3,975,052</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 9,440,848	\$ 9,870,904	\$ 9,994,012	\$ 10,781,820	\$ 11,959,999
Contributions as a percentage of covered payroll	41.86%	26.68%	29.21%	30.93%	33.24%
 Fiscal year ended June 30	 <u>2020</u>	 <u>2021</u>	 <u>2022</u>	 <u>2023</u>	 <u>2024</u>
Actuarially determined contribution	\$ 4,477,269	\$ 4,811,929	\$ 5,308,585	\$ 5,799,503	\$ 6,283,678
Contributions in relation to the actuarially determined contribution	<u>4,477,269</u>	<u>4,811,929</u>	<u>5,308,585</u>	<u>5,799,503</u>	<u>6,283,678</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 11,776,264	\$ 11,203,500	\$ 12,110,790	\$ 12,942,203	\$ 14,059,809
Contributions as a percentage of covered payroll	38.02%	42.95%	43.83%	44.81%	44.69%

CITY OF TURLOCK
SCHEDULE OF CHANGES IN THE TOTAL OTHER POST-EMPLOYMENT
BENEFITS (OPEB) LIABILITY AND RELATED RATIOS
LAST 10 YEARS*
FOR THE MEASUREMENT PERIOD ENDED JUNE 30

Measurement Date	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Total OPEB Liability							
Service Cost	\$ 1,155,061	\$ 1,135,358	\$ 638,020	\$ 797,780	\$ 581,088	\$ 794,568	\$ 454,041
Interest	637,175	713,835	716,143	292,875	298,105	363,300	390,209
Changes of Benefit Terms	-	-	-	-	-	-	-
Difference Between Expected and Actual Experience	(222,909)	(55,000)	(4,650,595)	(105,340)	(2,661,954)	(17,761)	(927,345)
Changes of Assumptions	(600,396)	854,724	(3,897,028)	205,992	(3,559,711)	(53,252)	(105,398)
Benefit Payments	(107,347)	(231,516)	(115,029)	(91,631)	(183,856)	(180,804)	(257,954)
Net Change in Total OPEB Liability	861,584	2,417,401	(7,308,489)	1,099,676	(5,526,328)	906,051	(446,447)
Total OPEB Liability - Beginning	16,544,233	17,405,817	19,823,218	12,514,729	13,614,405	8,088,077	8,994,128
Total OPEB Liability - Ending	<u>\$ 17,405,817</u>	<u>\$ 19,823,218</u>	<u>\$ 12,514,729</u>	<u>\$ 13,614,405</u>	<u>\$ 8,088,077</u>	<u>\$ 8,994,128</u>	<u>\$ 8,547,681</u>
Covered-Employee Payroll	\$ 24,603,348	\$ 28,959,337	\$ 28,058,863	\$ 25,133,575	\$ 24,299,988	\$ 25,028,988	\$ 32,654,513
Total OPEB Liability as a Percentage of Covered-Employee Payroll	70.75%	68.45%	44.60%	54.17%	33.28%	35.93%	26.18%

Notes to Schedule:

Benefit changes: None.

Changes in assumptions: The discount rate was modified from 3.85% to 3.50% in 2019, from 3.50% to 2.20% in 2020, from 2.20% to 2.10% in 2021, from 2.10% to 4.09 in 2022, and from 4.09% to 4.13% in 2023. The inflation rate was also modified from 1.85% to 1.50% in 2019, from 1.50% to 0.70% in 2020, from 0.70% to 0.6% in 2021, from 0.6% to 2.59% in 2022, and from 2.59% to 2.63% in 2023.

* Fiscal year 2018 was the first year of implementation.

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SUPPLEMENTAL INFORMATION

**CITY OF TURLOCK
COMBINING BALANCE SHEET
GENERAL FUND
JUNE 30, 2024**

	General Purpose	Measure A	Total General Fund
ASSETS			
Cash and investments	\$ 32,961,382	\$ 16,541,677	\$ 49,503,059
Accounts receivable	8,610,053	2,557,258	11,167,311
Interest receivable	948,407	-	948,407
Due from developers	20,041	-	20,041
Due from other funds	506,933	-	506,933
Loans receivable	7,487	-	7,487
Prepays	13,517	1,755,110	1,768,627
Leases receivable	484,703	-	484,703
Total Assets	\$ 43,552,523	\$ 20,854,045	\$ 64,406,568
LIABILITIES			
Accounts payable	\$ 3,223,607	\$ 1,155,656	\$ 4,379,263
Payroll payable	1,568,838	97,281	1,666,119
Unearned revenue	162,120	-	162,120
Deposits payable	1,081,009	-	1,081,009
Total Liabilities	6,035,574	1,252,937	7,288,511
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	193,863	-	193,863
Related to leases	463,251	-	463,251
Total Deferred Inflows of Resources	657,114	-	657,114
FUND BALANCES			
Nonspendable	569,430	1,755,110	2,324,540
Committed	18,106,809	-	18,106,809
Assigned	724,625	-	724,625
Unassigned	17,458,971	17,845,998	35,304,969
Total Fund Balances	36,859,835	19,601,108	56,460,943
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 43,552,523	\$ 20,854,045	\$ 64,406,568

CITY OF TURLOCK
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	General Purpose	Measure A	Intrafund Eliminations	Total General Fund
REVENUES				
Taxes and assessments	\$ 34,598,491	\$ -	\$ -	\$ 34,598,491
Measure A sales tax	-	15,233,905	-	15,233,905
Licenses and permits	5,614,646	-	-	5,614,646
Fines, forfeitures, and penalties	158,052	-	-	158,052
Use of money and property	3,559,395	-	-	3,559,395
Intergovernmental	9,388,952	-	-	9,388,952
Charges for current services	9,898,306	-	-	9,898,306
Other revenue	254,506	-	-	254,506
Total Revenues	63,472,348	15,233,905	-	78,706,253
EXPENDITURES				
Current:				
General government	6,156,785	4,088,827	-	10,245,612
Public safety	37,054,668	3,753,936	-	40,808,604
Public ways and facilities/transportation	386,176	94,244	-	480,420
Parks and recreation	2,397,582	302,892	-	2,700,474
Community development	5,162,309	144,983	-	5,307,292
Capital outlay	1,078,684	10,037,468	-	11,116,152
Debt service:				
Principal	362,924	94,687	-	457,611
Interest and fiscal charges	72,903	56,727	-	129,630
Total Expenditures	52,672,031	18,573,764	-	71,245,795
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10,800,317	(3,339,859)	-	7,460,458
OTHER FINANCING SOURCES (USES)				
Issuance of debt	497,902	-	-	497,902
Contributions from private-purpose trust	58,274	-	-	58,274
Proceeds from sale of property	6,205	-	-	6,205
Transfers in	3,285,917	6,000,000	(6,000,000)	3,285,917
Transfers (out)	(12,117,385)	(545,000)	6,000,000	(6,662,385)
Total Other Financing Sources (Uses)	(8,269,087)	5,455,000	-	(2,814,087)
NET CHANGE IN FUND BALANCES	2,531,230	2,115,141	-	4,646,371
BEGINNING FUND BALANCES	34,328,605	17,485,967	-	51,814,572
ENDING FUND BALANCES	\$ 36,859,835	\$ 19,601,108	\$ -	\$ 56,460,943

NONMAJOR GOVERNMENTAL FUNDS

The following provides a brief narrative for some the City's more substantial nonmajor governmental funds.

Integrated Waste Management (AB939)

This fund is used to account for revenues received from recycling-related efforts. These revenues are used to fund recycling education programs as well as the City's "Take-Pride-In-Turlock" community cleanup.

Development Impact Fees

Various development impact fee programs are accounted for in this fund. These revenues are collected for and expended on infrastructure improvements designed to mitigate the effects of development throughout the City. These fees are separate and, in most cases, in addition to the impact fees described in the Facility Fee Fund. Not included in this fund are impact fees collected for sewer and/or water infrastructure improvements.

Equipment Replacement

The fund accounts for monies set aside to fund the replacement of existing equipment (including computer related equipment) used by various City departments.

Lighting and Landscaping Assessment Districts

This fund accounts for the expenditure of revenues collected under either the Landscaping and Lighting Act of 1972 or the Benefit Assessment Act of 1982. These acts provide a funding mechanism for the maintenance costs associated with various lighting, landscaping, and street improvements within the assessment districts formed under the respective act.

CDBG, State HOME Program, and Housing Stimulus Funds

This group of funds, when combined with the Stanislaus County Housing Consortium, accounts for the federal funding the City receives from various sources on an annual basis to assist in the preservation and production of affordable housing within the City.

Stanislaus County Housing Consortium

When combined with the CDBG, State HOME Program, and Housing Stimulus Funds, this fund accounts for the federal funding the City receives from various sources on an annual basis to assist in the preservation and production of affordable housing within the City. The consortium specifically is a collaboration of six cities in Stanislaus County and the County who together use federal HOME monies to provide assistance for affordable housing within the County and the participating city jurisdictions.

ARPA

The fund accounts for American Rescue Plan Act (ARPA) funding.

Facility Fees Fund

The fund accounts for the revenue and related expenditures as outlined in the City's Capital Facilities Fee Improvement Program. These fees, which are charged to new developments, are designed to finance the roadway, police, fire, and general government infrastructure, facilities, and equipment needs throughout town which are the result of development within town.

North Turlock Master Plan

The fund accounts for the collection and expenditure of development impact fees collected specifically within the master plan boundaries. Fees are collected to fund the cost of infrastructure – transportation, sewer, and storm drainage – improvements necessary due to development within the master plan area.

Airport

This fund accounts for grant revenues received from the state and federal governments which are being expended to fund capital improvements at the Turlock Municipal Airport. The day-to-day operations of the airport and the capital improvement projects are under the control of the Turlock Regional Aviation Association under a Facilities Management Agreement with the City of Turlock.

CITY OF TURLOCK
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	SPECIAL REVENUE FUNDS			
	Asset Forfeitures	Integrated Waste Management (AB939)	Bicycle Safety	Sports Facilities
ASSETS				
Cash and investments	\$ 106,926	\$ 1,397,728	\$ 37,630	\$ 38,872
Accounts receivable	6,519	-	17,336	2,217
Interest receivable	-	11,469	-	-
Due from developers	-	-	-	-
Loans receivable	-	-	-	-
Prepays	-	-	-	-
Leases receivable	-	-	-	214,577
Total Assets	\$ 113,445	\$ 1,409,197	\$ 54,966	\$ 255,666
LIABILITIES				
Accounts payable	\$ 2,222	\$ 44,159	\$ -	\$ 40,798
Payroll payable	-	2,026	-	14,621
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Deposits payable	-	-	-	-
Total Liabilities	2,222	46,185	-	55,419
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
Related to leases	-	-	-	200,247
Total Deferred Inflows of Resources	-	-	-	200,247
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	1,363,012	-	-
Committed	111,223	-	54,966	-
Unassigned	-	-	-	-
Total Fund Balances	111,223	1,363,012	54,966	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 113,445	\$ 1,409,197	\$ 54,966	\$ 255,666

CITY OF TURLOCK
COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	SPECIAL REVENUE FUNDS			
	Animal Fees Forfeiture	Development Impact Fees	Equipment Replacement	NW Triangle Plan Fee
ASSETS				
Cash and investments	\$ 33,843	\$ 5,239,388	\$ 7,477,448	\$ 335,894
Accounts receivable	-	-	32,110	-
Interest receivable	-	46,394	-	3,043
Due from developers	-	-	-	-
Loans receivable	-	-	-	-
Prepays	-	-	18,918	-
Leases receivable	-	-	-	-
Total Assets	\$ 33,843	\$ 5,285,782	\$ 7,528,476	\$ 338,937
LIABILITIES				
Accounts payable	\$ 66	\$ 1,204	\$ 115,111	\$ -
Payroll payable	-	-	1,453	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Deposits payable	-	-	-	-
Total Liabilities	66	1,204	116,564	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
Related to leases	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	33,777	-	-	-
Committed	-	5,284,578	7,411,912	338,937
Unassigned	-	-	-	-
Total Fund Balances	33,777	5,284,578	7,411,912	338,937
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 33,843	\$ 5,285,782	\$ 7,528,476	\$ 338,937

CITY OF TURLOCK
COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	SPECIAL REVENUE FUNDS			
	Development Benefit	Lighting and Landscaping Assessment Districts	Downtown Assessment District	Northeast Turlock CFD #2
ASSETS				
Cash and investments	\$ 689,629	\$ 22,858,246	\$ 16,384	\$ 60,528
Accounts receivable	-	124,757	-	10,491
Interest receivable	6,242	212,481	-	-
Due from developers	-	-	-	-
Loans receivable	-	-	-	-
Prepays	-	-	-	-
Leases receivable	-	-	-	-
Total Assets	\$ 695,871	\$ 23,195,484	\$ 16,384	\$ 71,019
LIABILITIES				
Accounts payable	\$ -	\$ 1,107,737	\$ -	\$ -
Payroll payable	-	18,296	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Deposits payable	-	-	-	-
Total Liabilities	-	1,126,033	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
Related to leases	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	22,069,451	16,384	71,019
Committed	695,871	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	695,871	22,069,451	16,384	71,019
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 695,871	\$ 23,195,484	\$ 16,384	\$ 71,019

CITY OF TURLOCK
COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	SPECIAL REVENUE FUNDS			
	CDBG	State HOME Program	Housing Stimulus	Stanislaus County Housing Consortium
ASSETS				
Cash and investments	\$ -	\$ 4,592,094	\$ 40,897	\$ 497,739
Accounts receivable	214,188	-	3,873	5,633
Interest receivable	-	44,175	-	-
Due from developers	-	-	-	-
Loans receivable	4,698,494	3,562,845	5,500	9,498,099
Prepays	-	-	-	-
Leases receivable	-	-	-	-
Total Assets	\$ 4,912,682	\$ 8,199,114	\$ 50,270	\$ 10,001,471
LIABILITIES				
Accounts payable	\$ 57,669	\$ 1,205	\$ -	\$ 14,725
Payroll payable	3,642	-	-	913
Due to other funds	95,342	-	-	-
Unearned revenue	-	-	-	-
Deposits payable	3,600	-	-	2,650
Total Liabilities	160,253	1,205	-	18,288
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	4,698,494	3,562,845	5,500	9,498,099
Related to leases	-	-	-	-
Total Deferred Inflows of Resources	4,698,494	3,562,845	5,500	9,498,099
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	53,935	4,635,064	44,770	485,084
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	53,935	4,635,064	44,770	485,084
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,912,682	\$ 8,199,114	\$ 50,270	\$ 10,001,471

CITY OF TURLOCK
COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	SPECIAL REVENUE FUNDS			
	Grant Funds	Traffic Safety	Home ARP	ARPA
ASSETS				
Cash and investments	\$ 722,725	\$ 118,122	\$ -	\$ 6,161,582
Accounts receivable	509,173	-	-	6
Interest receivable	-	-	-	-
Due from developers	-	-	-	-
Loans receivable	-	-	-	-
Prepays	-	-	-	-
Leases receivable	-	-	-	-
Total Assets	\$ 1,231,898	\$ 118,122	\$ -	\$ 6,161,588
LIABILITIES				
Accounts payable	\$ 17,955	\$ 28	\$ 6,517	\$ 17,900
Payroll payable	813	-	1,826	7,747
Due to other funds	308,788	-	102,803	-
Unearned revenue	-	-	-	6,159,122
Deposits payable	-	-	-	-
Total Liabilities	327,556	28	111,146	6,184,769
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
Related to leases	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	904,342	118,094	-	-
Committed	-	-	-	-
Unassigned	-	-	(111,146)	(23,181)
Total Fund Balances	904,342	118,094	(111,146)	(23,181)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,231,898	\$ 118,122	\$ -	\$ 6,161,588

CITY OF TURLOCK
COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	<u>SPECIAL REVENUE FUNDS</u>		<u>CAPITAL PROJECTS FUNDS</u>	
	<u>PLHA</u>	<u>Facility Fees</u>	<u>Capital Improvement</u>	<u>Street Light Installation</u>
ASSETS				
Cash and investments	\$ 308,128	\$ 16,907,284	\$ 5,934,052	\$ 153,979
Accounts receivable	-	-	1,000	-
Interest receivable	1,890	152,102	63,266	1,394
Due from developers	-	267,243	-	-
Loans receivable	-	-	-	-
Prepays	-	-	-	-
Leases receivable	-	-	-	-
Total Assets	<u>\$ 310,018</u>	<u>\$ 17,326,629</u>	<u>\$ 5,998,318</u>	<u>\$ 155,373</u>
LIABILITIES				
Accounts payable	\$ 2,352	\$ 110,931	\$ 610,120	\$ -
Payroll payable	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Deposits payable	-	-	-	-
Total Liabilities	<u>2,352</u>	<u>110,931</u>	<u>610,120</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
Related to leases	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	267,243	-	-
Restricted	307,666	16,948,455	-	-
Committed	-	-	5,388,198	155,373
Unassigned	-	-	-	-
Total Fund Balances	<u>307,666</u>	<u>17,215,698</u>	<u>5,388,198</u>	<u>155,373</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 310,018</u>	<u>\$ 17,326,629</u>	<u>\$ 5,998,318</u>	<u>\$ 155,373</u>

CITY OF TURLOCK
COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	CAPITAL PROJECTS FUNDS			
	Downtown Improvement Project	North Turlock Master Plan	North East Turlock Master Plan	Turlock Regional Industrial Park
ASSETS				
Cash and investments	\$ 234,737	\$ 2,287,144	\$ 3,878,611	\$ 2,517,351
Accounts receivable	-	-	-	-
Interest receivable	-	20,714	35,074	22,711
Due from developers	-	-	-	-
Loans receivable	-	-	-	-
Prepays	-	-	-	-
Leases receivable	-	-	-	-
Total Assets	\$ 234,737	\$ 2,307,858	\$ 3,913,685	\$ 2,540,062
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Payroll payable	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Deposits payable	-	-	-	-
Total Liabilities	-	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
Related to leases	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	234,737	2,307,858	3,913,685	2,540,062
Unassigned	-	-	-	-
Total Fund Balances	234,737	2,307,858	3,913,685	2,540,062
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 234,737	\$ 2,307,858	\$ 3,913,685	\$ 2,540,062

CITY OF TURLOCK
COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	<u>CAPITAL PROJECTS FUNDS</u>		Total
	East Tuolumne Master Plan	Airport	Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 8,884	\$ 95,105	\$ 82,750,950
Accounts receivable	-	10,000	937,303
Interest receivable	-	-	620,955
Due from developers	-	-	267,243
Loans receivable	-	-	17,764,938
Prepays	-	-	18,918
Leases receivable	-	-	214,577
Total Assets	<u>\$ 8,884</u>	<u>\$ 105,105</u>	<u>\$ 102,574,884</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 2,150,699
Payroll payable	-	-	51,337
Due to other funds	-	-	506,933
Unearned revenue	-	-	6,159,122
Deposits payable	-	-	6,250
Total Liabilities	<u>-</u>	<u>-</u>	<u>8,874,341</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	17,764,938
Related to leases	-	-	200,247
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>17,965,185</u>
FUND BALANCES			
Nonspendable	-	-	267,243
Restricted	-	-	47,051,053
Committed	8,884	105,105	28,551,389
Unassigned	-	-	(134,327)
Total Fund Balances	<u>8,884</u>	<u>105,105</u>	<u>75,735,358</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,884</u>	<u>\$ 105,105</u>	<u>\$ 102,574,884</u>

CITY OF TURLOCK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	SPECIAL REVENUE FUNDS			
	Asset Forfeitures	Integrated Waste Management (AB939)	Bicycle Safety	Sports Facilities
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	17,459	-
Use of money and property	(403)	30,938	(142)	3,024
Intergovernmental	36,495	206,364	-	-
Charges for current services	-	-	-	231,071
Other revenue	-	-	-	-
Total Revenues	36,092	237,302	17,317	234,095
EXPENDITURES				
Current:				
General government	-	169,545	-	-
Public safety	40,591	-	4,826	-
Public ways and facilities/transportation	-	(2,511)	-	-
Parks and recreation	-	-	-	938,389
Community development	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	40,591	167,034	4,826	938,389
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,499)	70,268	12,491	(704,294)
OTHER FINANCING SOURCES (USES)				
Contributions of capital assets	-	-	-	-
Proceeds from sale of property	-	-	-	740
Transfers in	-	-	-	728,974
Transfers (out)	-	-	-	(25,420)
Total Other Financing Sources (Uses)	-	-	-	704,294
NET CHANGE IN FUND BALANCES	(4,499)	70,268	12,491	-
BEGINNING FUND BALANCES	115,722	1,292,744	42,475	-
ENDING FUND BALANCES	\$ 111,223	\$ 1,363,012	\$ 54,966	\$ -

CITY OF TURLOCK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	SPECIAL REVENUE FUNDS			
	Animal Fees Forfeiture	Development Impact Fees	Equipment Replacement	NW Triangle Plan Fee
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ 72,478	\$ -
Licenses and permits	-	-	-	-
Use of money and property	(127)	213,395	(28,161)	8,350
Intergovernmental	-	-	4,693	-
Charges for current services	14,120	224,898	329,314	5,691
Other revenue	-	-	27,638	-
Total Revenues	13,993	438,293	405,962	14,041
EXPENDITURES				
Current:				
General government	-	-	341,926	-
Public safety	11,325	-	661,654	-
Public ways and facilities/transportation	-	17,084	3,100	840
Parks and recreation	-	-	2,067	-
Community development	-	-	125,977	-
Capital outlay	-	-	65,953	-
Total Expenditures	11,325	17,084	1,200,677	840
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,668	421,209	(794,715)	13,201
OTHER FINANCING SOURCES (USES)				
Contributions of capital assets	-	-	-	-
Proceeds from sale of property	-	-	3,507	-
Transfers in	-	-	1,279,424	-
Transfers (out)	-	-	(40,000)	-
Total Other Financing Sources (Uses)	-	-	1,242,931	-
NET CHANGE IN FUND BALANCES	2,668	421,209	448,216	13,201
BEGINNING FUND BALANCES	31,109	4,863,369	6,963,696	325,736
ENDING FUND BALANCES	\$ 33,777	\$ 5,284,578	\$ 7,411,912	\$ 338,937

CITY OF TURLOCK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	SPECIAL REVENUE FUNDS			
	Development Benefit	Lighting and Landscaping Assessment Districts	Downtown Assessment District	Northeast Turlock CFD #2
REVENUES				
Taxes and assessments	\$ -	\$ 4,495,785	\$ -	\$ 1,137,389
Licenses and permits	-	-	-	-
Use of money and property	17,275	976,962	(62)	934
Intergovernmental	-	-	-	-
Charges for current services	-	-	-	-
Other revenue	-	1,596	-	-
Total Revenues	17,275	5,474,343	(62)	1,138,323
EXPENDITURES				
Current:				
General government	-	-	-	34,581
Public safety	-	-	-	-
Public ways and facilities/transportation	-	4,748,959	-	-
Parks and recreation	-	13,319	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	4,762,278	-	34,581
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	17,275	712,065	(62)	1,103,742
OTHER FINANCING SOURCES (USES)				
Contributions of capital assets	-	-	-	-
Proceeds from sale of property	-	355	-	-
Transfers in	-	-	-	-
Transfers (out)	-	(41,663)	-	(1,108,274)
Total Other Financing Sources (Uses)	-	(41,308)	-	(1,108,274)
NET CHANGE IN FUND BALANCES	17,275	670,757	(62)	(4,532)
BEGINNING FUND BALANCES	678,596	21,398,694	16,446	75,551
ENDING FUND BALANCES	\$ 695,871	\$ 22,069,451	\$ 16,384	\$ 71,019

