



***REVISED**

ANNOTATED AGENDA

Antioch City Council REGULAR MEETING

**Including the Antioch City Council
acting as Housing Successor to the
Antioch Development Agency**

Date: Tuesday, November 26, 2019

Time: 5:45 P.M. – Closed Session

7:00 P.M. – Regular Meeting

Place: ANTIOCH COMMUNITY CENTER

4703 Lone Tree Way, Community Hall A

Antioch, CA 94531

RULES

Council Meetings Are Televised Live on Comcast Channel 24

Please Turn Off Cell Phones Before Entering Council Meeting

Sean Wright, Mayor
Joyann Motts, Mayor Pro Tem
Monica E. Wilson, Council Member
Lamar Thorpe, Council Member
Lori Ogorchock, Council Member

Arne Simonsen, CMC, City Clerk
James D. Davis, City Treasurer

Ron Bernal, City Manager
Thomas Lloyd Smith, City Attorney

Online Viewing: <https://www.antiochca.gov/government/city-council-meetings/>

Electronic Agenda Packet: <https://www.antiochca.gov/government/agendas-and-minutes/city-council/>

Project Plans: <https://www.antiochca.gov/fc/community-development/planning/Project-Pipeline.pdf>

Hard Copy Viewing: Antioch Public Library, 501 W 18th St, Antioch, CA

Notice of Availability of Reports

This agenda is a summary of the actions proposed to be taken by the City Council. For almost every agenda item, materials have been prepared by the City staff for the Council's consideration. These materials include staff reports which explain in detail the item before the Council and the reason for the recommendation. The materials may also include resolutions or ordinances which are proposed to be adopted. Other materials, such as maps and diagrams, may also be included. All of these materials are available at the City Clerk's Office, City Hall, 200 H Street, Antioch, CA 94509, during normal business hours for inspection and (for a fee) copying. Copies are also made available at the Antioch Public Library for inspection. Questions on these materials may be directed to the staff member who prepared them, or to the City Clerk's Office, who will refer you to the appropriate person.

Notice of Opportunity to Address Council

The public has the opportunity to address the Council on each agenda item. To address the Council, fill out a yellow Speaker Request form, available near the entrance doors, and place in the Speaker Card Tray near the City Clerk's table, before the Council Meeting begins. See the Speakers' Rules on the inside cover of this Agenda. Comments regarding matters not on this Agenda may be addressed during the "Public Comments" section.

5:45 P.M. ROLL CALL – CLOSED SESSIONS – for Council Members – *All Present*

PUBLIC COMMENTS for Closed Sessions – *None*

CLOSED SESSIONS:

- 1) **CONFERENCE WITH LEGAL COUNSEL ANTICIPATED LITIGATION –**
Significant exposure to litigation pursuant to California Government Code section 54956.9(b): One Case.

No reportable action

- 2) **CONFERENCE WITH REAL PROPERTY NEGOTIATORS** pursuant to California Government Code section 54956.8: Orton/Libitzky owned Assessor's Parcel Numbers (APN No.'s): 066-110-009; 074-040-035; 066-101-001. City and Agency Negotiator, City Manager Ron Bernal; Parties – Orton/Libitzky, Antioch Marina LLC.

Direction given to City Manager

- 3) **CONFERENCE WITH REAL PROPERTY NEGOTIATORS** pursuant to California Government Code section 54956.8 – Property: 066-091-015 809-815 1st Street, Antioch, CA 94509; City and Agency Negotiator, City Manager Ron Bernal; Parties – Lafayette Studio.

Direction given to City Manager

7:00 P.M. ROLL CALL – REGULAR MEETING – for City /City Council Members acting as Housing Successor to the Antioch Development Agency – *All Present*

PLEDGE OF ALLEGIANCE *by Troop 153 and Pack 153*

MOTION BY COUNCIL MEMBER THORPE TO SUSPEND THE RULES AND MOVE PROCLAMATION AFTER REGULAR AGENDA ITEM #4 – COUNCIL APPROVED 5/0

ANNOUNCEMENTS OF CIVIC AND COMMUNITY EVENTS

PUBLIC COMMENTS – *Members of the public may comment only on unagendized items. The public may comment on agendized items when they come up on this Agenda.*

CITY COUNCIL COMMITTEE REPORTS/COMMUNICATIONS

MAYOR'S COMMENTS

2. CONSENT CALENDAR for City /City Council Members acting as Housing Successor to the Antioch Development Agency

A. APPROVAL OF COUNCIL MINUTES FOR NOVEMBER 12, 2019

Continued, 5/0

Recommended Action: It is recommended that the City Council continue the Meeting Minutes to the next meeting.

STAFF REPORT

B. APPROVAL OF COUNCIL WARRANTS

Approved, 5/0

Recommended Action: It is recommended that the City Council approve the warrants.

STAFF REPORT

C. APPROVAL OF HOUSING SUCCESSOR WARRANTS

Approved, 5/0

Recommended Action: It is recommended that the City Council approve the warrants.

STAFF REPORT

D. SEVENTH AMENDMENT TO THE CONSULTANT SERVICE AGREEMENT FOR PROFESSIONAL SERVICES WITH WALTER BISHOP CONSULTING

Reso No. 2019/175 adopted, 5/0

Recommended Action: It is recommended that the City Council adopt a resolution authorizing the City Manager to execute the seventh amendment to the Consultant Service Agreement with Walter Bishop Consulting to provide support to the City on water rights issues, provide support, planning and strategies pertaining to California WaterFix and assist in the development of the Brackish Water Desalination project in the amount of \$84,000 for a total contract amount of \$408,000 and extend the contract through December 31, 2020.

STAFF REPORT

CONSENT CALENDAR for City /City Council Members acting as Housing Successor to the Antioch Development Agency – Continued

E. SECOND AMENDMENT TO THE AGREEMENT WITH SABOO, INC. FOR THE CITY HALL COUNCIL CHAMBERS REMODEL (GENERAL CONSTRUCTION) (P.W. 247-P)

Reso No. 2019/176 adopted, 5/0

Recommended Action: It is recommended that the City Council adopt a resolution to:

- 1) Amend the fiscal year 2019/2020 Capital Improvement Budget to increase the Public, Educational and Government Fund for the City Hall Council Chambers Remodel (General Construction) project by \$150,000.
- 2) Authorize the City Manager to execute the second amendment to the construction contract with Saboo, Inc. (Saboo) for this project in the amount of \$150,000 for a total contract amount of \$1,714,024.31.

STAFF REPORT

F. THIRD AMENDMENT TO THE CONSULTANT SERVICE AGREEMENT WITH WOODARD & CURRAN FOR THE BRACKISH WATER DESALINATION PROJECT (P.W. 694)

Reso No. 2019/177 adopted, 5/0

Recommended Action: It is recommended that the City Council adopt a resolution to:

- 1) Amend the fiscal year 2019/2020 Capital Improvements Budget to increase Water Enterprise funding for the Brackish Water Desalination Project by \$65,000.
- 2) Authorize the City Manager to execute the third amendment to the Consultant Service Agreement with Woodard & Curran (W&C) for continued professional services, consultant coordination and permit assistance for the Brackish Water Desalination Project in the amount of \$65,000 for a total contract amount of \$192,500 and extend the contract through December 31, 2020.

STAFF REPORT

G. SIXTH AMENDMENT TO THE CONSULTANT SERVICE AGREEMENT WITH BROWN AND CALDWELL, INC. FOR THE HILLCREST BOOSTER PUMP STATION UPGRADES (P.W. 477-BP2)

Reso No. 2019/178 adopted, 5/0

Recommended Action: It is recommended that the City Council adopt the resolution authorizing the City Manager to execute the sixth amendment to the Consultant Service Agreement with Brown and Caldwell, Inc. (BC) for the Hillcrest Booster Pump Station Upgrades in the amount of \$33,038 for a total contract of \$297,313.

STAFF REPORT

COUNCIL REGULAR AGENDA

3. RESOLUTION OF INTENTION TO SET A PUBLIC HEARING FOR THE FIRST READING OF AN ORDINANCE GRANTING A FRANCHISE AGREEMENT TO PRAXAIR, INC. TO TRANSPORT OXYGEN AND NITROGEN SUBSTANCES

Reso No. 2019/179 adopted, 5/0

Recommended Action: It is recommended that the City Council adopt the Resolution of Intent granting Praxair Inc., a California Corporation and Non-Public Utility, a franchise for the distribution of oxygen and nitrogen within certain Public Streets, and set a public hearing for January 14, 2020 to hear all interests and objections and to consider the first reading of the proposed franchise ordinance regarding Praxair, Inc.

STAFF REPORT

4. RESOLUTIONS TO APPROVE OPERATING AGREEMENTS WITH CANNABIS BUSINESS OPERATORS (ALLUVIUM, INC.; CONTRA COSTA FARMS, LLC; AND DELTA DISPENSARY, LLC)

Recommended Action: It is recommended that the City Council consider adopting each of the following:

Reso No. 2019/180 adopted, 5/0

- A) Resolution of Approval for Operating Agreement for Alluvium, Inc.

Reso No. 2019/181 adopted, 5/0

- B) Resolution of Approval for Operating Agreement for Contra Costa Farms, LLC.

Reso No. 2019/182 adopted, 5/0

- C) Resolution of Approval for Operating Agreement for Delta Dispensary, LLC.

Each resolution will approve the operating agreement for a cannabis business operator, for which the City has issued a Cannabis Business Use Permit. Each operating agreement is substantially similar, with the key difference being the social equity program proposed by each operator.

STAFF REPORT

[COUNCIL MEMBER THORPE MADE A MOTION TO SUSPEND THE RULES AND MOVE THE PROCLAMATION AFTER REGULAR AGENDA ITEM #4 – COUNCIL APPROVED 5/0]

1. **PROCLAMATION**

- *National Alzheimer's Disease Awareness, November 2019*

Approved, 5/0

Recommended Action: It is recommended that the City Council approve the proclamation.

STAFF REPORT

COUNCIL REGULAR AGENDA – Continued

5. RESOLUTION APPROPRIATING EXPENDITURES FOR ENCUMBRANCES AND PROJECT BUDGETS OUTSTANDING TO THE 2019/20 FISCAL YEAR BUDGET AND APPROVING OTHER AMENDMENTS TO THE 2019/20 AND 2020/21 FISCAL YEAR BUDGETS

Reso No. 2019/183 adopted, 5/0

Council discussed recommendations for one-time revenue

Recommended Action: It is recommended that the City Council adopt the resolution appropriating expenditures for encumbrances and project budgets outstanding to the 2019/20 fiscal year budget and approving other amendments to the 2019/20 and 2020/21 fiscal year budgets.

STAFF REPORT

PUBLIC COMMENT

STAFF COMMUNICATIONS

COUNCIL COMMUNICATIONS AND FUTURE AGENDA ITEMS – *Council Members report out various activities and any Council Member may place an item for discussion and direction on a future agenda. Timing determined by Mayor and City Manager – no longer than 6 months.*

MOTION TO ADJOURN – *After Council Communications and Future Agenda Items, the Mayor will make a motion to adjourn the meeting. A second of the motion is required, and then a majority vote is required to adjourn the meeting.*

Motioned to adjourn meeting at 8:43 p.m., 5/0

SPEAKERS' RULES

Welcome to a meeting of the Antioch City Council, we appreciate your attendance.

Because we usually have busy agendas and a lot of business to get through, we need to have some rules so the meeting can be completed at a reasonable hour. Your cooperation is very much appreciated. The State Ralph M. Brown Act guarantees the public's right to address the City Council, within the framework of these rules.

The Council can only take action on items that are listed on the agenda. If you wish to speak to us about an item **not on the agenda**, the "Public Comments" section of the agenda is for you. We will take such comments until no later than 7:30 p.m., when we will move on to agenda items. There is another opportunity for public comments at the end of the meeting.

If you wish to speak, either during "public comments" or during an agenda item, fill out a Speaker Request Form and place in the Speaker Card Tray near the City Clerk. This will enable us to call upon you to speak.

Each speaker is limited to not more than three minutes under Public Comments and three minutes on non-public hearing agenda items. During public hearings, each side is entitled to one "main presenter" who may have not more than 10 minutes; all other speakers during a public hearing item are entitled to a maximum of 5 minutes. These time limits may be modified depending on the number of speakers, number of items on the agenda, or circumstances. No one may speak more than once on an agenda item or during "public comments." Groups who are here regarding an item may identify themselves by raising their hands at the appropriate time to show support for one of their speakers.

During certain types of hearings, the applicant is allowed to give his or her presentation first. After all testimony is received, the applicant has an opportunity for rebuttal.

After having heard from the public, the agenda item will be closed. Deliberations will then be limited to members of the City Council.

If the meeting appears to be going late, the City Council may decide to continue some items until a subsequent meeting. We will try to make this determination around 10:00 p.m. It is the goal to stop discussing agenda items by not later than 11:00 p.m.

The "Consent Calendar" is a group of items which staff thinks may be routine. These items are usually considered all together and approved without further discussion. If you are opposed to action which is recommended for an item on the "Consent Calendar," please submit a Speaker Request Form to let the Mayor know at that part of the agenda and the item will be removed from the "Consent Calendar."

The Council meets regularly on the second and fourth Tuesdays of the month at 7:00 p.m., with Closed Sessions often occurring before or after the regular meeting. The Council also holds adjourned and study sessions on other days. City Council Agendas, including Staff Reports are posted onto our City's Website 72 hours before each Council Meeting. To be notified when the agenda packets are posted onto our City's Website, simply click on this link: <https://www.antiochca.gov/notifications/> and enter your e-mail address to subscribe. To view the agenda information, click on the following link: <https://www.antiochca.gov/government/agendas-and-minutes/city-council/>.

In accordance with the Americans with Disabilities Act and California law, it is the policy of the City of Antioch to offer its public programs, services and meetings in a manner that is readily accessible to everyone, including individuals with disabilities. If you are a person with a disability and require information or materials in an appropriate alternative format; or if you require any other accommodation, please contact the ADA Coordinator at the number or address below at least 72 hours prior to the meeting or when you desire to receive services. Advance notification within this guideline will enable the City to make reasonable arrangements to ensure accessibility. The City's ADA Coordinator can be reached @ Phone: (925) 779-6950, and e-mail: publicworks@ci.antioch.ca.us.



**NATIONAL ALZHEIMER'S DISEASE AWARENESS
NOVEMBER 2019**

WHEREAS, Alzheimer's is a form of dementia that attacks brain cells, diminishes a person's memory and becomes fatal over time;

WHEREAS, there are more than five million Americans living with Alzheimer's disease across the nation and there are ten million family caregivers who are dedicated to making a quality of life possible;

WHEREAS, early diagnosis and evaluation can reverse the causes of impairment and ease the anxiety about the cause of symptoms;

WHEREAS, the City of Antioch provides resources and support to families that are fighting Alzheimer's at the Antioch Senior Center;

WHEREAS, the Annual Senior Resource Fair on November 1, 2019 launched a year-long awareness program to keep seniors and their families engaged on the subject; and

WHEREAS, community partners such as Bedford Center, Elderly Wish Foundation, Meals on Wheels, Senior Citizen's Club and Somersville Town Center ensure that resources are available throughout the year to support quality of life efforts for all seniors.

NOW, THEREFORE, I, SEAN WRIGHT, Mayor of the City of Antioch, do hereby proclaim November 2019, as "National Alzheimer's Disease Awareness Month" and the beginning of a year-long kick-off to increase Alzheimer's Awareness. All residents are encouraged to visit the Antioch Senior Center and learn everything they can about Alzheimer's disease in order to improve the lives of patients, their caregivers, and their families.

NOVEMBER 26, 2019

SEAN WRIGHT, Mayor



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of November 26, 2019

TO: Honorable Mayor and Members of the City Council

SUBMITTED BY: Christina Garcia, CMC, Deputy City Clerk *Cg*

APPROVED BY: Nickie Mastay, Administrative Services Director *NM*

SUBJECT: City Council Meeting Minutes of November 12, 2019

RECOMMENDED ACTION

It is recommended that the City Council continue the Meeting Minutes of November 12, 2019 to the next meeting.

FISCAL IMPACT

None

DISCUSSION

N/A

ATTACHMENT

None.



CLAIMS BY FUND REPORT
FOR THE PERIOD OF
NOVEMBER 1 - NOVEMBER 14, 2019
FUND/CHECK#

100 General Fund

Non Departmental

00384789	CONTRA COSTA WATER DISTRICT	TREATED WATER CAPACITY FEE	55,508.31
00384790	CONTRA COSTA WATER DISTRICT	FACILITY RESERVE CHARGES	272,201.00
00384805	ECC REG FEE AND FIN AUTH	ECCRFFA-RTDIM	606,934.80
00384852	SHONDRA HAIR SALON	STATE FEE REFUND	4.00
00384863	TRICON AMERICAN HOMES	STATE FEE REFUND	4.00

City Council

00384773	BANK OF AMERICA	VARIOUS BUSINESS EXPENSES	1,215.87
00384774	BANK OF AMERICA	VARIOUS BUSINESS EXPENSES	250.75
00384776	BIG SKY LOGOS AND EMBROIDERY	LOGO SHIRTS	43.06
00384837	OGORCHOCK, LORI ANN	EXPENSE REIMBURSEMENT	121.72

City Attorney

00300728	CITY OF ANTIOCH	BUSINESS EXPENSE	45.60
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City Manager

00206479	DS WATERS OF AMERICA	WATER SERVICE	21.00
00300728	CITY OF ANTIOCH	EXPENSE REIMBURSEMENT	38.00
00384756	A AND G PRINTING	PRINTING SERVICES	300.94
00384773	BANK OF AMERICA	VARIOUS BUSINESS EXPENSES	1,171.07
00384776	BIG SKY LOGOS AND EMBROIDERY	LOGO SHIRTS	57.18
00384791	COSTCO	OFFICE SUPPLIES	18.02

City Clerk

00206269	BIG SKY LOGOS AND EMBROIDERY	LOGO SHIRTS	84.36
00206270	AMERICAN TROPHIES	NAME BADGES	37.14
00384806	EIDEN, KITTY J	MINUTES CLERK	2,189.50

Human Resources

00300728	CITY OF ANTIOCH	BUSINESS EXPENSE	65.82
00384779	BROWN, JAZZMAN MONIQUE	EDUCATION REIMBURSEMENT	310.00

Economic Development

00384769	ANTIOCH HERALD	ADVERTISEMENTS	2,190.00
00384773	BANK OF AMERICA	VARIOUS BUSINESS EXPENSES	230.26
00384841	PES ENVIRONMENTAL INC	CONSULTING SERVICES	525.00
00935512	EVVIVA BRANDS LLC	CONSULTING SERVICES	36,150.00

Finance Administration

00384772	BANK OF AMERICA	VARIOUS BUSINESS EXPENSES	758.61
00935513	GRAINGER INC	SUPPLIES	194.96

Finance Accounting

00384772	BANK OF AMERICA	VARIOUS BUSINESS EXPENSES	1,703.26
00384793	CRYSTAL CLEAR LOGOS INC	LOGO SHIRTS	27.79
00384825	KOA HILLS CONSULTING LLC	PROFESSIONAL SERVICES	262.50

Finance Operations

00384772	BANK OF AMERICA	VARIOUS BUSINESS EXPENSES	280.90
00384842	PROGRESSIVE SOLUTIONS INC	BUSINESS LICENSE FORMS	618.16

Non Departmental

00384772	BANK OF AMERICA	VARIOUS BUSINESS EXPENSES	85.93
00384773	BANK OF AMERICA	VARIOUS BUSINESS EXPENSES	1,680.00



CLAIMS BY FUND REPORT
FOR THE PERIOD OF
NOVEMBER 1 - NOVEMBER 14, 2019
FUND/CHECK#

00384782	CELEBRATE ANTIOCH FOUND.	CIVIC ENHANCEMENT GRANT	5,000.00
00384840	PARS	GASB68 REPORT	1,330.00
00384852	SHONDRA HAIR SALON	OVER PAYMENT REFUND	215.00
00384863	TRICON AMERICAN HOMES	OVER PAYMENT REFUND	1,541.47
00935520	MUNISERVICES LLC	STARS SERVICES	250.00
Public Works Street Maintenance			
00384804	EAST BAY WELDING SUPPLY	SUPPLIES	21.24
00384819	INTERSTATE SALES	CRACK SEAL	3,792.61
00384835	NUTRIEN AG SOLUTIONS	PESTICIDES	8,794.78
00384858	SUBURBAN PROPANE	PROPANE	528.50
Public Works-Signal/Street Lights			
00935509	CONSOLIDATED ELECTRICAL DIST	SUPPLIES	1,435.55
00935516	ICR ELECTRICAL CONTRACTORS	ELECTRICAL SERVICES	6,588.72
Public Works-Facilities Maintenance			
00384793	CRYSTAL CLEAR LOGOS INC	UNIFORMS	308.36
00384848	ROBINS LOCK AND KEY	PROFESSIONAL SERVICES	1,870.55
00384851	SERVICE PROS PLUMBERS INC	PLUMBING SERVICES	775.00
00384869	WESCO RECEIVABLES CORP	SUPPLIES	1,621.48
00935513	GRAINGER INC	SUPPLIES	188.31
00935514	HAMMONS SUPPLY COMPANY	SUPPLIES	141.04
00935518	LEES BUILDING MAINTENANCE	JANITORIAL SERVICES	3,550.00
Public Works-Parks Maint			
00935510	DEL CONTES LANDSCAPING INC	LANDSCAPE SERVICES	852.00
Public Works-Median/General Land			
00384761	AL FRESCO LANDSCAPING INC	LANDSCAPE SERVICES	4,782.40
00384767	ANTIOCH ACE HARDWARE	IRRIGATION PARTS	106.26
00384853	SILVA LANDSCAPE	LANDSCAPE SERVICES	4,782.40
00384857	STEWARTS TREE SERVICE INC	TREE SERVICES	3,150.00
Police Administration			
00300837	TOSCHI, COLLINS AND DOYLE	RECORDS FEE REFUND	10.00
00384757	ADAMSON POLICE PRODUCTS	VEHICLE CODE	76.48
00384771	BANK OF AMERICA	VARIOUS BUSINESS EXPENSES	3,996.50
00384771	BANK OF AMERICA	VARIOUS BUSINESS EXPENSES	1,322.58
00384771	BANK OF AMERICA	VARIOUS BUSINESS EXPENSES	3,266.26
00384778	BROOKS III, TAMMANY N	EXPENSE REIMBURSEMENT	108.00
00384781	CA HOMICIDE INVESTIGATORS	TRAINING - C BROGDON	349.00
00384802	EAN SERVICES LLC	RENTAL CAR - A GONZALEZ	930.51
00384810	FORTNER, JOHN C	PARKING REIMBURSEMENT	40.00
00384836	OFFICE DEPOT INC	OFFICE SUPPLIES	4,212.92
00384843	QUALIFICATION TARGETS INC	SUPPLIES	808.06
00384844	REACH PROJECT INC	PROGRAM SERVICES	17,083.00
00935517	IMAGE SALES INC	ID CARDS	96.36
00935519	MOBILE MINI LLC	EVIDENCE STORAGE	244.02
Police Prisoner Custody			
00384771	BANK OF AMERICA	VARIOUS BUSINESS EXPENSES	224.00