CITY OF TURLOCK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	SPECIAL REVENUE FUNDS			
	CDBG	State HOME Program	Housing Stimulus	Stanislaus County Housing Consortium
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Use of money and property	-	124,158	(154)	(1,870)
Intergovernmental	331,945	14,578	8,359	-
Charges for current services	55,292	-	-	16,205
Other revenue	261,353	38,762	-	134,491
Total Revenues	648,590	177,498	8,205	148,826
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public ways and facilities/transportation	-	-	-	-
Parks and recreation	-	-	-	-
Community development	767,783	4,351	4,486	158,148
Capital outlay	-	-	-	-
Total Expenditures	767,783	4,351	4,486	158,148
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(119,193)	173,147	3,719	(9,322)
OTHER FINANCING SOURCES (USES)				
Contributions of capital assets	-	-	-	-
Proceeds from sale of property	130	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(1,394)	-	-	-
Total Other Financing Sources (Uses)	(1,264)	-	-	-
NET CHANGE IN FUND BALANCES	(120,457)	173,147	3,719	(9,322)
BEGINNING FUND BALANCES	174,392	4,461,917	41,051	494,406
ENDING FUND BALANCES	\$ 53,935	\$ 4,635,064	\$ 44,770	\$ 485,084

CITY OF TURLOCK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	SPECIAL REVENUE FUNDS			
	Grant Funds	Traffic Safety	Home ARP	ARPA
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Use of money and property	(1,334)	(445)	-	(23,181)
Intergovernmental	2,109,279	-	-	5,930,076
Charges for current services	13,046	52,600	-	-
Other revenue	28,154	-	-	-
Total Revenues	2,149,145	52,155	-	5,906,895
EXPENDITURES				
Current:				
General government	-	-	-	1,820,721
Public safety	680,081	34,076	-	94,200
Public ways and facilities/transportation	-	-	-	94,286
Parks and recreation	749,619	-	-	134,955
Community development	158,971	-	111,000	-
Capital outlay	526,480	-	-	-
Total Expenditures	2,115,151	34,076	111,000	2,144,162
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	33,994	18,079	(111,000)	3,762,733
OTHER FINANCING SOURCES (USES)				
Contributions of capital assets	-	-	-	-
Proceeds from sale of property	-	-	-	-
Transfers in	395,485	-	-	-
Transfers (out)	(281,041)	-	-	(1,173,233)
Total Other Financing Sources (Uses)	114,444	-	-	(1,173,233)
NET CHANGE IN FUND BALANCES	148,438	18,079	(111,000)	2,589,500
BEGINNING FUND BALANCES	755,904	100,015	(146)	(2,612,681)
ENDING FUND BALANCES	\$ 904,342	\$ 118,094	\$ (111,146)	\$ (23,181)

CITY OF TURLOCK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>SPECIAL REVENUE FUNDS</u>		<u>CAPITAL PROJECTS FUNDS</u>	
	<u>PLHA</u>	<u>Facility Fees</u>	<u>Capital Improvement</u>	<u>Street Light Installation</u>
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	24,391	-
Use of money and property	1,551	678,996	321,103	3,857
Intergovernmental	309,854	-	-	-
Charges for current services	-	2,149,689	-	-
Other revenue	-	-	-	-
Total Revenues	<u>311,405</u>	<u>2,828,685</u>	<u>345,494</u>	<u>3,857</u>
EXPENDITURES				
Current:				
General government	-	16,105	-	-
Public safety	-	1,259	-	-
Public ways and facilities/transportation	-	4,276	37,002	-
Parks and recreation	-	-	-	-
Community development	3,739	765	-	-
Capital outlay	-	1,325,122	4,054,908	-
Total Expenditures	<u>3,739</u>	<u>1,347,527</u>	<u>4,091,910</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>307,666</u>	<u>1,481,158</u>	<u>(3,746,416)</u>	<u>3,857</u>
OTHER FINANCING SOURCES (USES)				
Contributions of capital assets	-	1,159,049	-	-
Proceeds from sale of property	-	-	-	-
Transfers in	-	-	3,285,345	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,159,049</u>	<u>3,285,345</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>307,666</u>	<u>2,640,207</u>	<u>(461,071)</u>	<u>3,857</u>
BEGINNING FUND BALANCES	<u>-</u>	<u>14,575,491</u>	<u>5,849,269</u>	<u>151,516</u>
ENDING FUND BALANCES	<u>\$ 307,666</u>	<u>\$ 17,215,698</u>	<u>\$ 5,388,198</u>	<u>\$ 155,373</u>

CITY OF TURLOCK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	CAPITAL PROJECTS FUNDS			
	Downtown Improvement Project	North Turlock Master Plan	North East Turlock Master Plan	Turlock Regional Industrial Park
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Use of money and property	(884)	57,327	165,245	62,586
Intergovernmental	-	-	-	-
Charges for current services	-	-	107,140	279,095
Other revenue	-	-	-	-
Total Revenues	(884)	57,327	272,385	341,681
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public ways and facilities/transportation	318	1,468	3,894	631
Parks and recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	318	1,468	3,894	631
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,202)	55,859	268,491	341,050
OTHER FINANCING SOURCES (USES)				
Contributions of capital assets	-	-	-	-
Proceeds from sale of property	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	(1,202)	55,859	268,491	341,050
BEGINNING FUND BALANCES	235,939	2,251,999	3,645,194	2,199,012
ENDING FUND BALANCES	\$ 234,737	\$ 2,307,858	\$ 3,913,685	\$ 2,540,062

CITY OF TURLOCK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>CAPITAL PROJECTS FUNDS</u>		Total
	East Tuolumne Master Plan	Airport	Nonmajor Governmental Funds
REVENUES			
Taxes and assessments	\$ -	\$ -	\$ 5,705,652
Licenses and permits	-	-	41,850
Use of money and property	(33)	(358)	2,608,547
Intergovernmental	-	20,000	8,971,643
Charges for current services	3,048	-	3,481,209
Other revenue	-	52,857	544,851
Total Revenues	<u>3,015</u>	<u>72,499</u>	<u>21,353,752</u>
EXPENDITURES			
Current:			
General government	-	-	2,382,878
Public safety	-	-	1,528,012
Public ways and facilities/transportation	631	4,142	4,914,120
Parks and recreation	-	-	1,838,349
Community development	-	-	1,335,220
Capital outlay	-	-	5,972,463
Total Expenditures	<u>631</u>	<u>4,142</u>	<u>17,971,042</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,384</u>	<u>68,357</u>	<u>3,382,710</u>
OTHER FINANCING SOURCES (USES)			
Contributions of capital assets	-	-	1,159,049
Proceeds from sale of property	-	-	4,732
Transfers in	-	-	5,689,228
Transfers (out)	-	(10,000)	(2,681,025)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(10,000)</u>	<u>4,171,984</u>
NET CHANGE IN FUND BALANCES	<u>2,384</u>	<u>58,357</u>	<u>7,554,694</u>
BEGINNING FUND BALANCES	<u>6,500</u>	<u>46,748</u>	<u>68,180,664</u>
ENDING FUND BALANCES	<u>\$ 8,884</u>	<u>\$ 105,105</u>	<u>\$ 75,735,358</u>

INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for services or activities performed by one City department for the benefit of other City departments on a cost reimbursement basis.

The concept of major funds in accounting principles generally accepted in the United States of America does not apply to Internal Service Funds because, in general, they do not do business with outside parties. Accounting principles generally accepted in the United States of America require that, for the Statement of Activities, the net revenues or expenses of each internal service fund be eliminated by netting them against the operations of the City department(s) which benefit(s) from the services the internal service fund provides. The Balance Sheet items are consolidated with the Governmental Funds in the Statement of Net Position.

The activities of Internal Service funds continue to be presented separately in the Fund Financial Statements.

Equipment Pool

This fund accounts for repair and maintenance activities for all City vehicles and large equipment as well as monies set aside for the replacement of vehicles used by City departments.

Self-Insurance

The Self-Insurance Fund accounts for the activities of the City's risk management and workers' compensation, property/liability, and health (medical, dental, and vision) insurance programs.

Information Technology

This fund accounts for the costs incurred to maintain and enhance the City's information technology systems.

CITY OF TURLOCK
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2024

	Equipment Pool	Self- Insurance	Information Technology	Total
ASSETS				
Current assets:				
Cash and investments	\$ 10,283,726	\$ 10,428,886	\$ 1,114,245	\$ 21,826,857
Accounts receivable	84,372	657,338	-	741,710
Interest receivable	8,255	93,301	-	101,556
Total current assets	10,376,353	11,179,525	1,114,245	22,670,123
Noncurrent assets:				
Capital assets not being depreciated	14,364	-	-	14,364
Capital assets being depreciated (net)	3,881,729	-	14,714	3,896,443
Total noncurrent assets	3,896,093	-	14,714	3,910,807
Total Assets	14,272,446	11,179,525	1,128,959	26,580,930
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	301,843	-	541,776	843,619
Related to OPEB	22,255	-	39,448	61,703
Total Deferred Outflows of Resources	324,098	-	581,224	905,322
LIABILITIES				
Current liabilities:				
Accounts payable	27,537	1,218,706	71,901	1,318,144
Payroll payable	17,013	-	34,277	51,290
Claims liability	-	285,654	-	285,654
Compensated absences	8,773	-	18,821	27,594
Total current liabilities	53,323	1,504,360	124,999	1,682,682
Long-term liabilities:				
Claims liability	-	2,795,718	-	2,795,718
Compensated absences	35,090	-	75,284	110,374
Total OPEB liability	106,467	-	188,712	295,179
Net pension liability	1,070,639	-	1,921,683	2,992,322
Total long-term liabilities	1,212,196	2,795,718	2,185,679	6,193,593
Total Liabilities	1,265,519	4,300,078	2,310,678	7,876,275
DEFERRED INFLOWS OF RESOURCES				
Related to pensions	22,436	-	40,270	62,706
Related to OPEB	155,317	-	275,308	430,625
Total Deferred Inflows of Resources	177,753	-	315,578	493,331
NET POSITION				
Net investment in capital assets	3,896,093	-	14,714	3,910,807
Unrestricted	9,257,179	6,879,447	(930,787)	15,205,839
Total Net Position	\$ 13,153,272	\$ 6,879,447	\$ (916,073)	\$ 19,116,646

CITY OF TURLOCK
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Equipment Pool	Self- Insurance	Information Technology	Total
OPERATING REVENUES				
Charges for services	\$ 627,376	\$ 10,709,502	\$ 2,219,194	\$ 13,556,072
Other income	189	569,336	-	569,525
Total Operating Revenues	627,565	11,278,838	2,219,194	14,125,597
OPERATING EXPENSES				
Salaries, benefits, and insurance	586,836	12,040,282	1,416,042	14,043,160
Contractual	174,312	76,587	472,581	723,480
Supplies and maintenance	151,276	-	17,302	168,578
Utilities	30,725	-	18,502	49,227
Fleet expense	18,825	-	4,262	23,087
Depreciation and amortization	923,026	-	4,106	927,132
Other expenses	9,598	5,179	73,664	88,441
Total Operating Expenses	1,894,598	12,122,048	2,006,459	16,023,105
Operating Loss	(1,267,033)	(843,210)	212,735	(1,897,508)
NONOPERATING REVENUES (EXPENSES)				
Interest income (loss)	(10,423)	418,293	(4,045)	403,825
Gain on disposal of capital assets	153,178	-	150	153,328
Total Nonoperating Revenues (Expenses)	142,755	418,293	(3,895)	557,153
Income (Loss) Before Contributions and Transfers	(1,124,278)	(424,917)	208,840	(1,340,355)
Transfers in	2,546,588	-	-	2,546,588
Transfers (out)	(2,328)	-	(30,000)	(32,328)
Total Contributions and Transfers	2,544,260	-	(30,000)	2,514,260
Change in Net Position	1,419,982	(424,917)	178,840	1,173,905
NET POSITION - BEGINNING	11,733,290	7,304,364	(1,094,913)	17,942,741
NET POSITION - ENDING	\$ 13,153,272	\$ 6,879,447	\$ (916,073)	\$ 19,116,646

CITY OF TURLOCK
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Equipment Pool	Self- Insurance	Information Technology	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 544,765	\$ 10,583,295	\$ 2,219,194	\$ 13,347,254
Payments to suppliers	(468,949)	1,062,221	(533,140)	60,132
Payments to employees and benefits	(586,516)	(12,040,282)	(1,418,033)	(14,044,831)
Other	189	569,336	-	569,525
Net Cash Flows from Operating Activities	(510,511)	174,570	268,021	(67,920)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund receipts (payments)	426,650	-	-	426,650
Transfers in	2,546,588	-	-	2,546,588
Transfers out	(2,328)	-	(30,000)	(32,328)
Net Cash Flows from Noncapital Financing Activities	2,970,910	-	(30,000)	2,940,910
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets, net	(1,384,922)	-	-	(1,384,922)
Proceeds from sale of capital assets	153,178	-	150	153,328
Net Cash Flows from Capital and Related Financing Activities	(1,231,744)	-	150	(1,231,594)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest	(14,767)	364,977	(4,045)	346,165
Net Cash Flows from Investing Activities	(14,767)	364,977	(4,045)	346,165
Net Cash Flows	1,213,888	539,547	234,126	1,987,561
Cash and Investments at Beginning of Period	9,069,838	9,889,339	880,119	19,839,296
Cash and Investments at End of Period	<u>\$ 10,283,726</u>	<u>\$ 10,428,886</u>	<u>\$ 1,114,245</u>	<u>\$ 21,826,857</u>
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities:				
Operating income (loss)	\$ (1,267,033)	\$ (843,210)	\$ 212,735	\$ (1,897,508)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation and amortization	923,026	-	4,106	927,132
Change in assets and liabilities:				
Accounts receivable	(82,611)	(126,207)	-	(208,818)
Accounts payable	(84,213)	578,667	53,171	547,625
Payroll payable	6,577	-	9,874	16,451
Compensated absences	6,741	-	15,200	21,941
Claims liability	-	565,320	-	565,320
Deferred outflows/inflows and total OPEB liability	19,670	-	(39,162)	(19,492)
Deferred outflows/inflows and net pension liability	(32,668)	-	12,097	(20,571)
Net Cash Flows from Operating Activities	<u>\$ (510,511)</u>	<u>\$ 174,570</u>	<u>\$ 268,021</u>	<u>\$ (67,920)</u>

CUSTODIAL FUNDS

Custodial funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Government-Wide Financial Statements, but are presented in a separate Fiduciary Fund Financial Statement. For the City of Turlock, the following agent activities are accounted for within the Custodial Funds:

Northwest Triangle Mello Roos Assessment District

This district was established as a funding mechanism to partially pay for the infrastructure improvements installed in the Monte Vista Crossings shopping area. These improvements were in part funded with the proceeds of a bond issuance which is being retired through annual assessments to the owners of the parcels within the district's boundaries.

Turlock Property and Business Improvement District (PBID) #2

This is a successor district to one originally established to fund maintenance efforts in downtown Turlock. The current district was established in June 2003 via a vote of the affected property owners. The district has a ten year life and extended annually, through annual assessments, funds prescribed maintenance efforts within the district's boundaries as well as promotional activities for the downtown area.

**CITY OF TURLOCK
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2024**

	Northwest Triangle Mello Roos Assessment District	Turlock Property and Business Improvement District #2	Total
ASSETS			
Cash and investments	\$ 334,313	\$ 69,057	\$ 403,370
Cash and investments with fiscal agent	112,253	-	112,253
Accounts receivable	10,402	15,287	25,689
Interest receivable	2,909	-	2,909
Total Assets	459,877	84,344	544,221
LIABILITIES			
Accounts payable	-	16,407	16,407
Total Liabilities	-	16,407	16,407
NET POSITION			
Restricted for:			
Other organizations	459,877	67,937	527,814
Total Net Position	\$ 459,877	\$ 67,937	\$ 527,814

CITY OF TURLOCK
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Northwest Triangle Mello Roos Assessment District	Turlock Property and Business Improvement District #2	Total
ADDITIONS			
Assessments	\$ 277,582	\$ 204,694	\$ 482,276
Net investment income (loss)	12,348	(260)	12,088
Total Additions	289,930	204,434	494,364
DEDUCTIONS			
Administration expense	26,966	-	26,966
Recipient payments	-	203,691	203,691
Payments to bondholders	260,876	-	260,876
Total Deductions	287,842	203,691	491,533
NET CHANGE IN NET POSITION	2,088	743	2,831
NET POSITION			
Beginning of year	457,789	67,194	524,983
End of year	\$ 459,877	\$ 67,937	\$ 527,814

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CITY OF TURLOCK, CALIFORNIA
SINGLE AUDIT REPORTS
FOR THE YEAR ENDED
JUNE 30, 2024

**CITY OF TURLOCK, CALIFORNIA
SINGLE AUDIT REPORTS
FOR THE YEAR ENDED JUNE 30, 2024**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Members of the City Council
City of Turlock, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Turlock, California (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 22, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an

objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in our separately issued Memorandum on Internal Control dated September 22, 2025, which is an integral part of our audit and should be read in conjunction with this report. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
September 22, 2025

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Members of the City Council
City of Turlock, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Turlock's (the City) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated September 22, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
September 22, 2025

CITY OF TURLOCK, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Grant Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development:				
Direct Programs:				
Community Development Block Grants/State's Program				
Program Expenditures	14.228		\$ -	\$ 346,697
Program Expenditures (Program Income)	14.228		131,746	291,208
Program Subtotal			131,746	637,905
HOME Investment Partnerships Program				
Program Expenditures	14.239		-	120,946
Program Subtotal			-	120,946
Total U.S. Department of Housing and Urban Development			131,746	758,851
U.S. Department of Justice:				
Direct Programs:				
Public Safety Partnership and Community Policing Grants	16.710		-	119,319
Total U.S. Department of Justice			-	119,319
U.S. Department of Transportation:				
Direct Programs:				
Federal Transit Cluster (Note 4)				
Federal Transit - Formula Grants				
(Urbanized Area Formula Program)	20.507		-	3,209,174
Cluster Subtotal			-	3,209,174
Passed through California Department of Transportation:				
Highway Planning and Construction (Federal-Aid Highway Program)				
Congestion Mitigation and Air Quality Improvement				
Program (CMAQ)	20.205	CML-5165	-	24,083
Surface Transportation Program (STP)	20.205	RSTP-5165	-	653,698
Program Subtotal			-	677,781
Passed through State of California Office of Traffic Safety:				
Highway Safety Cluster				
State and Community Highway Safety				
Selective Traffic Enforcement Program (STEP)	20.600	PT23185	-	3,457
Selective Traffic Enforcement Program (STEP)	20.600	PT24207	-	11,556
Cluster Subtotal			-	15,013
Minimum Penalties for Repeat Offenders for				
Driving While Intoxicated	20.608	PT23185	-	12,892
Minimum Penalties for Repeat Offenders for				
Driving While Intoxicated	20.608	PT24207	-	4,893
Program Subtotal			-	17,785
Total U.S. Department of Transportation			-	3,919,753

The accompanying notes are an integral part of this schedule.

CITY OF TURLOCK, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Grant Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Treasury				
Direct Program:				
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027		-	5,561,843
Passed through California State Water Resources Control Board				
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	266737	-	368,233
Total U.S. Department of Treasury			-	5,930,076
Total Expenditures of Federal Awards			\$ 131,746	\$ 10,727,999

The accompanying notes are an integral part of this schedule.

**CITY OF TURLOCK, CALIFORNIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1 – REPORTING ENTITY

The Schedule of Expenditure of Federal Awards (the Schedule) includes expenditures of federal awards for the City of Turlock, California, (the City) and its component units as disclosed in the notes to the Basic Financial Statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting refers to *when* revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. All proprietary funds and fiduciary funds are accounted for using the accrual basis of accounting. Expenditures of federal awards reported on the Schedule are recognized when incurred.

NOTE 3 – INDIRECT COST ELECTION

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**CITY OF TURLOCK, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024**

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of auditor's report issued	Unmodified		
Internal control over financial reporting:			
• Material weakness(es) identified?	___ Yes	<u> X </u> No	
• Significant deficiencies identified not considered to be material weaknesses?	___ Yes	<u> X </u> No	
Noncompliance material to financial statements noted?	___ Yes	<u> X </u> No	

Federal Awards:

Internal control over major programs:			
• Material weakness(es) identified?	___ Yes	<u> X </u> No	
• Significant deficiencies identified not considered to be material weaknesses?	___ Yes	<u> X </u> No	

Type of auditor's report issued on compliance for major programs:	Unmodified
--	------------

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, under 2 CFR §200.516?	___ Yes	<u> X </u> No
--	---------	---------------

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19: Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	___ Yes	<u> X </u> No
--	---------	---------------

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

SECTION IV – STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Finding Reference Number: SA2023-001 – Suspension and Debarment for Contracts and Subcontracts

Assistance Listing Numbers: 21.027

Assistance Listing Title: COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

Name of Federal Agency: Department of Treasury

Pass Through Entity: California State Water Resources Control Board

Federal Award Identification Number: SLFRP4371 – 266737

Criteria: The Award Terms and Conditions in the City of Turlock's (the City) Coronavirus Local Fiscal Recovery Funds Agreement with the U.S. Department of the Treasury requires that the City comply with Office of Management and Budget (OMB) Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement), 2 CFR Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 CFR Part 180, subpart B) that the award is subject to 2 CFR Part 180 and Treasury's implementing regulation at 31 CFR Part 19. In addition, the OMB *Compliance Supplement* requires that prior to entering into subawards and contracts with award funds, recipients must verify that such contractors and subrecipients are not suspended, debarred, or otherwise excluded pursuant to 31 CFR Section 19.300.

Condition: During the 2021 audit, the auditor selected 19 transactions for testing that included six different vendors where the City did not verify that the vendors were not suspended, debarred, or otherwise excluded prior to entering into the agreements. The auditor verified that City staff determined that as of April 8, 2024, none of the six vendors were on the exclusions list on SAM.gov. The City subsequently has drafted an updated citywide procurement policy that includes the requirement to be compliant with 2 CFR Part 180 and was expected to be approved in March 2024 as part of the City's corrective action plan. In conjunction with the updated procurement policy, the purchasing department of the City will check for suspension and debarment for contracts and subcontracts as part of the request for proposal process and notify all departments to check vendors when utilizing Federal funds. However, the updated citywide procurement policy has not been approved as of January 29, 2025.

Cause: The delay in approving the updated citywide procurement policy was due to staff turnover issues.

Identification as a Repeat Finding: Yes, since 2021.

Effect: The City is not in compliance with the grant Award Terms and Conditions.

Recommendation: The City should approve and implement the updated citywide procurement policy in accordance with the corrective action plan.

Current Year Status: The Procurement Policy has been finalized and will be presented by Management for approval at the City Council meeting on November 18, 2025.

CITY OF TURLOCK
MEMORANDUM ON INTERNAL CONTROL
FOR THE YEAR ENDED JUNE 30, 2024

CITY OF TURLOCK
MEMORANDUM ON INTERNAL CONTROL
FOR THE YEAR ENDED JUNE 30, 2024

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Status of Prior Year Material Weaknesses	5

MEMORANDUM ON INTERNAL CONTROL

To the City Council of the
City of Turlock, California

In planning and performing our audit of the basic financial statements of the City of Turlock (the City) as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the City's system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Government Auditing Standards require the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying Schedule of Material Weaknesses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

This communication is intended solely for the information and use of management, the City Council, others within the City, and agencies and pass-through entities requiring compliance with *Government Auditing Standards* and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
September 22, 2025

**CITY OF TURLOCK
MEMORANDUM ON INTERNAL CONTROL
SCHEDULE OF MATERIAL WEAKNESSES**

None.

**CITY OF TURLOCK
MEMORANDUM ON INTERNAL CONTROL
SCHEDULE OF OTHER MATTERS**

NEW GASB PRONOUNCEMENTS OR PRONOUNCEMENTS NOT YET EFFECTIVE

The following comment represents new pronouncements taking affect in the next two years. We cite them here to keep you informed of developments:

EFFECTIVE FISCAL YEARS 2022, 2023, and 2024:

GASB Statement No. 99, *Omnibus 2022*

The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements (PPPs)*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of an SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements.
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.
- Terminology used in Statement No. 53 to refer to resource flows statements.

The requirements of this statement are effective for the various topics over fiscal years 2022, 2023, and 2024. Earlier application is encouraged and is permitted by individual topic.

EFFECTIVE FISCAL YEAR 2023/24:

GASB Statement No. 100 – *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*

The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

Furthermore, this statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

EFFECTIVE FISCAL YEAR 2024/25:

GASB Statement No. 101 – *Compensated Absences*

The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

GASB Statement No. 102 – *Certain Risk Disclosures*

State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

EFFECTIVE FISCAL YEAR 2025/26:

GASB Statement No. 103 – *Financial Reporting Model Improvements*

The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues.

GASB Statement No. 104 – *Disclosure of Certain Capital Assets*

State and local governments are required to provide detailed information about capital assets in the notes to financial statements. Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, requires certain information regarding capital assets to be presented by major class. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets.

This statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

**CITY OF TURLOCK
MEMORANDUM ON INTERNAL CONTROL
STATUS OF PRIOR YEAR MATERIAL WEAKNESSES**

2023-001 Improper Revenue Recognition

In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, revenue should be recognized when eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met should be reported as deferred revenues by the recipients, with certain exceptions.

The City of Turlock (the City) received American Rescue Plan Act (ARPA) funds prior to meeting the eligibility requirements that were properly recorded as Deferred Revenue. However, in fiscal year 2023 some of these funds were improperly reclassified from Deferred Revenue to Revenue in the amount of \$2,612,681.

The misclassification of revenue from deferred revenue occurred due to a change in the process of how items are deemed as expensed when moved from the fund. Staff took the transfer of the \$2,612,861 as reimbursement for expenses incurred in the project fund, however in this isolated case, the funds were only transferred to the project fund and not yet expended.

Overstated revenue from ARPA funds lead to an artificially created increase in net income (change in fund balance). This also resulted in inflated total revenues and fund balances.

The City must implement the following procedures to ensure proper revenue recognition:

1. Ensure no single individual has control over recording, approval, and reconciling revenue transactions.
2. Require dual authorization for revenue recognition, especially for large or complex transactions.
3. Implement tracking mechanisms to confirm grant eligibility requirements are met before revenue is recognized in compliance with GASB Statement No. 33.
4. Maintain proper documentation for each grant revenue source to support revenue recognized on financial statements.
5. If available, use specialized grant tracking systems to ensure grant funds are recognized only after eligibility requirements are met.

Management's Response:

Management acknowledges and agrees with the finding and further has developed the following procedure to ensure that this does not occur again. The City will now submit all council agenda items that transfer funds from the ARPA fund that are being done as project funding appropriations before expenditures are incurred to the Principal Account in charge of grant reporting to ensure that those items are not misclassified as revenue.

Current Year Status:

Implemented.

2022-001 Timely and Accurate Year-End Close

As noted in prior year comment 2021-001, the year-end financial closing and preparation of the general ledger data should be completed timely and accurately. In addition, organizations should have a contingency plan in the event of staff turnover. Part of this plan is ensuring there are staff resources available on short notice to fill in key functions. In the Finance Department, these resources need to be in place throughout the fiscal year to ensure accounting functions continue and allow time for analysis of account balances and activities.

During fiscal year 2021-22, the City experienced significant staff shortages due to staff departures and long-term leaves of absence that continued from fiscal year 2020-21. This put a strain on the City's ability to maintain good internal controls, and to produce accurate and timely financial data. As a result, the year-end audit was adversely affected. The trial balance we received from the City for the audit was submitted to us in September 2023, which had been delayed due to the length of time it took to complete the fiscal year 2020-21 audit. In addition, during the audit, we discovered and/or City staff proposed eighteen additional post-closing journal entries, including a number of material post-closing adjustment entries for audit for areas including fiscal agent cash and investments, long-term debt refunding and issuance transactions, unearned revenue, as well as a restatement that affected utility revenue.

The above condition delayed the completion of the year-end closing process, which increased the risk that material errors or misstatements may go undetected by staff and corrections may not be made in a timely manner. Audit effort was substantially increased in response to these increased risks.

The City should analyze staff resources to determine what plans can or should be made to ensure that the financial data is processed properly and timely during staffing transitions. In addition, the City must develop procedures to ensure that accounts are analyzed throughout the fiscal year and after the year-end close to ensure that additional closing entries are not required prior to providing the general ledger for audit.

Current Year Status:

The City of Turlock has made significant improvement in timely and accurate year-end closing for the fiscal year 2022-2023 and fiscal year 2023-2024. As a result, the fiscal year 2022-2023 and fiscal year 2023-2024 reports have been completed much sooner than the fiscal year 2021-2022 reports. The City's management is fully aware of the situation and will continue to improve in this area.

To the Honorable Members of the City Council
City of Turlock, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Turlock (the City) as of and for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 1, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. During the year ended June 30, 2024, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 99, *Omnibus 2022*, and GASB Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

Management's estimates used in establishing the fair value for investments, the useful lives of capital assets, the accrued compensated absences, the self-insurance liability, the net pension liability and related deferred outflows and inflows of resources, the net other post-employment benefit liabilities and related deferred outflows and inflows of resources, and discount rate for the purpose of calculating the right-to-use lease and subscription-based information technology arrangement (SBITA) assets and the related liabilities. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- Note 9 – Pension Plans
- Note 10 – Post-Employment Healthcare Benefits
- Note 13 – Commitments and Contingencies

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We detected no such misstatements during our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 22, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's and Discussion Analysis, Schedule of Changes in the Net Pension Liability and Related Ratios – Miscellaneous Agent Multiple-Employer Defined Benefit Pension Plan, Schedule of the City's Proportionate Share of the Net Pension Liability – Safety Plan – Cost-Sharing Multiple-Employer Defined Benefit Pension Plan, Schedules of the City's Pension Contributions, and Schedule of Changes in the City's Total Other Post-Employment Benefits (OPEB) Liability and Related Ratios, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual nonmajor fund financial statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
September 22, 2025

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Honorable Mayor and Members of the City Council
City of Turlock, California

We have performed the procedures enumerated below on the Appropriations Limit Worksheet (Worksheet) of the City of Turlock, California, (the City) in determining the City's compliance with the requirements of Section 1.5 of Article XIII-B of the California Constitution for the fiscal year ended June 30, 2024. The City's management is responsible for the Worksheet.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of these procedures, which were suggested by the league of California Cities and presented in their Article XIII-B Appropriations Limitation Uniform Guidelines, performed solely to assist you in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

- A. We obtained the Worksheet (Exhibit A to the Resolution) and determined that the 2023-2024 Appropriations Limit of \$74,813,761 and annual adjustment factors were adopted by the Resolution of the City Council. We also determined that the population and inflation options were selected by a recorded vote of the City Council.
- B. We recomputed the 2023-2024 Appropriations Limit by multiplying the 2022-2023 Prior Year Appropriations Limit by the Total Growth Factor. We recomputed the Total Growth Factor by multiplying the population option by the inflation option.
- C. For the Worksheet, we agreed the Per Capita Income Factor and County Population Factor to California State Department of Finance Worksheets. The Worksheet did not include the City Population Factor.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Appropriations Limit Worksheet. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City of Turlock and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of management and the City Council and is not intended to be, and should not be, used by anyone other than those specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
October 2, 2025

TURLOCK PUBLIC FINANCING AUTHORITY
BASIC FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024

**TURLOCK PUBLIC FINANCING AUTHORITY
JUNE 30, 2024**

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Members of the Board of Directors
Turlock Public Financing Authority
Turlock, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the major fund of the Turlock Public Financing Authority (the Authority), a component unit of the City of Turlock, California (the City), as of and for the fiscal year ended June 30, 2024, and the related notes to the basic financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the respective financial position of the business-type activities and the major fund of the Authority, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control relating to the Authority. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of a Matter

As discussed in Note 1, the component unit financial statements present only the Authority and are not intended to present fairly the financial position and the results of operations of the City of Turlock in accordance with accounting principles generally accepted in the United States of America.

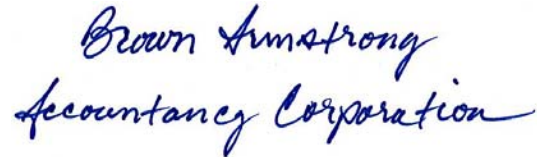
Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2025, on our consideration of the City's internal control over financial reporting relating to the Authority and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance relating to the Authority. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance relating to the Authority.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California
November 5, 2025

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**TURLOCK PUBLIC FINANCING AUTHORITY
STATEMENT OF NET POSITION
AND STATEMENT OF ACTIVITIES**

The Statement of Net Position and the Statement of Activities summarize the Authority's entire financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the Authority's assets, all its deferred inflows/outflows of resources and all its liabilities, as well as all its revenues and expenses.

The Statement of Net Position reports the difference between the Authority's total assets and deferred outflows of resources and the Authority's total liabilities and deferred inflows of resources, including all the Authority's long-term debt. The Statement of Net Position summarizes the financial position of all the Authority's activities in a single column.

The Statement of Activities reports increases and decreases in the Authority's net position. It is also prepared on the full accrual basis, which means it includes all the Authority's revenues and all its expenses, regardless of when cash changes hands.

TURLOCK PUBLIC FINANCING AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2024

	<u>Business-Type Activities</u>
ASSETS	
Investments with fiscal agent (Note 2)	\$ 3,035
Interest receivable	249,706
Leases receivable (Note 3)	<u>19,139,354</u>
 Total Current Assets	 <u>19,392,095</u>
LIABILITIES	
Interest payable	249,706
Long-term debt (Note 4):	
Due within one year	880,000
Due in more than one year	<u>18,262,389</u>
 Total Liabilities	 <u>19,392,095</u>
NET POSITION (Note 5)	
Restricted	<u>-</u>
 Total Net Position	 <u><u>\$ -</u></u>

See accompanying notes to the basic financial statements.

**TURLOCK PUBLIC FINANCING AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Position
Business-Type Activities:			
Water	\$ 787,460	\$ 784,618	\$ (2,842)
Total	<u>\$ 787,460</u>	<u>\$ 784,618</u>	<u>(2,842)</u>
General Revenues:			
Interest income			<u>2,842</u>
Total general revenues			<u>2,842</u>
Change in net position			-
Net position:			
Beginning of year			<u>-</u>
End of year			<u><u>\$ -</u></u>

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

**TURLOCK PUBLIC FINANCING AUTHORITY
FUND FINANCIAL STATEMENTS**

Major funds are defined generally as having significant activities or balances in the current year. All of the Authority's funds are major funds.

**TURLOCK PUBLIC FINANCING AUTHORITY
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2024**

	2017 Water Bonds	Total
ASSETS		
Investments with fiscal agent (Note 2)	\$ 3,035	\$ 3,035
Interest receivable	249,706	249,706
Leases receivable (Note 3)	19,139,354	19,139,354
	<u>19,392,095</u>	<u>19,392,095</u>
Total Assets		
	<u>19,392,095</u>	<u>19,392,095</u>
LIABILITIES		
Current liabilities:		
Interest payable	249,706	249,706
Bonds payable (Note 4)	880,000	880,000
	<u>1,129,706</u>	<u>1,129,706</u>
Total Current Liabilities		
	<u>1,129,706</u>	<u>1,129,706</u>
Long-term liabilities:		
Bonds payable (Note 4)	18,262,389	18,262,389
	<u>18,262,389</u>	<u>18,262,389</u>
Total Liabilities		
	<u>19,392,095</u>	<u>19,392,095</u>
NET POSITION (Note 5)		
Restricted	-	-
	<u>-</u>	<u>-</u>
Total Net Position		
	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

**TURLOCK PUBLIC FINANCING AUTHORITY
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	2017 Water Bonds	Total
OPERATING REVENUES		
Lease revenue	\$ 784,618	\$ 784,618
Total Operating Revenues	784,618	784,618
OPERATING EXPENSES		
Interest expense	787,460	787,460
Total Operating Expenses	787,460	787,460
Operating (Loss)	(2,842)	(2,842)
NONOPERATING REVENUES (EXPENSES)		
Interest income	2,842	2,842
Total Nonoperating Revenues (Expenses)	2,842	2,842
Change in net position	-	-
BEGINNING NET POSITION	-	-
ENDING NET POSITION	\$ -	\$ -

See accompanying notes to the basic financial statements.

**TURLOCK PUBLIC FINANCING AUTHORITY
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	2017 Water Bonds	Total
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from City of Turlock	\$ 1,793,279	\$ 1,793,279
Long-term debt payment - interest	(958,089)	(958,089)
	<u>835,190</u>	<u>835,190</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
Payment to bond escrow agent		-
Long-term debt payment - principal	(835,000)	(835,000)
	<u>(835,000)</u>	<u>(835,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest	2,842	2,842
	<u>2,842</u>	<u>2,842</u>
Net Cash Flows	3,032	3,032
Cash and Investments at Beginning of Year	<u>3</u>	<u>3</u>
Cash and Investments at End of Year	<u><u>\$ 3,035</u></u>	<u><u>\$ 3,035</u></u>
Reconciliation of Operating Income to Cash Flows from Operating Activities:		
Operating loss	\$ (2,842)	\$ (2,842)
Amortization of bond premium	(156,901)	(156,901)
Change in assets and liabilities:		
Interest receivable	13,728	13,728
Interest payable	(13,728)	(13,728)
Leases receivable	994,933	994,933
	<u>994,933</u>	<u>994,933</u>
Cash Flows from Operating Activities	<u><u>\$ 835,190</u></u>	<u><u>\$ 835,190</u></u>
NONCASH TRANSACTIONS:		
Amortization of bond premium	<u><u>\$ 156,901</u></u>	<u><u>\$ 156,901</u></u>

See accompanying notes to the basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

**TURLOCK PUBLIC FINANCING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Purpose

The Turlock Public Financing Authority (the Authority) is a separate government entity whose purpose is to assist with the financing or refinancing of certain public capital improvements within the City of Turlock, California (the City). The Authority has the power to purchase bonds issued by any local agency at public or negotiated sale and may sell such bonds to public or private purchasers at public or negotiated sale. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The Authority was created on December 15, 1998, pursuant to Article 1, Chapter 5, of Division 7 of Title 1 of the Government Code of the State of California as a Joint Powers Authority between the City and the former Turlock Redevelopment Agency.

The Authority is an integral part of the City, and the accompanying financial statements are included as a component of the basic financial statements prepared by the City. A component unit is a separate governmental unit, agency, or nonprofit corporation which, when combined with all other component units, constitutes the reporting entity as defined in the City's basic financial statements.

The component unit financial statements present only the Authority and are not intended to present fairly the financial position and the results of operations of the City of Turlock in accordance with accounting principles generally accepted in the United States of America.

B. Basis of Presentation

The Authority's Basic Component Unit Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These standards require that the financial statements described below be presented.

Authority-Wide Statements

The Statement of Net Position and the Statement of Activities include the financial activities of the overall Authority government. Eliminations have been made to minimize the double counting of internal activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Authority's governmental and business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants, and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including interest income, are presented as general revenues.

The Authority-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Fund Financial Statements

The fund financial statements provide information about the Authority's funds. Separate statements for each proprietary fund are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. The Authority considers all its funds to be major funds.

Proprietary Fund Financial Statements – Proprietary fund financial statements include a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Fund Net Position; and a Statement of Cash Flows. Proprietary funds are accounted for using the *economic resources* measurement focus and the full accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

C. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Authority categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

D. Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – INVESTMENTS HELD BY FISCAL AGENT

The Authority invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system.

NOTE 2 – INVESTMENTS HELD BY FISCAL AGENT (Continued)

The Authority's investments are carried at fair value, as required by accounting principles generally accepted in the United States of America. The Authority adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

In accordance with accounting principles generally accepted in the United States of America, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

A. Investments Authorized by Debt Agreements

In accordance with the Lease Revenue Bond Indentures of Trust, a Trustee holds the portion of bond proceeds established as reserves for debt service on these bonds. The California Government Code requires these funds to be invested in accordance with bond indentures or State statutes. The table below identifies the investment types and their minimum credit ratings that are authorized for investments held by trustee and certain provisions of these debt agreements. The bond indentures contain no limitations for the maximum investment in any one issuer or the maximum percentage of the portfolio that may be invested in any one investment type.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio
U.S. Treasury Notes, Bonds, and/or Bills	5 years	N/A	No maximum
U.S. Government Sponsored Securities	5 years	N/A	No maximum
State Obligations	N/A	A	No maximum
Pre-refunded Municipal Obligations	N/A	AAA	No maximum
Certificates of Deposit	30 days	A-1	No maximum
Bankers' Acceptances	30 days	A-1	No maximum
Commercial Paper	270 days	A-1+	No maximum
State Local Agency Investment Fund	N/A	N/A	LAIF limits
Repurchase Agreements	270 days	A	No maximum
Guaranteed Investment Contracts	N/A	AAA	No maximum
Money Market Funds	N/A	Aam or Aam-G	No maximum
		Two highest	
Corporate Notes	N/A	rating categories	No maximum
Negotiable Certificates of Deposit	N/A	N/A	No maximum

B. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the Authority's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity:

Investment Type	12 Months or Less
Held by Fiscal Agent:	
Money Market Mutual Funds (U.S. Securities)	\$ 3,035
	<u>\$ 3,035</u>

NOTE 2 – INVESTMENTS HELD BY FISCAL AGENT (Continued)

C. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual rating as of June 30, 2024, for the Money Market Mutual Funds was AAAM as provided by Standard & Poor's investment rating system. Money market mutual funds are available for withdrawal on demand.

D. Fair Value Hierarchy

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Authority's investment in money market funds is measured at amortized cost as of June 30, 2024.

NOTE 3 – LEASES RECEIVABLE FROM THE CITY OF TURLOCK

The Authority has recorded leases receivable pursuant to the lease agreements between the Authority and the City in relation to the bonded indebtedness. The leases receivable along with investments held by fiscal agents secure the repayment of the different debt issues. The lease revenue is equal to the Authority's debt service requirements and is used for that purpose. At June 30, 2024, the lease receivable was \$19,139,354.

NOTE 4 – LONG-TERM DEBT

A. Current Year Activity

Following is a summary of the Authority's long-term debt transactions during the fiscal year ended June 30, 2024:

	<u>Original Issue Amount</u>	<u>Balance June 30, 2023</u>	<u>Retirements</u>	<u>Balance June 30, 2024</u>	<u>Current Portion</u>	<u>More Than One Year</u>
Business-Type Activities Debt:						
Revenue Bonds:						
2017 Water	\$ 22,405,000	\$ 17,820,000	\$ (835,000)	\$ 16,985,000	\$ 880,000	\$ 16,105,000
Add: Unamortized bond premium	-	2,314,290	(156,901)	2,157,389		2,157,389
Total Business Type Activities	<u>\$ 22,405,000</u>	<u>\$ 20,134,290</u>	<u>\$ (991,901)</u>	<u>\$ 19,142,389</u>	<u>\$ 880,000</u>	<u>\$ 18,262,389</u>

B. 2017 Water Revenue Refunding Bonds

In June 2017, the Authority issued \$22,405,000 in Water Revenue Bonds Series 2017 to finance improvements to the Water System, to advance refund the series 2008 Water Revenue Bonds and to pay costs of issuance of the 2017 Water Revenue Refunding Bonds. The defeased 2008 Water Revenue Bonds were called on April 30, 2018. The 2017 B Water Revenue Refunding Bonds, which carry coupon interest rates ranging from 4.00% - 5.25%, have semi-annual principal and interest payments on the first of March through March 2038. Events of default on the 2017 Water Revenue Refunding Bonds include failure to make any debt service payment by the due date or failure to perform the other agreements or covenants required in the Master Installment Purchase Agreement (MIPA) between the Authority and the City not cured within sixty days of notice to the City, which would accelerate repayment of the bonds. The Authority can prepay the bonds at any time by paying the prescribed prepayment premium as set forth in the bond documents.

NOTE 4 – LONG-TERM DEBT (Continued)**B. 2017 Water Revenue Refunding Bonds** (Continued)

The annual debt service requirements are as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 880,000	\$ 759,437	\$ 1,639,437
2026	920,000	715,437	1,635,437
2027	970,000	669,437	1,639,437
2028	1,015,000	620,937	1,635,937
2029	1,070,000	570,187	1,640,187
2030-2034	6,190,000	1,996,563	8,186,563
2035-2038	5,940,000	605,600	6,545,600
Total	<u>\$ 16,985,000</u>	<u>\$ 5,937,598</u>	<u>\$ 22,922,598</u>

On April 12, 2023, S&P Global Ratings withdrew its ratings on the bonds due to the City's delay in issuing the audited financial statements.

C. Bond Issuance Costs, Original Issue Discounts and Premiums and Deferred Charge on Refunding

For proprietary fund types, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Any differences between proprietary refunded debt and the debt issued to refund it, called a gain or loss on refunding, is amortized over the remaining life of either the refunded debt or the refunding debt, whichever is shorter. The gain or loss on refunding is reported as a deferred inflow or outflow of resources, as applicable. Bond issuance costs, other than prepaid insurance, are expensed in the year incurred.

D. Pledged Revenues

The 2017 Water Revenue Refunding Bonds are secured by a pledge of lease revenues from the City of Turlock. The approximate amount of pledged revenues is the remaining debt service on the bonds, totaling \$22,922,598 as of June 30, 2024. The pledge extends for the life of the bonds, until final maturity in 2038. For the year ended June 30, 2024, pledged lease revenues recognized were \$784,618, and principal and interest payments were \$1,636,188.

NOTE 5 – NET POSITION

Net position is measured on the full accrual basis and is the excess of all assets and deferred outflows of resources over all liabilities and deferred inflows of resources. Net position is divided into two captions. These captions apply only to net position, which is determined only for proprietary funds and at the Authority-wide level, and are described below:

Restricted for Debt Service – This amount represents funds required by bond covenants to be held by the Authority's third-party trustee for future debt service payments.

Restricted for Capital Projects – This amount represents the unexpended portion of debt which was issued to finance capital improvement projects.

NOTE 6 – SUBSEQUENT EVENTS

The Authority's management has evaluated all events and transactions that occurred after June 30, 2024, and through November 5, 2025, the date the basic financial statements and accompanying notes to the basic financial statements were available to be issued. During this period, no events or transactions occurred that would require adjustment of the basic financial statements or disclosure in the accompanying notes.

OTHER REPORT

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Members of the Board of Directors
Turlock Public Financing Authority
Turlock, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the major fund of the Turlock Public Financing Authority (the Authority), a component unit of the City of Turlock, California (the City), as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 5, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the City's internal control over financial reporting (internal control) relating to the Authority as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control relating to the Authority. Accordingly, we do not express an opinion on the effectiveness of the City's internal control relating to the Authority.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's basic financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's basic financial statements are free from material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the basic financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California
November 5, 2025

Honorable Members of the Board of Directors
Turlock Public Financing Authority
Turlock, California

We have audited the basic financial statements of the business-type activities and the major fund of the Turlock Public Financing Authority (the Authority) as of and for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 5, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. During the year ended June 30, 2024, the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 99, *Omnibus 2022*, and GASB Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We identified no such misstatements during our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the basic financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 5, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's basic financial statements or a determination of the type of

auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and Management of the Turlock Public Financing Authority, as well as the City Council and management of the City of Turlock, and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
November 5, 2025

**CITY OF TURLOCK
TRANSPORTATION DEVELOPMENT ACT FUNDS
FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED
JUNE 30, 2024 AND 2023**

**CITY OF TURLOCK
TRANSPORTATION DEVELOPMENT ACT FUNDS
FOR THE FISCAL YEARS ENDED
JUNE 30, 2024 AND 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council
of the City of Turlock
Turlock, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Transportation Development Act Funds (TDA Funds) which are included in the Streets Special Revenue Fund and the Transportation Enterprise Fund of the City of Turlock (City), California, as of and for the fiscal years ended June 30, 2024 and 2023, and the related notes to the basic financial statements, which collectively comprise the TDA Funds' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the TDA Funds as of June 30, 2024 and 2023, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the Streets Special Revenue Fund, for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of a Matter

As discussed in Note 1, these financial statements present only the TDA Funds and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2024 and 2023, the changes in its financial position, or, where applicable, its cash flows for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the TDA Funds' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control relating to the TDA Funds. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the TDA Funds' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis, the Schedule of the City Transportation Enterprise Fund's Proportionate Share of the City's Net Pension Liability, the Schedule of Pension Contributions, and Schedule of Changes in Total Other Post-Employment Benefit (OPEB) Liability and Related Ratios that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2025, on our consideration of the City's internal control over financial reporting relating to the TDA Funds and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance relating to the TDA Funds and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance relating to the TDA Funds. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance relating to the TDA Funds.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California
November 5, 2025

**CITY OF TURLOCK
TRANSPORTATION DEVELOPMENT ACT FUNDS
STREETS SPECIAL REVENUE FUND
BALANCE SHEETS
JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and investments (Note 2)	\$ 1,052,905	\$ 933,844
Interest receivable	<u>9,466</u>	<u>3,354</u>
 TOTAL ASSETS	 <u><u>\$ 1,062,371</u></u>	 <u><u>\$ 937,198</u></u>
 LIABILITIES		
Accounts and salaries payable	\$ 140,943	\$ 5,296
Deposits payable	<u>-</u>	<u>256</u>
 TOTAL LIABILITIES	 <u>140,943</u>	 <u>5,552</u>
 FUND BALANCE (Note 5)		
Restricted	<u>921,428</u>	<u>931,646</u>
 TOTAL FUND BALANCE	 <u>921,428</u>	 <u>931,646</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u><u>\$ 1,062,371</u></u>	 <u><u>\$ 937,198</u></u>

See accompanying notes to the financial statements.