CLAIMS BY FUND REPORT
FOR THE PERIOD OF
NOVEMBER 1 - NOVEMBER 14, 2019
FUND/CHECK#

Police Community Policing

00300836	CITY OF ANTIOCH	BUSINESS EXPENSE	98.38
00384771	BANK OF AMERICA	VARIOUS BUSINESS EXPENSES	297.78
00384816	HUNT AND SONS INC	FUEL	55.62
00384827	METRO MOBILE EQUIPMENT	EQUIPMENT	2,758.93
00384855	SP PLUS CORPORATION	PARKING ENFORCEMENT	13,659.08

Police Investigations

00300836	CITY OF ANTIOCH	BUSINESS EXPENSE	21.76
00384771	BANK OF AMERICA	VARIOUS BUSINESS EXPENSES	171.42
00384786	CONTRA COSTA COUNTY	EXTRADITION SERVICES	890.00
00384787	CONTRA COSTA COUNTY	LAB FEES	16,118.00
00384800	DS WATERS OF AMERICA	WATER SERVICE	146.38
00384832	NAPA SOLANO SART	SART EXAM	2,400.00

Police Communications

00384836	OFFICE DEPOT INC	OFFICE SUPPLIES	436.32
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Office Of Emergency Management

00384771	BANK OF AMERICA	VARIOUS BUSINESS EXPENSES	9.95
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Police Facilities Maintenance

00384771	BANK OF AMERICA	VARIOUS BUSINESS EXPENSES	29.90
00384788	CONTRA COSTA FIRE EQUIPMENT	EQUIPMENT	259.01
00935513	GRAINGER INC	SUPPLIES	92.25
00935518	LEES BUILDING MAINTENANCE	JANITORIAL SERVICES	3,400.00

P & R Administration

00384774	BANK OF AMERICA	VARIOUS BUSINESS EXPENSES	13.48
00384792	COSTCO	SUPPLIES	75.35
00384807	EVERYTHING2GO.COM LLC	OFFICE FURNITURE	674.07

Community Development Land Planning Services

00300728	CITY OF ANTIOCH	EXPENSE REIMBURSEMENT	7.50
00384771	BANK OF AMERICA	VARIOUS BUSINESS EXPENSES	101.86

CD Code Enforcement

00206562	CACEO	MEMBERSHIP DUES	95.00
00384771	BANK OF AMERICA	VARIOUS BUSINESS EXPENSES	320.53
00384795	DAVID, MARIA E	MILEAGE REIMBURSEMENT	42.11

Community Development Building Inspection

00206563	AMERICAN TROPHIES	NAME BADGE	18.57
00300530	CITY OF PITTSBURG	TRAINING - M SUBA	150.00
00384861	TRB AND ASSOCIATES	CONSULTING SERVICES	12,600.00

Capital Imp. Administration

00206531	ISINGS CULLIGAN	WATER DISPENSER	66.19
00300728	CITY OF ANTIOCH	EXPENSE REIMBURSEMENT	20.00
00384836	OFFICE DEPOT INC	OFFICE SUPPLIES	366.59

212 CDBG Fund

CDBG

00300851	BPXPRESS	PRINTING SERVICES	101.75
00935515	HOUSE, TERI	CONSULTING SERVICES	7,410.00



CLAIMS BY FUND REPORT
FOR THE PERIOD OF
NOVEMBER 1 - NOVEMBER 14, 2019
FUND/CHECK#

213 Gas Tax Fund

Streets

00384760	AL FRESCO LANDSCAPING INC	LANDSCAPE SERVICES	7,200.00
00384862	TREESAP FARMS LLC	LANDSCAPE ENHANCEMENTS	231.61

214 Animal Control Fund

Animal Control

00384759	AIRGAS INC	OXYGEN TANKS	180.18
00384765	ANIMAL CLINIC OF ANTIOCH	VETERINARY SERVICES	3,156.90
00384771	BANK OF AMERICA	VARIOUS BUSINESS EXPENSES	257.96
00384775	BANK OF AMERICA	VARIOUS BUSINESS EXPENSES	2,023.84
00384799	DIAMONDBACK DRUGS	VETERINARY SUPPLIES	134.21
00384803	EAST BAY VETERINARY EMERG.	VETERINARY SERVICES	926.25
00384812	HARDING IV, GEORGE WARREN	EXPENSE REIMBURSEMENTS	99.96
00384831	MWI VETERINARY SUPPLY CO	VETERINARY SERVICES	1,078.13
00384856	STARLINE SUPPLY COMPANY	OPERATING SUPPLIES	740.67
00384871	ZOETIS LLC	VETERINARY SUPPLIES	541.91
00935519	MOBILE MINI LLC	STORAGE	121.90

219 Recreation Fund

Non Departmental

00384815	HUB INTERNATIONAL OF CA INSUR.	INSURANCE SERVICES	891.12
00384828	MHRC FILAM	RENTAL DEPOSIT REFUND	1,000.00
00384838	ORTIZ, LAURA	RENTAL DEPOSIT REFUND	925.00
00384849	ROMERO, ADELA	RENTAL DEPOSIT REFUND	500.00

Nick Rodriguez Community Cent

00384774	BANK OF AMERICA	VARIOUS BUSINESS EXPENSES	448.76
00935518	LEES BUILDING MAINTENANCE	JANITORIAL SERVICES	500.00

Senior Programs

00384792	COSTCO	SUPPLIES	430.43
00384851	SERVICE PROS PLUMBERS INC	PLUMBING SERVICES	1,137.00
00935518	LEES BUILDING MAINTENANCE	JANITORIAL SERVICES	1.00

Recreation Sports Programs

00384774	BANK OF AMERICA	VARIOUS BUSINESS EXPENSES	355.06
00384792	COSTCO	CONCESSIONS SUPPLIES	454.07
00384834	NOACK, EDYTH F	EXPENSE REIMBURSEMENT	51.09

Recreation-Comm Center

00384774	BANK OF AMERICA	VARIOUS BUSINESS EXPENSES	2,396.01
00384792	COSTCO	PRESCHOOL SUPPLIES	22.52
00384801	DUGAND, KARINA	CONTRACTOR PAYMENT	547.20
00384821	JUMP BUNCH	CONTRACTOR PAYMENT	730.80
00384826	MAX MARTIAL ARTS LLC	CONTRACTOR PAYMENT	1,148.40
00384830	MUIR, ROXANNE	CONTRACTOR PAYMENT	444.60

Recreation Water Park

00384774	BANK OF AMERICA	VARIOUS BUSINESS EXPENSES	448.76
00384833	NATIONAL AQUATICS INC	MAINTENANCE SERVICES	875.00
00384864	UNIVAR USA INC	CHEMICALS	1,117.48
00935518	LEES BUILDING MAINTENANCE	JANITORIAL SERVICES	500.00



CLAIMS BY FUND REPORT
FOR THE PERIOD OF
NOVEMBER 1 - NOVEMBER 14, 2019
FUND/CHECK#

222	Measure C/J Fund		
	<i>Streets</i>		
00384847	ROBERTS AND BRUNE CO	PIPE FITTINGS	262.20
226	Solid Waste Reduction Fund		
	<i>Solid Waste Used Oil</i>		
00384846	REPUBLIC SERVICES INC	PROFESSIONAL SERVICES	1,680.57
229	Pollution Elimination Fund		
	<i>Channel Maintenance Operation</i>		
00384761	AL FRESCO LANDSCAPING INC	LANDSCAPE SERVICES	4,800.00
00384811	FURBER SAW INC	PARTS	91.96
238	PEG Franchise Fee Fund		
	<i>Non Departmental</i>		
00384814	HATTON CRANE AND RIGGING INC	EQUIPMENT	1,016.50
251	Lone Tree SLLMD Fund		
	<i>Lonetree Maintenance Zone 1</i>		
00384860	TERRACARE ASSOCIATES	TURF MOWING	136.60
	<i>Lonetree Maintenance Zone 2</i>		
00384761	AL FRESCO LANDSCAPING INC	LANDSCAPE SERVICES	4,782.40
	<i>Lonetree Maintenance Zone 4</i>		
00384860	TERRACARE ASSOCIATES	TURF MOWING	218.56
252	Downtown SLLMD Fund		
	<i>Downtown Maintenance</i>		
00384860	TERRACARE ASSOCIATES	TURF MOWING	136.60
253	Almondridge SLLMD Fund		
	<i>Almondridge Maintenance</i>		
00384761	AL FRESCO LANDSCAPING INC	LANDSCAPE SERVICES	3,586.80
254	Hillcrest SLLMD Fund		
	<i>Hillcrest Maintenance Zone 1</i>		
00384763	ALTA FENCE	FENCE INSTALLATION	16,142.00
00384853	SILVA LANDSCAPE	LANDSCAPE SERVICES	2,412.00
00384857	STEWARTS TREE SERVICE INC	TREE SERVICES	1,100.00
00384860	TERRACARE ASSOCIATES	TURF MOWING	355.16
	<i>Hillcrest Maintenance Zone 2</i>		
00384860	TERRACARE ASSOCIATES	TURF MOWING	486.30
	<i>Hillcrest Maintenance Zone 4</i>		
00384860	TERRACARE ASSOCIATES	TURF MOWING	273.20
255	Park 1A Maintenance District Fund		
	<i>Park 1A Maintenance District</i>		
00384860	TERRACARE ASSOCIATES	TURF MOWING	355.16
256	Citywide 2A Maintenance District Fund		
	<i>Citywide 2A Maintenance Zone 3</i>		
00384860	TERRACARE ASSOCIATES	TURF MOWING	5.46
	<i>Citywide 2A Maintenance Zone 6</i>		
00384761	AL FRESCO LANDSCAPING INC	LANDSCAPE SERVICES	5,978.00
00384853	SILVA LANDSCAPE	LANDSCAPE SERVICES	804.00
00384860	TERRACARE ASSOCIATES	TURF MOWING	327.84



CLAIMS BY FUND REPORT
FOR THE PERIOD OF
NOVEMBER 1 - NOVEMBER 14, 2019
FUND/CHECK#

Citywide 2A Maintenance Zone 8

00384860 TERRACARE ASSOCIATES	TURF MOWING	27.32
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Citywide 2A Maintenance Zone 9

00384860 TERRACARE ASSOCIATES	TURF MOWING	81.96
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257 SLLMD Administration Fund

SLLMD Administration

00206422 ALL STAR RENTS	EQUIPMENT RENTAL	20.42
00384763 ALTA FENCE	FENCE REPAIR	1,675.00
00384767 ANTIOCH ACE HARDWARE	IRRIGATION PARTS	107.61
00384835 NUTRIEN AG SOLUTIONS	PESTICIDES	29,900.00
00384860 TERRACARE ASSOCIATES	TURF MOWING	327.84

570 Equipment Maintenance Fund

Non Departmental

00384817 HUNT AND SONS INC	FUEL	56,512.11
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Equipment Maintenance

00384758 AFFORDABLE TIRE CENTER	SMOG	60.00
00384813 HARLEY DAVIDSON	REPAIRS	2,317.28
00384867 WALNUT CREEK FORD	AUTO REPAIR PARTS	323.54
00384870 WINTER CHEVROLET CO	REPAIR SERVICES	653.60
00935513 GRAINGER INC	SUPPLIES	170.17

573 Information Services Fund

Network Support & PCs

00384785 COMCAST	CONNECTION SERVICES	160.31
00935508 COMPUTERLAND	SUPPLIES	151.33
00935511 DIGITAL SERVICES	WEBSITE MAINTENANCE	3,265.00

Office Equipment Replacement

00935508 COMPUTERLAND	SUPPLIES	322.59
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611 Water Fund

Non Departmental

00384777 BISHOP CO	SUPPLIES	2,289.92
00384784 COLE SUPPLY CO INC	SUPPLIES	3,093.96
00384847 ROBERTS AND BRUNE CO	PIPE FITTINGS	6,994.43
00935513 GRAINGER INC	SUPPLIES	2,671.52
00935514 HAMMONS SUPPLY COMPANY	SUPPLIES	1,170.83

Water Supervision

00384764 AMERICAN WATER WORKS ASSOC	CONFERENCES/DUES	6,693.00
00384868 WATERWISE PRO TRAINING	TRAINING	450.00

Water Production

00384762 ALAMEDA ELECTRICAL DISTRIBUT.	PARTS & SERVICE	546.58
00384766 ANIMAL DAMAGE MANAGEMENT	PROFESSIONAL SERVICES	425.00
00384767 ANTIOCH ACE HARDWARE	SUPPLIES	60.11
00384770 ARAMARK UNIFORM SERVICES	PROFESSIONAL SERVICES	157.73
00384783 CITY OF BRENTWOOD	GROUNDWATER SUPPORT SERV	6,410.58
00384797 DELTA FENCE CO	FENCE REPAIR	1,134.00
00384808 FASTENAL CO	PARTS	18.02
00384809 FISHER SCIENTIFIC COMPANY	LAB SUPPLIES	885.05



CLAIMS BY FUND REPORT
FOR THE PERIOD OF
NOVEMBER 1 - NOVEMBER 14, 2019
FUND/CHECK#

00384822	KAPSCH TRAFFICOM USA INC	PROFESSIONAL SERVICES	17,325.00
00384823	KARL NEEDHAM ENTERPRISES INC	PROFESSIONAL SERVICES	28,053.13
00384824	KELLY MOORE PAINT CO	PAINT AND SUPPLIES	482.52
00384845	REINHOLDT ENGINEERING CONST	PARTS & SERVICE	3,992.00
00384853	SILVA LANDSCAPE	LANDSCAPE SERVICES	804.00
00384854	SOUTHWEST VALVE LLC	PARTS & SERVICE	312.20
00384857	STEWARTS TREE SERVICE INC	LANDSCAPE SERVICES	850.00
00384864	UNIVAR USA INC	CHEMICALS	8,819.21
00384865	US BANK	COPIER	79.74
00935506	AIRGAS SPECIALTY PRODUCTS	CHEMICALS	5,550.50
00935507	CHEMTRADE CHEMICALS US LLC	CHEMICALS	26,125.98
00935513	GRAINGER INC	SUPPLIES	237.64
00935518	LEES BUILDING MAINTENANCE	JANITORIAL SERVICES	200.00
Water Distribution			
00206549	STURDEVANT, MARK	OVER PAYMENT REFUND	16.74
00384780	C AND J FAVALORA TRUCKING INC	RECYCLING PROJECT	8,770.75
00384798	DENALI ADVANCED INTEGRATION	EQUIPMENT	287.88
00384811	FURBER SAW INC	REPAIR SERVICES	76.75
00384818	INFOSEND INC	POSTAGE COSTS	1,577.10
00384829	MT DIABLO LANDSCAPE CENTERS	CONCRETE MIX	191.35
00384839	PACE SUPPLY CORP	PIPE FITTINGS	161.41
00384847	ROBERTS AND BRUNE CO	PIPE FITTINGS	28,921.39
00384850	SEECCLICKFIX	LICENSE RENEWAL	1,250.00
00384859	SYAR INDUSTRIES INC	ASPHALT	2,234.89
00384869	WESCO RECEIVABLES CORP	SUPPLIES	277.21
00935513	GRAINGER INC	SUPPLIES	839.28
00935516	ICR ELECTRICAL CONTRACTORS	ELECTRICAL SERVICES	231.09
621	Sewer Fund		
Swr-Wastewater Administration			
00384780	C AND J FAVALORA TRUCKING INC	RECYCLING PROJECT	8,770.75
00384794	CWEA SFBS	SEMINAR DUES	825.00
00384798	DENALI ADVANCED INTEGRATION	EQUIPMENT	287.87
00384818	INFOSEND INC	POSTAGE COSTS	1,577.09
00384839	PACE SUPPLY CORP	PIPE FITTINGS	925.89
00384847	ROBERTS AND BRUNE CO	PIPE FITTINGS	852.15
00384850	SEECCLICKFIX	LICENSE RENEWAL	1,250.00
00384859	SYAR INDUSTRIES INC	ASPHALT	2,234.90
00935516	ICR ELECTRICAL CONTRACTORS	ELECTRICAL SERVICES	231.09
Wastewater Collection			
00384872	CONTRA COSTA COUNTY	PERMIT FEES	6,500.00
631	Marina Fund		
Marina Administration			
00384768	ANTIOCH HERALD	ADVERTISING	212.50
00384784	COLE SUPPLY CO INC	SUPPLIES	39.53
00384785	COMCAST	CONNECTION SERVICES	216.29
00384796	DEL RAY ADVERTISING & MARKING	ADVERTISING	1,500.00



CLAIMS BY FUND REPORT
FOR THE PERIOD OF
NOVEMBER 1 - NOVEMBER 14, 2019
FUND/CHECK#

00384817	HUNT AND SONS INC	FUEL	8,944.38
00384848	ROBINS LOCK AND KEY	SUPPLIES	225.73
00384866	VALVTECT PETROLEUM	FUEL	2,165.03
00935518	LEES BUILDING MAINTENANCE	JANITORIAL SERVICES	1,300.00
760	ECWMA Fund		
<i>Non Departmental</i>			
00384820	IRONHOUSE SANITARY DISTRICT	MEETING REIMBURSEMENT	753.53



HOUSING SUCCESSOR TO
THE ANTIOCH DEVELOPMENT AGENCY
CLAIMS BY FUND REPORT
FOR THE PERIOD OF
OCTOBER 11 - NOVEMBER 14, 2019
FUND/CHECK#

227 **Housing Fund**
Housing


00384218	HABITAT FOR HUMANITY EAST BAY	CDBG SERVICES	6,624.88
00935305	HOUSE, TERI	CONSULTING SERVICES	4,400.00
00935515	HOUSE, TERI	CONSULTING SERVICES	4,160.00


CITY OF
ANTIOCH
CALIFORNIA

STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of November 26, 2019

TO: Honorable Mayor and Members of the City Council

SUBMITTED BY: Scott Buenting, Project Manager 

APPROVED BY: Bailey Grewal, Interim Public Works Director/City Engineer 

SUBJECT: Seventh Amendment to the Consultant Service Agreement for Professional Services with Walter Bishop Consulting

RECOMMENDED ACTION

It is recommended that the City Council adopt a resolution authorizing the City Manager to execute the seventh amendment to the Consultant Service Agreement with Walter Bishop Consulting to provide support to the City on water rights issues, provide support, planning and strategies pertaining to California WaterFix and assist in the development of the Brackish Water Desalination project in the amount of \$84,000 for a total contract amount of \$408,000 and extend the contract through December 31, 2020.

FISCAL IMPACT

Adoption of this resolution will increase the existing contract with Walter Bishop Consulting by \$84,000 for a total contract amount of \$408,000. Funding for these professional services are included in the fiscal year 2019/20 Water Enterprise Fund.

DISCUSSION

Mr. Bishop has a long history of being an industry leader in the area of water, specifically in the State of California and our region. During his tenure as General Manager of Contra Costa Water District, Mr. Bishop's vision, negotiating expertise led to the permitting and construction of the Los Vaqueros Reservoir. Since 2013, Mr. Bishop has been a member of the City's water rights' consultant team. Mr. Bishop provides Antioch key counsel and strategy for the proposed California WaterFix project, which has been modeled to show significant negative impacts to Antioch's water quality, reliability, and recreation for our community and support for the development of the Brackish Water Desalination Project.

Staff is recommending an amendment to Walter Bishop Consulting's Consultant Service Agreement to include continued support to the City on water rights issues, participation in discussions with the State pertaining to the City's intake and delta water supply and continued assistance in the development of the Brackish Water Desalination Project. The approval of this agreement amendment will increase the contract by \$84,000 for a total contract amount of \$408,000.

ATTACHMENTS

A: Resolution

ATTACHMENT "A"

RESOLUTION NO. 2019/**

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANTIOCH APPROVING THE SEVENTH AMENDMENT FOR PROFESSIONAL SERVICES TO THE CONSULTANT SERVICES AGREEMENT WITH WALTER BISHOP CONSULTING

WHEREAS, on May 13, 2013, Walter Bishop Consulting entered into an Agreement for Professional Consulting Services to assist in negotiations for the City's Water Rights in the amount of \$10,000;

WHEREAS, on January 7, 2014, City increased the compensation for Walter Bishop Consulting in the amount of \$15,000 bringing the total compensation to an amount not to exceed \$25,000;

WHEREAS, on August 7, 2014, City increased the compensation for Walter Bishop Consulting in the amount of \$20,000.00 bringing the total compensation to an amount not to exceed \$45,000;

WHEREAS, on September 8, 2015, City increased the compensation for Walter Bishop Consulting in the amount of \$50,000 bringing the total compensation to an amount not to exceed \$95,000;

WHEREAS, on July 26, 2016, City increased the compensation for Walter Bishop Consulting in the amount of \$75,000 bringing the total compensation to an amount not to exceed \$170,000;

WHEREAS, on January 23, 2018, City increased the compensation for Walter Bishop Consulting in the amount of \$70,000 bringing the total compensation to an amount not to exceed \$240,000;

WHEREAS, on October 23, 2018, City increased the compensation for Walter Bishop Consulting in the amount of \$84,000 bringing the total compensation to an amount not to exceed \$324,000; and

WHEREAS, the City desires to authorize the City Manager to execute the seventh amendment to the Consultant Service Agreement with Walter Bishop Consulting to provide support to the City on water rights issues, provide support, planning and strategies pertaining to California WaterFix and assist in the development of the Brackish Water Desalination Treatment project in the amount of \$84,000 for a total of \$408,000 and extend the contract through December 31, 2020.

RESOLUTION NO. 2019/**

November 26, 2019

Page 2 of 2

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Antioch hereby authorizes the City Manager to execute the Seventh Amendment to the Consultant Services Agreement with Walter Bishop Consulting to provide support to the City on water rights issues, provide support, planning and strategies pertaining to California WaterFix and assist in the development of the Brackish Water Desalination Project in the amount of \$84,000 for a total contract amount of \$408,000 and extend the contract through December 31, 2020.

* * * * *

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Antioch at a regular meeting thereof, held on the 26th day of November 2019, by the following vote:

AYES:

ABSENT:

ABSTAIN:

NOES:

ARNE SIMONSEN, CMC
CITY CLERK OF THE CITY OF ANTIOCH

CITY OF
ANTIOCH
CALIFORNIA

STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of November 26, 2019

TO: Honorable Mayor and Members of the City Council

SUBMITTED BY: Scott Buenting, Project Manager *SB*

APPROVED BY: Bailey Grewal, Interim Public Works Director/City Engineer *BG*

SUBJECT: Second Amendment to the Agreement with Saboo, Inc. for the City Hall Council Chambers Remodel (General Construction)
(P.W. 247-P)

RECOMMENDED ACTION

It is recommended that the City Council adopt a resolution to:

1. Amend the fiscal year 2019/2020 Capital Improvement Budget to increase the Public, Educational and Government Fund for the City Hall Council Chambers Remodel (General Construction) project by \$150,000.
2. Authorize the City Manager to execute the second amendment to the construction contract with Saboo, Inc. (Saboo) for this project in the amount of \$150,000 for a total contract amount of \$1,714,024.31.

FISCAL IMPACTS

Adoption of this resolution will amend the fiscal year 2019/2020 Capital Improvement Budget to increase the Public, Educational and Government Fund for the Council Chambers Remodel (General Construction) by \$150,000 and increase the contract with Saboo by \$150,000 for a total contract amount of \$1,714,024.31.

DISCUSSION

On April 23, 2019, the City Council awarded a contract to Saboo for the City Hall Council Chambers Remodel (General Construction) project. This work entails an interior remodeling of the existing City Hall Council Chambers, expansion of the Human Resources conference room and enclosure of the breezeway between the Council Chambers and City Hall. On August 13, 2019 the City Council approved an amendment to the contract with Saboo to include furnishing and installing the new seating in the remodeled Council Chambers.

Staff is recommending an amendment to Saboo's contract to include performing additional work as part of the remodeling project. The existing electrical panel within the Council Chamber must be replaced to accommodate the new electrical and lighting systems. Additional engineering is required to facilitate the installation of new lighting

facilities and construction of ceiling features. Spatial changes within the chambers required alterations to the fire alarm system. Portions of the concrete flooring must be modified to maintain compliance with the Americans with Disabilities Act. Door hardware must be revised to accommodate the new security access system and the side access door to the chamber are to be replaced to be brought into compliance with current standards. In addition, the interior of the expanded Human Resources conference room will be reconstructed to better utilize the space and increase sound proofing.

ATTACHMENTS

A. Resolution

ATTACHMENT "A"

RESOLUTION NO. 2019/**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANTIOCH
AMENDING THE FISCAL YEAR 2019/2020 CAPITAL IMPROVEMENTS BUDGET TO
INCREASE THE PUBLIC, EDUCATIONAL AND GOVERNMENT FUND BY \$150,000
AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SECOND
AMENDMENT TO THE AGREEMENT WITH SABOO, INC. FOR THE CITY HALL
COUNCIL CHAMBERS REMODEL (GENERAL CONSTRUCTION)
P.W. 247-P**

WHEREAS, on April 23, 2019 Saboo, Inc. was awarded a contract by the City of Antioch to perform work associated with the City Hall Council Chambers Remodel (General Construction);

WHEREAS, on August 13, 2019 Council approved an amendment increasing the Capital Improvement Budget for the City Hall Council Chambers Remodel (General Construction) in the amount of \$80,025 from the Public, Educational and Government Fund and increased the contract with Saboo, Inc. by \$80,024.31 for a total contract amount of \$1,564,024.31;

WHEREAS, the City desires to amend the fiscal year 2019/2020 Capital Improvements Budget to increase the Public, Educational and Government Funding and authorize the Second Amendment to the contract with Saboo, Inc.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Antioch hereby amends the fiscal year 2019/2020 Capital Improvements Budget to increase the Public, Educational and Government Fund for the City Hall Council Chambers Remodel (General Construction) by \$150,000.

BE IT FURTHER RESOLVED that the City Council authorizes the City Manager to execute the Second Amendment to the contract with Saboo, Inc. for additional work for this project in the amount of \$150,000 for a total contract amount of \$1,714,024.31, in a form approved by the City Attorney.

* * * * *

RESOLUTION NO. 2019/**

November 26, 2019

Page 2 of 2

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Antioch at a regular meeting thereof, held on the 26th day of November 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ARNE SIMONSEN, CMC
CITY CLERK OF THE CITY OF ANTIOCH

CITY OF
ANTIOCH
CALIFORNIA

STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of November 26, 2019

TO: Honorable Mayor and Members of the City Council

SUBMITTED BY: Scott Buenting, Project Manager *SB*

APPROVED BY: Bailey Grewal, Interim Public Works Director/City Engineer *BG*

SUBJECT: Third Amendment to the Consultant Service Agreement with Woodard & Curran for the Brackish Water Desalination Project (P.W. 694)

RECOMMENDED ACTION

It is recommended that the City Council adopt a resolution to:

1. Amend the fiscal year 2019/2020 Capital Improvements Budget to increase Water Enterprise funding for the Brackish Water Desalination Project by \$65,000.
2. Authorize the City Manager to execute the third amendment to the Consultant Service Agreement with Woodard & Curran (W&C) for continued professional services, consultant coordination and permit assistance for the Brackish Water Desalination Project in the amount of \$65,000 for a total contract amount of \$192,500 and extend the contract through December 31, 2020.

FISCAL IMPACT

Adoption of this resolution will amend the fiscal year 2019/2020 Capital Improvements Budget to increase Water Enterprise funding for the Brackish Water Desalination Project by \$65,000 and increase the contract with Woodard & Curran by \$65,000 for a total contract amount of \$192,500.

DISCUSSION

In October 2017, the City entered into a Consulting Service Agreement with Woodard & Curran to provide support related to the Brackish Water Desalination Project and water rights related issues. This work included assisting the City with consultant coordination, project scheduling and securing funding for the Brackish Water Desalination Project. In addition, W&C provided technical reviews of delta modeling results and informed the City of possible effects on the City's water supply.

In March 2018, W&C's agreement was amended to include continued support to the City pertaining to the Brackish Water Desalination Project. This scope included ongoing consultant coordination, project scheduling and securing funding for the project. W&C assisted the City in the development of the project's Environmental Impact Report, including the evaluation of modeling analyses for incorporation into the environmental document.

On October 23, 2018, W&C's agreement was amended to include continued consultant coordination, project scheduling and securing funding for the Brackish Water Desalination Project, as well as securing permits necessary for project implementation, including USACE, 404, RWQCB 401, fishery consultations, Biological Opinions, Incidental Take, and others.

Staff is recommending an amendment to W&C's Consultant Service Agreement to continue providing support with ongoing project coordination during permitting and design, interagency cooperation with Delta Diablo and securing funding. The approval of this amendment will increase the contract by \$65,000 for a total contract amount of \$192,500.

ATTACHMENTS

A: Resolution

ATTACHMENT "A"

RESOLUTION NO. 2019/**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANTIOCH
AMENDING THE FISCAL YEAR 2019/2020 CAPITAL IMPROVEMENTS BUDGET TO
INCREASE WATER ENTERPRISE FUNDING BY \$65,000 AND AUTHORIZING THE
CITY MANAGER TO EXECUTE THE THIRD AMENDMENT TO THE AGREEMENT
WITH WOODARD & CURRAN FOR THE BRACKISH WATER DESALINATION
PROJECT
P.W. 694**

WHEREAS, on October 23, 2017, the City entered into a Consultant Service Agreement with Woodard & Curran to provide professional services related to the Brackish Water Desalination project and Bay-Delta technical support in the amount of \$30,000;

WHEREAS, on March 28, 2018, City increased the compensation for Woodard & Curran in the amount of \$32,500 bringing the total compensation to an amount not to exceed \$62,500;

WHEREAS, on October 23, 2018, City increased the compensation for Woodard & Curran in the amount of \$65,000 bringing the total compensation to an amount not to exceed \$127,500; and

WHEREAS, the City desires to amend the fiscal year 2019/2020 Capital Improvements Budget to increase Water Enterprise funding, to authorize the Third Amendment to the Consultant Services Agreement with Woodard & Curran for continued professional services, consultant coordination and permit assistance for this project, and to extend the contract through December 31, 2020.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Antioch hereby amends the fiscal year 2019/2020 Capital Improvements Budget to increase Water Enterprise funding for the Brackish Water Desalination project by \$65,000.

BE IT FURTHER RESOLVED that the City Council authorizes the City Manager to execute the third amendment to the Consultant Service Agreement with Woodard & Curran for continued professional services, consultant coordination and permit assistance for this project in the amount of \$65,000 for a total contract amount of \$192,500 and extend the contract through December 31, 2020, in a form approved by the City Attorney.

RESOLUTION NO. 2019/**

November 26, 2019

Page 2 of 2

* * * * *

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Antioch at a regular meeting thereof, held on the 26th day of November 2019, by the following vote:

AYES:

ABSENT:

ABSTAIN:

NOES:

ARNE SIMONSEN, CMC
CITY CLERK OF THE CITY OF ANTIOCH

CITY OF
ANTIOCH
CALIFORNIA

STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of November 26, 2019

TO: Honorable Mayor and Members of the City Council

SUBMITTED BY: Scott Buenting, Project Manager *SB*

APPROVED BY: Bailey Grewal, Interim Public Works Director/City Engineer *BG*

SUBJECT: Sixth Amendment to the Consultant Service Agreement with Brown and Caldwell, Inc. for the Hillcrest Booster Pump Station Upgrades (P.W. 477-BP2)

RECOMMENDED ACTION

It is recommended that the City Council adopt the resolution authorizing the City Manager to execute the sixth amendment to the Consultant Service Agreement with Brown and Caldwell, Inc. (BC) for the Hillcrest Booster Pump Station Upgrades in the amount of \$33,038 for a total contract of \$297,313.

FISCAL IMPACT

Adoption of this resolution will increase the existing contract with BC by \$33,038 for a total contract of \$297,313. The fiscal year 2019/2020 Capital Improvement Budget includes adequate budget for this work through the Water Enterprise Fund.

DISCUSSION

The Hillcrest Booster Pump Station was constructed in 1984. This facility increases water distribution system pressure in the eastern portion of the City within Zone III East. The station also provides adequate pressure to the Bear Ridge Booster Pump Station, allowing this facility to deliver water to the smaller pressure zone it serves in the Bear Ridge area. The original standby generator at Hillcrest Booster Pump Station became inoperable in 2014 and was removed from the site. Currently the facility does not have emergency back-up power. Due to ongoing PG&E's Public Safety Power Shutoff it is imperative to perform this work as soon as possible.

On April 9, 2019, the City Council amended an existing contract with BC to include engineering design services for the rehabilitation of the Hillcrest and James Donlon Booster Pump Stations. Both projects are included in the 2019/2024 Capital Improvement Program. Staff is recommending an amendment to BC's Consultant Service Agreement to include the design of a standby generator and fuel tank at Hillcrest Booster Pump Station to be installed as part of the pump station upgrades.

ATTACHMENTS

A: Resolution

ATTACHMENT "A"

RESOLUTION NO. 2019/**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANTIOCH
AUTHORIZING THE CITY MANAGER TO EXECUTE THE SIXTH AMENDMENT TO
THE CONSULTANT SERVICES AGREEMENT WITH BROWN AND CALDWELL,
INC. FOR THE HILLCREST BOOSTER PUMP STATION UPGRADES
P.W. 477-BP2**

WHEREAS, on December 18, 2014, Brown and Caldwell, Inc. entered into an Agreement for Professional Consultant Services for the "As Needed" Water Services ("Agreement") in the amount of \$25,000;

WHEREAS, on March 7, 2016, City amended the Agreement with Brown and Caldwell, Inc. to extend the term of the contract to December 31, 2016;

WHEREAS, on February 21, 2017, City amended the Agreement to increase it in the amount of \$25,000 for a total contract amount of \$50,000 to scope the James Donlon and Hillcrest Booster Pump Station Upgrades Projects and extended the term of the contract to December 31, 2017;

WHEREAS, on November 17, 2017, City amended the Agreement with Brown and Caldwell, Inc. to extend its term to December 31, 2018;

WHEREAS, on April 9, 2019, City amended the Agreement to increase it in the amount of \$194,301 for a total contract amount of \$244,301 and extended the term of the contract to December 31, 2019;

WHEREAS, on October 8, 2019, City amended the Agreement to increase it in the amount of \$19,974 for a total contract amount of \$264,275 and extended the term of the contract to December 31, 2020; and

WHEREAS, the City desires to authorize the City Manager to execute the sixth amendment to the Consultant Service Agreement with Brown and Caldwell, Inc. for the Hillcrest Booster Pump Station Upgrades.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Antioch hereby authorizes the City Manager to execute the sixth amendment to the Consultant Service Agreement with Brown and Caldwell, Inc. for the Hillcrest Booster Pump Station Upgrades in the amount of \$33,038 for a total contract amount of \$297,313, in a form approved by the City Attorney.

* * * * *

RESOLUTION NO. 2019/**

November 26, 2019

Page 2 of 2

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Antioch at a regular meeting thereof, held on the 26th day of November 2019, by the following vote:

AYES:

ABSENT:

ABSTAIN:

NOES:

ARNE SIMONSEN, CMC
CITY CLERK OF THE CITY OF ANTIOCH

CITY OF
ANTIOCH
CALIFORNIA

STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of November 26, 2019

TO: Honorable Mayor and Members of the City Council

APPROVED BY: Bailey Grewal, Interim Public Works Director/City Engineer *ef*

SUBJECT: Resolution of Intention to Set a Public Hearing for the First Reading of an Ordinance Granting a Franchise Agreement to Praxair, Inc. to Transport Oxygen and Nitrogen Substances

RECOMMENDED ACTION

It is recommended that the City Council adopt the attached Resolution of Intent granting Praxair Inc., a California Corporation and Non-Public Utility, a franchise for the distribution of oxygen and nitrogen within certain Public Streets, and set a public hearing for January 14, 2020 to hear all interests and objections and to consider the first reading of the proposed franchise ordinance regarding Praxair, Inc.

FISCAL IMPACT

In the previous arrangement the Franchisee agreed to pay the City an annual license fee in the amount of \$.05 per inch to nominal internal diameter per lineal foot for each of those parts of the pipelines. In this new arrangement, the Franchisee has agreed to pay the City at the rate of \$1.50 per linear foot, adjusted by the ratio of the San Francisco-Bay Area Consumer Price Index for All Urban Consumers (CPI-U). This will result in a total annual revenue of \$14,640, plus annual CPI-U; an increase of approximately \$10,736 annually.

DISCUSSION

Section 6202 of the California Public Utilities Code authorizes the City Council to grant a non-public utility pipeline operator a franchise to lay, and use, pipes and appurtenances for transmitting and distributing gas or industrial gas for all purposes within the municipality. On May 29, 1979, the City Council adopted Resolution No. 79/120 granting a license to Union Carbide Corporation, later assigned to Union Carbide Industrial Gases, Inc., to transport gaseous oxygen and nitrogen substances through an underground pipeline in and along City streets. The agreement was subject to certain covenants, limitations and restrictions, and existed for a period of forty (40) years. This agreement expired on May 29, 2019 and the successor-in-interest agency, Praxair Inc., is requesting approval to continue operating the pipeline facilities, and has agreed to enter into a franchise agreement for this purpose. The term of the new franchise agreement will be for a period of fifteen (15) years beginning June 1, 2019.

ATTACHMENTS

ATTACHMENTS

- A: Resolution
- B: Written Request
- C: Franchise Proposed Ordinance
- D: Public Hearing

ATTACHMENT "A"

RESOLUTION NO. 2019/**

**RESOLUTION OF INTENTION TO SET A PUBLIC HEARING FOR THE
FIRST READING OF AN ORDINANCE
GRANTING A FRANCHISE AGREEMENT TO PRAXAIR, INC.**

WHEREAS, Section 6202 of the California Public Utilities Code authorizes the City Council to grant a nonpublic utility pipeline operator a franchise to lay and use pipes, connections and appurtenances for transmitting and distributing industrial gas or products thereof for any and all purposes under, along, across or upon the public streets and alleys; and

WHEREAS, On May 29, 1979, the City Council adopted Resolution No. 79/120 granting a license to Union Carbide Corporation, later assigned to Union Carbide Industrial Gases, Inc., to transport gaseous oxygen and nitrogen substances through an underground pipeline in and along City streets, and this license expired May 29, 2019; and

WHEREAS, Public Utilities Code § 6231 requires the applicant to file with the City Council an application stating:

- A) The name of applicant;
- B) The purpose and term, whether definite or indeterminate, for which the franchise is desired;
- C) If granted the franchise as applied for, applicant, its successors and assigns will pay to the City of Antioch during the life of the franchise an annual franchise fee in an amount agreed to by the applicant and the City of Antioch, per Public Utilities Code § 6231.5(e); and

WHEREAS, Praxair Inc., a California corporation, non-public utility entity, and successor-in-interest has filed an application to receive such franchise, and said application has been found to conform to Public Utilities Code § 6231; and

WHEREAS, NOW, THEREFORE, BE IT RESOLVED that pursuant to Public Utilities Code § 6232, a Resolution of Intention to grant the franchise applied for by Praxair, Inc. to lay and use pipes, connections and appurtenances for transmitting and distributing industrial gas for any and all purposes under, along, across or upon the public streets, ways, alleys and places within that portion of the City of Antioch is passed. This franchise will be granted for a term of 15 years, beginning June 1, 2019.

BE IT FURTHER RESOLVED, that the City Clerk of the City of Antioch is directed to publish a notice once within 15 days after the passage of this Resolution, the date, time and place of a hearing, in a newspaper of general circulation within the City. Said hearing shall be held on the 14th day of January 2020, at the hour of 7:00 PM, a day not less than twenty (20) nor more than sixty (60) days after the date of the passage of this resolution,

RESOLUTION NO. 2019/**

November 26, 2019

Page 2

at Antioch Community Center, 4703 Lone Tree Way, Community Hall A, Antioch, California. All persons having any objection to the granting of the franchise hereinabove described may appear before the City Council and be heard thereon.

* * * * *

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Antioch at a regular meeting thereof, held on the 26th day of November 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ARNE SIMONSEN, CMC
CITY CLERK OF THE CITY OF ANTIOCH

ATTACHMENT "B"

From: [mrgaaw](#)
To: [Roberts, Arlene](#)
Cc: [Grewal, Bailey](#)
Subject: FW: Praxair Franchise
Date: Friday, November 1, 2019 10:26:00 AM
Attachments: [image001.png](#)

Good morning below is Praxair's written request...

From: Lieder, Krystina <Krystina_Lieder@Praxair.com>
Sent: Thursday, October 31, 2019 12:42 PM
To: mrgaaw <mrgaaw@ci.antioch.ca.us>
Subject: Praxair Franchise

Dear Alan,

Please accept this email as Praxair Inc.'s request for a 15-year non-public utility franchise agreement for pipelines running under city streets. We agree to pay the negotiated annual fee of \$1.50 per linear foot, as adjusted annually by CPI.

Please me know if you require anything else in order to process this request.

Thank you

Krystina Lieder
Corporate Real Estate
Praxair, Inc.,
member of the Linde Group
10 Riverview Drive
Danbury, CT 06810
203-837-2285
Krystina.Lieder@praxair.com



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ATTACHMENT “C”

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF ANTIOCH GRANTING TO PRAXAIR, INC., A CALIFORNIA CORPORATION AND NON-PUBLIC UTILITY, A FRANCHISE FOR THE DISTRIBUTION OF OXYGEN AND NITROGEN WITHIN CERTAIN PUBLIC STREETS

RECITALS

A. Resolution No. 79/120 granted a pipeline license to Union Carbide Corporation, which as later assigned to Union Carbide Industrial Gases, Inc., to carry non-hazardous gaseous products, such as oxygen and nitrogen, in and along the City’s public streets; and

B. Praxair, Inc., as successor-in-interest to Union Carbide Industrial Gases, Inc., has requested to continue operating its pipeline facilities in and along the City’s public streets, and has agreed to enter into a franchise agreement for such operation.

AGREEMENT

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ANTIOCH DOES ORDAIN AS
FOLLOWS:**

SECTION 1. DEFINITIONS

(a) “Act” means the Franchise Act of 1937 set forth in California Public Utilities Code sections 6201-6302, as it may be amended from time to time.

(b) “City” means the City of Antioch, a general law city in the State of California.

(c) “Code” means the California Public Utilities Code.

(d) “CPUC” means the California Public Utilities Commission.

(e) “CSFM” means the California State Fire Marshal.

(e) “Director” means the City Manager, or designee, or the City department charged with the administration of this franchise ordinance.

(f) “Franchise” means the rights granted to Franchisee hereunder pursuant to City’s police power and applicable provisions of the Franchise Act of 1937, and any revisions thereto.

(g) “Franchisee” means Praxair, Inc., a California corporation and nonpublic utility within the meaning of California Public Utilities Code § 6231.5(f).

(h) “Lay and Use” means to lay, construct, erect, install, operate, maintain, use, repair, replace or remove.

(i) “Facilities” means all property of Franchise, including, but not limited to, pipelines, pump stations, conduits, adjunct communication lines, attachments, appurtenances, tangible components, or service connections with Licensee’s facilities, whether installed by Franchisee or not, erected, constructed, laid, operated or maintained in, upon, along, across or under any Street pursuant to any right or privilege granted by the franchise, and used in transmitting and distributing oxygen and nitrogen. “Facilities” does not include poles or other facilities above ground unless approval is obtained pursuant to applicable law.

(j) “Streets” means the public streets, ways and alleys as the same now or may hereafter exist within the City.

(l) “Work” means any and all construction, installation, repair, maintenance, removal or relocation of any Facilities or other improvements performed under this Franchise.

SECTION 2. GRANT; TERM; EXPIRATION; NON-EXCLUSIVITY

2.1 Grant of Franchise. The right, privilege and franchise is hereby granted to Franchisee to use the Streets for transmitting and distributing oxygen and nitrogen for any and all lawful purposes, including the right to replace, repair, reconstruct, operate, maintain, retain and use Streets to convey liquids, gases, and vapors associated with the transmission and distribution of oxygen and nitrogen, which includes:

(a) the pipelines enumerated herein, and their adjunct communication lines;

(b) certain other pipelines and adjunct communication lines as may be authorized by the City in accordance with the provisions of this Franchise; and

(c) certain other facilities appurtenant to pipelines or adjunct communications lines authorized by the City, including maintenance holes, valves, connections, cathodic protection equipment, poles and other support or facilities.

This Franchise is subject to all rights and powers of the City, including, but not limited to, all federal and state laws, and all ordinances, resolutions and policies of the City, as may be enacted or amended from time to time.

2.2 Designation of Pipelines and Other Facilities. Franchisee is granted the right to operate the following pipelines:

Pipe Size	Description	Length
8” Oxygen	Parallel to Fulton Shipyard Rd	4,880 Linear feet
8” Nitrogen	Parallel to Fulton Shipyard Rd	4,880 Linear feet

2.3 Authorization of Additional Facilities. Franchisee must obtain prior City approval for additional pipelines, replacement of existing pipelines, or construction or installation of adjunct communication lines. Facilities constructed, installed or replaced pursuant to any authorization by the City shall be subject to all the provisions of this Franchise and to any additional conditions relating to construction, specifications, protective or sectionalizing facilities, testing, operation or other conditions as may be prescribed by the authorization.

2.4 Franchise Term. The term of this Franchise shall be for a period of fifteen (15) years with an effective date of June 1, 2019 (“Franchise Term”). This Franchise shall expire prior to the end of the term if (i) Franchisee voluntarily surrenders or abandons the Franchise; (ii) the State of California or any municipal or public corporation duly authorized by law purchases by voluntary agreement or condemns and takes under the power of eminent domain all property used in the exercise of this Franchise and located within its territorial limits; or (iii) the Franchise is forfeited for noncompliance with its terms by Franchisee.