**CITY OF TURLOCK
TRANSPORTATION DEVELOPMENT ACT FUNDS
STREETS SPECIAL REVENUE FUND
STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
REVENUES		
Charges for services	\$ 23,767	\$ 40,380
Interest income and other	45,765	10,920
	<u>69,532</u>	<u>51,300</u>
TOTAL REVENUES	<u>69,532</u>	<u>51,300</u>
EXPENDITURES		
Public ways and facilities/transportation	854,818	542,836
Capital outlay	49,932	-
	<u>904,750</u>	<u>542,836</u>
TOTAL EXPENDITURES	<u>904,750</u>	<u>542,836</u>
Deficiency of Revenues under Expenditures	<u>(835,218)</u>	<u>(491,536)</u>
OTHER FINANCING SOURCES		
Transfers in from other City funds	825,000	770,000
	<u>825,000</u>	<u>770,000</u>
Total Other Financing Sources	<u>825,000</u>	<u>770,000</u>
Net Change in Fund Balance	(10,218)	278,464
Fund Balance, Beginning of Year	931,646	653,182
Fund Balance, End of Year	<u>\$ 921,428</u>	<u>\$ 931,646</u>

See accompanying notes to the financial statements.

**CITY OF TURLOCK
TRANSPORTATION DEVELOPMENT ACT FUNDS
STREETS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	\$ 41,700	\$ 41,700	\$ 23,767	\$ (17,933)
Intergovernmental	55,000	55,000	-	(55,000)
Interest income and other	8,500	8,500	45,765	37,265
TOTAL REVENUES	105,200	105,200	69,532	(35,668)
EXPENDITURES				
Public ways and facilities/transportation	830,662	855,662	854,818	844
Capital outlay	205,000	205,000	49,932	155,068
TOTAL EXPENDITURES	1,035,662	1,060,662	904,750	155,912
Deficiency of revenue under expenditures	(930,462)	(955,462)	(835,218)	120,244
OTHER FINANCING SOURCES				
Transfers in from other City funds	825,000	825,000	825,000	-
Total other financing sources	825,000	825,000	825,000	-
Net change in fund balance	<u>\$ (105,462)</u>	<u>\$ (130,462)</u>	(10,218)	<u>\$ 120,244</u>
Fund balance, beginning of year			931,646	
Fund balance, end of year			<u>\$ 921,428</u>	

See accompanying notes to the financial statements.

**CITY OF TURLOCK
TRANSPORTATION DEVELOPMENT ACT FUNDS
STREETS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 41,200	\$ 41,200	\$ 40,380	\$ (820)
Intergovernmental	100,000	100,000	-	(100,000)
Interest income and other	-	-	10,920	10,920
TOTAL REVENUES	141,200	141,200	51,300	(89,900)
EXPENDITURES				
Public ways and facilities/transportation	875,266	875,266	542,836	332,430
Capital outlay	250,000	250,000	-	250,000
TOTAL EXPENDITURES	1,125,266	1,125,266	542,836	582,430
Deficiency of revenue under expenditures	(984,066)	(984,066)	(491,536)	492,530
OTHER FINANCING SOURCES				
Transfers in from other City funds	770,000	770,000	770,000	-
Total other financing sources	770,000	770,000	770,000	-
Net change in fund balance	<u>\$ (214,066)</u>	<u>\$ (214,066)</u>	278,464	<u>\$ 492,530</u>
Fund balance, beginning of year			<u>653,182</u>	
Fund balance, end of year			<u>\$ 931,646</u>	

See accompanying notes to the financial statements.

CITY OF TURLOCK
TRANSPORTATION DEVELOPMENT ACT FUNDS
TRANSPORTATION ENTERPRISE FUND
STATEMENTS OF NET POSITION
JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
Current assets		
Cash and investments (Note 2)	\$ 3,196,632	\$ 915,733
Accounts receivable, grants	6,602,784	5,790,531
Accounts receivable, other	-	2,945
Interest receivable	22,672	4,622
Prepays	33,728	-
Total Current Assets	<u>9,855,816</u>	<u>6,713,831</u>
Noncurrent assets		
Capital assets (Note 3)		
Capital assets not being depreciated	4,073,098	4,052,289
Capital assets being depreciated (net)	13,833,198	14,837,149
Right-to-use subscription assets (net)	162,140	-
Total Noncurrent Assets	<u>18,068,436</u>	<u>18,889,438</u>
Total Assets	<u>27,924,252</u>	<u>25,603,269</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions (Note 8)	417,233	464,865
Deferred outflows related to OPEB (Note 9)	30,868	32,221
Total Deferred Outflows of Resources	<u>448,101</u>	<u>497,086</u>
LIABILITIES		
Current liabilities		
Accounts payable and accruals	340,236	271,317
Salaries payable	27,486	17,030
Unearned revenue (Note 4)	8,652,415	5,593,234
Compensated absences - due in one year	17,293	16,468
IT subscription liability (Note 12)	33,554	-
Total Current Liabilities	<u>9,070,984</u>	<u>5,898,049</u>
Long-term liabilities		
Compensated absences	69,172	65,874
Net pension liability (Note 8)	1,479,930	1,504,232
Total OPEB liability (Note 9)	147,665	148,313
IT subscription liability (Note 12)	74,276	-
Total Long-Term Liabilities	<u>1,771,043</u>	<u>1,718,419</u>
Total Liabilities	<u>10,842,027</u>	<u>7,616,468</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions (Note 8)	31,013	75,737
Deferred inflows related to OPEB (Note 9)	215,426	212,188
Total Deferred Inflows of Resources	<u>246,439</u>	<u>287,925</u>
NET POSITION (Note 5)		
Net investment in capital assets	17,960,606	18,889,438
Unrestricted	(676,719)	(693,476)
Total Net Position	<u>\$ 17,283,887</u>	<u>\$ 18,195,962</u>

See accompanying notes to the financial statements.

**CITY OF TURLOCK
TRANSPORTATION DEVELOPMENT ACT FUNDS
TRANSPORTATION ENTERPRISE FUND
STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
OPERATING REVENUES		
Charges for services	\$ 163,781	\$ 160,951
Other income	11,175	22,213
Total Operating Revenues	<u>174,956</u>	<u>183,164</u>
OPERATING EXPENSES		
Salaries, benefits, and insurance	1,176,659	864,502
Contractual	2,764,996	2,547,519
Supplies and maintenance	442,880	404,374
Utilities	33,840	38,090
Fleet expense	327,048	300,694
Depreciation (Note 3)	1,062,038	1,172,688
Other expenses	90,902	158,976
Total Operating Expenses	<u>5,898,363</u>	<u>5,486,843</u>
Operating Loss	<u>(5,723,407)</u>	<u>(5,303,679)</u>
NONOPERATING REVENUES (EXPENSES)		
Operating grants	4,367,252	3,922,939
Income (loss) from retirement of capital assets	391	(223,888)
Investment income	31,174	14,565
Interest expense	(1,458)	-
Total Nonoperating Revenues (Expenses)	<u>4,397,359</u>	<u>3,713,616</u>
LOSS BEFORE CAPITAL GRANTS AND TRANSFERS	<u>(1,326,048)</u>	<u>(1,590,063)</u>
Capital grants	80,053	58,217
Transfers in from other City funds	411,925	388,382
Transfers out to other City funds	(78,005)	(75,160)
Net Capital Grants and Transfers	<u>413,973</u>	<u>371,439</u>
Change in Net Position	(912,075)	(1,218,624)
Net Position - Beginning	<u>18,195,962</u>	<u>19,414,586</u>
Net Position - Ending	<u><u>\$ 17,283,887</u></u>	<u><u>\$ 18,195,962</u></u>

See accompanying notes to the financial statements.

CITY OF TURLOCK
TRANSPORTATION DEVELOPMENT ACT FUNDS
TRANSPORTATION ENTERPRISE FUND
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 177,901	\$ 181,085
Payments to suppliers	(3,624,475)	(4,121,494)
Payments to employees	(1,179,531)	(975,575)
Net Cash Flows from Operating Activities	(4,626,105)	(4,915,984)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in	411,925	388,382
Transfers out	(78,005)	(75,160)
Intergovernmental receipts - operations	8,290,811	3,922,939
Net Cash Flows from Noncapital Financing Activities	8,624,731	4,236,161
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Intergovernmental receipts - capital program	(1,596,578)	734,791
Purchases of capital assets	(74,263)	(55,639)
Proceeds from sale of capital assets	391	-
IT subscription assets - principal	(58,943)	-
IT subscription assets - interest	(1,458)	-
Net Cash Flows from Capital and Related Financing Activities	(1,730,851)	679,152
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	13,124	11,471
Net Cash Flows from Investing Activities	13,124	11,471
Net Cash Flows	2,280,899	10,800
CASH AND INVESTMENTS		
Beginning of Year	915,733	904,933
End of Year	\$ 3,196,632	\$ 915,733
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating loss	\$ (5,723,407)	\$ (5,303,679)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	1,062,038	1,172,688
Changes in assets and liabilities:		
Accounts receivable	2,945	(2,079)
Prepays	(33,728)	-
Accountants payable	68,919	(671,841)
Salaries payable	10,456	(169)
Compensated absences	4,123	11,424
Deferred outflows/inflows related to total OPEB liability	(21,394)	(112,204)
Deferred outflows/inflows related to net pension liability	3,943	(10,124)
Net Cash Flows from Operating Activities	\$ (4,626,105)	\$ (4,915,984)
NONCASH TRANSACTIONS		
Retirement of capital assets	\$ -	\$ (223,888)
Acquisition of right-to-use subscription assets	166,773	-
Total Noncash Capital and Related Financing Activities	\$ 166,773	\$ (223,888)

See accompanying notes to the financial statements.

CITY OF TURLOCK
TRANSPORTATION DEVELOPMENT ACT FUNDS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

The financial statements of the Transportation Development Act (TDA) Funds are intended to present the financial position, changes in financial position, and cash flows for only those transactions attributable to the Streets Special Revenue Fund and the Transportation Enterprise Fund (TDA Funds) administered and disbursed by the City of Turlock, California (City).

The accounting policies of the TDA Funds of the City are in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting principles. The following is a summary of the more significant accounting policies.

B. Fund Accounting

The operations of the TDA Funds are accounted for in separate sets of self-balancing accounts that comprise their assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance or net position, revenues, and expenditures or expenses. Governmental resources are allocated to and for individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The TDA Funds are presented in the accompanying financial statements as follows

Governmental Fund Type

Streets Special Revenue Fund – The Streets Special Revenue Fund is used to account for the City's share of the TDA allocations that are legally restricted for street maintenance and capital improvements.

Proprietary Fund Type

Transportation Enterprise Fund – The Transportation Enterprise Fund is used to account for the operation and management of the City's transit operations. TDA and Federal Transit Administration (FTA) allocations for transit operations are accounted for in this fund

C. Basis of Accounting and Measurement Focus

Streets Special Revenue Fund

The Streets Special Revenue Fund's financial statements include a Balance Sheet and a Statement of Revenue, Expenditures, and Changes in Fund Balance. The Special Revenue Fund is accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources, are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City's accrual period is generally 90 days after the fiscal year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting and Measurement Focus (Continued)

Streets Special Revenue Fund (Continued)

The Streets Special Revenue Fund is used to account for the City's share of the TDA allocations that are legally restricted for street maintenance and projects supporting bicycle and pedestrian activity adjacent to and on City streets/roads (non-motorized). In addition, this fund accounts for user fees collected related to permitted trenching activity and transportation permits within the City streets/roads and related right-of-way.

Transportation Enterprise Fund

The Transportation Enterprise Fund financial statements include a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Fund Net Position; and a Statement of Cash Flows.

The Transportation Enterprise Fund is accounted for using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Change in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

The Transportation Enterprise Fund is used to account for the operation and management of the City's transit operations. TDA and FTA allocations for transit operations and capital projects are accounted for in this fund.

Operating revenues in the Transportation Enterprise Fund include fare, Measure L Transit, and other revenues generated from the primary operations of the fund, excluding grants. All other revenues, including operating grants, are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses

D. Deferred Inflows and Deferred Outflows of Resources

In addition to assets, the statement of net position or balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position or balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

E. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Fair Value Measurements (Continued)

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

F. Cash Equivalents

For purposes of the Statement of Cash Flows, cash equivalents are defined as investments with original maturities of 90 days or less, which are readily convertible to known amounts of cash. The City considers all pooled cash and investments (consisting of cash and investments and restricted cash and investments) held by the City as cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. The City also considers all non-pooled cash and investments (consisting of funds with fiscal agents) as cash and cash equivalents, because investments meet the criteria for cash equivalents defined above.

G. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – CASH AND INVESTMENTS

The TDA Funds participate in the City's cash and investment pool. The City pools surplus cash from all sources and all funds, except cash with fiscal agents, so that it can be invested at the maximum yield, consistent with safety and liquidity. Investment income is allocated among funds on the basis of the average month-end cash and investment balances in these funds. As of June 30, 2024 and 2023, the TDA Funds had cash and investment balances of \$4,249,537 and \$1,849,577, respectively.

Investments Authorized by the California Government Code and the City's Investment Policy

The City's Investment Policy and the California Government Code permit the following investments, provided the credit ratings of the issuers are acceptable and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the Investment Policy if more restrictive, that address interest rate risk, credit risk, and concentration of credit risk.

The City's investment policy authorizes the following investments.

NOTE 2 – CASH AND INVESTMENTS (Continued)**Investments Authorized by the California Government Code and the City's Investment Policy**
(Continued)

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Notes, Bonds, and/or Bills	5 years	A	Unlimited	N/A
U.S. Government Agency Securities	5 years	A	Unlimited	25%
Negotiable Certificates of Deposit	5 years	N/A	30%	N/A
Certificates of Deposit	5 years	A	Unlimited	N/A
Bankers' Acceptances	180 days	A	40%	30%
Commercial Paper	270 days	A-1 or Higher	25%	10%
State of California Local Agency Investment Fund (LAIF)	N/A	N/A	Equal to maximum limit set by LAIF	N/A
Repurchase Agreement	1 year	N/A	Unlimited	N/A
Money Market and Mutual Funds	N/A	A	20%	N/A
Corporate Notes	5 years	AA	30%	N/A

Fair Value Hierarchy

The TDA Funds categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The TDA Funds' investment in the City's investment pool is not subject to the fair value hierarchy.

NOTE 3 – CAPITAL ASSETS

Capital assets acquired by the Streets Special Revenue Fund are recorded as expenditures in the special revenue fund and capitalized at cost and recorded as part of the City's Statement of Net Position in the government-wide financial statements. The costs of infrastructure (roads, curbs, gutters, streets, bridges, sidewalks, drainage systems, right-of-ways, and land related to such assets) are recorded as expenditures in the special revenue fund and are also capitalized and recorded in the City's Statement of Net Position in the government-wide financial statements. These infrastructure assets become the property of the City and are maintained by the City.

Capital assets acquired by the Transportation Enterprise Fund are recorded at cost in the Transportation Enterprise Fund and are depreciated using the straight-line method over estimated useful lives. Operating expenses include depreciation on all depreciable capital assets. Repairs and maintenance are charged to expense when the services are rendered.

City policy has set the capitalization thresholds for reporting capital assets at the following:

General Capital Assets	\$10,000
Infrastructure Capital Assets	50,000

Depreciation has been provided on a straight-line basis over the following useful lives:

	Years
Land Improvements and Infrastructure	25-60
Buildings	30-50
Furniture and Equipment	5-10
Vehicles	5-10

NOTE 3 – CAPITAL ASSETS (Continued)*Transportation Enterprise Fund*

The following is a summary of capital assets for the Transportation Enterprise Fund at June 30, 2024 and 2023:

	June 30, 2023	Additions	Retirements/ Adjustments	Transfers	June 30, 2024
Capital assets not being depreciated/amortized:					
Land	\$ 3,382,459	\$ -	\$ -	\$ -	\$ 3,382,459
Construction in progress	669,830	20,809	-	-	690,639
Total capital assets not being depreciated/amortized:	4,052,289	20,809	-	-	4,073,098
Capital assets being depreciated/amortized:					
Land improvements	2,559,491	-	-	-	2,559,491
Buildings	9,207,507	-	-	-	9,207,507
Furniture and equipment	1,533,789	37,811	-	-	1,571,600
Vehicles	8,219,703	15,643	-	-	8,235,346
Infrastructure	231,051	-	-	-	231,051
Right-to-use subscription assets	-	166,773	-	-	166,773
Total capital assets being depreciated/amortized:	21,751,541	220,227	-	-	21,971,768
Less accumulated depreciation/amortization for:					
Land improvements	(761,708)	(86,539)	-	-	(848,247)
Buildings	(1,763,675)	(304,693)	-	-	(2,068,368)
Furniture and equipment	(908,543)	(81,824)	-	-	(990,367)
Vehicles	(3,449,980)	(580,498)	-	-	(4,030,478)
Infrastructure	(30,486)	(3,851)	-	-	(34,337)
Right-to-use subscription assets	-	(4,633)	-	-	(4,633)
Total accumulated depreciation/amortization	(6,914,392)	(1,062,038)	-	-	(7,976,430)
Net capital assets being depreciated/amortized	14,837,149	(841,811)	-	-	13,995,338
Capital assets, net	<u>\$ 18,889,438</u>	<u>\$ (821,002)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,068,436</u>
	June 30, 2022	Additions	Retirements/ Adjustments	Transfers	June 30, 2023
Capital assets not being depreciated:					
Land	\$ 3,382,459	\$ -	\$ -	\$ -	\$ 3,382,459
Construction in progress	853,323	40,396	(223,889)	-	669,830
Total capital assets not being depreciated:	4,235,782	40,396	(223,889)	-	4,052,289
Capital assets being depreciated:					
Land improvements	2,559,491	-	-	-	2,559,491
Buildings	9,207,507	-	-	-	9,207,507
Furniture and equipment	1,533,789	-	-	-	1,533,789
Vehicles	8,204,459	15,244	-	-	8,219,703
Infrastructure	231,051	-	-	-	231,051
Total capital assets being depreciated:	21,736,297	15,244	-	-	21,751,541
Less accumulated depreciation for:					
Land improvements	(675,169)	(86,539)	-	-	(761,708)
Buildings	(1,458,982)	(304,693)	-	-	(1,763,675)
Furniture and equipment	(812,624)	(95,919)	-	-	(908,543)
Vehicles	(2,768,293)	(681,687)	-	-	(3,449,980)
Infrastructure	(26,636)	(3,850)	-	-	(30,486)
Total accumulated depreciation	(5,741,704)	(1,172,688)	-	-	(6,914,392)
Net capital assets being depreciated	15,994,593	(1,157,444)	-	-	14,837,149
Capital assets, net	<u>\$ 20,230,375</u>	<u>\$ (1,117,048)</u>	<u>\$ (223,889)</u>	<u>\$ -</u>	<u>\$ 18,889,438</u>

NOTE 4 – UNEARNED REVENUE – CAPITAL PROGRAMS

The TDA Funds received grants from the Local Transportation Fund and State Transit Assistance Fund in advance of costs being incurred. As of June 30, 2024 and 2023, unearned revenue related to those programs is as follows:

	<u>2024</u>	<u>2023</u>
<i>Transportation Enterprise Fund:</i>		
State Transit Assistance Fund and Local Transportation Fund	<u>\$ 8,652,415</u>	<u>\$ 5,593,234</u>

Included in the Transportation Enterprise Fund's unearned revenue balance is State of Good Repair (SGR) funding in the amount of \$411,941 and \$409,917 for the fiscal years ended June 30, 2024 and 2023, respectively.

NOTE 5 – NET POSITION AND FUND BALANCES

A. Net Position

Net position is the excess of all assets and deferred outflows of resources over all liabilities and deferred inflows of resources. Net position for the TDA Funds is divided into three categories. These captions apply only to net position, which is determined only for proprietary funds and at the government-wide level, and are described below:

Net Investment in Capital Assets describes the portion of net position that is represented by the current netbook value of the capital assets, less depreciation/amortization and the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net position that is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter.

Unrestricted describes the portion of net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

B. Fund Balances

Governmental fund balance represents the net current assets of each fund. Net current assets generally represent a fund's cash, receivables, and deferred outflows of resources, less its liabilities and deferred inflows of resources.

The Streets Special Revenue Fund's fund balance is classified based on spending constraints imposed on the use of resources. The use of the funds accounted for in these statements is restricted by law; therefore, these funds will never have committed or assigned balances. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendable represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Assets not expected to be converted to cash, such as prepaids, notes receivable, and property held for resale are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed, or assigned, then nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

NOTE 5 – NET POSITION AND FUND BALANCES (Continued)

B. Fund Balances Continued)

Committed fund balances have constraints imposed by resolution of the City Council which may be altered only by formal action of the City Council. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee, the City Manager. This category includes encumbrances; nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose; and residual fund balances, if any, of Special Revenue and Capital Projects which have not been restricted or committed.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual General Fund balance and residual fund deficits, if any, of other governmental funds.

NOTE 6 – TRANSPORTATION DEVELOPMENT ACT

The State of California established the TDA to provide funds for public transportation. The funds are administered by the Stanislaus Council of Governments (StanCOG). The TDA created a Local Transportation Fund in each county for the transportation purposes specified in the Transportation Development Act Statutes and Administrative Code. Revenues of the Local Transportation Fund are derived from a 1/4 of one percent sales tax rate levied in each county.

NOTE 7 – RISK MANAGEMENT

The TDA Funds are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and natural disaster. The TDA Funds participate in the Central San Joaquin Valley Risk Management Authority (CSJVRMA), as a part of the City. The purpose of CSJVRMA is to spread the adverse effect of losses among the members and to purchase excess insurance as a group, thereby reducing its expense. The funds, through cost allocation from the City, contribute their pro rata share of anticipated losses to pools administered by CSJVRMA. More information regarding the City's risk management program can be found in the basic financial statements of the City of Turlock.

NOTE 8 – PENSION PLAN

Personnel costs accounted for under TDA and FTA funding include costs associated with the City's pension benefit plan. The costs attributed to TDA and FTA funding are part of the City's Miscellaneous Plan, an Agent-Multiple Employer Plan administered by the California Public Employees' Retirement System (CalPERS), and are allocated to the TDA Funds in the same manner as they are allocated to other City funds which have personnel expenditures. More information regarding the plan can be found in the basic financial statements for the City of Turlock.

NOTE 9 – OTHER EMPLOYEE BENEFITS

Personnel costs accounted for under TDA and FTA funding include costs associated with the City's compensated absences and retiree healthcare benefit plans. The costs attributed to TDA and FTA funding are part of the City-wide plans and are allocated to the TDA Funds in the same manner as they are allocated to other City funds which have personnel expenditures. More information regarding these plans can be found in the basic financial statements for the City of Turlock.

NOTE 10 – MAJOR CONTRACTOR

On March 26, 2024, the City entered into a new contract agreement with Storer Transit Systems to operate and maintain the DART and BLAST programs. The term is from July 1, 2024, to June 30, 2029, with an option to extend for an additional two, one-year terms, on the same terms and conditions. Storer Transit Systems is paid monthly based on a fixed fee plus a fee calculated at a fixed rate per vehicle multiplied by the number of service hours. Expenses incurred under this contract amounted to \$2,280,610 and \$2,149,275 for the fiscal years ended June 30, 2024 and 2023, respectively.

NOTE 11 – CONTINGENT LIABILITIES

The City receives FTA monies for the purchase of buses, construction of related maintenance facilities, and for partial funding of its transit operations. State and federal grants received by the City for specific purposes are subject to review and audit by the grantor agencies. Such audits could lead to request for reimbursement for expenditures disallowed under the terms of the grants. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

NOTE 12 – SUBSCRIPTIONS

The City has adopted GASB Statement No. 96 which introduced changes in the recognition, measurement, and reporting of Subscription-Based Information Technology Arrangements (SBITA). The City identified one SBITA for a Transit Data Tracking application with a term of three years. The value of the SBITA asset as of June 30, 2024, was \$166,773 and had accumulated amortization of \$4,633. As of June 30, 2024, the value of SBITA liability was \$107,830.

The future principal and interest payments for SBITA as of June 30, 2024, were as follows:

<u>For the Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 33,554	\$ 7,257
2026	38,389	4,463
2027	<u>35,887</u>	<u>1,299</u>
Total	<u>\$ 107,830</u>	<u>\$ 13,019</u>

NOTE 13 – SUBSEQUENT EVENTS

The TDA Funds' management has evaluated all events and transactions that occurred after June 30, 2024, and through November 5, 2025, the date the basic financial statements and accompanying notes to the basic financial statements were available to be issued. During this period, no events or transactions occurred that would require adjustment of the basic financial statements or disclosure in the accompanying notes.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE WITH THE
TRANSPORTATION DEVELOPMENT ACT AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Members of the City Council
of the City of Turlock
Turlock, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Transportation Development Act Funds (TDA Funds) which are included in the Streets Special Revenue Fund and the Transportation Enterprise Fund of the City of Turlock (City), California, as of and for the fiscal year ended June 30, 2024, and the related notes to the basic financial statements, which collectively comprise the TDA Funds' basic financial statements, and have issued our report thereon dated November 5, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) relating to the TDA Funds as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control relating to the TDA Funds. Accordingly, we do not express an opinion on the effectiveness of the City's internal control relating to the TDA Funds.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the TDA Funds' financial statements are free from material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. Our audit was further made to determine that TDA funds allocated to and received by the City were expended in conformance with applicable statutes, rules, and regulations of the Transportation Development Act and the allocation instructions and resolutions of the Stanislaus Council of Governments (StanCOG) as required by Sections 6666 and 6667 of Title 21 of the California Code of Regulations. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses as item TDA2024-01.

City's Response to Findings

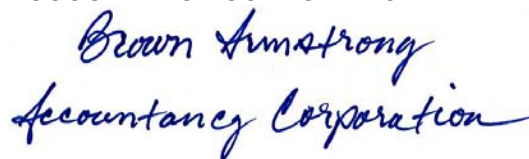
Government Auditing Standards require the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance relating to the TDA Funds. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance relating to the TDA Funds. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of StanCOG, management, the City Council, others within the City, and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California
November 5, 2025

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR TDA PROGRAM
FUNDS AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH SECTIONS 6666 AND 6667 OF THE RULES AND REGULATIONS OF THE
CALIFORNIA ADMINISTRATIVE CODE IN THE TRANSPORTATION DEVELOPMENT
ACT STATUTES AND ADMINISTRATIVE CODE FOR 1987 AND THE ALLOCATION
INSTRUCTIONS AND RESOLUTIONS OF THE STANISLAUS COUNCIL OF GOVERNMENTS**

To the Honorable Members of the City Council
of the City of Turlock
Turlock, California

Report on Compliance for Transportation Development Act (TDA) Funds

Opinion on Compliance for TDA Funds

We have audited the City of Turlock, California's (City) compliance relating to the Streets Special Revenue Fund and the Transportation Enterprise Fund (TDA Funds) with the types of compliance requirements described in Sections 6666 and 6667 of the Rules and Regulations of the California Administrative Code in the Transportation Development Act Statutes and Administrative Code for 1987 (the Act) and the allocation instructions and resolutions of the Stanislaus Council of Governments (StanCOG) that could have a direct and material effect on the TDA Funds for the fiscal year ended June 30, 2024.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the TDA Funds for the fiscal year ended June 30, 2024.

Basis for Opinion on Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); the Act; and the allocation instructions and resolutions of StanCOG. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the City relating to the TDA Funds. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above relating to the TDA Funds.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the TDA Funds.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance relating to the TDA Funds based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, requirements of the Act, and the allocation instructions and resolutions of StanCOG will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the TDA Funds as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Act, and the allocation instructions and resolutions of StanCOG, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above relating to the TDA Funds and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the requirements referred to above, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance relating to the TDA Funds. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the compliance requirements referred to above and which are described in the accompanying Schedule of Findings and Responses as item TDA2024-01. Our opinion on the City's compliance relating to the TDA Funds is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our compliance audit and described in the accompanying Schedule of Findings and Responses. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the

TDA Funds on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the TDA Funds will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the TDA Funds that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Act and the allocation instructions and resolutions of StanCOG. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of StanCOG, management, the City Council, others within the City, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
November 5, 2025

**CITY OF TURLOCK
TRANSPORTATION DEVELOPMENT ACT FUNDS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

TDA2024-01 – Late Filing of Required Financial Reports

Criteria: The Transportation Development Act (TDA) Funds are subject to annual reporting requirements as follows:

- California Code of Regulations (CCR) § 6663, Entities Responsible for Fiscal and Performance Audits of Claimants, requires that a copy of the annual audit report be sent to the State Controller.
- CCR § 6664, Fiscal and Compliance Audits of All Claimants, requires that in accordance with Public Utilities Code Section 99245, the annual audit report be submitted within 180 days after the end of the fiscal year, except that the Stanislaus Council of Governments (StanCOG) may grant an extension of up to 90 days as it deems necessary.
- CCR § 6665, State Controller Reports, requires that the annual Streets Report be filed with the State Controller on or before October 1 or within 90 days after the close of the fiscal year.

Condition: Although the City of Turlock (the City) received an extension from StanCOG moving the reporting deadline to March 31, 2025, the annual audit report was not filed with StanCOG until November 2025. City staff cannot find documentation of when the report was filed with the State Controller's Office. In addition, the 2024 annual Streets Report was not filed with the State Controller's Office before its due date.

Cause: We understand that staff turnover led to delays in the general ledger closing process, which impacted the timely filing of the reports.

Effect: The City is not in compliance with the annual reporting requirements of the California Code of Regulations for the TDA Funds.

Recommendation: The City should develop procedures to ensure the annual audit report and annual Streets Report are filed with StanCOG and the State Controller's Office prior to the annual reporting deadlines.

Management's Response: Management acknowledges the auditor's finding and, in order to address the issue, management has developed an estimated timeline to get the City of Turlock's Financial Reporting completed and up to date for remaining outstanding reporting cycles of the TDA:

- The Fiscal Year 2023-2024 report is estimated to be completed by the end of November 2025, pending the auditor's availability.

The City is expected to submit its Fiscal Year 2024-2025 report prior to the required submission deadline.

**CITY OF TURLOCK
TRANSPORTATION DEVELOPMENT ACT FUNDS
STATUS OF PRIOR YEAR FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

TDA2023-01 – Late Filing of Required Financial Reports

Criteria: The Transportation Development Act (TDA) Funds are subject to annual reporting requirements as follows:

- California Code of Regulations (CCR) § 6663, Entities Responsible for Fiscal and Performance Audits of Claimants, requires that a copy of the annual audit report be sent to the State Controller.
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Condition: Although the City of Turlock (the City) received an extension from StanCOG moving the reporting deadline to March 31, 2024, the annual audit report was not filed with StanCOG until 2025. City staff cannot find documentation of when the report was filed with the State Controller's Office. In addition, the 2023 annual Streets Report was not filed with the State Controller's Office before its due date.

Cause: We understand that staff turnover led to delays in the general ledger closing process, which impacted the timely filing of the reports.

Effect: The City is not in compliance with the annual reporting requirements of the California Code of Regulations for the TDA Funds.

Recommendation: The City should develop procedures to ensure the annual audit report and annual Streets Report are filed with StanCOG and the State Controller's Office prior to the annual reporting deadlines.

Management's Response: Management acknowledges the auditor's finding and, in order to address the issue, management has developed an estimated timeline to get the City of Turlock's Financial Reporting completed and up to date for remaining outstanding reporting cycles of the TDA:

- The Fiscal Year 2022-2023 report is estimated to be completed by the end of March 2025, per the auditor's stated current availability and estimated date of completion. However, the City of Turlock is prepared to start sooner on the audit should the auditor become available sooner.
- The Fiscal Year 2023-2024 report is estimated to be completed by the end of November 2025, pending the auditor's availability.

The City is expected to submit its Fiscal Year 2024-2025 report prior to the required submission deadline.

Current Year Status: See finding TDA2024-01.

To the Honorable Members of the City Council
of the City of Turlock
Turlock, California

We have audited the basic financial statements of the Transportation Development Act (TDA) Funds which are included in the Street Special Revenue Fund and the Transportation Enterprise Fund of the City of Turlock, California (the City), for the fiscal year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 1, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. During the year ended June 30, 2024, the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 99, *Omnibus 2022*, and GASB Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. We noted no transactions entered into by the City during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the TDA Funds' basic financial statements were:

Management's estimates used in establishing the fair value for investments, the useful lives of capital assets, the accrued compensated absences, the self-insurance liability, the net pension liability and related deferred outflows and inflows of resources, the net other post-employment benefit liabilities and related deferred outflows and inflows of resources, and discount rate for the purpose of calculating the right-to-use lease and SBITA assets and the related liabilities. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No such misstatements were identified.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the basic financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 5, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the TDA Funds' basic financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the information and use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
November 5, 2025

City Council Staff Report

November 18, 2025



From: Nick Showalter, Information Technology Director
Prepared by: Nick Showalter, Information Technology Director
Agendized by: Susan E. Borrego, Interim City Manager

1. ACTION RECOMMENDED:

Motion: Approving an Agreement with Solid Networks Inc. for the purchase of co-managed project support and professional services for Microsoft 365, including the configuration development, migration of email, and lifecycle management, for an initial three (3) year term of \$186,000 (including a ten percent contingency) to continue on a month-to-month renewal thereafter, expensed from Fund 501 "Information Technology."

2. NARRATIVE:

Staff are requesting the approval of an agreement to purchase co-managed project support and professional services for Microsoft 365 from Solid Networks that will aid the Information Technology department in configuring, migrating, and managing the lifecycle of Microsoft 365 cloud productivity application services for an initial term of three (3) years, which includes a ten percent (10%) contingency for scalability if additional fees are incurred for user license or environment increases. This agreement will continue on a month-to-month renewal basis thereafter with the option to cancel.

The City's current productivity tools from Microsoft include the Office suite of software, which provides software for word processing (Microsoft Word), spreadsheets (Microsoft Excel), presentations (Microsoft PowerPoint), and email (Microsoft Outlook). Through the Microsoft 365 platform, the software is accessible on individual computers and can also be made available online within the Microsoft cloud. City staff who utilize the full productivity software suite also use some of Microsoft 365's additional cloud product offerings, including Microsoft Teams for chat and video conferencing, Microsoft Forms for online forms, and OneDrive for secure cloud storage. One of the key benefits of Microsoft 365 is leveraging the productivity tools that integrate with Microsoft Outlook, the City's core email application. Many of Microsoft 365's cloud product offerings integrate extensively into Outlook, allowing for greater productivity and efficiency opportunities.

At this time, the City's email system that works with Outlook is not configured for Microsoft 365 because the email system is not in the cloud. The agreement with Solid Networks will aid in preparing the configurations needed to bring email to the cloud, which will allow for Outlook to more heavily integrate with the Microsoft 365 productivity tools. In addition, multiple layers of cybersecurity services are currently in place for email. Solid Networks has the background knowledge, professional expertise, and desired cybersecurity certifications needed to integrate the City's existing cybersecurity services with the Microsoft cloud email offerings in Microsoft 365. The agreement with Solid Networks will aid the Information Technology department not only in the email migration project and integrating with cybersecurity services, but it also includes lifecycle management services, where Solid Networks will keep the City updated with major developments in Microsoft's cloud

technologies and provide best practices and standardizations on cybersecurity and operations.

3. FISCAL IMPACT / BUDGET AMENDMENT:

The purchase of the co-managed project support and professional services for Microsoft 365 from Solid Networks will be expensed from Fund 501 "Information Technology" out of the account 501-10-130.43060_000 - Contract Services General for a total of \$186,000 for the initial three (3) years of the agreement. The contract agreement is a monthly rate of \$4,690. For the initial three years, the agreement total is \$168,840, along with a ten percent (10%) contingency is approximately \$186,000. The contingency is included to cover fees associated if additional users are licensed or Microsoft 365 environment grows. The agreement will continue on a month-to-month renewal basis until one month cancellation notice is provided to Solid Networks. Solid Networks may increase the month-to-month renewal once per calendar year and will provide 30-day written notice if the value exceeds five percent (5%) of the prior year.

Under Turlock Municipal Code section 2-7-08 (b) (3), "bidding procedures are not required within the following circumstances regardless of the amount involved: contracts involving the obtaining of professional or specialized skill, such as, but not limited to, services rendered by attorneys, engineers, accountants, and specialized consultants."

4. ENVIRONMENTAL DETERMINATION:

This action is not a project under the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) of the CEQA Guidelines. The renewal involves administrative activities that will not result in direct or indirect physical changes in the environment.

5. ATTACHMENTS:

1. Exhibit A - Solid Networks M365 3 Year Agreement
2. Addendum - City of Turlock and SNI



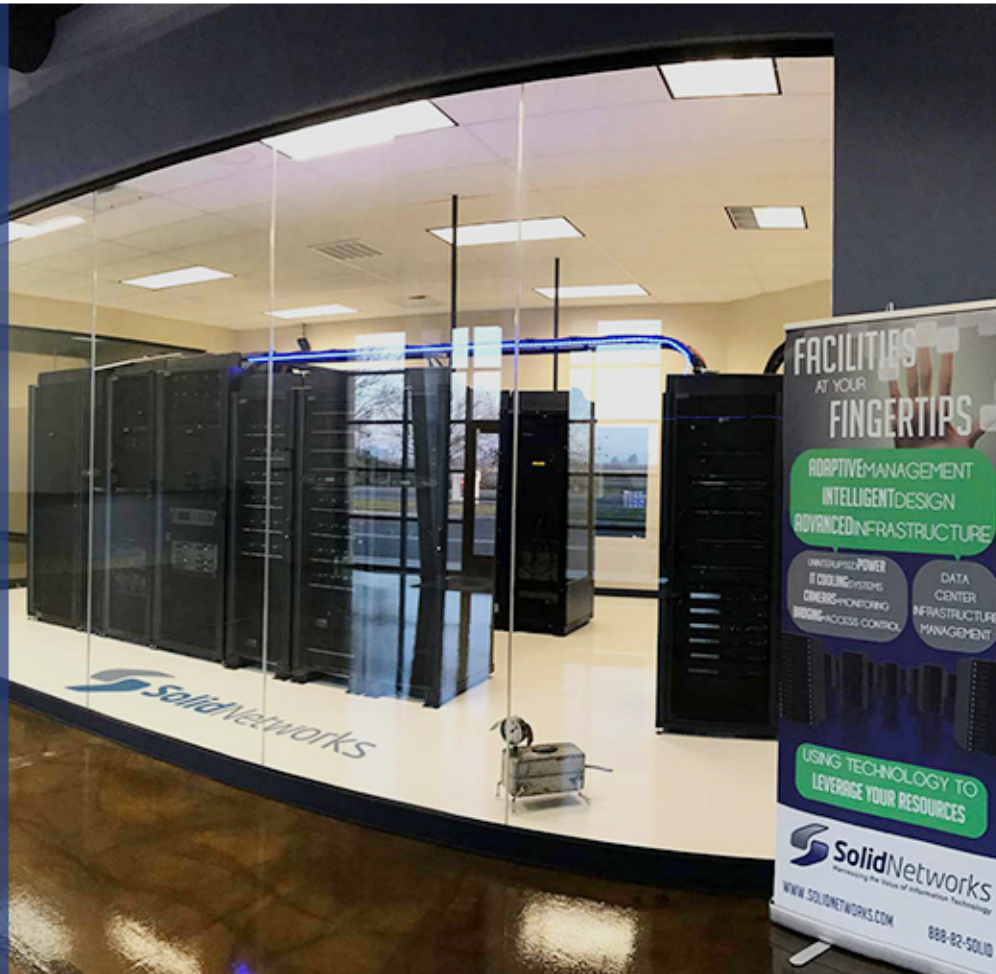
Solid Networks

Mark Ricci

1.209.338.1424

Mark.Ricci@SolidNetworks.com

Technology Simplified



We have prepared a quote for you

3-Year SolidCare Co-Managed Support for M365

Quote #009386
Version v3

Prepared for:

City of Turlock

Susan Borrego
sborrego@turlock.ca.us

Statement of Work

STATEMENT OF WORK

This Statement of Work ("SOW") is governed under the Master Service Agreement (the "Agreement") between **Solid Networks, Inc.** ("we", "us", "our" or "SNI"), and **you** ("you", "your" or "Client"), the entity who accepts the order to which this SOW is attached (the "Order"). This SOW is effective as of the date on which you accepted the Order ("Effective Date").

We will provide you with the services described in the Order and those described below (collectively, the "Services"). Services that are not specifically described in the Order and this SOW will be out of scope and will not be provided to you unless otherwise agreed to by us in writing. Services described in this Statement of Work that are NOT included in the original Order shall be governed by this SOW when those services are added by mutual agreement. (From this point forward, the Order and this SOW will be collectively referred to as this "SOW").

1. SCOPE OF SERVICES

Onboarding Services

Where applicable, we will perform the following services during onboarding or over the period of the Agreement under this SOW:

- Uninstall and replace as necessary selected monitoring/management tools or other software installed by previous IT consultants.

- Compile a full inventory of all protected servers, workstations, and laptops.

- Uninstall and replace as necessary any previous virus protection and install our managed antivirus application.

- Install remote support access application on each managed device to enable remote support.

- Configure patch management application and check for missing security updates.

- Monitor for unsafe or unnecessary applications and uninstall as required.

- Optimize device performance including disk cleanup, antivirus, and spyware scans.

- Review firewall configuration and other network infrastructure devices.

- Review status of battery backup protection on all devices.

- Monitor and assess network stability to assure effective device connectivity to their file server.

- Review and document current server licensing & configuration status.

- Determine existing backup strategy and status; prepare backup options for consideration.

- Review password policies. Support user and device password conformance.

- As applicable, make recommendations for changes that should be considered to the managed environment.

If deficiencies are discovered during the onboarding process, we will bring those issues to your attention and discuss their impact on our ability to provision our monthly managed services. Please note, unless otherwise expressly stated in this SOW, onboarding-related services do not include the remediation of any issues, errors, or deficiencies ("Issues"), and we cannot guarantee that all Issues will be detected during the onboarding process.

Ongoing / Recurring Services

Upon the completion of onboarding services (if any), we will provide the managed services listed in the Order and the services described below on an ongoing basis during the term of this SOW.

Data Backup

SNI's backup and disaster recovery (BDR) services include:

- Managed backup of qualified servers listed in the Order:

 - 24/7 monitoring of backup system, including offsite backup, offsite replication, and an onsite backup appliance ("Backup Appliance")

 - Troubleshooting and remediation of failed backup disks

 - Preventive maintenance and management of imaging software used for backup.

 - Monitoring of backup successes and failures

 - Data integrity checking on each backup iteration.

 - Workstations requiring backup must be specifically identified in the Order.

- Backed-Up Servers / Workstations: See Order for servers/workstations that will be backed up.

Note: Data on equipment that is not specifically listed in the Order will **not** be backed up.

Storage Limitation: You will be allocated the storage space for backup and recovery purposes as listed in the Order. Any space required or that you request beyond this amount will be provided to you at the then current price per block.

Backup Frequency: On-site backups will occur hourly; offsite backups will occur nightly 7 days a week unless system limitations require changes to the schedule.

Backup Data Security: All backed up data is encrypted in transit and at rest. All facilities housing backed up data implement physical security controls and logs, including security cameras, and have multiple internet connections with failover capabilities.

Backup Retention: SNI only guarantees retrieval of the most recent successful recovery point sent to the backup appliance in a local recovery situation. SNI only guarantees retrieval of archived data successfully sent to the off-site data center in the prior calendar day.

License Grant

Where Backup Appliances are embedded with proprietary software ("BDR Software"), SNI hereby grants you a non-exclusive, royalty free, non-transferable license, during the term of this SOW, to use the BDR Software in conjunction with the BDR-related services provided by SNI. Client shall not reverse engineer, de-compile or otherwise use the BDR Software in any manner not specifically authorized by SNI.

Data Recovery Services

If you require data recovery services, contact SNI Service Desk to coordinate. Upon your payment of the applicable fees (described below), we will make your backed up data available to you in a hosted, virtual environment. Your access to the backed-up data will continue for a period of two (2) weeks; extended access time is available as described in the Fees section, below.

Locations Covered by Services

Services will be provided remotely unless, in our discretion, we determine that an onsite visit is required. Onsite visits will be scheduled in accordance with the priority assigned to the issue (see below) and are subject to technician availability. Unless we agree otherwise, all onsite Services will be provided at your primary office location listed in the Order.

Managed Equipment / Hardware / Software

The Services will be applied to the equipment listed in the Order ("Covered Hardware") and will apply to the software listed in the Order ("Supported Software") provided that all Supported Software must, at all times, be properly licensed, and under a maintenance and support agreement from the Supported Software's manufacturer. In this SOW, Covered Hardware and Supported Software will be referred to as the "Environment."

2. Term; Continuation

The services shall continue for a minimum term as stated in the Order Executive Summary. The Services will commence, and billing will begin, on the date indicated in the Order ("Commencement Date"). We reserve the right to delay the Commencement Date until all onboarding/transition services (if any) are completed, and all deficiencies / revisions identified in the onboarding process (if any) are addressed or remediated to SNI's satisfaction.

Absent a renewal agreement or notice of intent to discontinue Services at least one (1) month prior to expiration, month-to-month billing will continue thereafter at then-current pricing, cancelable by either party for any reason upon the provision of one (1) month prior written notice.

3. Assumptions / Minimum Requirements / Exclusions

The scheduling, fees and provision of the Services are based upon the following assumptions and minimum requirements:

All equipment with Microsoft Windows® operating systems must be running then-currently supported versions of such software and have all of the latest Microsoft service packs and critical updates installed. You agree to facilitate required version updates when requested.

All software must be genuine, licensed and vendor supported.

All operating systems must be protected by licensed and up-to-date virus protection software.

As applicable, the Environment must have a currently licensed, vendor-supported server-based backup solution that can be monitored.

All wireless data traffic in the environment must be securely encrypted.

For effective monitoring, there must be an outside static IP address assigned to a network device.

All servers must be connected to working UPS devices. Designated cable modem, firewall, and core switches may also require UPS devices.

Recovery coverage assumes data integrity of the backups or the data stored on the backup devices. We do not guarantee the integrity of the original data, nor their backups or the data stored on the backup devices. Server restoration will be to the point of the last successful backup.