2.5 Expiration. This Franchise shall terminate upon the expiration of the Franchise Term. Unless otherwise terminated by City, if Franchisee continues to operate its Facilities upon expiration of this Franchise, then such holding over shall constitute a renewal of this Franchise on a quarterly basis, with the

Franchise Fee during the holdover period to be paid in accordance herein. Either Party shall be entitled to terminate such holdover status upon one hundred twenty (120) days prior written notice to the other party.

2.6 Non-Exclusivity. The granting of this Franchise shall not be construed to prevent the City from granting any identical or similar franchise to any entity other than Franchisee.

SECTION 3. FRANCHISE ACCEPTANCE

3.1 Acceptance. No later than thirty (30) days after the passage of this ordinance, the Franchisee shall file with the City Clerk a written acceptance of the Franchise hereby granted, and an agreement to comply with the terms and conditions hereof. For purposes of measuring the Franchise Term, the effective date of this Franchise shall be thirty (30) days following adoption of the Ordinance granting the Franchise ("Effective Date").

3.2 Effect of Acceptance. When so filed, the acceptance constitutes a continuing agreement by the Franchisee that if and when the granting municipality thereafter annexes, or consolidates with, additional territory, all franchises, rights and privileges held by the Franchisee therein, except a franchise derived under Section 19 of Article XI of the Constitution as that section existed prior to the amendment thereof adopted October 10, 1911, shall be deemed abandoned within the limits of the additional territory.

3.3 Execution of this document shall be deemed acceptance.

SECTION 4: FRANCHISE FEE AND COSTS

4.1 Franchise Fee. Franchisee shall, during the term of the Franchise, pay to City by June 1 each year, at the rate of \$1.50 per linear foot, adjusted by the ratio of the San Francisco-Bay Area Consumers Price index for All Urban Consumers (CPI-U). For purposes of this subsection, the street space occupied by a pipeline or conduit including protective covering, pipe casings, pipe connections, cathodic protection facilities and other minor appurtenances shall be taken as equivalent to the volume occupied by a cylinder of equal length having a diameter of one inch (for metal pipe) or two inches (for plastic pipe) greater than the nominal internal diameter of the pipe or conduit but in no case with an equivalent cylinder diameter less than six inches (6"), and the payment rate therefore shall be computed to the nearest tenth of a cent per lineal foot of pipe. If the United States Bureau of Statistics shall discontinue the preparation and publication of the San Francisco Bay Area Consumers Price Index (SFBA-CPI) for All Urban Consumers, then the City shall prescribe an index for adjustment of the annual Franchise Fee payment due to City. If during the term of this ordinance, the City changes its Franchise Fee calculation methodology formula for pipeline companies, Franchisee agrees to compensate the City for the remainder of the term of this Franchise based on the new formula.

4.2 Publication Costs. Franchisee shall also pay to City a sum of money sufficient to reimburse it for all publication expenses incurred by it in connection with the granting of this Franchise, such payment to be made within thirty (30) days after the City furnishes Franchisee with a written statement of such expenses.

4.3 Administrative Costs. Franchisee shall reimburse City in the amount of amount of five thousand dollars (\$5,000) for City's reasonable administrative expenses, including legal fees and costs, in preparing and approving the Franchise documents. Franchisee shall pay said amount to City within thirty (30) days of the Effective Date of this Franchise; provided, however, that any amounts deposited by Franchisee with City prior to approval of this Franchise for reimbursement of City's reasonable administrative expenses shall be deducted from said amount.

4.4 Permit Fees. Franchisee agrees to apply for all necessary permits associated with any work under this Franchise. In addition to the fees described herein, Franchisee shall pay all applicable permit fees, as they may be amended from time to time.

4.5 Other Fees. Payments of compensation made by Franchisee to City pursuant to the provisions of this section are in addition to, and exclusive of, any and all authorized taxes and other fees, levies or assessments now in effect or subsequently adopted in accordance with applicable laws.

SECTION 5. VERIFIED STATEMENT OF RECEIPTS; PAYMENT OF FRANCHISE FEE; AUDIT

5.1 Verified Statement of Receipts. Franchisee shall file with the City, within three (3) months after expiration of the calendar year, or fractional calendar year, following the Effective Date of this Franchise, and within three (3) months after the expiration of each and every calendar year thereafter, a statement verified by an officer of Franchisee showing in detail the following:

- (a) The method and supporting calculations used to calculate the Franchise Fee.
- (b) Any change in the footage or internal diameter of pipelines, segregating such footage as to new pipelines laid or acquired during the preceding calendar year, pipelines in territory that was annexed or incorporated during the preceding calendar year, and pipelines removed or abandoned in place during the preceding calendar year.
- (c)
- (d) If cathodic protection is used for pipes or appurtenances installed or maintained pursuant to this Franchise, the location and types of anodes, including a description of the methods used as a protection against corrosion and electrolyte leakage. This should be provided once and then only if changes are made, not annually

5.2 Payment of Franchise Fee. By delivery to the City, Franchisee shall pay to the City within fifteen (15) days after the time for filing such statement, in lawful money of the United States, the Franchise Fee for such calendar year, or such fractional calendar year, covered by such statement. Any neglect, omission or refusal by Franchisee to file such verified statement, or to pay said Franchise Fee at the time and in the manner specified in this agreement, shall be grounds for the declaration of forfeiture of this Franchise and of all rights of Franchisee hereunder. City shall have the authority to reasonably dispute any verified statement and to require additional proof to any matters set forth therein.

5.3 Delinquency. Franchise Fee due from Franchisee is delinquent if not received by the City on or before the due date during normal business hours. Should the due date occur on a weekend or holiday, the Franchise Fee must be received by the City during the business hours of the first regular working day following the weekend or holiday. If Franchisee fails to remit the Franchise Fee on or before the due date, Franchisee shall pay interest at the rate of one quarter percent (0.25%) per month of any fraction thereof on the amount of the Franchise Fee from the date on which the fee first became delinquent, until paid.

5.4 Audit. The City shall have the right to audit the books and records of Franchisee relating to the calculation of the franchise fee City shall, to the extent permitted by applicable law, maintain the confidentiality of all information provided by Franchisee to City in connection with such audit that Franchisee has informed City is confidential. Nothing herein shall be construed to require Franchisee to make available information which constitutes private or confidential information pertaining to specific customers of Franchisee, without the prior written consent of such customers. All books and records of

Franchisee relating to the calculation of the Franchise Fee for any calendar year shall be maintained by Franchisee for a period of at least four (4) years following delivery of the verified statement for such year.

SECTION 6. CONSTRUCTION, OPERATION AND USE OF STREETS

6.1 Installation and Location of Facilities. The installation and location of any additional facilities in a Street shall be subject to the approval of the Director and, unless otherwise authorized in writing by the City, the location shall be confined to the street route in which the pipeline is authorized.

6.2 Specifications. All additional pipeline and appurtenant facilities authorized by this license shall be designed, manufactured, installed, constructed and inspected in accordance with the Pipeline Code, the Pipeline Safety Act, the California Public Utilities Code, CPUC regulations for pipelines, and any other applicable state and federal codes or regulations, in their latest revisions; and any applicable ordinance adopted by the City in the exercise of its police powers, and in accordance with the terms and conditions of any permit issued by a City department, and not in conflict with the paramount authority of the State of California.

6.3 Pipeline Protection. Adequate protective facilities shall be provided in accordance with the Pipeline Code and the Pipeline Safety Act, as amended from time to time, on the portion of each pipeline installed under the authority of this Franchise, and elsewhere on the same pipeline, to immediately locate operating troubles and minimize their effects on City Streets or on their use by the public. If, at any time during the term of this Franchise, protective facilities on any pipeline are found to be inadequate as determined by the CSFM, the Board, the CPUC, or the Federal Office of Pipeline Safety, Franchisee shall at its own expense make changes in accordance with the Pipeline Code and Pipeline Safety Act or as may be required by the City. Failure to do so may result in forfeiture of this Franchise and require immediate cessation of the use of the facilities.

6.4 Testing. After installation, and for the duration of the franchise, pipelines shall be tested, at a minimum, in accordance with the provisions of the Pipeline Code, the Pipeline Safety Act, the California Public Utilities Code, CPUC regulations for pipelines, and as required by the State Fire Marshal under the Pipeline Safety Act. The City reserves the right to require testing for facilities not under the direct authority of the State Fire Marshal, the California Public Utilities Commission or the Federal Office of Pipeline Safety.

6.5 Use of Streets/Repairs. Any work performed under the authority of this Franchise shall be done with the least possible hindrance to the use of the Streets for the purposes of travel. As soon as such work is completed, all portions of the Streets that have been excavated or damaged thereby, shall be placed in as good condition as the same were before the commencement of such work to the satisfaction of the Director.

Franchisee shall promptly repair any leaks or breaks in pipelines covered by this Franchise in accordance with the Pipeline Code, the Pipeline Safety Act, or any other responsible jurisdictions or Codes, if any street or other public property shall be damaged by any leaks or breaks in their pipelines or by reason of any cause arising from the operation or existence of facilities, Franchisee shall, at its own cost and expense, backfill, place surfacing and otherwise repair the damaged portions of the street or other public property in accordance with the City ordinances and to the satisfaction of the Department of Public Works.

If any private property is damaged by leaks or breaks in pipelines or from any cause arising from the operation or existence of facilities, Franchisee shall pay all damages or compensation to which the owners are entitled and repair its facilities to protect the damaged private property from further damage.

If Franchisee, within ten (10) business days after receipt of notice from the City instructing it to repair any damage, fails to commence work or to comply with the instructions, or thereafter fails to diligently prosecute the work to completion, or to the satisfaction of the Director, then the City may immediately do whatever work is necessary to carry out the instructions at the cost and expense of Franchisee, which cost and expense Franchisee agrees to pay upon demand. If the damage constitutes an immediate danger to public health or safety, requiring immediate repair, the City, without notice, may repair the damage, and Franchisee agrees to pay all cost and expense upon demand. Franchisee shall reimburse the City for all direct and indirect expenses incurred by the City in responding to any spill, release or accident arising from the operation or existence of the Facilities.

6.6 Tunneling and Boring. Where it is necessary to lay any underground pipes through, under or across any portion of a paved or macadamized street, the same shall be done by a tunnel or bore, so as not to disturb the foundation of such paved or macadamized street.

6.7 Street Coverings. All street coverings or openings of traps, vaults, and manholes shall be constructed flush with the surface of the streets; provided, however, that vents for underground traps, vaults and manholes may extend above the surface of the streets if such vents are located in parkways, between the curb and the property line, and are not, in the reasonable opinion of the Director, hazardous to the public.

6.8 Permits. Franchisee shall not perform any work under this Franchise without first obtaining all permits and entitlements from the Director (including, but not limited to, an encroachment permit); provided, however, that in cases of emergencies affecting the public health and safety or the preservation of life and property, Franchisee shall apply for such permits no later than the next business day.

6.9 Plans and Specifications. The Director shall have the right to give the Franchisee such directions for the location of any pipes and appurtenances as may be reasonably necessary to avoid sewers, water pipes, conduits or other structures lawfully in or under the streets; and prior to any work commenced by Franchisee, the Franchisee shall file with the Director plans and specifications showing the location and work thereof.

The Director shall have the right to review Franchisee's plans and specifications for the construction of any Pipes and Appurtenances for proper purposes, and, if, and to the extent permitted by the California Constitution and the rules, regulations, orders and decisions of the CPUC, approve such plans and specifications.

6.10 Bonds. Franchisee shall make such deposits of money or file such bonds at request of the City, as may be required to ensure satisfaction and completion of any work under this Franchise.

6.11 Hazardous Waste **Franchisee** hereby represents and warrants that it will in no way discharge, dump, bury, or store pollutants of any nature or kind, including but not limited to pollutants such as oil, chemicals, toxic substances or materials, hazardous wastes or hazardous substances, including but not limited to, such pollutants as defined by any federal, state, or municipal laws, rules, regulations, or ordinances, or otherwise

SECTION 7. RELOCATION, ABANDONMENT & REMOVAL

7.1 Relocation. Franchisee shall, at its expense, protect, support, and with ample notice temporarily disconnect, relocate in the same street, or remove from any street any facilities when required by the City by reason of traffic conditions, public safety, street vacation, freeway construction, change or establishment of street grade, street maintenance requirements, or the construction of any public

improvement or structure by any governmental agency acting in a governmental capacity. If Franchisee fails to relocate its Facilities within the required time, the City may cause the work to be done and shall keep an itemized account of the entire cost thereof, and Franchisee shall reimburse the City or other public entity for its costs within ninety (90) days of Franchisee's receipt of the itemized account of costs. The City may consider Franchisee in default of this Franchise should Franchisee fail to comply with the notice, timing or direction to relocate.

7.2 Abandonment & Removal. Franchisee shall notify the City within thirty (30) days prior to any determination made by Franchisee to abandon the use of any its pipes and facilities of its intent either to abandon its Facilities in place or remove all or a portion of the Facilities. The Franchisee may thereafter abandon or remove the Facilities in accordance with such terms and conditions as may be imposed by the Director.

SECTION 8: MAPS AND PLANS

8.1 Provision of Maps and Plans. The City regularly performs improvement projects whereby facility maps and plans of Franchisee's Facilities are needed to properly design and construct the project. Upon written request by the City, Franchisee shall, within thirty (30) days of the receipt of said request, send a copy of the facility maps and plans for its Facilities within the project area. Franchisee shall provide said information in an electronic format (or by mail if the electronic format is not available) at no charge.

8.2. Content of Maps and Plans. The Franchisee's maps and plans shall include, but not be limited to, information indicating the length of the Franchisee's main lines, the nominal external diameter of such mainlines and the points where they enter and exit the Streets; old main lines abandoned in place, including the internal diameter of such main lines laid, removed, and/or abandoned in place; the footage of new conduits laid for wires, cables, telegraph, or telephone lines, old conduits removed, old conduits abandoned in place; and the diameter of such conduits laid, removed, and/or abandoned in place, as applicable.

8.3 Potholing. Upon City's written notice, and in accordance with the City's schedule for a City improvement project, Franchisee shall determine horizontal and vertical location of its Facilities provide such information to City for City design purposes.

8.4 Map Supplements. Within ninety (90) days following the installation, change, removal or abandonment of any Facilities, Franchisee shall file a map or maps showing the accurate location and size of the Facilities installed, changed, removed or abandoned.

8.5 Emergency Response Plans. Franchisee shall at all times during the term of this Franchise maintain emergency response plans as required by regulatory agencies having jurisdiction.

SECTION 9. PERFORMANCE BOND

Within thirty (30) days after the adoption of this Franchise, Franchisee shall provide to the City a faithful performance bond in the sum of not less than \$50,000 payable to the City executed by a corporate surety licensed to transact business as a surety in the State of California. Such bond shall be conditioned upon the faithful performance by the Franchisee of the terms and conditions of this Franchise and shall provide that, in the case of any material breach of any condition of this Franchise, the penal sum therein shall be recoverable.

If at any time during the term of this Franchise the condition of the corporate surety or any other type of bond allowed shall change in a manner as to render the bond unsatisfactory to the City, Franchisee shall

forthwith replace the bond with a bond of like amount and similarly conditioned, issued by a corporate surety or other method as deemed satisfactory by the City. The bond shall be cancelable only by the City, and Franchisee shall give a minimum thirty (30) day written notice prior to replacement or request for cancellation of the bond.

In the event of a substantial change in the volume of street space occupied by Facilities pursuant to this Franchise, the City may require or may permit a corresponding change in the amount of the bond required.

SECTION 10: TRANSFER

This Franchise shall not be revised, sold, leased, assigned or otherwise alienated, without the mutual express written consent of the City and the Franchisee, which shall not be unreasonably withheld by either party.

SECTION 11. INDEMNIFICATION

Franchisee agrees to indemnify, defend with counsel approved in writing by City, and hold City, its elected and appointed officials, officers, employees, and agents harmless from any claims, demands or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to this Franchise with the exception that such damages result from the City's willful misconduct or negligence as judicially determined. If judgment is entered against Franchisee and City by a court of competent jurisdiction because of the concurrent active negligence of City, Franchisee and City agree that liability will be apportioned as determined by the court. Neither party shall request a jury apportionment.

SECTION 12. INSURANCE

Franchisee shall obtain, at its own cost 1) comprehensive general liability insurance, to include contractual liability, 2) worker's compensation/employer's liability insurance, and 3) automobile liability insurance in amounts as listed to insure against any claims arising out of the activities of Franchisee. The minimum amount of general liability insurance initially required by this franchise is \$5,000,000, with \$1,000,000 workers Compensation and Employee Liability insurance, Automobile Liability insurance of \$1,000,000, and Pollution Liability insurance of \$1,000,000.

Franchisee shall file evidence of insurance policy and/or bond with the City, in the form of certificate of insurance and/or bond if applicable for City approval of the commencement of operation under this Franchise. Franchisee shall maintain continuous uninterrupted insurance coverage and shall maintain evidence of coverage on file with the City for the duration of this Franchise and thereafter until Franchisee has liquidated all of its obligations with the City that may have arisen from the acceptance of this license by Licensee or from its exercise of any privilege granted in this license.

Franchisee shall provide the City with at least thirty (30) days written notice prior to a cancellation of insurance coverage, and for general and automobile liability insurance, Franchisee shall include the City, its officers, agents and employees as additional insureds with regard to liability and defense of suits arising from the performance of this Franchise.

Franchisee's failure to procure and maintain required insurance or bond shall constitute a material breach of contract and may result in the immediate and automatic termination of this Franchise. The date of the breach under this section may be the effective date of termination of this Franchise, regardless of whether notification to the City was provided or whether the City was aware of the breach or not. Upon termination of this Franchise, operation of the facilities covered by this Franchise are no longer authorized and

Franchisee may be liable for costs associated with abandonment of the Franchise.

SECTION 13. EMINENT DOMAIN

The Franchise granted hereunder shall not in any way or to any extent impair or affect the right of the City to acquire the property of the Franchisee hereof either by purchase or through the exercise of the right of eminent domain, and nothing herein contained shall be construed to contract away or to modify or to abridge the City's right of eminent domain in respect to the Franchisee.

This Franchise shall not be given any value before any court or other public authority in any proceeding of any character in excess of the cost to the Franchisee of the necessary publication and any other sum paid by it to the City therefore at the time of the acquisition thereof.

SECTION 14. REMEDIES

If the Franchisee shall fail, neglect or refuse to comply with any of the provisions or conditions of this Franchise, and shall not, within ten (10) business days after written demand for compliance, begin the work of compliance, or after such beginning shall not prosecute the same with due diligence to completion, then the City, may declare this Franchise forfeited as provided herein, and the City may thereafter sue in its own name for the forfeiture of this Franchise.

SECTION 15. NOTICE

All notices, requests and demands hereunder must be in writing to be effective. All notices required to be given hereunder, or by operation of law in connection with the performance or enforcement hereof, shall be deemed given upon delivery if delivered personally (which includes notices delivered by messenger or overnight courier) or, if delivered by mail, shall be deemed given three days after being deposited by first class mail in any duly authorized United States mail depository, postage prepaid. All such notices shall be addressed as follows, or to such other address or addresses as the parties may from time to time specify in writing:

Praxair, Inc.
Attn: Corporate Real Estate
10 Riverview Drive
Danbury CT 06810

SECTION 16. INDEPENDENT CONTRACTOR

Nothing herein contained shall be deemed to create an agency, joint venture, or partnership between the City and Franchisee.

SECTION 17. ENTIRE AGREEMENT

This Franchise constitutes the entire agreement between the parties hereto and supersedes any and all prior agreements, whether oral or written, relating to the subject matter of the Franchise. Any modification of this Franchise will be effective only if it is in writing executed by City and Franchisee.

SECTION 18. GOVERNING LAW AND VENUE

The Franchisee and City understand and agree that the laws of the State of California shall govern the rights, obligations, duties and liabilities of the parties to this Franchise and also govern the interpretation of this Franchise. In the event of any legal action to enforce or interpret this Franchise, the sole and exclusive venue shall be a court of competent jurisdiction located in Contra Costa County, California, and the City and Franchisee agree to and hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, City and Franchisee specifically agree to waive any and all rights to request that an action be transferred for trial to another county.

SECTION 19. CONSENT TO BREACH NOT WAIVER

No term or provision of this Agreement shall be deemed waived and no breach excused, unless such a waiver or consent shall be in writing and signed by the City and Franchisee claimed to have waived or consented. Any consent by the City and Franchisee to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.

SECTION 20. CALENDAR DAYS

Any reference to the word “day” or “days” shall mean calendar day or calendar days respectively, unless otherwise expressly provided.

SECTION 21. ATTORNEY’S FEES

In any action or proceeding to enforce or interpret any provision of this Franchise or where any provisions hereof is validly asserted as a defense, City and Franchisee shall bear their own attorney’s fees, costs and expenses.

SECTION 22. INTERPRETATION

This Franchise has been negotiated at arm’s length and between persons sophisticated and knowledgeable in the matters dealt with in this Franchise. In addition, City and Franchisee have been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each party further acknowledges that they have not been influenced to any extent whatsoever in executing this Franchise by any other Party hereto or by any person representing them, or both. Accordingly, any rule of law (including California Civil Code section 1654) or legal decision that would require interpretation of any ambiguities in this Franchise against the party that drafted it is not applicable and is deemed waived. The provisions of this Franchise shall be interpreted in a reasonable manner to affect the purpose of the parties to this Agreement.

SECTION 23. SEVERABILITY

If any term, condition, provision or article of this Franchise is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

SECTION 24. AUTHORITY TO EXECUTE THIS AGREEMENT

City and Franchisee represent and warrant that this Franchise has been duly authorized and executed and constitutes the legally binding obligation of their respective organization or entity, enforceable in accordance with its terms.

SECTION 25. CONDITIONS OF EFFECTIVENESS

This ordinance shall take effect thirty (30) days after its adoption, provided that Franchisee has filed written acceptance thereof as provided in Section 3(a). The City Clerk shall certify to the adoption of this ordinance and shall cause the same to be published as required by law.