You must provide all software installation media and key codes in the event of a failure.

Any costs required to bring the Environment up to these minimum standards are not included in this SOW.

You must provide us with exclusive administrative privileges to the Environment.

You must not affix or install any accessory, addition, upgrade, equipment or device on to the firewall, server, or backup appliances (other than electronic data) unless expressly approved in writing by us.

Any exceptions will be clearly stated in the Order Executive Summary.

Exclusions. Services that are not expressly described in this SOW will be out of scope and will not be provided to you unless otherwise agreed, in writing, by SNI. Without limiting the foregoing, the following services are expressly excluded under this SOW, and if required to be performed, must be agreed upon by SNI via mutually signed proposal:

Major projects, i.e. major hardware (network, systems, endpoint) refresh, replacement, additions, reconfigurations in hardware or software.

Customization of third-party applications, or programming of any kind.

Support for operating systems, applications, or hardware no longer supported by the manufacturer.

Data/voice wiring or cabling services of any kind.

Battery backup replacement.

Equipment relocation.

Upgrading the Environment up to the Minimum Requirements (unless otherwise noted in "Scope of Services" above)

Repairs to hardware or any supported equipment or software, or the costs to acquire parts or equipment, or shipping charges of any kind.

Errors or omissions in quoting, ordering, or billing in scoping or provisioning products and/or services. SNI may, at its sole discretion, cancel and re-issue transactional correspondence to correct such errors and/or omissions.

4. Service Levels

Automated monitoring is provided on an ongoing (i.e., 24x7x365) basis.

Response, repair, and/or remediation services (as applicable) will be provided only during business hours unless otherwise specifically stated in the Order. We will respond to problems, errors or interruptions in the provision of the Services in the timeframe(s) described below. Severity levels will be determined by SNI in our reasonable discretion. All remediation services will initially be attempted remotely.

SNI will provide onsite service only if remote remediation is ineffective and, under all circumstances, only if covered under your Service Agreement.

Trouble / Severity	Managed ?Service Response
Critical problem: Service not available (all users and functions unavailable)	Response within four (4) hours after notification.
Significant degradation of service (large number of users or business critical functions affected)	Response within eight (8) hours after notification.
Limited degradation of service (limited number of users or functions affected, business process can continue).	Response within twenty-four (24) business hours after notification.
Small service degradation (business process can continue, one user affected).	Response to requested schedule, as available. No service level agreement.

Note: All Response time frames are calculated as of the time that you notify SNI of the applicable issue/problem through SNI's designated support portal, help desk, or by telephone at the telephone number listed in the Order. Notifications received in any manner other than described herein may result in a delay in the provision of remediation efforts. Ticket triage time target is .2 hours (12 minutes) during business hours. SLA target is 90+% achievement.

5. Fees

The fees for the Services will be as indicated in the Order. Initially, you will be charged the monthly fees indicated in the Order. Thereafter, if the amount of Covered Hardware or Supported Software changes, or if the number of authorized users accessing the Environment changes, then you agree that the fees will be automatically and immediately modified to accommodate those changes. Under no circumstances will the number of authorized users, or the quantity of Covered Hardware or Supported Software drop below the amounts initially indicated in this SOW without our consent.

In addition, we reserve the right to increase our monthly recurring and data recovery fees; provided, however, we will not do so more than once per calendar year. If an increase is more than five percent (5%) of the fees charged for the Services in the prior calendar year, then you will be provided with a thirty (30) day opportunity to terminate this SOW by providing us with written notice of termination. Your continued acceptance or use of the services after this thirty (30) day period will indicate your acceptance of the increased fees.

6. Removal of Software Agents; Return of Firewall & Backup Appliances

Unless we expressly direct you to do so, you will not remove or disable, or attempt to remove or disable, any software agents that we installed in the Environment. Doing so without our guidance may make it difficult or impracticable to remove the software agents, which could result in network vulnerabilities and/or the continuation of license fees for the software agents for which you will be responsible, and/or the requirement that we remediate the situation under a separate statement of work. In the event of an approved removal, depending on the particular software agent and the costs of removal, we may elect to keep the software agent in the Environment but in a dormant and/or unused state.

Within ten (10) days after being directed to do so, you will remove, package and ship, at your expense and in a commercially reasonable manner, all hardware, equipment, and accessories provided to you by SNI that were used in the provision of the Services. If you fail to timely return all equipment to us, or if the equipment is returned to us damaged (normal wear and tear excepted), then we will have the right to charge you, and you hereby agree to pay, the replacement value of all such unreturned or damaged equipment.

7. Additional Terms

Monitoring Services; Alert Services

Unless otherwise indicated in this SOW, all monitoring and alert-type services are limited to detection and notification functionalities only. These functionalities are guided by Client-designated policies, which may be modified by you as necessary or desired from time to time. Initially, the policies will be set to a baseline standard as determined by SNI; however, you are advised to establish and/or modify the policies that correspond to your specific monitoring and notification needs.

Remediation

Unless otherwise provided in this SOW, remediation services will be provided in accordance with the recommended practices of the managed services industry. You understand and agree that remediation services are not intended to be, and will not be, a warranty or guarantee of the functionality of the Environment, or a service plan for the repair of any particular piece of managed hardware or software.

Modification of Environment

Changes made to the Environment without our prior authorization or knowledge may have a substantial, negative impact on the provision and effectiveness of the Services, and may impact the fees charged under this SOW. You agree to refrain from moving, modifying, or otherwise altering any portion of the Environment without our prior knowledge and consent. For example, you agree to refrain from adding or removing hardware from the Environment, installing applications on the Environment, or modifying the configuration or log files of the Environment without our prior knowledge and consent.

Anti-Virus; Anti-Malware

Our anti-virus / anti-malware solution will generally protect the Environment from becoming infected with new viruses and malware ("Viruses"); however, Viruses that exist in the Environment at the time that the security solution is implemented may not be capable of being removed without additional services, for which a charge may be incurred. We do not warrant or guarantee that all Viruses and malware will be capable of being detected, avoided, or removed, or that any data erased, corrupted, or encrypted by malware will be recoverable. In order to improve security awareness, you agree that SNI or its designated third-party affiliate may transfer information about the results of processed files, information used for URL reputation determination, security risk tracking, and statistics for protection against spam and malware. Any information obtained in this manner does not and will not contain any personal or confidential information.

Breach/Cyber Security Incident Recovery

Unless otherwise expressly stated in this SOW, the scope of this SOW does not include the remediation and/or recovery from a Security Incident (defined below). Such services, if requested by you, must be handled under a separate statement of work. Given the varied number of possible Security Incidents, we cannot and do not warrant or guarantee (i) the amount of time required to remediate the effects of a Security Incident (or that recovery will be possible under all circumstances), or (ii) that all data impacted by the incident will be recoverable. For the purposes of this paragraph, a Security Incident means any unauthorized or impermissible access to or use of the Environment, or any unauthorized or impermissible disclosure of your confidential information (such as user names, passwords, etc.), that (i) compromises the security or privacy of the information or applications in, or the structure or integrity of, the Environment, or (ii) prevents normal access to the Environment, or impedes or disrupts the normal functions of the Environment.

Environmental Factors

Exposure to environmental factors, such as water, heat, cold, or varying lighting conditions, may cause installed equipment to malfunction. Unless expressly stated in this SOW, we do not warrant or guarantee that installed equipment will operate error-free or in an uninterrupted manner, or that any video or audio equipment will clearly capture and/or record the details of events occurring at or near such equipment under all circumstances.

Fair Usage Policy

Our Fair Usage Policy ("FUP") applies to all services in this SOW that are described or designated as "unlimited." An "unlimited" service designation means that, subject to the terms of this FUP, you may use the service as reasonably necessary for you to enjoy the use and benefit of the service without incurring additional time-based or usage-based costs. However, unless expressly stated otherwise in this SOW, all unlimited services are provided during our normal business hours only and are subject to our technicians' availability, which cannot always be guaranteed. In addition, we reserve the right to assign our technicians as we deem necessary to handle issues that are more urgent, critical, or pressing than the request(s) or issue(s) reported by you. Consistent with this FUP, you agree to refrain from (i) creating urgent support tickets for non-urgent or non-critical issues, (ii) requesting excessive support services that are inconsistent with normal usage patterns in the industry (e.g., requesting support in lieu of training), (iii) requesting support or services that are intended to interfere, or may likely interfere, with our ability to provide our services to our other customers, or (iv) opening tickets for services that are outside the scope of this SOW (e.g., opening tickets for project work, break/fix work, etc.).

Microsoft New Commerce Experience (NCE) O365 / Email

You are solely responsible for the security, confidentiality and integrity of all email and the content of all email, received, transmitted or stored through the email service that is under your control ("Email"). You agree to refrain from uploading, posting, transmitting or distributing (or permitting any of your authorized users of the Email to upload, post, transmit or distribute) any prohibited content, which is generally content that (i) is obscene, illegal, or intended to advocate or induce the violation of any law, rule or regulation, or (ii) violates the intellectual property rights or privacy rights of any third-party, or (iii) mischaracterizes you, and/or is intended to create a false identity or to otherwise attempt to mislead any person as to the identity or origin of any communication, or (iv) interferes or disrupts the services provided by SNI or the services of any third-party, or (v) contains Viruses, trojan horses or any other malicious code or programs, or (vi) is determined to violate any element of Microsoft's terms and conditions, public regulation, or warranty conditions applicable to the licensing. In addition, you must not use the Email for the purpose of sending unsolicited commercial electronic messages ("SPAM") in violation of any federal or state law. SNI reserves the right, but not the obligation, to suspend your access to the Email and/or all transactions occurring under your Email account if SNI believes, in its discretion, that your email account is being used in an improper or illegal manner.

SolidCare agreements for NCE licensing are auto-renewing commitments with Microsoft. Prior to the licensing renewal date SNI will coordinate a review of user counts for each NCE licensing type to determine the appropriate renewal quantity with Microsoft and complete the NCE licensing on your behalf. Within the license period, additional users may be added and the licensing increased. Monthly SolidCare billing will be adjusted automatically. Microsoft does not permit decreases to license quantity during the license period for NCE agreements. For month-to-month licensing at a higher per user fee, Microsoft does permit license count reductions at monthly intervals with corresponding billing in monthly SolidCare invoice. NCE price changes by Microsoft may incur corresponding change in billing per Section 5. "Fees" in this SoW.

Patch Management

We will keep all managed hardware and managed software current with critical patches and updates ("Patches") as those Patches are released generally by the applicable manufacturers. Patches are developed by third-party vendors and, on rare occasions, may make the Environment, or portions of the Environment, unstable or cause the managed equipment or software to fail to function properly even when the Patches are installed correctly. We will not be responsible for any downtime or losses arising from or related to the installation or use of any Patch. We reserve the right, but not the obligation, to refrain from installing a Patch if we are aware of technical problems caused by a Patch, or we believe that a Patch may render the Environment, or any portion of the Environment, unstable.

Backup and Disaster Recovery (BDR) Services

All data transmitted over the Internet may be subject to malware and computer contaminants such as viruses, worms and trojan horses, as well as attempts by unauthorized users, such as hackers, to access or damage your data. Neither SNI nor its designated affiliates will be responsible for the outcome or results of such activities.

BDR services require a reliable, always-connected internet solution. Data backup and recovery time will depend on the speed and reliability of your internet connection. Internet and telecommunications outages will prevent the BDR services from operating correctly. In addition, all computer hardware is prone to failure due to equipment malfunction, telecommunication-related issues, etc., for which we will be held harmless. Due to technology limitations, all computer hardware, including communications equipment, network servers and related equipment, has an error transaction rate that can be minimized, but not eliminated. SNI cannot and does not warrant that data corruption or loss will be avoided, and you agree that SNI shall be held harmless if such data corruption or loss occurs. **You are strongly advised to keep a local backup of all of stored data to mitigate against the unintentional loss of data.**

Procurement

Equipment and software procured by SNI on your behalf ("Procured Equipment") may be covered by one or more manufacturer warranties, which will be passed through to you to the greatest extent possible. By procuring equipment or software for you, SNI does not make any warranties or representations regarding the quality, integrity, or usefulness of the Procured Equipment. Certain equipment or software, once purchased, may not be returnable or, in certain cases, may be subject to third-party return policies and/or re-stocking fees, all of which shall be your responsibility in the event that a return of the Procured Equipment is requested. SNI is not a warranty service or repair center. SNI will facilitate the return or warranty repair of Procured Equipment; however, you understand and agree that the return or warranty repair of Procured Equipment is governed by the terms of the warranties (if any) governing the applicable Procured Equipment, for which SNI will be held

harmless.

Business Review; IT Strategic Planning

Suggestions and advice rendered to you are provided in accordance with relevant industry practices, based on your specific needs and SNI's opinion and knowledge of the relevant facts and circumstances. By rendering advice, or by suggesting a particular service or solution, SNI is not endorsing any particular manufacturer or service provider.

VCTO or VCIO Services

The advice and suggestions provided to us in our capacity as a virtual chief technology or information officer will be for your informational and/or educational purposes only. SNI will not hold an actual director or officer position in your company, and we will neither hold nor maintain any fiduciary relationship or position with you. Under no circumstances shall you list or place SNI on your corporate records or accounts.

Sample Policies, Procedures.

From time to time, we may provide you with sample (*i.e.*, template) policies and procedures for use in connection with your business ("Sample Policies"). The Sample Policies are for your informational use only, and do not constitute or comprise legal or professional advice, and the policies are not intended to be a substitute for the advice of competent counsel. You should seek the advice of competent legal counsel prior to using or distributing the Sample Policies, in part or in whole, in any transaction. We do not warrant or guarantee that the Sample Policies are complete, accurate, or suitable for your (or your customers') specific needs, or that you will reduce or avoid liability by utilizing the Sample Policies in your (or your customers') business operations.

Penetration Testing; Vulnerability Assessment

You understand and agree that security devices, alarms or other security measures, both physical and virtual, may be tripped or activated during the penetration testing process, despite our efforts to avoid such occurrences. You will be solely responsible for notifying any monitoring company and all law enforcement authorities of the potential for "false alarms" due to the provision of the penetration testing services, and you agree to take all steps necessary to ensure that false alarms are not reported or treated as "real alarms" or credible threats against any person, place or property. Some alarms and advanced security measures, when activated, may cause the partial or complete shutdown of the Environment, causing substantial downtime and/or delay to your business activities. We will not be responsible for and will be held harmless and indemnified by you against any claims, costs, fees or expenses arising or resulting from (i) any response to the penetration testing services by any monitoring company or law enforcement authorities, or (ii) the partial or complete shutdown of the Environment by any alarm or security monitoring device.

Hardware as a Service (HaaS)

You will use all SNI-hosted or SNI-supplied equipment and hardware (collectively, "Infrastructure") for your internal business purposes only. You shall not sublease, sublicense, rent or otherwise make the Infrastructure available to any third-party without our prior written consent. You agree to refrain from using the Infrastructure in a manner that unreasonably or materially interferes with our other hosted equipment or hardware, or in a manner that disrupts or which is likely to disrupt the services that we provide to our other clientele. We reserve the right to throttle or suspend your access and/or use of the Infrastructure if we believe, in our sole but reasonable judgment, that your use of the Infrastructure is violates the terms of this SOW or the Agreement.

Unsupported Configuration Elements Or Services

If you request a configuration element (hardware or software) or hosting service in a manner that is not customary at SNI, or that is in "end of life" or "end of support" status, we may designate the element or service as "unsupported," "non-standard," "best efforts," "reasonable endeavor," "one-off," "EOL," "end of support," or with like term in the service description (an "Unsupported Service"). We make no representation or warranty whatsoever regarding any Unsupported Service, and you agree that we will not be liable for any loss or damage arising from the provision of an Unsupported Service. Deployment and service level guarantees shall not apply to any Unsupported Service.

Order Executive Summary

- Primary Service Address: 156 S Broadway, Turlock, CA 95380
- Managed hardware and software counts are from client inventory
- Agreement Commencement Date: Starts on the following month after signed approval.
- 24x7 Response for remediation services provided on an on-call basis
- Urgent Support Contact: 209-338-1450
- Non-Urgent Support Contact: Service@SolidNetworks.com
- **Agreement Term Options:**
 - 3YR with 100% project and onboarding discount
- Agreement Scaling: Additional devices or services may be added to this support agreement at any time during the term. Additional devices will be

charged the monthly support fee for the remainder of the agreement term which may be prepaid. These devices will be reviewed on a quarterly basis.

SolidCare Co-Managed Support Services for Microsoft 365		Recurring	Qty	Ext. Recurring
S.AC301.MS.Cloud. Co-Managed Services B		\$4,690.00	1	\$4,690.00
S.AC301.MS.Cloud. Microsoft 365 Cloud Co-Management MSP Services B			469	
Scope of Services: M365 Lifecycle Management – Our M365 co-managed services stays on top of major developments in Microsoft cloud technologies to help you leverage this ever-evolving platform. We ensure you're aware of new capabilities that could enhance your workflows and, when a feature is set to be decommissioned, advise you on what to transition to. Best Practice / Standardization - Upon deciding to leverage technology inside your tenant, such as Conditional Access or Intune, SNI will provide guidance on best practice implementations for both operational and cybersecurity concerns. Includes Policy Monitoring Tool - Inforcer Secure Score Auditing – SNI will review your Microsoft security score and address organizational resistance against Microsoft recommendations License Management - Reviews of license utilization to help optimize cloud spend Tier-2 Support – As your M365 service escalation point, SNI will consistently be available to your team to diagnose and mitigate any cloud-related issues. Microsoft Ticket Triage - Although SNI resolves a majority of service escalations in-house, we do also have the ability engage with Microsoft support directly on your behalf. (provided Solid supplies the licensing and/or is added as a valid authorized contact) Standard Compliance - SNI will regularly monitor and compare your 365 tenant configurations against Microsoft and SNI standards, maintain backups for quick recovery, and review historical configurations for easy restoration and ongoing compliance				
S.S608.SEC-ESB-H	Co-Managed Security Bundle: Huntress Identity Protection	\$5.00	469	\$2,345.00
S.S608.SEC-ESB-H	Huntress Service		469	
S.S625.O365Sec	Essential Security: Managed Detection and Response - MDR for Microsoft 365 Environment		469	
Promo	Huntress Identity Protection Promo Credit for 12 Months	(\$5.00)	469	(\$2,345.00)
Recurring Subtotal				\$4,690.00

SolidCare Co-Managed M365 Onboarding Services		Price	Qty	Ext. Price
SNI-PS	Professional Services - SolidCare Co-Managed M365 On-Boarding Services	\$4,000.00	1	\$4,000.00
Subtotal				\$4,000.00

SolidCare Project Services for Co-Managed Clients		Price	Qty	Ext. Price
SNI-PS	SolidCare Co-Managed Project Services - Microsoft Exchange Online Migration	\$10,500.00	1	\$10,500.00
Solid Networks Scope of Work: - Project kick-off, develop project plan and timeline, discuss results of pilot-phase, and discuss procedures for use in the migration phase - Moving mailboxes from on-premise Exchange to Microsoft 365 via Exchange hybrid mode using processes and procedures developed during the pilot project phase - Tier 2 support during migration and post-migration for issues directly related to the migration				

SolidCare Project Services for Co-Managed Clients		Price	Qty	Ext. Price
- No end-user support, all requests for support will be initiated through client IT staff - Migration validation testing against criteria developed during the pilot phase of the project - Bi-weekly project meetings to discuss progress and timeline - Assistance in identifying any devices using on-premises Exchange as a SMTP relay - Training client IT staff on mailbox migration and perform first 5 mailbox migrations collaboratively. - Assistance developing policies to migrate users from perpetually licensed versions of Office to latest version of Office licensed through M365 Client IT Responsibilities: - Provide Tier - user support during and post-migration - Determine migration schedule - Migration of mailboxes from on-premise to Exchange online - Purchasing the necessary Microsoft subscription licensing (See licensing options) - Compatibility verification, installation, and configuration of 3rd party Office 365 or email-integrated solutions (message archiving, unified messaging, electronic fax, etc.) Project Notes: - Environment size between 400-500 mailboxes - Project includes installing and/or tuning Azure AD Sync - Project assumes no missing prerequisites for existing on-premise Active Directory or Exchange environment. Environment not yet assessed for compatibility. Any deficiencies requiring substantial foundational work (ie, more than 4 hours) will be quoted as a change order. - Required licensing to be ordered during project as separate quote. - Project to be complete within 90 days				
SNI-PS	SolidCare Co-Managed Project Services - Cisco DUO Jumpstart	\$2,000.00	1	\$2,000.00
Scope of Work: - Install DUO security authentication proxy service on server - Configure DUO service for Microsoft Windows Login, network and server IT administration, remote access - Provide client with administrative login and knowledge transfer services Note: Additional project fees may apply to configure advanced features such as AD Sync, Office365 integration, DUO Access Gateway Server, and additional SSO applications. Requirements for advanced features can be assessed after basic setup and an additional scope of work would be provided.				
Subtotal				\$12,500.00

3-Year Agreement Project Service Incentives		Price	Qty	Ext. Price
As an incentive for signing a three-year Microsoft 365 Managed Services Agreement (MSA), Solid Networks will provide the following one-time professional service engagements at no additional cost to the City of Turlock				
SNI-PS	Professional Services - MS365 Onboarding Service Credit for 3YR Agreement Commit	(\$4,000.00)	1	(\$4,000.00)
SNI-PS	Professional Services - Microsoft Exchange Online Migration Service Credit for 3YR Agreement Commit	(\$10,500.00)	1	(\$10,500.00)
SNI-PS	Professional Services - Cisco DUO Jumpstart Service Credit for 3YR Agreement Commit	(\$2,000.00)	1	(\$2,000.00)
Subtotal				(\$16,500.00)

3-Year SolidCare Co-Managed Support for M365

Quote #: 009386

Version: 3 Updated: 10/29/2025 Expiration Date: 12/31/2025

Prepared by:

Solid Networks

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Prepared for:

City of Turlock

156 S Broadway
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Susan Borrego
(209) 668-5540
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Ship To:

City of Turlock

156 S Broadway
Turlock, CA 95380
Susan Borrego
(209) 668-5540
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Quote Summary

Description	Amount
SolidCare Co-Managed M365 Onboarding Services	\$4,000.00
SolidCare Project Services for Co-Managed Clients	\$12,500.00
3-Year Agreement Project Service Incentives	(\$16,500.00)
Total:	\$0.00

Recurring Expenses Summary

Description	Amount
SolidCare Co-Managed Support Services for Microsoft 365	\$4,690.00
Recurring Total:	\$4,690.00

Taxes, shipping, handling and other fees may apply. We reserve the right to cancel orders arising from pricing or other errors.

Solid Networks

Signature: _____

Name: Mark Ricci

Title: Account Manager

Date: _____

City of Turlock

Signature: _____

Name: Susan Borrego

Title: Interim City Manager

Date: _____

OFFSITE STAGING & CONFIGURATION AGREEMENT FOR QUOTE# 009386 v3

The Offsite Staging & Configuration Agreement ("Agreement") is entered into upon approval of the Solid Networks Quote between (Quote listed customer "Client") and Solid Networks [SNI].

Client wishes to purchase equipment from SNI which will be held, staged, or configured at a location other than the client premises.

The parties therefore enter into this agreement, on the following terms and conditions:

A. Provisions Related to Equipment Purchases.

1. Transfer of Title

All equipment purchased by client hereunder shall be deemed to have been delivered and title shall transfer to Client when received at the offsite location. The offsite location may be an office location of Client or a staging facility as indicated in the SHIP-TO location of the agreement.

2. Invoicing

Client may be invoiced for the equipment upon delivery to the offsite location.

Solid Networks, Inc.

Master Services Agreement

The following terms and conditions govern our relationship with you and limit our liability for any services or products that we provide to you. Please read these terms carefully and keep a copy for your records.

SCOPE; SERVICES

- a) *Scope.* This master services agreement (this “Agreement”) governs all services that **Solid Networks, Inc.**, a California corporation with offices located at 5686 Pirrone Road, Salida, California 95368 (“us”, “our”, “we” or “SNI”), performs for, as well as any licenses or products that we sell or re-sell, to you (collectively, the “Services”).
- b) *Quotes.* The Services are not described in this Agreement; instead, you will be provided with an electronic quote, proposal, and/or order (“Quote”) that describe the Services through which you agree to purchase the Services from us. The Quote may have one or more statements of work (each a “SOW”) attached to it that further describe, summarize, and/or define the scope of the Services. **By accepting the Quote, you agree to the terms of each SOW and the terms of this Agreement. If you do not agree to the terms of the SOW and this Agreement, then you should not accept the Quote. From this point forward in this Agreement, Quotes and SOWs will be collectively referred to as “SOW.”**
- c) *Conflict.* If there is a material difference between the language in a SOW and the language in this Agreement, then the language of the SOW will control, except in situations involving warranties, limitations of liability, or termination of this Master Services Agreement. Under those limited circumstances, the terms of this Agreement will control unless the SOW expressly states that it is overriding the conflicting provisions of this Agreement.

GENERAL REQUIREMENTS

- a) *Environment.* For the purposes of this Agreement, “Environment” means, collectively, any computer network (cloud-based or otherwise), computer system, peripheral or device (virtual or physical) installed, maintained, monitored, or operated by us pursuant to a SOW. To avoid a delay or negative impact on our provision of the Services, during the term of each SOW you agree to refrain from modifying or moving the Environment or installing software in the Environment, unless we expressly authorize such activity.
- b) *Requirements.* At all times, all software on the Environment must be genuine and licensed, and you agree to provide us with proof of such licensing upon our request. If we require you to implement certain minimum hardware or software requirements in a SOW (“Minimum Requirements”), you agree to do so as an ongoing requirement of us providing our Services to you.
- c) *Updates.* Patches and updates to hardware and software (“Updates”) are created and distributed by third parties—such as equipment or software manufacturers—and may be supplied to us from time to time for installation into the Environment. If required under a SOW, we will implement and follow the manufacturers’ recommendations for the installation of Updates; however, (i) we do not warrant or guarantee that any Update will perform properly, (ii) we will not be responsible for any downtime or losses arising from or related to the installation, use, or inability to use any Update, and (iii) we reserve the right, but not the obligations, to refrain from installing an Update until we have determined, in our reasonable discretion, that the Updates will be compatible with the configuration of the Environment and materially beneficial to the features or functionality of the affected software or hardware.
- d) *Third Party Support.* If, in our discretion, a hardware or software issue requires vendor or OEM support, we may contact the vendor or OEM (as applicable) on your behalf and invoice you for all fees and costs involved in that process. If the fees or costs are anticipated in advance or exceed \$125, we will obtain your permission before incurring such expenses on your behalf unless exigent circumstances require otherwise.
- e) *Advice; Instructions.* From time to time, we may provide you with specific advice and directions related to the Services. (For example, our advice or directions may include upgrading the Environment’s server or hard drive capacity or replacing obsolete equipment.) You are strongly advised to promptly follow our advice which, depending on the situation, may require you to make additional purchases or investments in the Environment or the location in which the Environment is maintained, at your sole cost. We will not be responsible for any problems or issues (such as downtime or security-related issues) caused by your failure to promptly follow our advice. If, in our discretion, your failure to follow or implement our advice renders part or all of the Services economically or technically unreasonable to provide, then we may terminate the applicable SOW for cause by providing notice of termination to you. Unless specifically and expressly stated in a SOW, any services required to remediate issues caused by your failure to follow SNI’s advice or directions, or your unauthorized or unilateral modification of the Environment, as well as any services required to bring the Environment up to or maintain the Minimum Requirements, are out-of-scope and not covered under any SOW.
- f) *Prioritization.* All Services will be performed on a schedule, and in a prioritized manner, as we deem reasonable and necessary.

- g) *Authorized Contact(s)*. We will be entitled to rely on any directions or consent provided by your personnel or representatives who are authorized in a SOW to provide such directions or consent (“Authorized Contacts”). If no Authorized Contact is identified in an applicable SOW, then your Authorized Contact will be the person(s) (i) who signed this Agreement, (ii) who signed the applicable SOW, and/or (iii) who, given the totality of the circumstances, reasonably appears to have been given the authority by you to provide us with directions or consent. If you notify us in writing (e.g. by email), your change will take effect no later than three (3) business days after we receive your notice; and, if notice is given in person or by telephone, your change will take effect on the business day on which you provide us with your notice.
- h) *Insurance*. If you are supplied with SNI Equipment (defined below), you agree to acquire and maintain, at your sole cost, insurance for the full replacement value of that equipment. SNI must be listed as an additional insured on any policy acquired and maintained by you under this Agreement, and the policy will not be canceled or modified during the term of the applicable SOW without prior notification to SNI. Upon SNI’s request, you agree to provide proof of insurance to SNI, including proof of payment of any applicable premiums or other amounts due under the insurance policy.

FEES; PAYMENT

- a) *Fees*. You agree to pay the fees, costs, and expenses described in each SOW. You are responsible for sales tax and any other taxes or governmental fees associated with the Services. If you qualify for a tax exemption, you must provide us with a valid certificate of exemption or other appropriate proof of exemption. You are also responsible for all freight, insurance, and taxes (including but not limited to import or export duties, sales, use, value add, and excise taxes).
- b) *Schedule*. All undisputed fees will be due and payable in advance of the provision of the Services. If applicable, recurring payments made by ACH will be deducted from your designated bank account on the first business day of the month in which the Services are to be provided, and, if applicable, your designated credit card will be charged on the first business day of the month in which the Services are to be provided.
- c) *Nonpayment*. Fees that remain unpaid for more than fifteen (15) days after the due date on the invoice will be subject to interest on the unpaid amount(s) until and including the date payment is received, at the lower of either 2% per month or the maximum allowable rate of interest permitted by applicable law. We reserve the right, but not the obligation, to suspend part or all of the Services without prior notice to you in the event that any portion of undisputed fees are not timely received by us, and monthly or recurring charges shall continue to accrue during any period of suspension. Notice of disputes related to fees must be received by us within sixty (60) days after the applicable Service is rendered or the date on which you pay an invoice, whichever is later; otherwise, you waive your right to dispute the fee thereafter. A re-activation fee may be charged to you if we suspend the Services due to your nonpayment. Time is of the essence in the performance of all payment obligations by you.

ACCESS

You hereby grant to SNI and its designated third party vendors the right to monitor, diagnose, manipulate, communicate with, retrieve information from, and otherwise access the Environment solely as necessary to enable us to provide the Services. It is your responsibility to secure, at your own cost and prior to the commencement of any Services, any necessary rights of entry, licenses (including software licenses), permits or other permissions necessary for SNI to provide Services to the Environment and, if applicable, at your designated premises, both physically and virtually. Proper and safe environmental conditions must be provided and assured by you at all times. SNI shall not be required to engage in any activity or provide any Services under conditions that pose or may pose a safety or health concern to any personnel, or that would require extraordinary or non-industry standard efforts to achieve.

LIMITED WARRANTIES; LIMITATIONS OF LIABILITY

- a) *Hardware / Software Purchased Through SNI*. All hardware, software, peripherals or accessories purchased through SNI (“Third Party Products”) are generally nonrefundable once the product is obtained from SNI’s third party provider or reseller. If you require a refund, then the third party provider’s or reseller’s return policies shall apply. We do not guarantee that purchased Third Party Products will be returnable, exchangeable, or that re-stocking fees can be avoided. You will be responsible for the payment of all re-stocking or return-related fees charged by the third party provider or reseller. We will use reasonable efforts to assign, transfer and facilitate all warranties (if any) and service level commitments (if any) for the Third Party Products to you, but will have no liability whatsoever for the quality, functionality or operability of any Third Party Products, and we will not be held liable as an insurer or guarantor of the performance, uptime or usefulness of any Third Party Products. All Third Party Products are provided “as is” and without any warranty whatsoever as between SNI and you (including but not limited to implied warranties).
- b) *Liability Limitations*. **This paragraph limits the liabilities arising under this Agreement or any SOW and is a bargained-for and material part of our business relationship with you.** You acknowledge and agree that SNI would not enter into any SOW or this Agreement unless SNI could rely on the limitations described in this paragraph. In no event shall either party be liable for any indirect, special, exemplary, consequential, or punitive damages, such as lost revenue, loss of profits (except for fees due and owing to SNI), savings, or other indirect or contingent event-based economic loss

arising out of or in connection with this Agreement, any SOW, or the Services, or for any loss or interruption of data, technology or services, or for any breach hereof or for any damages caused by any delay in furnishing Services under this Agreement or any SOW, even if a party has been advised of the possibility of such damages; however, reasonable attorneys' fees awarded to a prevailing party (as described below) shall not be limited by the foregoing limitation. Except for your payment obligations and your indemnification obligations described in this Agreement, a responsible party's ("Responsible Party's") aggregate liability to the other party ("Aggrieved Party") for damages from any and all claims or causes whatsoever, and regardless of the form of any such action(s), that arise from or relate to this Agreement (collectively, "Claims"), whether in contract, tort, indemnification, or negligence, shall be limited solely to the amount of the Aggrieved Party's actual and direct damages, not to exceed the amount of fees paid by you (excluding hard costs for licenses, hardware, etc.) to SNI for the specific Service upon which the applicable claim(s) is/are based during the six (6) month period immediately prior to the date on which the cause of action accrued. The foregoing limitations shall not apply to the extent that the Claims are caused by a Responsible Party's willful or intentional misconduct, or gross negligence. Similarly, a Responsible Party's liability obligation shall be reduced to the extent that a Claim is caused by, or the result of, the Aggrieved Party's willful or intentional misconduct, or gross negligence.

INDEMNIFICATION

Each party (an "Indemnifying Party") agrees to indemnify, defend and hold the other party (an "Indemnified Party") harmless from and against any and all losses, damages, costs, expenses or liabilities, including reasonable attorneys' fees, (collectively, "Damages") that arise from, or are related to, the Indemnifying Party's breach of this Agreement. The Indemnified Party will have the right, but not the obligation, to control the intake, defense and disposition of any claim or cause of action for which indemnity may be sought under this section. The Indemnifying Party shall be permitted to have counsel of its choosing participate in the defense of the applicable claim(s); however, (i) such counsel shall be retained at the Indemnifying Party's sole cost, and (ii) the Indemnified Party's counsel shall be the ultimate determiner of the strategy and defense of the claim(s) for which indemnity is provided. No claim for which indemnity is sought by an Indemnified Party will be settled without the Indemnifying Party's prior written consent, which shall not be unreasonably delayed or withheld.

TERM; TERMINATION

- a) *Term.* This Agreement begins on the earliest date on which you accept an Order and continues until terminated as described in this Agreement. Each SOW will have its own term and will be terminated only as provided herein, unless otherwise expressly stated in the applicable SOW. The termination of one SOW shall not, by itself, cause the termination of (or otherwise impact) this Agreement or the status or progress of any other SOW between the parties.
- b) *Termination Without Cause.* Unless otherwise agreed by the parties in writing or otherwise permitted under this Agreement, no party will terminate this Agreement without cause if, on the date of termination, a SOW is in progress. In addition, no party will terminate a SOW without cause prior to the SOW's natural expiration date. Notwithstanding the foregoing, if SNI decides to cease providing a service to all of its customers generally, then SNI may terminate an applicable SOW (or the applicable portion of the SOW) without cause by providing no less than one hundred and twenty (120) days prior written notice to you. If you terminate a SOW without cause and without SNI's consent, then you will be responsible for paying the termination fee described in the "Termination for Cause" section, below. If no SOW is in progress, then either party may terminate this Agreement without cause by providing the other party with five (5) days prior written notice.
- c) *Termination For Cause.* In the event that one party (a "Defaulting Party") commits a material breach under a SOW or under this Agreement, the non-Defaulting Party will have the right, but not the obligation, to terminate immediately this Agreement or the relevant SOW (a "For Cause" termination) provided that (i) the non-Defaulting Party has notified the Defaulting Party of the specific details of the breach in writing, with the notice prominently displaying the heading "Notice of Breach", and (ii) the Defaulting Party has not cured the default within twenty (20) days (ten (10) days for non-payment by Client) following receipt of written notice of breach from the non-Defaulting Party. If SNI terminates this Agreement or any SOW For Cause, or if you terminate any SOW without cause prior to such SOW's expiration date, then SNI shall be entitled to receive, and you hereby agree to pay to us, all amounts that would have been paid to SNI had this Agreement or SOW (as applicable) remained in effect. If you terminate this Agreement or a SOW For Cause, then you will be responsible for paying only for those Services that were properly delivered and accepted by you up to the effective date of termination.
- d) *Client Activity As A Basis for Termination.* In the event that (i) any Client-supplied equipment, hardware or software, or any action undertaken by you, causes the Environment or any part of the Environment to malfunction consequently requiring remediation by SNI on three (3) occasions or more ("System Malfunction"), and if under those circumstances, you fail to remedy, repair or replace the System Malfunction as directed by us (or you fail to cease the activity causing the System Malfunction, as applicable), or (ii) you or any of your staff, personnel, contractors, or representatives engage in any unacceptable act or behavior that renders it impracticable, imprudent, or unreasonable to provide the Services to you, then SNI will have the right, upon ten (10) days prior written notice to you, to terminate this Agreement or the applicable SOW For Cause or, at our discretion and if applicable, amend the applicable SOW to eliminate from coverage any System Malfunction or any equipment or software causing the System Malfunction.

- e) *Consent.* You and we may mutually consent, in writing, to terminate a SOW or this Agreement at any time.
- f) *Equipment / Software Removal.* Upon termination of this Agreement or applicable SOW for any reason, you will provide us with access, during normal business hours, to your premises or any other locations at which SNI-owned equipment or software (collectively, “SNI Equipment”) is located to enable us to remove all SNI Equipment from the premises. If you fail or refuse to grant SNI access as described herein, or if any of the SNI Equipment is missing, broken or damaged (normal wear and tear excepted) or any of SNI-supplied software is missing, we will have the right to invoice you for, and you hereby agree to pay immediately, the full replacement value of any and all missing or damaged items. Certain services may require the installation of software agents in the Environment (“Software Agents”). You agree not to remove, disable, circumvent, or otherwise disrupt any Software Agents unless we explicitly direct you to do so.
- g) *Transition; Deletion of Data.* In the event that you request SNI’s assistance to transition away from our services, we will provide such assistance if (i) all fees due and owing to us are paid to us in full prior to SNI providing its assistance to you, and (ii) you agree to pay our then-current hourly rate for such assistance, with up-front amounts to be paid to us as we may require. For the purposes of clarity, it is understood and agreed that the retrieval and provision of passwords, log files, administrative server information, or conversion of data are transition services, and are subject to the preceding requirements. **Unless otherwise expressly stated in a SOW, we will have no obligation to store or maintain any Client data in our possession or control beyond fifteen (15) calendar days following the termination of this Agreement.** We will be held harmless for, and indemnified by you against, any and all claims, costs, fees, or expenses incurred by either party that arise from, or are related to, our deletion of your data beyond the time frames described in this section.

RESPONSE; REPORTING

- a) *Response.* We warrant and represent that we will provide the Services, and respond to any notification received by us of any error, outage, alarm or alert pertaining to the Environment, in the manner and within the time period(s) designated in an applicable SOW (“Response Time”), except for (i) those periods of time covered under the Onboarding Exception (defined below), or (ii) periods of delay caused by Client-Side Downtime (defined below), Vendor-Side Downtime (defined below) or (iii) periods in which we are required to suspend the Services to protect the security or integrity of the Environment or our equipment or network, or (iv) delays caused by a force majeure event.
 - i) Scheduled Downtime. For the purposes of this Agreement, Scheduled Downtime will mean those hours, as determined by us but which will not occur between the hours of 8:00 AM and 5:00 PM Pacific Time, Monday through Friday without your authorization or unless exigent circumstances exist, during which time we will perform scheduled maintenance or adjustments to the Environment. We will use our best efforts to provide you with at least twenty-four (24) hours of notice prior to scheduling Scheduled Downtime.
 - ii) Client-Side Downtime. We will not be responsible under any circumstances for any delays or deficiencies in the provision of, or access to, the Services to the extent that such delays or deficiencies are caused by your actions or omissions (“Client-Side Downtime”).
 - iii) Vendor-Side Downtime. We will not be responsible under any circumstances for any delays or deficiencies in the provision of, or access to, the Services to the extent that such delays or deficiencies are caused by third party service providers, third party licensors, or “upstream” service or product vendors.
 - iv) Remedies; Limitations. Except for the Onboarding Exception, if we fail to meet our service level commitment in a given calendar month and if, under such circumstances, our failure is not due to your activities, omissions, or inactivity, then upon receiving your written request for credit, we will issue you a pro-rated credit in an amount equal to the period of time of the outage and/or service failure. All requests for credit must be made by you no later than forty-five (45) days after you either (i) report the outage or service failure to us, or (ii) if applicable, receive a monthly report showing the outage and/or failure. The remedies contained in this paragraph and in the “Term; Termination” section above are in lieu of (and are to the exclusion of) any and all other remedies that might otherwise be available to you for our failure to meet any service level commitment during the term of this Agreement.
- b) *Onboarding Exception.* You acknowledge and agree that for the first forty-five (45) days following the commencement date of a SOW, the Response Time commitments described in this Agreement will not apply to us, it being understood that there may be unanticipated downtime or delays due to our initial startup activities and/or familiarization with you (the “Onboarding Exception”).

CONFIDENTIALITY

- a) *Defined.* For the purposes of this Agreement, Confidential Information means any and all non-public information provided to us by you, including but not limited to your customer data, customer lists, internal documents, and related information. Confidential Information will not include information that: (i) has become part of the public domain through no act or omission of SNI, (ii) was developed independently by us, or (iii) is or was lawfully and independently provided to us prior to disclosure by you, from a third party who is not and was not subject to an obligation of confidentiality or otherwise prohibited from transmitting such information.

- b) *Use*. We will keep your Confidential Information confidential and will not use or disclose such information to any third party for any purpose except (i) as expressly authorized by you in writing, or (ii) as needed to fulfill our obligations under this Agreement.
- c) *Due Care*. We will exercise the same degree of care with respect to the Confidential Information we receive from you as we normally take to safeguard and preserve our own confidential and proprietary information, which in all cases will be at least a commercially reasonable level of care.
- d) *Compelled Disclosure*. If we are legally compelled (whether by deposition, interrogatory, request for documents, subpoena, civil investigation, demand or similar process) to disclose any of the Confidential Information, we will immediately notify you in writing of such requirement so that you may seek a protective order or other appropriate remedy and/or waive our compliance with the provisions of this Section. We will use its best efforts, at your expense, to obtain or assist you in obtaining any such protective order. Failing the entry of a protective order or the receipt of a waiver hereunder, we may disclose, without liability hereunder, that portion (and only that portion) of the Confidential Information that we have been advised, by written opinion from our counsel, that we are legally compelled to disclose.
- e) *Business Associate*. If we enter into a business associate agreement (“BAA”) with you for the protection of personal health information, then the terms of the BAA will be read in conjunction with the terms of the confidentiality provisions of this Agreement. The terms that protect confidentiality most stringently shall govern, and conflicting privacy- or confidentiality-related terms shall be governed by the BAA.

ADDITIONAL TERMS; THIRD PARTY SERVICES

- a) *EULAs*. Portions of the Services may require you to accept the terms of one or more third party end user license agreements (“EULAs”). If the acceptance of a EULA is required in order to provide the Services to you, then you hereby grant us permission to accept the EULA on your behalf. EULAs may contain service levels, warranties and/or liability limitations that are different than those contained in this Agreement. **You agree to be bound by the terms of such EULAs and will look only to the applicable third party provider for the enforcement of the terms of such EULAs.** If, while providing the Services, we are required to comply with a third-party EULA and the third party EULA is modified or amended, we reserve the right to modify or amend any applicable SOW with you to ensure our continued compliance with the terms of the third party EULA.
- b) *Third Party Services*. Portions of the Services may be acquired from, or rely upon the services of, third party manufacturers or providers, such as data hosting services, help desk services, domain registration services, and data backup/recovery services (“Third Party Service”). Not all Third Party Services may be expressly identified as such in a SOW, and at all times we reserve the right to utilize the services of any third party provider or to change third party providers in our sole discretion as long as the change does not materially diminish the Services to be provided to you under a SOW. We will not be responsible, and will be held harmless by you, for the failure of any third-party provider or manufacturer to provide Third Party Services to SNI or to you.
- c) *Data Loss*. Under no circumstances will we be responsible for any data lost, corrupted or rendered unreadable due to (i) communication and/or transmissions errors or related failures, (ii) equipment failures (including but not limited to silent hardware corruption-related issues), or (iii) our failure to backup or secure data from portions of the Environment that were not expressly designated in the applicable SOW as requiring backup or recovery services. Unless expressly stated in a SOW, we do not warrant or guarantee that any maintained storage device or functionality, data backup device or functionality, or load balancing functionality will operate in an error-free manner.
- d) *BYOD*. You hereby represent and warrant that we are authorized to access all devices, peripherals and/or computer processing units, including mobile devices (such as notebook computers, smart phones and tablet computers) that are connected to the Environment (collectively, “Devices”), regardless of whether such Devices are owned, leased or otherwise controlled by you. Unless otherwise stated in a SOW, Devices will not receive or benefit from the Services while the devices are detached from, or unconnected to, the Environment. **Client is strongly advised to refrain from connecting Devices to the Environment where such devices are not previously known to us and are not expressly covered under a managed service plan from us (“Unknown Devices”).** We will not be responsible for the diagnosis or remediation of any issues in the Environment caused by the connection or use of Unknown Devices in the Environment, and we will not be obligated to provide the Services to any Unknown Devices.
- e) *Equipment*. Unless otherwise noted in a SOW or Order, all SNI Equipment is licensed to you, and is neither owned by you nor leased to you. Upon the expiration of an applicable SOW, your license to use the SNI Equipment shall immediately terminate, and thereafter all SNI Equipment must be returned to us immediately at your expense. All configurations on the SNI Equipment are our proprietary information and will not be circumvented, modified, or removed by you without our prior written consent.

OWNERSHIP

Each party is, and will remain, the owner and/or licensor of all works of authorship, patents, trademarks, copyrights and other intellectual property owned or licensed by such party (“Intellectual Property”), and nothing in this Agreement or any SOW shall be deemed to convey or grant any ownership rights or goodwill in one party’s Intellectual Property to the other party.

ARBITRATION

Except for undisputed collections actions to recover fees due to us (“Collections”), any dispute, claim or controversy arising from or related to this Agreement, including the determination of the scope or applicability of this agreement to arbitrate, shall be settled by arbitration before one arbitrator who is mutually agreed upon by the parties. The arbitration shall be administered and conducted by the American Arbitration Association (the “AAA”) or if there is no AAA arbitrator available within a twenty (20) mile radius of our office, then by any arbitration venue as determined by us, pursuant to that venue’s arbitration rules for commercial disputes (the “Rules”). In the event of any inconsistency between the Rules and the procedures set forth in this paragraph, the procedures set forth in this paragraph will control. The arbitrator will be experienced in contract, intellectual property and information technology transactions. If the parties cannot agree on an arbitrator within fifteen (15) days after a demand for arbitration is filed, the arbitration venue shall select the arbitrator. The arbitration shall take place in our office. The arbitrator will determine the scope of discovery in the matter; however, it is the intent of the parties that any discovery proceedings be limited to the specific issues in the applicable matter, and that discovery be tailored to fulfill that intent. Initially, the cost of the arbitration shall be split evenly between the parties; however, the party prevailing in the arbitration shall be entitled to an award of its reasonable attorneys’ fees and costs.