IN WITNESS WHEREOF, this Franchise is executed by:

CITY OF ANTIOCH:

By: _____

Name: _____

Title: _____

Date: _____

PRAXAIR, INC:

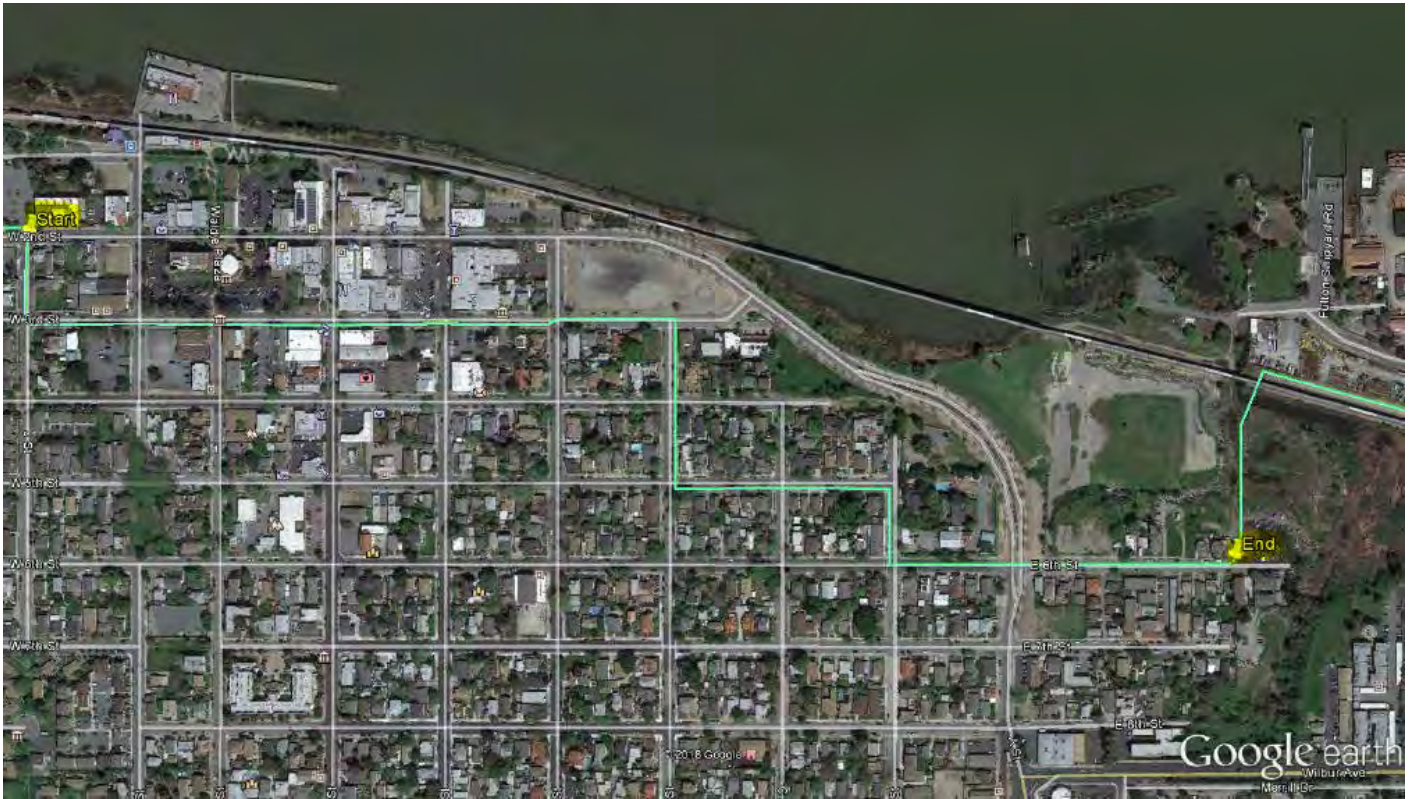
By: _____

Name: Brian C. Morgan

Title: Director, Corporate Real Estate

Date: _____

EXHIBIT "A"



**CITY OF ANTIOCH
NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that the City Council of the City of Antioch will hold a public hearing at the **Antioch Community Center, 4703 Lone Tree Way, Community Hall A, at 7:00 P.M. or thereafter, on TUESDAY, JANUARY 14, 2020**, on the following matter:

Ordinance Granting a Franchise Agreement to Praxair, Inc. – The purpose of this hearing will be to present and accept public comment on the First Reading of an Ordinance Granting a Franchise Agreement to Praxair, Inc. to Transport Oxygen and Nitrogen Substances Within Certain Public Streets in the City of Antioch.

Section 6202 of the California Public Utilities Code authorizes the City Council to grant a non-public utility pipeline operator a franchise to lay, and use, pipes and appurtenances for transmitting and distributing gas or industrial gas for all purposes within the municipality.

Praxair Inc., a California Corporation and Non-Public Utility, has filed an application to receive such franchise, and the application has been found to conform to Public Utilities Code § 6231.

If any person challenges the decision of the City in these matters in court, he or she may be limited to raising only those issues that raised at the public hearing described in this notice, or in written correspondence delivered to the City at, or prior to, the public hearing.

A copy of the report is available for inspection at the Maintenance Service Center, 1201 West 4th Street, Antioch, between the hours of 6:30 a.m. to 4:30 p.m., Monday through Thursday; Fridays – 6:30 a.m. to 4:00 p.m. Written statements in favor of, or in opposition to this matter, may be filed with the City Clerk, City Hall, 200 "H" Street, (P.O. Box 5007), Antioch, CA 94531-5007, at any time prior to the hearing. All interested persons are invited to be present at aforementioned hearing and be heard thereon.

In accordance with the Americans with Disabilities Act and California law, it is the policy of the City of Antioch to offer its public programs, services and meetings in a manner that is readily accessible to everyone, including individuals with disabilities. If you are a person with a disability and require information or materials in an appropriate alternative format; or if you require any other accommodation, please contact the ADA Coordinator at the number or email address below at least 72 hours prior to the meeting or when you desire to receive services. Advance notification within this guideline will enable the City to make reasonable arrangements to ensure accessibility. The City's ADA Coordinator can be reached @ Phone: (925) 779-6950, and e-mail: publicworks@ci.antioch.ca.us.

/s/ ARNE SIMONSEN
ARNE SIMONSEN, CMC, City Clerk


Publication Dates: 12/10/19 and 01/03/20
cc: Public Works/Bailey Grewal



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of November 26, 2019

TO: Honorable Mayor and Members of the City Council

SUBMITTED BY: Dawn Merchant, Finance Director 

APPROVED BY: Ron Bernal, City Manager

SUBJECT: Resolution Appropriating Expenditures for Encumbrances and Project Budgets Outstanding to the 2019/20 Fiscal Year Budget and Approving Other Amendments to the 2019/20 and 2020/21 Fiscal Year Budgets

RECOMMENDED ACTION

It is recommended that the City Council adopt the resolution appropriating expenditures for encumbrances and project budgets outstanding to the 2019/20 fiscal year budget and approving other amendments to the 2019/20 and 2020/21 fiscal year budgets.

FISCAL IMPACT

Funds were committed and available in the prior fiscal year to pay for encumbrances and project budgets outstanding. This action will carry forward those unspent funds and any related reimbursements into the current fiscal year. Other items requiring amendments are outlined in Exhibit C.

DISCUSSION

Fiscal year 2019/20 and 2020/21 budget amendments are being requested for the following items:

- Encumbrances are commitments (purchase orders) related to not yet completed contracts or purchases of goods or services. Encumbrances outstanding at June 30, 2019 are reported as assignments of fund balance since they do not constitute expenditures or liabilities and must be re-appropriated in the 2019/20 fiscal year budget. This action affords the appropriate authorization to complete the payment for these prior commitments (Exhibit A).
- Certain projects appropriated in the 2018/19 budget were not complete, and thus require the remaining budget to be carried forward into the 2019/20 budget to pay for remaining project expenditures (Exhibit B).
- Other budget items reflecting changes to the fiscal year 2019/20 and 2020/21 budget which occurred after adoption of the budget on June 25, 2019 (Exhibit C). Clarification of these items is provided in the next section.

Other Budget Items Requiring Amendments

The following items have occurred which need to be accounted for in the budget (most significant outlined below, otherwise refer to Exhibit C to the resolution for all amendments):

General Fund

1. Eames Legal Settlement

The City made a financial settlement totaling \$2,050,000 in the Eames legal case. \$1,900,000 was paid out of the General Fund with the remaining \$150,000 paid out of the NPDES fund. A budget amendment is required in both funds to account for the payment. The Budget Summary Table following also reflects utilizing \$200,000 of the litigation reserve set aside in the fund balance so that as of June 30, 2020 there will be a \$300,000 litigation reserve. It will be replenished in FY21.

2. Interim Positions

The City currently has interim Public Works Director and Deputy Director of Public Works positions filled by per diem retired employees. A budget amendment of \$162,714 in Public Works personnel expense is required to fund these positions.

3. CalPERS FY21 Safety Classic Rate

At the time of budget adoption, projected CalPERS employer contribution rates for the FY21 budget were used based on estimation tools and actuarial valuations provided by CalPERS in years past. The FY21 safety classic employer projected contribution rate used was 68.935% (net of 3% employee pickup). In August, CalPERS provided the required FY21 contribution rate of 74.302% (net of 3% employee pickup) resulting in an increase of 5.367% over what was projected and a 12.367% increase over the FY20 required employer contribution. The FY21 budget impact is \$505,510.

4. One-Time Revenues

The City has a one-time revenue policy that outlines that one-time revenues received by the City, which include non-Police salary savings, to be used on one-time projects as directed by City Council. For fiscal year 2019, the only one-time revenues under this policy was non-Police salary savings totaling \$417,322. Council direction on use of the funds is needed. A budget amendment is included on Exhibit C to appropriate this money to one-time projects as directed by City Council. Please refer to Attachment A for a suggested list of projects compiled by City staff.

The remaining General Fund items requiring adjustment are outlined in Exhibit C.

Other Funds

Refer to Exhibit C for detail of the other funds requiring budget amendments.

Budget Summary

The next table reflects fiscal year 2018/19 unaudited closing numbers, fiscal year 2019/20 budget with approved amendments to date, revised fiscal year 2019/20 and 2020/21 budget figures incorporating the requested amendments in this report.

Budget Summary Table

	2018-19 Unaudited	2019-20 Budget	2019-20 Revised	2020-21 Revised
Beginning Balance, July 1	\$15,143,536	\$23,959,863	\$23,959,863	\$19,704,912
Revenue Source:				
Taxes	44,328,651	44,962,583	44,962,583	47,121,822
1% Sales Tax	5,721,347	15,145,698	15,145,698	15,706,984
Taxes – Measure C	3,947,728	0	9,555	0
Licenses & Permits	1,729,631	1,280,000	1,280,000	1,280,000
Fines & Penalties	126,266	135,000	135,000	135,000
Investment Income & Rentals	1,269,336	570,000	570,000	575,000
Revenue from Other Agencies	1,156,811	288,976	296,937	288,976
Current Service Charges	3,013,877	2,831,646	2,917,282	4,114,491
Other Revenue	1,260,139	879,000	879,000	618,000
Transfers In	3,257,803	3,433,778	3,433,778	3,587,987
Total Revenue	65,811,589	69,526,681	69,629,833	73,428,260
Expenditures:				
One-Time Projects (pending)	0	0	417,322	0
Legislative & Administrative	3,144,370	4,703,415	4,471,062	4,981,737
Finance	1,373,981	1,482,096	1,488,046	1,779,552
Nondepartmental	3,151,281	3,321,375	5,871,832	2,878,769
Public Works	6,811,356	8,599,281	9,688,648	8,704,812
Police Services	29,936,835	42,823,571	43,184,138	46,080,870
Police Services-Measure C	6,098,662	0	0	0
Police Services-Animal Support	1,058,477	1,507,669	1,507,669	1,812,617
Recreation/Community Svs.	1,942,300	2,459,506	2,576,493	3,030,382
Community Development	3,056,859	4,373,652	4,679,574	4,694,549
Code Enforce. – Measure C	421,141	0	0	0
Total Expenditures	56,995,262	69,270,565	73,884,784	73,963,288
Surplus/(Deficit)	8,816,327	256,116	(4,254,951)	(535,028)
Ending Balance, June 30	\$23,959,863	\$24,215,979	\$19,704,912	\$19,169,884
Committed-Comp. Absences	113,691	113,691	113,691	115,000
Committed-Litigation Reserve	500,000	500,000	300,000	500,000
Assigned – Encumbrances & Project Budgets	2,079,961	0	0	0
Unassigned Fund Balance	\$21,266,211	\$23,602,288	\$19,291,221	\$18,554,884
Percentage of Revenue	32.31%	33.95%	27.71%	25.27%

Fiscal year 2018/19 is closing with an \$8,816,327 surplus and 32.31% unassigned fund balance that meets the City's reserve policy. This is \$4,093,168 more in surplus than projected in the budget.

Factors contributing to the additional surplus are as follows:

➤ **REVENUES**

- Approximately \$222,000 more in building permit revenue than projected.
- Approximately \$610,000 more in investment income due to higher than projected earnings and fair market value of investments at June 30th.
- Approximately \$620,000 more in property, sales and business license taxes than projected, with \$202,389 of the business license tax increase attributable to collections of delinquent tax due under Measure O and \$245,018 of the sales taxes attributable to higher than projected collections under Measure W, the City's 1% sales tax.
- Approximately \$161,000 more in state mandated reimbursements than expected.
- Approximately \$95,000 more in grant reimbursements received than projected.
- Approximately \$196,000 more in planning and inspection fees than projected.
- Other miscellaneous revenues approximately \$166,000 more than projected.

➤ **EXPENDITURES**

- \$2,079,961 in encumbrances and project budgets outstanding at June 30th, that were not spent by June 30th, are being re-appropriated into fiscal year 2020 as outlined in Exhibits A and B. This amount is represented as an assignment of fund balance at June 30, 2019 in the General Fund table on the previous page.
- \$460,000 more in subsidy than budgeted to the Recreation Fund mainly due to a combination of revenues at the community center and water park falling short of projections by approximately \$242,000 and part time help exceeding budget by approximately \$173,000.
- \$417,322 savings in non-Police personnel expenditures due to vacancy savings that the Council will need to allocate to projects.

The 2019/20 budget with approved amendments to date, reflects a minor surplus of \$256,116. Approval of the requested budget amendments will result in creating a budget deficit of \$4,254,951 in this fiscal year. However, a large portion of the deficit spending results from re-appropriating unspent budgeted funds from 2018/19 to 2019/20 (see Budget Summary Table on page 3) that are in reserves at June 30, 2019 and budgeting for the Eames settlement payment. Fiscal year 2020/21 reflects deficit spending in the amount of \$535,028 as a result of a prior budget amendment related to the Animal Services Technician position and the amendment included in Exhibit C for the safety CalPERS contribution rate. The Budget Summary Table reflects healthy reserves at both June 30, 2020 and June 30, 2021 at 27.71% and 25.27% respectively with the amendments.

Measure C Close-Out

The City's Measure C half-cent (.50%) sales tax expired March 31, 2019 and was replaced with Measure W one-cent (1%) sales tax effective April 1, 2019. All Measure C funds have been spent. A small clean-up payment of Measure C sales tax collected by

the State has been received in the current fiscal year. An accounting based on the Measure C methodology follows.

General Fund Police Department Measure C Funding

	Police Actuals FY19	Police Budget FY20
13/14 Baseline Budget	\$26,560,004	\$ -
Measure C actual/Budget – FY19	5,300,206	9,055
Measure C carryover – FY18(Actual)	798,456	-
Budget Allotment	32,658,666	9,055
Actual/Budgeted Expenditures	37,093,974	44,331,240
Difference under/(over) budget	(\$4,435,308)	(\$44,322,185)

Based on the chart above, \$6,098,662 of Measure C Funds was spent by the Police Department during fiscal year 2018/19 and \$9,055 in fiscal year 2019/20. This represents the difference between the total Measure C actual fiscal year 2018/19 receipts, plus the carryover from fiscal year 2018/19. The calculation is below:

Measure C Fiscal Year 2018/19 Receipts	\$5,300,206
Plus: Fiscal Year 2017/18 Measure C carryover	798,456
Sub-total Available Measure C Monies	\$6,098,662
Less: Difference under Budget (chart above)	-
CALCULATED TOTAL OF MEASURE C FUNDING SPENT FOR POLICE SERVICES FY19	\$6,098,662
CALCULATED TOTAL OF MEASURE C FUNDING SPENT FOR POLICE SERVICES FY20	\$9,055

A total of \$421,141 of Measure C was spent on Code Enforcement in 2018/19. Since inception, the City has collected a total of \$32,489,762 in Measure C sales tax that has been spent on Police and Code Enforcement.

1% Sales Tax

The City's 1% Sales Tax (Measure W) became effective April 1, 2019. A total of \$3,947,728 was collected as of June 30, 2019 and was allocated \$3,802,258 to the Police Department and \$145,470 to Code Enforcement. As a reminder for City Council, the next table outlines the 1% sales tax allocation approved in the adopted budget.

1% Sales Tax Funding

	1% Sales Tax Budget FY20	1% Sales Tax Budget FY21
Budgeted Funds	\$15,145,698	\$15,706,984
Allocation:		
Police (a)	12,265,094	11,763,594
Code Enforcement (b)	1,245,467	1,571,824
Recreation (c)	1,170,214	1,741,090
Community Development (d)	66,308	144,765
Public Works (e)	69,076	151,887
Human Resources (f)	63,941	138,954
Finance (g)	65,598	144,870
Non-Departmental (h)	200,000	50,000
Total Allocation	\$15,145,698	\$15,706,984

- (a) The allocation to the Police Department is calculated based on remaining funds after other allocations (b) through (h) are made.
- (b) Code Enforcement allocation calculated to include costs of prior staffing funded with Measure C (1 Code Enforcement Manager, 2 Street Maintenance Workers, 1 Development Services Engineering Technician, 1 Code Enforcement Officer) and 2 General Laborer positions, 4 additional Code Enforcement Officers, 1 additional Development Services/Engineering Technician.
- (c) Recreation allocation calculated in each year as the total amount of the General Fund transfer increase over FY19 which includes the \$350,000 and \$700,000 additional funding provided in each respective budget year for additional programs and/or services.
- (d) Community Development allocation calculated as the cost of 1 additional Planner position.
- (e) Public Works allocation calculated as the General Fund cost of 1 additional Engineer, Landscape Maintenance Worker and Facility Maintenance Worker position. These positions will be partially funded with other funds of the City.
- (f) Human Resources allocation calculated as the cost of 1 Human Resources Technician position.
- (g) Finance allocation calculated as the cost of 1 additional Accountant position.
- (h) Non-Departmental allocation calculated as cost of City Hall modifications for new hiring and additional community grants for youth in FY20 and additional community grants for youth in FY21.

ATTACHMENTS

- A. Staff Recommendations for Use of One-Time Revenues**
- B. Resolution Appropriating Expenditures for Encumbrances and Project Budgets Outstanding as of June 30, 2019 to the 2019/20 Fiscal Year and Approving Other Amendments to the 2019/20 and 2020/21 Budget**
 - Exhibit A to Resolution – Encumbrances to Reappropriate
 - Exhibit B to Resolution – Project Budget Carryovers
 - Exhibit C to Resolution – Other Budget Amendments

ATTACHMENT A

Staff Recommendations for Use of One-Time Revenue

Project Description	Estimated Cost
Replace shade covers at Community Center Grand Plaza	\$40,000
New shade structure at Water Park	\$30,000
Mobile stage images/graphics/add-ons	\$20,000
NRCC theater technology upgrades	\$50,000
ASC/NRCC painting inside	\$40,000
Additional discretionary payment towards CalPERS unfunded liability	\$417,322
Additional payment towards OPEB unfunded liability	\$417,322
Use one-time funds in lieu of budget stabilization fund for a portion of OPEB payment in FY20	\$417,322
City Hall modifications	\$417,322
General Plan update	\$100,000
City-Wide Banner Program	\$50,000
ChargePoint EV Chargers – Marina, Community Center, City Hall (\$10K per unit)	\$80,000
EV Chargers electrical work	\$50,000
Waldie Plaza security cameras, improved lighting, tree light improvements	\$50,000
Upgrade & Add cameras at City Hall/Council Chambers	\$50,000
Wireless data/voice link to ACC/Prewett	\$75,000
District 1A turf & walking path enhancement	\$150,000
Davison Dr. right of way landscape enhancement	\$100,000
James Donlon Blvd right of way landscape enhancement	\$75,000
Lone Tree Way median enhancement	\$125,000
Additional litter pick up crew at major corridors and school zones	\$30,000
Fire safety landscape crew	\$40,000
Targeted tree maintenance	\$40,000
Adopt a Court program	\$20,000
Revitalization of Downtown Area (branding banners; continue rope lighting; flowers/landscape City Hall; uplighting sails structure at Marina)	\$25,500
Soundwall repainting on James Donlon	\$36,300
Outdoor Get Fit stations @ Marina & Prewett	\$45,000-\$60,000
Upgrade pathway & parking lot lights at Antioch Community Park	\$45,000
Paint benches with murals & art & easy to read bus route schedules	\$25,000
Decorative crosswalks	\$25,000
Build a fit path on Delta DeAnza Trail	\$15,000
Antioch entrance sign on bridge underpass with illumination	\$50,000
Community gardening projects	\$20,000
Roundabout at 10 th & L Streets	\$500,000
Outdoor murals	\$25,000
Utility box art	\$25,000
Wall fence art	\$25,000
Community cameras at 1 intersection	\$115,000
Two (2) traffic radar trailers	\$51,000
Forty (40) replacement shotguns	\$43,000
Secured evidence workspace remodel at Police Dept.	\$10,000
Department interview room system upgrade at Police Dept.	\$60,000
Police Records Bureau Laserfiche scanners	\$24,000

ATTACHMENT B

RESOLUTION NO. 2019/**

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANTIOCH APPROPRIATING EXPENDITURES FOR ENCUMBRANCES AND PROJECT BUDGETS OUTSTANDING AS OF JUNE 30, 2019 TO THE 2019/20 FISCAL YEAR BUDGET AND APPROVING OTHER AMENDMENTS TO THE 2019/20 AND 2020/21 FISCAL YEAR BUDGETS

WHEREAS, a number of encumbrances have been reflected in the accounting system to reserve funds which were encumbered in the 2018/19 fiscal year budget, but which are to date unexpended and are required to be re-appropriated to the 2019/20 fiscal year; and

WHEREAS, project budgets outstanding as of June 30, 2019 need to be re-appropriated; and

WHEREAS, other amendments to the 2019/20 and 2020/21 fiscal year budgets are required;

THEREFORE, BE IT RESOLVED that the appropriations of new expenditures to the 2019/20 fiscal year budget for encumbrances and projects outstanding at June 30, 2019 and revisions to the 2019/20 and 2020/21 fiscal year expenditure budgets, as specified in Exhibits A, B, and C (incorporated herein by reference), are hereby approved and shall be deemed to be so amended.