MISCELLANEOUS

- a) *Compliance.* Unless otherwise expressly stated in a SOW, the Services are not intended, and will not be used, to bring Client into full regulatory compliance with any rule, regulation, or requirement that may be applicable to Client’s business or operations. Depending on the Services provided, the Services may aid Client’s efforts to fulfill regulatory compliance; however, the Services are not (and should not be used as) a compliance solution.
- b) *Disclosure.* You warrant and represent that you know of no law or regulation governing your business that would impede or restrict our provision of the Services, or that would require us to register with, or report our provision of the Services (or the results thereof), to any government or regulatory authority. You agree to promptly notify us if you become subject to any of the foregoing which, in our discretion, may require a modification to the scope or pricing of the Services.
- c) *Security.* You understand and agree that no security solution is one hundred percent effective, and any security paradigm may be circumvented and/or rendered ineffective by certain malware, such as certain ransomware or rootkits that were unknown to the malware prevention industry at the time of infection, and/or which are purposely or intentionally downloaded or installed into the Environment. We do not warrant or guarantee that all malware or malicious activity will be capable of being detected, avoided, quarantined or removed, or that any data deleted, corrupted, or encrypted by such malware (“Impacted Data”) will be recoverable. Unless otherwise expressly stated in a SOW, the recovery of Impacted Data is not included in the scope of a SOW. **You are strongly advised to (i) educate your employees to properly identify and react to “phishing” activity (i.e., fraudulent attempts to obtain sensitive information or encourage behavior by disguising oneself as a trustworthy entity or person through email), and (ii) obtain insurance against cyberattacks, data loss, malware-related matters, and privacy-related breaches, as such incidents can occur even under a “best practice” scenario. Unless a malware-related incident is caused by our intentionally malicious behavior or our gross negligence, we are held harmless from any costs, expenses, or damages arising from or related to such incidents.**
- d) *Non-Solicitation.* Each party (a “Restricted Party”) acknowledges and agrees that during the term of this Agreement and for a period of one (1) year following the termination of this Agreement, the Restricted Party will not, individually or in conjunction with others, directly or indirectly solicit, induce or influence any of the other party’s employees with whom the Restricted Party worked to discontinue or reduce the scope of their business relationship with the other party, or recruit, solicit or otherwise influence any employee of the other party with whom the Restricted Party worked to discontinue his/her employment or agency relationship with the other party. In the event of a violation of the terms of the restrictive covenants in this section, the parties acknowledge and agree that the damages to the other party would be difficult or impracticable to determine, and in such event, the Restricted Party will pay the other party as liquidated damages and not as a penalty an amount equal to fifty percent (50%) percent of that employee first year of base salary with the Restricted Party (including any signing bonus). In addition to and without limitation of the foregoing, any solicitation or attempted solicitation for employment directed to a party’s employees by the Restricted Party will be deemed to be a material breach of this Agreement, in which event the affected party shall have the right, but not the obligation, to terminate this Agreement or any then-current SOW immediately For Cause.
- e) *Collections.* If we are required to send your account to Collections or to start any Collections-related action to recover undisputed fees, we will be entitled to recover all costs and fees we incur in the Collections process including but not limited to reasonable attorneys’ fees and costs.

- f) *Assignment.* Neither this Agreement nor any SOW may be assigned or transferred by a party without the prior written consent of the other party. This Agreement will be binding upon and inure to the benefit of the parties hereto, their legal representatives, and permitted successors and assigns. Notwithstanding the foregoing, we may assign our rights and obligations hereunder to a successor in ownership in connection with any merger, consolidation, or sale of substantially all of the assets of our business, or any other transaction in which ownership of more than fifty percent (50%) of our voting securities are transferred; provided, however, that such assignee expressly assumes our obligations hereunder.
- g) *Amendment.* Unless otherwise expressly permitted under this Agreement, no amendment or modification of this Agreement or any SOW will be valid or binding upon the parties unless such amendment or modification is originated in writing by SNI, specifically refers to this Agreement or the SOW being amended, and is accepted in writing (email or electronic signature is acceptable) by you.
- e) *Time Limitations.* The parties mutually agree that, unless otherwise prohibited by law, any action for any matter arising out of this Agreement or any SOW (except for issues of nonpayment by Client) must be commenced within six (6) months after the cause of action accrues or the action is forever barred.
- f) *Severability.* If any provision hereof or any SOW is declared invalid by a court of competent jurisdiction, such provision will be ineffective only to the extent of such invalidity, illegibility or unenforceability so that the remainder of that provision and all remaining provisions of this Agreement or any SOW will be valid and enforceable to the fullest extent permitted by applicable law.
- g) *Other Terms.* We will not be bound by any terms or conditions printed on any purchase order, invoice, memorandum, or other written communication supplied by you unless such terms or conditions are incorporated into a duly executed SOW, or unless we have expressly acknowledged the other terms and, thereafter, expressly and specifically accepted such other terms in writing.
- h) *No Waiver.* The failure of either party to enforce or insist upon compliance with any of the terms and conditions of this Agreement, the temporary or recurring waiver of any term or condition of this Agreement, or the granting of an extension of the time for performance, will not constitute an Agreement to waive such terms with respect to any other occurrences.
- i) *Merger.* This Agreement, together with any and all Quotes and SOWs, sets forth the entire understanding of the parties and supersedes any and all prior agreements, arrangements or understandings related to the Services; however, any payment obligations that you have or may have incurred under any prior superseded agreement are not nullified by this Agreement and remain in full force and effect. No representation, promise, inducement or statement of intention has been made by either party which is not embodied herein. We will not be bound by any of our agents' or employees' representations, promises or inducements if they are not explicitly set forth in this Agreement or any Quote or SOW. Any document that is not expressly and specifically incorporated into this Agreement or SOW will act only to provide illustrations or descriptions of Services to be provided and will not modify this Agreement or provide binding contractual language between the parties. The foregoing sentence shall not apply to any business associate agreement required under HIPAA, which the parties may (if required) enter into after the Effective Date of this Agreement.
- j) *Force Majeure.* Neither party will be liable to the other party for delays or failures to perform its obligations under this Agreement or any SOW because of circumstances beyond such party's reasonable control. Such circumstances include, but will not be limited to, any intentional or negligent act committed by the other party, or any acts or omissions of any governmental authority, natural disaster, act of a public enemy, acts of terrorism, riot, sabotage, disputes or differences with workmen, power failure, communications delays/outages, delays in transportation or deliveries of supplies or materials, cyberwarfare, cyberterrorism, or hacking, malware or virus-related incidents that circumvent then-current anti-virus or anti-malware software, and acts of God.
- k) *Survival.* The provisions contained in this Agreement that by their context are intended to survive termination or expiration of this Agreement will survive. If any provision in this Agreement is deemed unenforceable by operation of law, then that provision shall be excised from this Agreement and the balance of this Agreement shall be enforced in full.
- l) *Insurance.* SNI and you will each maintain, at each party's own expense, all insurance reasonably required in connection with this Agreement or any SOW, including but not limited to, workers compensation and general liability. We agree to maintain a general liability policy with a limit not less than \$1,000,000 per occurrence. All of the insurance policies described herein will not be canceled, materially changed or renewal refused until at least thirty (30) calendar days written notice has been given to the other party by certified mail.
- m) *Governing Law; Venue.* This Agreement and any SOW will be governed by, and construed according to, the laws of the state of California. You hereby irrevocably consent to the exclusive jurisdiction and venue of Stanislaus County, California, for any and all claims and causes of action arising from or related to this Agreement.
- n) *No Third Party Beneficiaries.* The Parties have entered into this Agreement solely for their own benefit. They intend no third party to be able to rely upon or enforce this Agreement or any part of this Agreement.
- o) *Usage in Trade.* It is understood and agreed that no usage of trade or other regular practice or method of dealing between the Parties to this Agreement will be used to modify, interpret, supplement, or SNI in any manner the terms of this Agreement.

- p) *Business Day*. If a time period set forth in this Agreement expires on a day other than a business day in Stanislaus County, California, such period will be extended to and through the next succeeding business day in Stanislaus County, California.
- q) *Notices; Writing Requirement*. Where notice is required to be provided to a party under this Agreement, such notice may be sent by U.S. mail, overnight courier, or email as follows: notice will be deemed delivered three (3) business days after being deposited in the United States Mail, first class mail, certified or return receipt requested, postage prepaid, or one (1) day following delivery when sent by FedEx or other overnight courier, or one (1) day after notice is delivered by email. Notice sent by email will be sufficient only if (i) the sender emails the notice to the last known email address of the recipient, and (ii) the sender includes itself in the “cc” portion of the email and preserves the email until such time that it is acknowledged by the recipient. Notwithstanding the foregoing, any notice from you to SNI regarding (a) any alleged breach of this Agreement by SNI, or (b) any request for indemnification, or (c) any notice of termination of this Agreement or any SOW, must be delivered to SNI by U.S. mail or courier, unless such requirement is expressly and specifically waived by SNI. All electronic documents and communications between the parties, including email, will satisfy any “writing” requirement under this Agreement.
- r) *Independent Contractor*. SNI is an independent contractor, and is not your employer, employee, partner, or affiliate.
- s) *Subcontractors*. Generally, we do not utilize subcontractors to perform onsite services; however, should we elect to subcontract a portion of those services, we will guarantee the work as if we performed the subcontracted work ourselves.
- t) *Data & Service Access*. Some of the Services may be provided by persons outside of the United States and/or your data may occasionally be accessed, viewed, or stored on secure servers located outside of the United States. You agree to notify us if your company requires us to modify these standard service provisions, in which case additional (and potentially significant) costs will apply.
- u) *Counterparts*. The parties intend to sign, accept and/or deliver any Quote, this Agreement, SOW or any amendment in any number of counterparts, and each of which will be deemed an original and all of which, when taken together, will be deemed to be one agreement. Each party may sign, accept, and/or deliver any Quote, this Agreement, any SOW or any amendment electronically (*e.g.*, by digital signature and/or electronic reproduction of a handwritten signature) or by reference (as applicable).

**ADDENDUM TO
CITY OF TURLOCK
AGREEMENT FOR SERVICES**

Contractor: Solid Networks LLC

Date: 11/18/2025

City Contract No. 2026-0090

Scope of Work: Co-Managed Support and Professional Services

1. INSURANCE:

Professional shall not commence work under this Agreement until Professional has obtained City's approval regarding all insurance requirements, forms, endorsements, amounts, and carrier ratings, nor shall Contractor allow any subcontractor to commence work on a subcontract until all similar insurance required of the subcontractor shall have been so obtained and approved. Professional shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by Professional, its agents, representatives, employees or subcontractors. Failure to maintain or renew coverage or to provide evidence of renewal may constitute a material breach of contract. Any available insurance proceeds in excess of the specified minimum limits and coverage shall be available to City.

(a) Commercial General Liability Insurance: Professional shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office (ISO) form CG 00 01, in an amount not less than One Million Dollars (\$1,000,000) per occurrence, Two Million Dollars (\$2,000,000) general aggregate, and Two Million Dollars (\$2,000,000) products and completed operations for bodily injury, personal injury, and property damage. The general aggregate limit shall apply separately to this Project or the general aggregate shall be doubled.

(b) Workers' Compensation Insurance: Professional shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance with limits of at least One Million Dollars (\$1,000,000) each accident or disease. Professional shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees, and volunteers.

(c) Commercial Automobile Liability Insurance: Professional shall maintain commercial automobile liability insurance using ISO Business Auto Coverage form CA 00 01, or the equivalent, in the amount of no less than Two Million Dollars (\$2,000,000) each accident for owned, leased, hired, non-owned, and borrowed automobiles. The policy shall provide and be endorsed that the City, its officials, officers, agents, employees, and volunteers are included or named as additional insureds. If Professional owns no vehicles, this requirement may be met through a non-owned auto coverage or an endorsement to the CGL policy.

(d) Cyber Liability Insurance: Professional must carry Cyber Liability Insurance with limits not less than Five Million Dollars (\$5,000,000) per occurrence or claim. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Professional in this Agreement and shall include, but not be limited to, claims involving

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infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.

(e) [Intentionally Omitted]

(f) [Intentionally Omitted]

(g) Professional Liability Insurance: Professional shall maintain professional liability insurance that insures against professional errors and omissions that may be made in performing the Services to be rendered in connection with this Agreement, in the minimum amount of One Million Dollars (\$1,000,000) per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement.

(h) Umbrella or Excess Policy: Professional may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required. The Umbrella or Excess policies shall be provided on a true “following form” or broader coverage basis, with coverage at least as broad as provided on the underlying policies of insurance. No coverage or policies maintained by the City (“Additional Insureds”), whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Professional’s primary and excess liability policies are exhausted.

(i) Deductibles and Self-Insured Retentions: Upon request of City, any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its elective and appointive boards, officers, agents, employees, and volunteers; or (2) Professional shall provide a financial guarantee satisfactory to City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

(j) Other Insurance Provisions: The commercial general liability policy shall contain, or be endorsed to contain, the following provisions:

(1) City, its elective and appointive boards, officers, agents, employees, and volunteers are to be covered as additional insureds with respect to liability arising out of work or operations performed by or on behalf of Professional, including materials, parts or equipment

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furnished in connection with such work or operations. The coverage shall be provided in the form of an endorsement to Professional's insurance (at least as broad as ISO CG 20 10 for ongoing operations and CG 20 37 for products/completed operations for construction services).

(2) For any claims related to this project, Professional's insurance coverage shall allow and be endorsed primary insurance as respects City and any insurance or self-insurance maintained by City shall be excess of Professional's insurance and shall not contribute with it.

(3) In the event of cancellation, non-renewal, or material change that reduces or restricts the insurance coverage afforded to City under this Agreement, the insurer, broker/producer, or Professional shall provide City with thirty (30) days' prior written notice of such cancellation, non-renewal, or material change.

(4) Coverage shall not extend to any indemnity coverage for the sole negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

(k) Acceptability of Insurers: Insurance is to be placed with insurers admitted in California with a current A.M. Best's rating of no less than A-:VII or with an insurer to which the City has provided prior approval.

(l) Additional Insurance Requirements: Within five (5) days of the Effective Date, Professional shall provide City with certificates of insurance and amendatory endorsements for all of the policies required under this Agreement ("Certificates and Endorsements"). Such Certificates and Endorsements shall be kept current for the Term of the Agreement and Professional shall be responsible for providing updated copies. With the exception of the workers' compensation insurance, all of the insurance policies required in this Agreement shall: (a) provide that the policy will not be cancelled, allowed to expire, or materially reduced in coverage without at least thirty (30) days' prior written notice to City of such cancellation, expiration, or reduction and each policy shall be endorsed to state such. If a carrier will not provide the required notice of cancellation, the Professional shall provide written notice to the City no later than ten (10) business days before cancellation; (b) name City, and City's Agents as additional insureds with respect to liability arising out of Services, work or operations performed by or on behalf of Professional and shall be endorsed to state such; (c) name City of Turlock as a certificate holder; (d) cover products and completed operations of Professional, premises owned, occupied, or used by the Professional, or automobiles owned, leased, or hired or borrowed by the Professional; contain no special limitations on the scope of protection afforded to City; (e) allow and be endorsed primary with respect to any insurance or self-insurance programs covering City or City's Agents and any insurance or self-insurance maintained by City or City's Agents shall be in excess of Professional's

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insurance and shall not contribute to it; (f) contain standard separation of insured provisions; and (g) state that any failure to comply with reporting or other provisions of the policy including breaches of warranties shall not affect the coverage provided to City.

(m) **Waiver of Subrogation:** With the exception of professional liability, Professional hereby agrees to waive subrogation which any insurer of Professional may acquire from Professional by virtue of the payment of any loss. The commercial general liability policy, automobile liability policy, and workers' compensation policy shall be endorsed to contain a waiver of subrogation in favor of City for all work performed by Professional, its agents, employees, independent contractors and subcontractors. Professional shall provide written proof of waiver of subrogation in the Certificate of Insurance. Additionally, Professional agrees to obtain any available endorsements that may be necessary to effectuate this waiver of subrogation.

(n) **Subcontractors:** Professional shall ensure all subcontractors furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

(o) [Intentionally Omitted]

2. INDEMNIFICATION:

Indemnity for Professional Liability: When the law establishes a professional standard of care for Professional's Services, to the fullest extent permitted by law, Professional shall indemnify, protect, defend, and hold harmless City and any and all of its elective and appointive boards, officers, officials, agents, employees or volunteers from and against any and all losses, liabilities, damages, costs, and expenses, including legal counsel's fees and costs but only to the extent the Professional (and its Subcontractors) are responsible for such damages, liabilities and costs on a comparative basis of fault between the Professional (and its Subcontractors) and the City in the performance of professional services under this Agreement. Professional shall not be obligated to defend or indemnify City for the City's own negligence or for the negligence of others.

Indemnity for other than Professional Liability: Other than in the performance of professional services and to the full extent permitted by law, Professional shall indemnify, defend, and hold harmless City and any and all of its elective and appointive boards, officers, officials, agents, employees or volunteers from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel's fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of

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this Agreement by Professional or by any individual or agency for which Professional is legally liable, including, but not limited to, officers, agents, employees, or subcontractors of Professional.

3. BUSINESS LICENSE: Professional shall obtain a business license from City before they commence performance of the Services.

4. TERM: The term of this Agreement shall be an initial three (3) year(s), effective on November 18th, 2025, and terminate on November 17th, 2028, subject to City's availability of funds.

5. VOLUNTARY TERMINATION: Either party may terminate this Agreement without cause or legal excuse by providing thirty (30) days' written notice to the other party.

6. CONFLICT: Should any conflict exist between the terms and conditions of the Agreement and this Addendum, the terms and conditions of this Addendum shall prevail.

7. EXTENSION OF AGREEMENT: City may elect to extend this Agreement for two (2) additional one (1) year term(s), on the same terms and conditions, upon issuing an "Election to Extend Agreement" letter executed by the City Manager to Professional thirty (30) days prior to the expiration of this Agreement. On each anniversary date, Professional will be allowed to increase prices. Increases may not exceed increases in the San Francisco-Oakland Consumer Price Index for all urban consumers or percentage increases in Professional's published prices, whichever is lower. In all cases, City may cancel the contract if a requested price increase is not acceptable.

8. CONFIDENTIALITY AND CALIFORNIA PUBLIC RECORDS ACT COMPLIANCE: Professional understands and agrees that City must comply with the California Public Records Act, California Government Code section 7920 et seq.

9. EXECUTION AND COUNTERPARTS. This Addendum may be executed simultaneously, and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument. The Parties agree that this Addendum and any other documents to be delivered in connection herewith may be electronically signed utilizing services such as DocuSign and Nitro Sign, or by transmitting signatures in pdf or similar format, and that any electronic signatures appearing on this Addendum or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

10. GOVERNING LAW: This Addendum shall be interpreted, construed, and governed according to the laws of the State of California, and venue for all actions arising from or related to this Agreement shall be in the County of Stanislaus, State of California.

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AGREEMENT FOR SERVICES**

Contractor: **Solid Networks LLC**

Date: **11/18/2025**

City Contract No. **2026-0090**

Scope of Work: **Co-Managed Support and Professional Services**

11. CONTRACT ADMINISTRATOR: The City's contract administrator and contact person for this Agreement is:

Nick Showalter
City of Turlock
Information Technology Department
156 S. Broadway,
Turlock, California 95380
Telephone Number: (209) 668-5540
E-mail Address: nshowalter@turlock.ca.us

IN WITNESS WHEREOF, the parties have caused this Addendum to be executed by and through their respective officer's thereunto duly authorized.

CITY OF TURLOCK, a California municipal corporation

SOLID NETWORKS, LLC, a Limited Liability Company

By: _____
Susan E. Borrego, Interim City Manager

By: _____

Title: _____

Date: _____

Print name: _____

By: _____
Nick Showalter, Information Technology Director

Date: _____

APPROVED AS TO FORM:

By: _____
George A. Petrulakis, City Attorney

**ADDENDUM TO
CITY OF TURLOCK
AGREEMENT FOR SERVICES**

Contractor: Solid Networks LLC

Date: 11/18/2025

City Contract No. 2026-0090

Scope of Work: Co-Managed Support and Professional Services

ATTEST:

By: _____
Nichole Fiez, City Clerk

City Council Staff Report

November 18, 2025



From: Anthony Sims, Economic Development/Communications Director
Prepared by: Anthony Sims, Economic Development/Communications Director
Agendized by: Susan E. Borrego, Interim City Manager

1. ACTION RECOMMENDED:

Motion: Increase Turlock Partnership Incentive Program grant from \$1,000 to \$3,500 to better support new businesses.

2. NARRATIVE:

The Turlock Partnership Incentive Program, established in the 2011-2012 fiscal year, provides qualifying businesses that open in vacant spaces within the City of Turlock with a \$1,000 grant (issued as a check). The program is designed to revitalize vacant storefronts, stimulate new business growth, and generate additional jobs within the Turlock community.

Eligibility:

- Must occupy an existing vacant building in an appropriately zoned commercial location within the City of Turlock. Provide a business plan (no-cost assistance available through the Valley Sierra Small Business Development Center [SBDC]).
- Participate in a Pre-Development Meeting (no-cost service provided by the City of Turlock).
- Agree to participate in minor record-keeping and provide quarterly feedback for at least one year to help improve the program.
- Not be part of a franchise, non-profit, or corporate chain.

Program Performance by Fiscal Year:

- 2011 - 2012 Year: \$10,000 awarded (10 businesses)
- 2012 - 2013 Year: \$21,000 awarded (21 businesses)
- 2013 - 2014 Year: \$3,000 awarded (3 businesses)
- 2014 - 2015 Year: \$8,000 awarded (8 businesses)
- 2015 - 2016 Year: \$3,000 awarded (3 businesses)
- 2016 - 2017 Year: \$3,000 awarded (3 businesses)
- 2017 - 2018 Year: No grants awarded, no businesses applied
- 2018 - 2019: \$1,000 awarded (1 business)
- 2019 - 2020 Year: No grants awarded, no businesses applied
- 2020 - 2021: No grants awarded, no businesses applied
- 2021 - 2022: No grants awarded, no businesses applied
- 2022 - 2023 Year: \$3,000 awarded (3 businesses)
- 2023 - 2024 Year: \$1,000 awarded (1 business)

- 2024 - 2025: No grants awarded, no businesses applied
- 2025 - 2026 Year: \$4,000 awarded (4 businesses)

Historically, \$30,000 in funding has been allocated from the Transient Occupancy Tax (TOT) to Account No. 110-10-112.47248, designated for the "Turlock Partnership Incentive Program.

The program is advertised on the City of Turlock website:

<https://www.cityofturlock.org/doingbusinessinturlock/businessincentiveprogram/>

Additional Outreach Strategies Include:

- Direct outreach to new businesses: Economic Development staff contact newly licensed or incoming businesses in Turlock to share program details.
- Event and workshop promotion: Flyers highlighting the program are distributed at business workshops and community events.
- In-person counter outreach: Development Services staff promote the program to businesses visiting the Development Services Department counter.

Participation in the program has historically been limited, while business costs have risen significantly since its inception in the 2011-2012 fiscal year. To increase interest and participation, staff recommends City Council approval to raise the grant amount from \$1,000 to \$3,500.

The grant is intended to help with launching the new business, marketing, and providing a strong start for the business.

Program Process:

1. Fill out Turlock Partnership Incentive Program Application
2. Submit a Business Plan to the Economic Development Department
3. Participate in a pre-development meeting
4. Complete the permitting and business license process
5. Open business
6. Attend a City Council meeting to be presented the grant check.

* The applying business must apply for the program prior to starting the permitting and business license process.

3. FISCAL IMPACT / BUDGET AMENDMENT:

There is no additional fiscal impact. Staff recommends maintaining the current annual appropriation of \$30,000 while increasing the individual grant amount from \$1,000 to \$3,500 to encourage greater participation. Staff will continue to monitor program activity and report back to City Council if participation increases significantly or if allocated funds approach depletion.

4. ENVIRONMENTAL DETERMINATION:

This action is not subject to the provisions of the California Environmental Quality Act (CEQA) in

accordance with Section 15378(b)(5) of the CEQA guidelines. This action consists of “organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment” and therefore is not considered a project.

5. ATTACHMENTS:

None