* * * * *

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Antioch at a regular meeting thereof, held on the 26th day of November 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

**ARNE SIMONSEN, CMC
CITY CLERK OF THE CITY OF ANTIOCH**

EXHIBIT A
ENCUMBRANCES AT JUNE 30, 2019 TO REAPPROPRIATE

Fund/Department	Account Description	PO Number	Vendor	Appropriation Request
GENERAL FUND:				
Finance	Contracts Professional	P190395	Koa Hills Consulting LLC	\$ 5,950
Non-Departmental	Contracts Professional	P180625	Revenue and Cost Specialists	\$ 5,000
Non-Departmental	Contracts Professional	P180695	Regional Government Services	\$ 13,950
City Clerk	Contracts Professional	P190222	American Legal Publishing	\$ 5,965
			Total General Fund	\$ 30,865
WATER FUND:				
Water Production	Contracts Professional	P140211	Walter Bishop Consulting	\$ 41,436
Water Production	Contracts Professional	P190239	Gualpo Group Inc	\$ 35,447
Water Production	Contracts Professional	P150346	Exponent Inc	\$ 108,399
Water Production	Contracts Professional	P190003	I Kruger Inc	\$ 19,704
Water Production	Contracts Professional	P190505	CSI Services	\$ 4,995
Water Production	Parts & Service	P190002	Borges and Mahoney	\$ 15,599
Water Production	Contracts Professional	P190006	Peterson	\$ 4,116
Water Production	Contracts Professional	P190011	ICR Electrical	\$ 19,192
			Total Water Fund	\$ 248,888
			Grand Total Encumbrances	\$ 279,753

EXHIBIT B
PROJECT/OTHER BUDGET CARRYOVERS FROM JUNE 30, 2019

Description	FY19 Budget	FY19 Expenditures	Balance to Carryover to FY20	Funding Source
Mobile Stage - Recreation	\$ 35,000	\$ -	\$ 35,000	General Fund
Utility Boxes	\$ 88,335	\$ -	\$ 88,335	General Fund
Murals	\$ 70,000	\$ -	\$ 70,000	General Fund
Way Finding Master Plan	\$ 50,000	\$ -	\$ 50,000	General Fund
Saint Mary's Economic Opportunity Plan	\$ 15,000	\$ -	\$ 15,000	General Fund
Community Grants	\$ 80,000	\$ 74,150	\$ 5,850	General Fund
Youth Recreation Scholarships	\$ 10,000	\$ 7,385	\$ 2,615	General Fund
Police Equipment/Vehicle Purchases	\$ 629,140	\$ 268,573	\$ 360,567	General Fund
Marketing/Media	\$ 534,246	\$ 415,156	\$ 119,090	General Fund
Human Resource Contracts	\$ 61,050	\$ 26,735	\$ 34,315	General Fund
City Clerk Contracts	\$ 10,599	\$ -	\$ 10,599	General Fund
Public Works PT Help/Overtime	\$ 142,000	\$ 59,441	\$ 82,559	General Fund
Public Works Equipment	\$ 365,296	\$ 104,219	\$ 261,077	General Fund
Public Works Contracts/Materials/Repairs	\$ 2,262,515	\$ 1,706,998	\$ 555,517	General Fund
Recreation One Time Revenue Projects	\$ 265,000	\$ 185,628	\$ 79,372	General Fund
Building/Code Enforcement Vehicles	\$ 83,388	\$ 5,303	\$ 78,085	General Fund
Community Development Contracts	\$ 845,875	\$ 686,453	\$ 159,422	General Fund
Code Enforcement Vehicle Purchase	\$ 26,703	\$ -	\$ 26,703	CDBG Fund
CDBG Downtown Roadway	\$ 385,000	\$ -	\$ 385,000	CDBG Fund
East LT Specific Plan	\$ 997,704	\$ -	\$ 997,704	East LT Spec Plan Ben District
Contra Loma Basketball Courts	\$ 150,000	\$ 9,390	\$ 140,610	Delta Fair Fund
Developer Reimbursements	\$ 338,246	\$ -	\$ 338,246	RDA Fund
Economic Development	\$ 25,861	\$ -	\$ 25,861	RDA Fund
Recreation Facilities	\$ 16,065	\$ 14,261	\$ 1,804	RDA Fund
Prewett Water Park	\$ 9,227	\$ 8,968	\$ 259	Prewett Mello Roos
SLLMD Contracts & Supplies	\$ 1,012,967	\$ 647,968	\$ 364,999	SLLMD Funds
SLLMD PT Help/Overtime	\$ 51,000	\$ 31,886	\$ 19,114	SLLMD Funds
Sidewalk/Handicap/Ped. Improvements	\$ 526,611	\$ 305,558	\$ 221,053	RMRA Fund
Vehicle Purchases	\$ 1,274,497	\$ 313,372	\$ 961,125	Vehicle Replacement Fund
Lubricants & Equipment	\$ 35,000	\$ 7,701	\$ 27,299	Vehicle Maintenance Fund
Pavement Management System	\$ 44,000	\$ 18,910	\$ 25,090	Gas Tax Fund
Median Island Improvements	\$ 151,500	\$ 71,195	\$ 80,305	Gas Tax Fund
New Traffic Signals	\$ 23,479	\$ 140	\$ 23,339	Traffic Signal Fund
Pavement Plugs & Leveling Courses	\$ 2,100,000	\$ 5,679	\$ 2,094,321	Measure J Fund
Sidewalk/Handicap/Ped. Improvements	\$ 1,900,000	\$ 1,055,231	\$ 844,769	Measure J Fund
Transportation Impact Fee Study	\$ 44,797	\$ -	\$ 44,797	Measure J Fund
CDBG Downtown Roadway	\$ 3,052	\$ -	\$ 3,052	Measure J Fund
Lone Tree Way Pavement Overlay	\$ 2,290,000	\$ 2,222,592	\$ 67,408	Measure J Fund
L St Improvement Study	\$ 23,137	\$ 15,300	\$ 7,837	Measure J Fund
L St Improvements	\$ 250,000	\$ -	\$ 250,000	Measure J Fund
Trash Capture Devices	\$ 299,000	\$ -	\$ 299,000	NPDES Fund
NPDES PT Help	\$ 49,600	\$ 36,317	\$ 13,283	NPDES Fund
NPDES Contracts/Chemicals	\$ 477,000	\$ 246,633	\$ 230,367	NPDES Fund
Council Chambers Remodel	\$ 1,784,256	\$ 242,229	\$ 1,542,027	PEG Fund
AD 27 File Storage	\$ 6,908	\$ 4,454	\$ 2,454	AD 27 Fund
Sidewalk Repair Program	\$ 562,278	\$ 488,865	\$ 73,413	CIP Fund

EXHIBIT B
PROJECT/OTHER BUDGET CARRYOVERS FROM JUNE 30, 2019

Description	FY19 Budget	FY19 Expenditures	Balance to Carryover to FY20	Funding Source
West Antioch Creek Channel Improvement	\$ 1,754,235	\$ 1,529,110	\$ 225,125	CIP Fund
NE Annexation Infrastructure	\$ 4,634,801	\$ 1,017,603	\$ 3,617,198	CIP Fund
Wildhorse Left Turn Pocket	\$ 500	\$ 122	\$ 378	AD 26 Fund
Water Fund Equipment	\$ 192,830	\$ 71,340	\$ 121,490	Water Fund
Water Fund Contracts/Materials/Pipes	\$ 1,004,490	\$ 752,303	\$ 252,187	Water Fund
James Donlon Pump Station Upgrade	\$ 150,000	\$ -	\$ 150,000	Water Fund
WTP Improvements	\$ 330,000	\$ 96,884	\$ 233,116	Water Fund
Water Treatment Plant Renovation	\$ 950,000	\$ 29,317	\$ 920,683	Water Fund
Water Studies & Planning	\$ 591,547	\$ 27,466	\$ 564,081	Water Fund
Hillcrest Pump Station Rehab	\$ 150,000	\$ 38,621	\$ 111,379	Water Fund
Water Plant Solids Handling	\$ 50,000	\$ -	\$ 50,000	Water Fund
WTP Drainage Capture	\$ 100,000	\$ -	\$ 100,000	Water Fund
River Pumping Station Rehab	\$ 100,000	\$ -	\$ 100,000	Water Fund
WTP Electrical Upgrade	\$ 44,335	\$ -	\$ 44,335	Water Fund
WTP Disinfection Improvements	\$ 644,000	\$ 487,184	\$ 156,816	Water Fund
Desalination Plant	\$ 13,136,989	\$ 1,555,192	\$ 11,581,797	Water Fund
Cathodic Protection Assessment	\$ 215,986	\$ 8,913	\$ 207,073	Water Fund
Plant A Filter Valve Replacement	\$ 25,000	\$ -	\$ 25,000	Water Fund
Water Main Replacement	\$ 2,242,103	\$ 1,537,794	\$ 704,309	Water System Impr. Fund
WTP Disinfection Improvements	\$ 994,333	\$ 1,438	\$ 992,895	Water System Impr. Fund
Corrosion Rehab	\$ 150,000	\$ 50	\$ 149,950	Sewer Fund
Trenchless Rehabilitation	\$ 1,029,372	\$ 17,754	\$ 1,011,618	Sewer Fund
Sewer Contracts	\$ 1,423,746	\$ 737,719	\$ 686,027	Sewer Fund
Marina Launch Ramp Restroom	\$ 474,562	\$ 158,742	\$ 315,820	Marina Fund
Marina PT Help	\$ 29,500	\$ 22,485	\$ 7,015	Marina Fund
Marina Contracts	\$ 71,050	\$ 46,268	\$ 24,782	Marina Fund
Sewer Main Replacement	\$ 50,000	\$ -	\$ 50,000	Sewer System Impr. Fund
GIS Overtime	\$ 10,000	\$ 1,057	\$ 8,943	Information Services Fund
GIS Contracts/Supplies/Training	\$ 86,040	\$ 48,171	\$ 37,869	Information Services Fund

**EXHIBIT C
OTHER BUDGET AMENDMENTS - FY20 & FY21**

FY20				
Fund/Account	FY20 Budget	FY20 Amendment	FY20 Revised Budget	Purpose
General Fund:				
State Mandated Reimbursements	\$ -	\$ 7,961	\$ 7,961	Adjust for actual received
Sales Taxes - Measure C	-	\$ 9,555	\$ 9,555	Adjust for actual received
Legal Fees	-	\$ 5,636	\$ 5,636	Adjust for actual reimbursements received
Plan Check Fees	200,000	\$ 80,000	\$ 280,000	Increase projections for AmCal project
Total General Fund Revenue		103,152		
Public Works Expense	8,599,281	190,214	8,789,495	Overtime needed in Streets division budget/Interim positions
Non-Departmental Expense	3,321,375	2,317,322	5,638,697	Eames settlement/One-Time revenue projects
Community Development Expense	4,373,652	68,415	4,442,067	Plan Check consulting for AmCal Project
Total General Fund Expense		2,575,951		
CDBG Fund:				
Equipment Expense	-	30,989	30,989	Appropriation of abatement fees collected for vehicle purchase
Development Impact Fee Fund:				
Equipment	-	25,000	25,000	purchase of Police mobile command vehicle
NPDES Fund:				
Claims Liability		150,000	150,000	Eames settlement
Federal Asset Seizure Fund:				
Asset Seizure Revenue	-	14,859	14,859	Re-budget revenues not received in FY19
Recreation Fund:				
Revenue from Other Agencies	-	58,110	58,110	Re-budget revenues not received in FY19
Marina Fund:				
Grant Reimbursement	-	364,562	364,562	Re-budget revenues not received in FY19
FY21				
Fund/Account	FY21 Budget	FY21 Amendment	FY21 Revised Budget	Purpose
General Fund:				
Police Department Expense	\$ 45,578,360	\$ 502,510	\$ 46,080,870	Increase for actual PERS rate
Total General Fund Expense		\$ 502,510		



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of November 26, 2019

TO: Honorable Mayor and Members of the City Council

SUBMITTED BY: Thomas Lloyd Smith, City Attorney *TLS*

SUBJECT: Resolutions to Approve Operating Agreements with Cannabis Business Operators (Alluvium, Inc., Contra Costa Farms, LLC; and Delta Dispensary, LLC)

RECOMMENDED ACTION

It is recommended that the City Council consider adopting each of the following:

- A. Resolution of Approval for Operating Agreement for Alluvium, Inc.
- B. Resolution of Approval for Operating Agreement for Contra Costa Farms, LLC
- C. Resolution of Approval for Operating Agreement for Delta Dispensary, LLC

Each resolution will approve the operating agreement for a cannabis business operator that the City has issued a Cannabis Business Use Permit. Each operating agreement is substantially similar. The key difference among the operating agreements is the social equity program proposed by each operator.

FISCAL IMPACT

Each operating agreement includes a revenue structure that provides the City with a portion of each business' gross revenue and/or revenue based on cultivated square footage generated by the business.

DISCUSSION

On September 10, 2019, the City Council adopted Resolution 2019/143, which authorized the City Attorney to negotiate operating agreements, subject to City Council approval, with those cannabis business applicants with approved cannabis business use permits ("CBUP") whose applications were deemed complete prior to the effective date of the April 2019 Amendment to Chapter 5 of Title 9 of the Antioch Municipal Code. A key goal of the operating agreement is to require the cannabis business to participate in public outreach and education, community services, payment of fees and other charges as mutually agreed, and such other terms and conditions that would protect and promote the public health, safety and welfare.

Based on similar agreements used by other cities, City staff drafted a model operating agreement to protect the City's interests. City staff then met with the four cannabis business operators, or their representatives and used the input from those meetings to refine the operating agreement.

Each operating agreement is substantially similar. The key difference is the social equity program proposed by each operator. Each operating agreement ("Agreement") includes the following provisions:

- The Agreement's term is ten years with two optional five-year extensions. The Operator agrees not to operate if the Agreement is not in effect.
- The Police Chief has discretion to require certain changes to the business to protect public health and safety.
- The City Manager may impose additional mitigation measures relating to public health and safety.
- The Operator will begin paying a percentage of gross revenue to the City as of the 15th of the month after City issues the Certificate of Occupancy for the business, and monthly thereafter. A business paying a fee based on square footage shall pay that fee, based on existing square footage, at the end of each year.
- The Agreement shall be reviewed annually by City staff or a third party selected by the City.
- The Agreement includes provisions relating to indemnification of the City and insurance protecting the City.
- The revenue to be paid to the City is set forth in Exhibit C to the Agreement, which provides:

Business type	Yr 1	Yr 2	Yr 3	Yr 4+
Retail*	2%	3%	4%	5%
Microbusiness*	2%	3%	5%	6%
Cultivation (per square foot) *	\$2	\$3	\$5	\$6

*Eligible for Local Employment Incentive

Under the Local Employment Incentive, the total amount payable to City by the Operator pursuant to this Exhibit may be reduced by the following amount if the Operator provides full-time employment with healthcare benefits to the following numbers of Antioch residents:

At least 20 City residents	1%, but not to exceed \$60,000
At least 50 City residents	3%, but not to exceed \$150,000
At least 100 City residents	6%, but not to exceed \$300,000
At least 150 City residents	9%, but not to exceed \$450,000
200 or more City residents	12%, but not to exceed \$600,000

- The social equity programs proposed by each operator (Exhibit D) are as follows:
 - Alluvium, Inc.
Will donate 0.25%, 0.37%, and 0.5% of gross receipts, in years one, two, and three (and thereafter), respectively, to Antioch-based programs whose purpose is to help underprivileged children or adults who have been adversely affected by drug abuse, with such programs serving Antioch residents. Alluvium will evaluate programs annually and choose where is best to donate the funds.
 - Contra Costa Farms, LLC
Will donate \$50,000-\$100,000, but not less than 0.5% of gross receipts annually to Antioch-based charities that provide resources and support for Antioch children of Antioch residents who have been incarcerated.
 - Delta Dispensary, LLC
Will donate 0.25%, 0.37%, and 0.5% of gross receipts, in years one, two, and three (and thereafter), respectively, to Antioch-based programs whose purpose is to reclaim, redeem, and restore Antioch residents' lives which have been disrupted by drugs, alcohol, and other substance abuse.

ATTACHMENTS

- A. Resolution of Approval for Operating Agreement for Alluvium, Inc.
- B. Resolution of Approval for Operating Agreement for Contra Costa Farms, LLC
- C. Resolution of Approval for Operating Agreement for Delta Dispensary, LLC

RESOLUTION No. 2019/**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANTIOCH
APPROVING THE CANNABIS OPERATING AGREEMENT
FOR ALLUVIUM, INC.**

WHEREAS, on August 13, 2019, by Resolution No. 2019/125, the City Council approved Cannabis Business Use Permit No. UP 18-21 for Alluvium, Inc. to operate a cannabis business within the City on the terms and conditions set forth therein;

WHEREAS, on September 10, 2019, by Resolution No. 2019/143, the City Council authorized the City Attorney to negotiate operating agreements, subject to City Council approval, with those cannabis business applicants with approved cannabis business use permits whose applications were deemed complete prior to the effective date of the April 2019 Amendment to Chapter 5 of Title 9 of the Antioch Municipal Code;

WHEREAS, the City Council has reviewed the attached Operating Agreement, and received public comment thereon, at its November 26, 2019, meeting;

WHEREAS, the City Council finds that the attached Operating Agreement will benefit the Antioch community by producing revenue for the City and its goals;

WHEREAS, the City Council finds that the attached Operating Agreement will benefit the Antioch community by the Operator committing to provide additional funding for programs to address community needs within Antioch; and

WHEREAS, the City Council finds that the attached Operating Agreement in combination with the approved use permit for the cannabis business will benefit the community and includes adequate provisions to protect public health and safety.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Antioch hereby approves the attached Operating Agreement and authorizes the City Manager to execute same.

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Antioch at a regular meeting thereof, held on the 26th day of November 2019, by the following vote:

AYES:

ABSENT:

ABSTAIN:

NOES:

ARNE SIMONSEN, CMC
CITY CLERK OF THE CITY OF ANTIOCH

RECORDING REQUESTED BY,
AND WHEN RECORDED, MAIL TO:

City of Antioch
200 H Street
Antioch, CA 94509
Attn: City Clerk

Exempt from recording fee per Government Code §6103

OPERATING AGREEMENT

This Operating Agreement ("**Agreement**") is entered into between the City of Antioch, a municipal corporation ("**City**") and Alluvium Inc., a California corporation ("**Operator**"), located at 2625 Crow Street, Antioch, CA (the "**Site**"). City and Operator may be referenced herein as "Party" or collectively as "**Parties**".

RECITALS

- A. Operator submitted an application for approval of use permit for a cannabis business consisting of a dispensary with delivery and a type N infusion license.
- B. On August 13, 2019, by Resolution No. 2019/115, the City Council approved Cannabis Business Use Permit # UP-18-21 relating to Operator's application ("**CBUP**"). A copy of the CBUP is attached hereto as **Exhibit A** and incorporated herein. The CBUP relates to the Site, as described in **Exhibit B**, attached hereto and incorporated herein.
- C. One condition of the CBUP is that the City and Operator execute a Development Agreement. Pursuant to Council Resolution No. 2019/143, the City has modified that condition to require an Operating Agreement, in place of a Development Agreement. Operator agrees with this modification of the CUP. This Agreement meets this requirement of the CBUP.
- D. On _____, 2019, the City Council adopted Resolution No. _____ approving this Agreement.

AGREEMENT

1. **Recitals.** The Recitals set forth above are incorporated herein as if fully set forth in this Agreement.
2. **Definitions.** The following terms, when capitalized herein, shall have the meanings specified below.
 - a. Agreement—This Agreement between the City and Operator.

b. Applicable Law—All applicable federal, state, regional, and local statutes, regulations, and rules including the Uniform Building Code and other Uniform Codes, the California Environmental Quality Act, the City's ordinances, resolutions, rules, and regulations, as each statute, regulation, rule, Code, ordinance, and resolution may be amended from time to time, excluding such federal law which may conflict with state or local laws authorizing cannabis businesses or operations.

c. Business Operations—The commercial cannabis business operated at the Site by Operator, its officers, officials, employees, agents, and consultants, as approved by the City Council in the CBUP, and as subject to the terms and conditions of this Agreement.

d. Cannabis—Both medical and non-medical cannabis as defined by Health & Safety Code section 11362.5 and Business and Professions Code sections 26000 *et seq.*

e. Cannabis Business Use Permit —the Cannabis Business Use Permit, attached hereto as **Exhibit A**, as approved by City Council Resolution No. 2019/125

f. City—the City of Antioch, California.

g. City Attorney—the City Attorney of the City.

h. City Council—the City Council of the City.

i. City Manager—the City Manager of the City.

j. Operator—Alluvium, Inc.

k. Fees—All charges, expenses, costs, monetary exactions, and any other monetary obligations imposed on Operator by City, other than assessments or regular or special taxes, and not limited to fees paid pursuant to this Agreement.

l. Gross Receipts—The total of amounts actually received or receivables from sales and the total amounts actually received or receivable for the performance of any act or service at the Site for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale of materials, goods, wares, or merchandise. Gross receipts shall also include all receipts, cash, credits and property of any kind without deduction of the cost of the property sold, the costs of the materials used, labor or services costs, interest paid or payable, or losses or other expenses whatsoever. Excluded from "gross receipts" are the following:

- Cash discounts allowed and taken on sales
- Credit allowed on property accepted as part of the purchase price and which property may later be sold
- Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser
- Such part of the sale price of property returned by a purchaser upon rescission of the contract of sale as is refunded whether in cash or by credit
- Amounts collected for others where the business is acting as an agent or trustee to the extent that such amounts are paid to those for whom collected, provided the agent or trustee furnishes to the City the names and addresses of the others and the amounts paid to them

- Receipts of refundable deposits, except that refundable deposits forfeited and taken into income of the business are not excluded

The intent of this definition is to ensure that, in calculating payments to the City, all sales and revenue from the Business Operations are captured and, therefore, this definition shall be given the broadest possible definition consistent with this intent.

m. Major amendment—Any modification to this Agreement that makes a substantive change, modification, or deviation in the terms of this Agreement or any Exhibits hereto.

n. Minor amendment—Any modification to this Agreement that does not make a substantive change, modification, or deviation in the terms of this Agreement or any Exhibits hereto.

o. Police Chief—the Police Chief of the City.

p. Project—The Business Operations, Site Development, Odor and other Mitigation Plans, Security Plans, and all other terms and conditions applicable to Operator’s Business Operations.

q. Site—The physical location of the Operator’s Business Operations, as described in **Exhibit B**, attached hereto.

r. Square Footage under Cultivation—the actual amount of canopy (measured by the aggregate area of vegetative growth of live cannabis plants on the premises including the area occupied by vertically and horizontally stacked canopies) that is limited by the maximum amount a cannabis business is authorized to cultivate by this Agreement or the CBUP, without deducting for unutilized square footage.

s. State license(s)—the license(s) issued by the State, whether through the Bureau of Cannabis Control or other regulatory agency authorizing the Operator to conduct its Business Operations.

3. **Effective Date.** This Agreement shall be effective as of the date of the Resolution approving this Agreement, or such other date (if any) as specified in the Resolution approving this Agreement.

4. **Term of Agreement.** The initial term of this Agreement shall be ten years, with two possible extensions of five years each. This Agreement may be extended by mutual agreement of the Operator and the City Council on such additional terms and conditions as to which the Parties may agree. At the end of the term, Operator agrees to cease all Business Operations at the Site, notwithstanding the terms and conditions of the CBUP. The parties agree that, prior to the end of the initial ten-year term, they will meet and confer in good faith with the goal either of continuing this Agreement on the same terms and conditions or of modifying the Agreement so that the Business Operations may continue for the mutual benefit of the City and the Operator.

5. **Operating Conditions.** In addition to the terms and conditions set forth in the CBUP, Operator’s Business Operations shall be subject to the additional terms and conditions:

a. Hours of operation of retail sales on the Site shall not exceed 7 days per week, 8.00 a.m. to 8.00 p.m. There are no other hours restrictions on the Business Operations, including delivery.

b. Subsequent to the annual audit by the Police Department or a third party selected by the Police Department, the Police Chief shall have the discretion to require additional security measures or

modify existing security measures at the Operator's expense as may be required by law or reasonable for public safety. At Operator's expense, the Police Chief may also determine to require additional security measures at any time upon the Department's finding that existing security measures are insufficient for the Business Operations to comply with the terms of the CBUP or to adequately protect public health and safety. The Police Chief's determination is appealable to the City Manager.

c. The City Manager may impose additional mitigation measures, whether relating to odor or other factors affecting public health and safety, on the Project at Operator's expense, as may be required by law or reasonable to maintain public health and safety. The City Manager's determination is appealable pursuant to Title 1, Chapter 4 of the City's Municipal Code.

6. Fees.

a. Operator agrees to pay all fees, whether imposed by the City, state, or other regulatory agencies in a timely manner. Operator's failure to pay such fees in a timely manner may, at the City's sole discretion, constitute Evidence of Default. City may provide thirty (30) days' prior written notice to Operator as to any unpaid City fees. If Operator fails to pay such fees, plus any interest or penalties due for late payment, Operator agrees that the City may record on the property which is the subject of the CBUP one or more liens for the fees owed.

b. Operator agrees to pay City beginning with the fifteenth of the month immediately following the date the City issues the Certificate of Occupancy for the Site the amounts set forth in **Exhibit C**, attached hereto and incorporated herein. The fee for Gross Receipts is payable thereafter on the 15th of each month. The square footage fee is payable annually based on the square footage on the anniversary date of this Agreement's Effective Date, with adjustments made during the year as square footage is added or removed.

c. Late or deficient payments under this Section shall be subject to a penalty of a one-time penalty of one percent (1%) of the amount owed, plus monthly non-compounding interest at the maximum rate allowed by law, but not to exceed an annualized interest rate of ten percent (10%).

d. If the City Manager is not satisfied with the veracity of report(s) filed by Operator regarding the Business Operations' total gross receipts or square footage, the City Manager may compute and determine the amount of the fees to paid on the gross receipts or square footage and make a deficiency determination upon the basis of the facts contain in such report(s), or upon the basis of any information in City's possession, or that may come into City's possession within three years of the date the fees are paid. One or more deficiency determinations of the amount of fees owed for a period or periods may be made. The determination of the City Manager pursuant to this subsection is appealable pursuant to Title 1, Chapter 4 of the City's Municipal Code.

7. Social Equity Programs.

a. Operator agrees to implement and maintain for the entirety of the term of this Agreement a Social Equity Program ("**Equity Program**") to benefit the City and its residents, to foster equitable participation in the cannabis industry, and to create business opportunities for those most negatively impacted by the enforcement of cannabis laws prior to the legalization of cannabis in

California. Operator shall initiate its Equity Program within three months of this Agreement's Effective Date.

b. Operator shall prepare a written Social Equity Program Plan ("**Equity Plan**"), which includes an Equity Program description and an action plan with goals, tasks, responsible parties, timelines, and measurable outcomes. The Equity Plan shall be set forth in **Exhibit D**, attached hereto and incorporated herein. Operator shall provide an annual report to the City Manager and City Attorney on its progress in carrying-out the Equity Program's goals and measurable outcomes. Upon request of the City Manager or City Attorney, Operator shall also agree to provide a presentation to the City Council on the Equity Program's goals and measurable outcomes. The Equity Plan may be modified in writing by request of the Operator and approval of the City Manager or the City Attorney.

c. If the City Council, the City Manager, or the City Attorney determine that Operator's Equity Plan does not adequately achieve the City's goals as set forth herein, the City Council, the City Manager, or the City Attorney shall have the discretion to require the Operator to modify its Equity Plan subsequent to one or more meetings with the Operator.

8. Applicable Law. At all times, Operator shall conduct its Business Operations consistent with Applicable Law, including the City's ordinances, rules, and regulations; the CBUP; and this Agreement, as each may be amended or modified from time to time. Any violation thereof by Operator or its Business Operations may, at the City's discretion, be considered Evidence of Default.

9. Default.

a. If the City Manager finds Evidence of Default, the City Manager shall provide at least forty-five (45) days' written notice thereof to Operator, with the notice specifying the nature of the default, the facts supporting such Evidence of Default, and the manner in which the Default may be cured. Within that forty-five day period, Operator shall cure the Default to the City Manager's reasonable satisfaction, provide evidence with supporting facts as to why no Default exists, or provide alternatives satisfactory to the City Manager acting reasonably to address the Default.

b. If the City Manager is not satisfied with Operator's response and/or believes a Default continues to exist, then the City Manager may, at his/her sole discretion:

- Order the Operator to suspend all Business Operations at the Site until the Default is cured.
- Take such other action as may be authorized by the CBUP or this Agreement.
- Remedy the Default and charge the costs thereof to the Operator, who agrees to pay such sums.

c. The decision of the City Manager under this section are appealable pursuant to Title 1, Chapter 4 of the City's Municipal Code.

d. The remedies of this section, plus any other remedies set forth in this Agreement and remedies available in law or in equity are cumulative, and non-exclusive. Such remedies are distinct and separate whether or not exercised by the City. The City may, in its discretion, exercise any or all of its rights and remedies, at once or in succession, at such time or times as it considers to be appropriate.

10. Record Keeping. Operator shall keep, maintain, and preserve to the extent applicable all records that may be necessary to determine the amount of gross receipts, the number of retail delivery vehicles, the amount of cannabis manufactured, the amount of cannabis delivered, and any and all other records by which City may determine and verify the amount of fees due to the City pursuant to Section 6 hereof. At Operator's expense, City shall have the option of conducting, whether by City staff or by a City-selected consultant, an annual audit to verify the fees due to the City pursuant to Section 6 hereof and compliance with Exhibit D. City shall have the right to inspect such records at all reasonable times during normal business hours and upon not less than five (5) business days' prior notice. To the extent permitted by Applicable Law, City agrees to treat such records as confidential.

11. Annual Review. In addition to the right to conduct an audit pursuant to Section 10 hereof, the City Manager, at his/her discretion, may direct City staff or a third party to review, no more frequently than once per year, the Business Operations and compliance thereof with the CBUP and this Agreement. Operator shall be responsible for paying the costs of this annual review, which shall not exceed \$10,000 per review, adjusted annually by the CPI index for Bay area cities. In the event there is good cause for a review that would exceed \$10,000 (as adjusted annually), Operator and City shall negotiate a minor amendment to allow for such review. Based on this review, City may require additional mitigation measures or other changes to the Business Operations to assure compliance with the CBUP and this Agreement.

12. Amendments. This Agreement may be amended from time to time, if in writing and signed by both parties. The City Manager or the City Attorney shall have the discretion to approve a Minor Amendment to this Agreement or to refer such Minor Amendment to the Council for review and possible action. The City Council, at a duly noticed public meeting, shall have the discretion to approve a Major Amendment or a Minor Amendment, which has been referred to the Council.

13. Assignment. City has entered into the Agreement with Operator in reliance upon Operator's specialized knowledge, experience, and expertise relating to the Project and cannabis-related business. Therefore, this Agreement may not be assigned or otherwise transferred by Operator, whether to a third party or to another entity (even if Operator is a partner, owner, or otherwise a participant in such entity), without the prior written authorization of the City Council at a duly noticed meeting. Any such assignment or transfer, at City's sole discretion, may be considered Evidence of Default. Should Operator wish to assign or otherwise transfer the Agreement, Operator shall provide evidence to the reasonable satisfaction of the City Manager and the City Attorney of the specialized knowledge, experience, expertise, and financial stability of the proposed assignee or transferee prior to review and possible approval by the City Council.

14. Indemnification. Operator agrees to indemnify, defend, and hold harmless City, its officers, official, employees, agents, and consultants from any and all administrative, legal, or equitable actions, claims, or other proceedings instituted by any person or entity not a party to the Agreement challenging the validity of the Agreement or any action arising out of or relating to the Agreement. Operator shall pay for City's costs of defense, whether directly or by timely reimbursement on a monthly basis. Such costs shall include, but not be limited to, all court costs and attorney's fees expended by the City in defense of the action or proceeding, plus staff and consultant time spent in regard to defense of the action or proceeding. The parties shall use best efforts to select mutually agreeable defense counsel

but, if the parties cannot reach agreement, City may select its own legal counsel and Operator agrees to pay directly or timely reimburse on a monthly basis City for all such court costs, attorney's fees and time referenced herein.

Operator further agrees to indemnify, defend, and hold harmless City, its officers, officials, employees, agents, and consultants from any and all claims, costs, and liability for any damages, personal injury or death, or property damage which may arise directly or indirectly from Operator's Business Operations pursuant to this Agreement, except as caused by City's sole or gross negligence.

15. Insurance.

a. For the term of the Agreement, Operator shall be required to, and agrees to, maintain in full force and effect public liability and property damage insurance, including personal injury, and automobile insurance for owned and non-owned vehicles, with such coverage and limits as may be reasonably requested by City from time to time, but in no event for less than three million dollars (\$3,000,000) per occurrence and five million dollars (\$5,000,000) aggregate.

b. The insurance referenced herein shall include endorsements, naming as additional insureds the City, its officers, officials, employees, consultants, and agents. The endorsements shall also specify that the insurance is primary, with any policies held by the City to be non-contributing.

c. The insurance referenced herein shall be evidenced by certificate(s) of insurance, which shall be kept current during the term of this Agreement.

d. The certificate(s) and endorsement(s) shall be provided to, and approved by, the City Attorney prior to Operator beginning Business Operations.

e. Any insurance shall be placed with a company authorized to transact business in the State of California and with a rating of not less than A.M. Best-A, or such other rating as approved by the City Attorney.

f. Operator shall provide at least thirty (30) days' prior written notice of any cancellation, reduction in scope or amount, or material modification of the insurance referenced herein.

g. If Operator fail to maintain the insurance referenced herein, the City at its sole option may obtain such insurance at Operator's expense, with Operator obligated to promptly reimburse the City, or determine such failure to be Evidence of Default.

16. Notices. Any notice or communication required by the Agreement between the parties shall be in writing and may be delivered either personally or by registered mail, return receipt requested. Notice, whether given by personal delivery or by registered mail, shall be deemed to have been given and received on the day of actual receipt at any of the addresses designated below as to the party to whom the notice is sent. Any party hereto may at any time, upon 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. However, should a party's address no longer be valid such that delivery by registered mail, return receipt required, is not successful, then delivery by U.S. mail shall be effective five business days after mailing of notice. Such notices or communications shall be given to the parties at the addresses set forth below:

To the City of Antioch:

Alluvium Operating Agreement
November 26, 2019

City of Antioch
200 H Street
Antioch, CA 94509
Attn: City Manager

With a copy to:

City of Antioch
200 H Street
Antioch, CA 94509
Attn: City Attorney

To Operator:

Alluvium Inc.
2625 Crow Street
Antioch, CA 94509-7916
Attn: CEO

With a copy to (which shall not constitute notice):

Rogoway Law Group
423 Washington St.
San Francisco, CA 94111

17. Miscellaneous

a. Each party has had an equal opportunity to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply to the Agreement.

b. If any term, provision, covenant, or condition of this Agreement is held by court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of the Agreement shall continue in full force and effect, unless enforcement of the Agreement as so invalidated would be unreasonable or grossly inequitable under all the circumstances or would the frustrate the purpose of the Agreement.

c. The Parties shall take all steps reasonable and necessary to effectuate the terms and intent of the Agreement. However, no provision of the Agreement shall limit, or be construed to limit, the right of the City, the City Manager, the City Attorney, or the City Council to exercise discretion as to the Agreement or other matters.

d. The Parties are not, and shall not be construed, to be partners or joint venturers.

e. The only parties to the Agreement are City and Operator. There are no third-party beneficiaries and the Agreement is not intended, and shall not be construed, to benefit or be enforceable by any other person whatsoever.

f. In the event that suit is brought by either Party to the Agreement, the Parties agree that venue shall be exclusively vested in the state court of Contra Costa County, or in the U.S. District Court for the Northern District of California.

g. This Agreement and the Exhibits attached hereto contain all the representations and the entire agreement between parties with respect to the subject matter hereof.

h. The Parties acknowledge that City would not have entered into this Agreement had it been exposed to damage claims from Operator for any breach hereof. As such, the Parties agree that in no event shall Operator be entitled to recover damages against City for breach of this Agreement.

i. This Agreement may be executed in duplicate counterpart originals, each of which is deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

j. All waivers must be in writing to be effective or binding upon the waiving party and no waiver shall be implied from any omission by a party to take or not take any action with respect to default or other matters. Failure by a party to insist upon the strict performance of any provisions of the Agreement by the other party shall not constitute waiver of such party's right to demand strict compliance by the other party in the future. Furthermore, no express written waiver of any default shall affect any other default or cover any other period of time specified in such express waiver.

k. Notwithstanding termination or expiration of this Agreement for any reason, Sections 6c, 6d, 10 and 14 shall be continuing obligations of Operator and shall survive this Agreement.

EXECUTED AS OF _____, 2019.

[SIGNATURES ON THE NEXT PAGE]

CITY OF ANTIOCH

OPERATOR

City Manager, City of Antioch

Attest:

City Clerk

Approved as to form:

City Attorney

EXHIBIT A

EXHIBIT B

The Site is located at 2625 Crow Court, Antioch, CA 94509, and is APN 074-032-022.

EXHIBIT C

Business type	Yr 1	Yr 2	Yr 3	Yr 4
Retail (% of Gross Receipts)	2%	3%	4%	5%
Microbusiness (% of Gross Receipts) *	2%	4%	5%	6%
Cultivation (per square foot) *	\$2	\$4	\$5	\$6

*Eligible for local employment incentive, as follows:

The total amount payable to City by the Operator pursuant to this Exhibit shall be reduced by the following amount(s) if the Operator employs not fewer than the following numbers of Antioch residents on a full-time basis, providing healthcare benefits:

At least 20 City residents	1%, but not to exceed \$60,000
At least 50 City residents	3%, but not to exceed \$150,000
At least 100 City residents	6%, but not to exceed \$300,000
At least 150 City residents	9%, but not to exceed \$450,000
200 or more City residents	12%, but not to exceed \$600,000

Example: If the revenue due to the City from Operator, based on Gross Receipts, is \$500,000, and the Operator employs 51 City residents, then the \$500,000 would be reduced by 3% and the Operator would owe the City \$485,000.

For any Operator requesting the local employment incentive, the City reserves the right to verify the number of City residents employed on an annual basis.

EXHIBIT D

Alluvium will donate a percentage of gross receipts to programs whose purpose is to help underprivileged children or adults who have been adversely affected by drug abuse, with such programs serving Antioch residents. Alluvium will evaluate programs annually and choose where is best to send the funds to be donated. The amount to be donated will be 0.25% of gross receipts in year one, 0.37% of gross receipts in year two, and 0.5% of gross receipts in year three and thereafter.

RESOLUTION No. 2019/**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANTIOCH
APPROVING THE CANNABIS OPERATING AGREEMENT
FOR CONTRA COSTA FARMS, LLC**

WHEREAS, on September 10, 2019, by Resolution No. 2019/142, the City Council approved Cannabis Business Use Permit No. 18-23, and the related Variance V-19-03 and Design Review AR-18-24 for Contra Costa Farms, LLC to operate a cannabis business within the City on the terms and conditions set forth therein;

WHEREAS, on September 10, 2019, by Resolution No. 2019/143, the City Council authorized the City Attorney to negotiate operating agreements, subject to City Council approval, with those cannabis business applicants with approved cannabis business use permits whose applications were deemed complete prior to the effective date of the April 2019 Amendment to Chapter 5 of Title 9 of the Antioch Municipal Code;

WHEREAS, the City Council has reviewed the attached Operating Agreement, and received public comment thereon, at its November 26, 2019, meeting;

WHEREAS, the City Council finds that the attached Operating Agreement will benefit the Antioch community by producing revenue for the City and its goals;

WHEREAS, the City Council finds that the attached Operating Agreement will benefit the Antioch community by the Operator committing to provide additional funding for programs to address community needs within Antioch; and

WHEREAS, the City Council finds that the attached Operating Agreement in combination with the approved use permit for the cannabis business will benefit the community and includes adequate provisions to protect public health and safety.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Antioch hereby approves the attached Operating Agreement and authorizes the City Manager to execute same.

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Antioch at a regular meeting thereof, held on the 26th day of November 2019, by the following vote:

AYES:

ABSENT:

ABSTAIN:

NOES:

ARNE SIMONSEN, CMC
CITY CLERK OF THE CITY OF ANTIOCH

RECORDING REQUESTED BY,
AND WHEN RECORDED, MAIL TO:

City of Antioch
200 H Street
Antioch, CA 94509
Attn: City Clerk

Exempt from recording fee per Government Code §6103

OPERATING AGREEMENT

This Operating Agreement ("**Agreement**") is entered into between the City of Antioch, a municipal corporation ("**City**") and Contra Costa Farms, a limited liability corporation ("**Operator**"), whose address is 3400 Wilbur Avenue, Antioch, California 94509. City and Operator may be referenced herein as "**Party**" or collectively as "**Parties.**"

RECITALS

- A. Operator submitted an application for approval of a use permit for a cannabis business, as further detailed herein.
- B. On September 10, 2019, by Resolution 2019/142, the City Council approved a Cannabis Business Use Permit to operate a cannabis business UP-18-23, a Variance V-19-03, and Design Review AR-18-24, all relating to Operator's application (collectively, "**CBUP**"). A copy of the CBUP is attached hereto as **Exhibit A** and incorporated herein. The CBUP relates to the Site, as described in **Exhibit B**, attached hereto and incorporated herein.
- C. One condition of the CBUP is that the City and Operator execute a Development Agreement. Pursuant to Council Resolution No. 2019/143, the City has modified that condition to require an Operating Agreement, in place of a Development Agreement. Operator agrees with this modification of the CUP. This Agreement meets this requirement of the CBUP.
- D. On _____, 2019, the City Council adopted Resolution _____ approving this Agreement.

AGREEMENT

1. **Recitals.** The Recitals set forth above are incorporated herein as if fully set forth in this Agreement.
2. **Definitions.** The following terms, when capitalized herein, shall have the meanings specified below.
 - a. Agreement—This Agreement between the City and Operator.

b. Applicable Law—All applicable federal, state, regional, and local statutes, regulations, and rules including the Uniform Building Code and other Uniform Codes, the California Environmental Quality Act, the City's ordinances, resolutions, rules, and regulations, as each statute, regulation, rule, Code, ordinance, and resolution may be amended from time to time, excluding such federal law which may conflict with state or local laws authorizing cannabis businesses or operations.

c. Business Operations—The commercial cannabis business operated at the Site by Operator, its officers, officials, employees, agents, and consultants, as approved by the City Council in the CBUP, and as subject to the terms and conditions of this Agreement.

d. Cannabis—Both medical and non-medical cannabis as defined by Health & Safety Code section 11362.5 and Business and Professions Code sections 26000 *et seq.*

e. Cannabis Business Use Permit—the Cannabis Business Use Permit, attached hereto as **Exhibit A**, as approved by City Council Resolution 2019/142.

f. City—the City of Antioch, California.

g. City Attorney—the City Attorney of the City.

h. City Council—the City Council of the City.

i. City Manager—the City Manager of the City.

j. Operator—Contra Costa Farms, LLC.

k. Fees—All charges, expenses, costs, monetary exactions, and any other monetary obligations imposed on Operator by City, other than assessments or regular or special taxes, and not limited to fees paid pursuant to this Agreement.

l. Gross Receipts—The total of amounts actually received or receivables from sales and the total amounts actually received or receivable for the performance of any act or service for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale of materials, goods, wares, or merchandise. Gross receipts shall also include all receipts, cash, credits and property of any kind without deduction of the cost of the property sold, the costs of the materials used, labor or services costs, interest paid or payable, or losses or other expenses whatsoever. Excluded from "gross receipts" are the following:

- Cash discounts allowed and taken on sales
- Credit allowed on property accepted as part of the purchase price and which property may later be sold
- Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser
- Such part of the sale price of property returned by a purchaser upon rescission of the contract of sale as is refunded whether in cash or by credit
- Amounts collected for others where the business is acting as an agent or trustee to the extent that such amounts are paid to those for whom collected, provided the agent or trustee furnishes to the City the names and addresses of the others and the amounts paid to them

- Receipts of refundable deposits, except that refundable deposits forfeited and taken into income of the business are not excluded

The intent of this definition is to ensure that, in calculating payments to the City, all sales and revenue from the Business Operations are captured and, therefore, this definition shall be given the broadest possible definition consistent with this intent.

m. Major amendment—Any modification to this Agreement that makes a substantive change, modification, or deviation in the terms of this Agreement or any Exhibits hereto.

n. Minor amendment—Any modification to this Agreement that does not make a substantive change, modification, or deviation in the terms of this Agreement or any Exhibits hereto.

o. Police Chief—the Police Chief of the City.

p. Project—The Business Operations, Site Development, Odor and other Mitigation Plans, Security Plans, and all other terms and conditions applicable to Operator’s Business Operations.

q. Site—The physical location of the Operator’s Business Operations, as described in Exhibit B, attached hereto.

r. Square Footage under Cultivation—the actual amount of canopy (measured by the aggregate area of vegetative growth of live cannabis plants on the premises including the area occupied by vertically and horizontally stacked canopies) that is limited by the maximum amount a cannabis business is authorized to cultivate by this Agreement or the CBUP, without deducting for unutilized square footage.

s. State license(s)—the license(s) issued by the State, whether through the Bureau of Cannabis Control or other regulatory agency authorizing the Operator to conduct its Business Operations

3. **Effective Date.** This Agreement shall be effective as of the date of the Resolution approving this Agreement, or such other date (if any) as specified in the Resolution approving this Agreement.

4. **Term of Agreement.** The initial term of this Agreement shall be ten years, with two possible extensions of five years each. This Agreement may be extended by mutual agreement of the Operator and the City Council on such additional terms and conditions as to which the Parties may agree. At the end of the term, Operator agrees to cease all Business Operations at the Site, notwithstanding the terms and conditions of the CBUP. The parties agree that, prior to the end of the initial ten-year term, they will meet and confer in good faith with the goal either of continuing this Agreement on the same terms and conditions or of modifying the Agreement so that the Business Operations may continue for the mutual benefit of the City and the Operator.

5. **Operating Conditions.** In addition to the terms and conditions set forth in the CBUP, Operator’s Business Operations shall be subject to the additional terms and conditions:

a. Hours of operation of retail sales on the Site shall not exceed 7 days per week, 8.00 a.m. to 8.00 p.m. There are no other hour’s restrictions on the Business Operations, including delivery.

b. Subsequent to the annual audit by the Police Department or a third party selected by the Police Department, the Police Chief shall have the discretion to require additional security measures or

modify existing security measures at the Operator's expense, as may be required by law or reasonable for public safety. At Operator's expense, the Police Chief may also determine to require additional security measures at any time upon the Department's finding that existing security measures are insufficient for the Business Operations to comply with the terms of the CBUP or to adequately protect public health and safety. The Police Chief's determination is appealable to the City Manager.

c. The City Manager may impose additional mitigation measures, whether relating to odor or other factors affecting public health and safety, on the Project at Operator's expense, as may be required by law or reasonable to maintain public health and safety. The City Manager's determination is appealable pursuant to Title 1, Chapter 4 of the City's Municipal Code.

6. Fees.

a. Operator agrees to pay all fees, whether imposed by the City, state, or other regulatory agencies in a timely manner. Operator's failure to pay such fees in a timely manner may, at the City's sole discretion, constitute Evidence of Default. City may provide thirty (30) days' prior written notice to Operator as to any unpaid City fees. If Operator fails to pay such fees, plus any interest or penalties due for late payment, Operator agrees that the City may record on the property which is the subject of the CBUP one or more liens for the fees owed.

b. Operator agrees to pay City beginning with the fifteenth of the month immediately following the date the City issues the Certificate of Occupancy for the Site the amounts set forth in **Exhibit C**, attached hereto and incorporated herein. The fee for Gross Receipts is payable thereafter on the 15th of each month. The square footage fee is payable annually based on the square footage on the anniversary date of the Agreement's Effective Date, with adjustments made during the year as square footage is added or removed.

c. Late or deficient payments under this Section shall be subject to a penalty of a one-time penalty of one percent (1%) of the amount owed, plus monthly non-compounding interest at the maximum rate allowed by law, but not to exceed an annualized amount of ten percent (10%).

d. If the City Manager is not satisfied with the veracity of report(s) filed by Operator regarding the Business Operations' total gross receipts or square footage, the City Manager may compute and determine the amount of the fees to paid on the gross receipts or square footage and make a deficiency determination upon the basis of the facts contain in such report(s), or upon the basis of any information in City's possession, or that may come into City's possession within three years of the date the fees are paid. One or more deficiency determinations of the amount of fees owed for a period or periods may be made. The determination of the City Manager pursuant to this subsection is appealable pursuant to Title 1, Chapter 4 of the City's Municipal Code.

7. Social Equity Programs.

a. Operator agrees to implement and maintain for the entirety of the term of this Agreement a Social Equity Program ("**Equity Program**") to benefit the City and its residents, to foster equitable participation in the cannabis industry, and to create business opportunities for those most negatively impacted by the enforcement of cannabis laws prior to the legalization of cannabis in

California. Operator shall initiate its Equity Program within three months of this Agreement's Effective Date.

b. Operator shall prepare a written Social Equity Program Plan ("**Equity Plan**"), which includes an Equity Program description and an action plan with goals, tasks, responsible parties, timelines, and measurable outcomes. The Equity Plan shall be set forth in **Exhibit D**, attached hereto and incorporated herein. Operator shall provide an annual report to the City Manager and City Attorney on its progress in carrying-out the Equity Program's goals and measurable outcomes. Upon request of the City Manager or City Attorney, Operator shall also agree to provide a presentation to the City Council on the Equity Program's goals and measurable outcomes. The Equity Plan may be modified in writing by request of the Operator and approval of the City Manager or the City Attorney.

c. If the City Council, the City Manager, or the City Attorney determine that Operator's Equity Plan does not adequately achieve the City's goals as set forth herein, the City Council, the City Manager, or the City Attorney shall have the discretion to require the Operator to modify its Equity Plan subsequent to one or more meetings with the Operator.

8. Applicable Law. At all times, Operator shall conduct its Business Operations consistent with Applicable Law, including the City's ordinances, rules, and regulations; the CBUP; and this Agreement, as each may be amended or modified from time to time. Any violation thereof by Operator or its Business Operations may, at the City's discretion, be considered Evidence of Default.

9. Default.

a. If the City Manager finds Evidence of Default, the City Manager shall provide at least forty-five (45) days' written notice thereof to Operator, with the notice specifying the nature of the default, the facts supporting such Evidence of Default, and the manner in which the Default may be cured. Within that forty-five day period, Operator shall cure the Default to the City Manager's reasonable satisfaction, provide evidence with supporting facts as to why no Default exists, or provide alternatives satisfactory to the City Manager to address the Default.

b. If the City Manager is not satisfied with Operator's response and/or believes a Default continues to exist, then the City Manager may, at his/her sole discretion:

- Order the Operator to suspend all Business Operations at the Site until the Default is cured.
- Take such other action as may be authorized by the CBUP or this Agreement.
- Remedy the Default and charge the costs thereof to the Operator, who agrees to pay such sums.

c. The decision of the City Manager under this section are appealable pursuant to Title 1, Chapter 4 of the City's Municipal Code.

d. The remedies of this section, plus any other remedies set forth in this Agreement and remedies available in law or in equity are cumulative, and non-exclusive. Such remedies are distinct and separate whether or not exercised by the City. The City may, in its discretion, exercise any or all of its rights and remedies, at once or in succession, at such time or times as it considers to be appropriate.

10. Record Keeping. Operator shall keep, maintain, and preserve to the extent applicable all records that may be necessary to determine the amount of gross receipts, the number of retail delivery vehicles, the amount of cannabis manufactured, the amount of cannabis delivered, and any and all other records by which City may determine and verify the amount of fees due to the City pursuant to Section 6 hereof. At Operator's expense, City shall have the option of conducting, whether by City staff or by a City-selected consultant, an annual audit to verify the fees due to the City pursuant to Section 6 hereof and compliance with Exhibit D. City shall have the right to inspect such records at all reasonable times. During normal business hours and upon not less than five (5) business days' prior notice. To the extent permitted by Applicable Law, City agrees to treat such records as confidential.

11. Annual Review. In addition to the right to conduct an audit pursuant to Section 10 hereof, the City Manager, at his/her discretion, may direct City staff or a third party to review, no more frequently than once per year, the Business Operations and compliance thereof with the CBUP and this Agreement. Operator shall be responsible for paying the costs of this annual review, which shall not exceed \$10,000 per review, adjusted annually by the CPI index for Bay area cities. In the event there is good cause for a review that would exceed \$10,000 (as adjusted annually), Operator and City shall negotiate a minor amendment to allow for such review. Based on this review, City may require additional mitigation measures or other changes to the Business Operations to assure compliance with the CBUP and this Agreement.

12. Amendments. This Agreement may be amended from time to time, if in writing and signed by both parties. The City Manager or the City Attorney shall have the discretion to approve a Minor Amendment to this Agreement or to refer such Minor Amendment to the Council for review and possible action. The City Council, at a duly noticed public meeting, shall have the discretion to approve a Major Amendment or a Minor Amendment, which has been referred to the Council.

13. Assignment. City has entered into the Agreement with Operator in reliance upon Operator's specialized knowledge, experience, and expertise relating to the Project and cannabis-related business. Therefore, this Agreement may not be assigned or otherwise transferred by Operator, whether to a third party or to another entity (even if Operator is a partner, owner, or otherwise a participant in such entity), without the prior written authorization of the City Council at a duly noticed meeting. Any such assignment or transfer, at City's sole discretion, may be considered Evidence of Default. Should Operator wish to assign or otherwise transfer the Agreement, Operator shall provide evidence to the reasonable satisfaction of the City Manager and the City Attorney of the specialized knowledge, experience, expertise, and financial stability of the proposed assignee or transferee prior to review and possible approval by the City Council.

14. Indemnification. Operator agrees to indemnify, defend, and hold harmless City, its officers, official, employees, agents, and consultants from any and all administrative, legal, or equitable actions, claims, or other proceedings instituted by any person or entity not a party to the Agreement challenging the validity of the Agreement or any action arising out of or relating to the Agreement. Operator shall pay for City's costs of defense, whether directly or by timely reimbursement on a monthly basis. Such costs shall include, but not be limited to, all court costs and attorney's fees expended by the City in defense of the action or proceeding, plus staff and consultant time spent in regard to defense of the action or proceeding. The parties shall use best efforts to select mutually agreeable defense counsel

but, if the parties cannot reach agreement, City may select its own legal counsel and Operator agrees to pay directly or timely reimburse on a monthly basis City for all such court costs, attorney's fees and time referenced herein.

Operator further agrees to indemnify, defend, and hold harmless City, its officers, officials, employees, agents, and consultants from any and all claims, costs, and liability for any damages, personal injury or death, or property damage which may arise directly or indirectly from Operator's Business Operations pursuant to this Agreement, except as caused by City's sole or gross negligence.

15. Insurance.

a. For the term of the Agreement, Operator shall be required to , and agrees to, maintain in full force and effect public liability and property damage insurance, including personal injury, and automobile insurance for owned and non-owned vehicles, with such coverage and limits as may be reasonably requested by City from time to time, but in no event for less than three million dollars (\$3,000,000) per occurrence and five million dollars (\$5,000,000) aggregate.

b. The insurance referenced herein shall include endorsements, naming as additional insureds the City, its officers, officials, employees, consultants, and agents. The endorsements shall also specify that the insurance is primary, with any policies held by the City to be non-contributing.

c. The insurance referenced herein shall be evidenced by certificate(s) of insurance, which shall be kept current during the term of this Agreement.

d. The certificate(s) and endorsement(s) shall be provided to, and approved by, the City Attorney prior to Operator beginning Business Operations.

e. The insurance shall be place with a company authorized to transact business in the State of California and with a rating of not less than A.M. Best-A, or such other rating as approved by the City Attorney.

f. Operator shall provide at least thirty (30) days' prior written notice of any cancellation, reduction in scope or amount, or material modification of the insurance referenced herein.

g. If Operator fails to maintain the insurance referenced herein, the City in its sole discretion may obtain such insurance at Operator's expense, with Operator obligated to promptly reimburse the City, or determine such failure to be Evidence of Default.

16. Notices. Any notice or communication required by the Agreement between the parties shall be in writing and may be delivered either personally or by registered mail, return receipt requested. Notice, whether given by personal delivery or by registered mail, shall be deemed to have been given and received on the day of actual receipt at any of the addresses designated below as to the party to whom the notice is sent Any party hereto may at any time, upon 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. However, should a party's address no longer be valid such that delivery by registered mail, return receipt required, is not successful, then delivery by U.S. mail shall be effective five business days after mailing of notice. Such notices or communications shall be given to the parties at the addresses set forth below:

To the City of Antioch:

City of Antioch
200 H Street
Antioch, CA 94509
Attn: City Manager

With a copy to:

City of Antioch
200 H Street
Antioch, CA 94509
Attn: City Attorney

To Operator:

Contra Costa Farms LLC
183 Main Street
Rio Vista, CA 94571
Attn: Charles Wesley, Managing Member

17. Miscellaneous

a. Each party has had an equal opportunity to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply to the Agreement.

b. If any term, provision, covenant, or condition of this Agreement is held by court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of the Agreement shall continue in full force and effect, unless enforcement of the Agreement as so invalidated would be unreasonable or grossly inequitable under all the circumstances or would the frustrate the purpose of the Agreement.

c. The Parties shall take all steps reasonable and necessary to effectuate the terms and intent of the Agreement. However, no provision of the Agreement shall limit, or be construed to limit, the right of the City, the City Manager, the City Attorney, or the City Council to exercise discretion as to the Agreement or other matters.

d. The Parties are not, and shall not be construed, to be partners or joint venturers.

e. The only parties to the Agreement are City and Operator. There are no third-party beneficiaries and the Agreement is not intended, and shall not be construed, to benefit or be enforceable by any other person whatsoever.

f. In the event that suit is brought by either Party to the Agreement, the Parties agree that venue shall be exclusively vested in the state court of Contra Costa County, or in the U.S. District Court for the Northern District of California.

g. This Agreement and the Exhibits attached hereto contain all the representations and the entire agreement between parties with respect to the subject matter hereof.

h. The Parties acknowledge that City would not have entered into this Agreement had it been exposed to damage claims from Operator for any breach hereof. As such, the Parties agree that in no event shall Operator be entitled to recover damages against City for breach of this Agreement.

i. This Agreement may be executed in duplicate counterpart originals, each of which is deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

j. All waivers must be in writing to be effective or binding upon the waiving party and no waiver shall be implied from any omission by a party to take or not take any action with respect to default or other matters. Failure by a party to insist upon the strict performance of any provisions of the Agreement by the other party shall not constitute waiver of such party's right to demand strict compliance by the other party in the future. Furthermore, no express written waiver of any default shall affect any other default or cover any other period of time specified in such express waiver.

k. Notwithstanding termination or expiration of this Agreement for any reason, Sections 6c, 6d, 10 and 14 shall be continuing obligations of Operator and shall survive this Agreement.

EXECUTED AS OF _____, 2019.

[SIGNATURES ON THE NEXT PAGE]

CITY OF ANTIOCH

OPERATOR

City Manager, City of Antioch

Attest:

City Clerk

Approved as to form:

City Attorney

EXHIBIT A

[to be attached]

EXHIBIT B

The Site is located at 3400 Wilbur Avenue, Antioch, California and is APN 051-051-021.

EXHIBIT C

Business type	Yr 1	Yr 2	Yr 3	Yr 4+
Retail	2%	3%	4%	5%
Microbusiness*	2%	3%	5%	6%
Cultivation (per square foot) *	\$2	\$3	\$5	\$6

*Eligible for local employment incentive

The total amount payable to City by the Operator pursuant to this Exhibit shall be reduced by the following amount(s) if the Operator employs not fewer than the following numbers of Antioch residents on a full-time basis, providing healthcare benefits:

At least 20 City residents	1%, but not to exceed \$60,000
At least 50 City residents	3%, but not to exceed \$150,000
At least 100 City residents	6%, but not to exceed \$300,000
At least 150 City residents	9%, but not to exceed \$450,000
200 or more City residents	12%, but not to exceed \$600,000

Example: If the revenue due to the City from Operator, based on gross receipts, is \$500,000, and the Operator employs 51 City residents, then the \$500,000 would be reduced by 3% and the Operator would owe the City \$485,000.

For any Operator requesting the local employment incentive, the City reserves the right to verify the number of City residents employed on an annual basis.

EXHIBIT D

- Targeting the children of Antioch residents that have been incarcerated for any reason, with such children also being Antioch residents.
- The goal of this program is to provide a level of resources and support that is not generally available by traditional social services.
- Accomplishing this by partnering with Antioch charities such as Beat The Street.
- Contra Costa Farms will set aside a minimum of \$50,000 per year up to \$100,000 per year, but not less than 0.5% of gross receipts per year, which it will donate to local charities that help support this initiative.
- In the event that a suitable partner is not available, Contra Costa Farms will form its own 501(c)(3) charity in order to provide this level of support and resources for these children.

RESOLUTION No. 2019/**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANTIOCH
APPROVING THE CANNABIS OPERATING AGREEMENT
FOR DELTA DISPENSARY, LLC**

WHEREAS, on June 25, 2019, by Resolution No. 2019/115, the City Council approved Cannabis Business Use Permit No. 18-13 for Delta Dispensary, LLC to operate a cannabis business within the City on the terms and conditions set forth therein;

WHEREAS, on September 10, 2019, by Resolution No. 2019/143, the City Council authorized the City Attorney to negotiate operating agreements, subject to City Council approval, with those cannabis business applicants with approved cannabis business use permits whose applications were deemed complete prior to the effective date of the April 2019 Amendment to Chapter 5 of Title 9 of the Antioch Municipal Code;

WHEREAS, the City Council has reviewed the attached Operating Agreement, and received public comment thereon, at its November 26, 2019, meeting;

WHEREAS, the City Council finds that the attached Operating Agreement will benefit the Antioch community by producing revenue for the City and its goals;

WHEREAS, the City Council finds that the attached Operating Agreement will benefit the Antioch community by the Operator committing to provide additional funding for programs to address community needs within Antioch; and

WHEREAS, the City Council finds that the attached Operating Agreement in combination with the approved use permit for the cannabis business will benefit the community and includes adequate provisions to protect public health and safety.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Antioch hereby approves the attached Operating Agreement and authorizes the City Manager to execute same.

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Antioch at a regular meeting thereof, held on the 26th day of November 2019, by the following vote:

AYES:

ABSENT:

ABSTAIN:

NOES:

ARNE SIMONSEN, CMC
CITY CLERK OF THE CITY OF ANTIOCH

RECORDING REQUESTED BY,
AND WHEN RECORDED, MAIL TO:

City of Antioch
200 H Street
Antioch, CA 94509
Attn: City Clerk

Exempt from recording fee per Government Code §6103

OPERATING AGREEMENT

This Operating Agreement ("**Agreement**") is entered into between the City of Antioch, a municipal corporation ("**City**") and Delta Dispensary, a limited liability corporation ("**Operator**"), whose address is 2101 West 10th Street, Suites A and B, Antioch, California 94509. City and Operator may be referenced herein as "**Party**" or collectively as "**Parties**."

RECITALS

- A. Operator submitted an application for approval of a use permit for a cannabis business, as further detailed herein.
- B. On June 25, 2019, by Resolution 2019/115, the City Council approved a Cannabis Business Use Permit to operate a cannabis business UP-18-13 ("**CBUP**"). A copy of the CBUP is attached hereto as **Exhibit A** and incorporated herein. The CBUP relates to the Site, as described in **Exhibit B**, attached hereto and incorporated herein.
- C. One condition of the CBUP is that the City and Operator execute a Development Agreement. Pursuant to Council Resolution No. 2019/143, the City has modified that condition to require an Operating Agreement, in place of a Development Agreement. Operator agrees with this modification of the CUP. This Agreement meets this requirement of the CBUP.
- D. On _____, 2019, the City Council adopted Resolution _____ approving this Agreement.

AGREEMENT

1. **Recitals.** The Recitals set forth above are incorporated herein as if fully set forth in this Agreement.
2. **Definitions.** The following terms, when capitalized herein, shall have the meanings specified below.
 - a. Agreement—This Agreement between the City and Operator.

b. Applicable Law—All applicable federal, state, regional, and local statutes, regulations, and rules including the Uniform Building Code and other Uniform Codes, the California Environmental Quality Act, the City’s ordinances, resolutions, rules, and regulations, as each statute, regulation, rule, Code, ordinance, and resolution may be amended from time to time, excluding such federal law which may conflict with state or local laws authorizing cannabis businesses or operations.

c. Business Operations—The commercial cannabis business operated at the Site by Operator, its officers, officials, employees, agents, and consultants, as approved by the City Council in the CBUP, and as subject to the terms and conditions of this Agreement.

d. Cannabis—Both medical and non-medical cannabis as defined by Health & Safety Code section 11362.5 and Business and Professions Code sections 26000 *et seq.*

e. Cannabis Business Use Permit—the Cannabis Business Use Permit, attached hereto as **Exhibit A**, as approved by City Council Resolution 2019/115.

f. City—the City of Antioch, California.

g. City Attorney—the City Attorney of the City.

h. City Council—the City Council of the City.

i. City Manager—the City Manager of the City.

j. Operator—Delta Dispensary, LLC.

k. Fees—All charges, expenses, costs, monetary exactions, and any other monetary obligations imposed on Operator by City, other than assessments or regular or special taxes, and not limited to fees paid pursuant to this Agreement.

l. Gross Receipts—The total of amounts actually received or receivables from sales and the total amounts actually received or receivable for the performance of any act or service for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale of materials, goods, wares, or merchandise. Gross receipts shall also include all receipts, cash, credits and property of any kind without deduction of the cost of the property sold, the costs of the materials used, labor or services costs, interest paid or payable, or losses or other expenses whatsoever. Excluded from “gross receipts” are the following:

- Cash discounts allowed and taken on sales
- Credit allowed on property accepted as part of the purchase price and which property may later be sold
- Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser
- Such part of the sale price of property returned by a purchaser upon rescission of the contract of sale as is refunded whether in cash or by credit
- Amounts collected for others where the business is acting as an agent or trustee to the extent that such amounts are paid to those for whom collected, provided the agent or trustee furnishes to the City the names and addresses of the others and the amounts paid to them

- Receipts of refundable deposits, except that refundable deposits forfeited and taken into income of the business are not excluded

The intent of this definition is to ensure that, in calculating payments to the City, all sales and revenue from the Business Operations are captured and, therefore, this definition shall be given the broadest possible definition consistent with this intent.

m. Major amendment—Any modification to this Agreement that makes a substantive change, modification, or deviation in the terms of this Agreement or any Exhibits hereto.

n. Minor amendment—Any modification to this Agreement that does not make a substantive change, modification, or deviation in the terms of this Agreement or any Exhibits hereto.

o. Police Chief—the Police Chief of the City.

p. Project—The Business Operations, Site Development, Odor and other Mitigation Plans, Security Plans, and all other terms and conditions applicable to Operator's Business Operations.

q. Site—The physical location of the Operator's Business Operations, as described in **Exhibit B**, attached hereto.

r. Square Footage under Cultivation--the actual amount of canopy (measured by the aggregate area of vegetative growth of live cannabis plants on the premises including the area occupied by vertically and horizontally stacked canopies) that is limited by the maximum amount a cannabis business is authorized to cultivate by this Agreement or the CBUP, without deducting for unutilized square footage.

s. State license(s)—the license(s) issued by the State, whether through the Bureau of Cannabis Control or other regulatory agency authorizing the Operator to conduct its Business Operations

3. **Effective Date.** This Agreement shall be effective as of the date of the Resolution approving this Agreement, or such other date (if any) as specified in the Resolution approving this Agreement.

4. **Term of Agreement.** The initial term of this Agreement shall be ten years, with two possible extensions of five years each. This Agreement may be extended by mutual agreement of the Operator and the City Council on such additional terms and conditions as to which the Parties may agree. At the end of the term, Operator agrees to cease all Business Operations at the Site, notwithstanding the terms and conditions of the CBUP. The parties agree that, prior to the end of the initial ten-year term, they will meet and confer in good faith with the goal either of continuing this Agreement on the same terms and conditions or of modifying the Agreement so that the Business Operations may continue for the mutual benefit of the City and the Operator.

5. **Operating Conditions.** In addition to the terms and conditions set forth in the CBUP, Operator's Business Operations shall be subject to the additional terms and conditions:

a. Hours of operation of retail sales on the Site shall not exceed 7 days per week, 8.00 a.m. to 8.00 p.m. There are no other hours restrictions on the Business Operations, including delivery.

b. Subsequent to the annual audit by the Police Department or a third party selected by the Police Department, the Police Chief shall have the discretion to require additional security measures or

modify existing security measures at the Operator's expense, as may be required by law or reasonable for public safety. At Operator's expense, the Police Chief may also determine to require additional security measures at any time upon the Department's finding that existing security measures are insufficient for the Business Operations to comply with the terms of the CBUP or to adequately protect public health and safety. The Police Chief's determination is appealable to the City Manager.

c. The City Manager may impose additional mitigation measures, whether relating to odor or other factors affecting public health and safety, on the Project at Operator's expense, as may be required by law or reasonable to maintain public health and safety. The City Manager's determination is appealable pursuant to Title 1, Chapter 4 of the City's Municipal Code.

6. Fees.

a. Operator agrees to pay all fees, whether imposed by the City, state, or other regulatory agencies in a timely manner. Operator's failure to pay such fees in a timely manner may, at the City's sole discretion, constitute Evidence of Default. City may provide thirty (30) days' prior written notice to Operator as to any unpaid City fees. If Operator fails to pay such fees, plus any interest or penalties due for late payment, Operator agrees that the City may record on the property which is the subject of the CBUP one or more liens for the fees owed.

b. Operator agrees to pay City beginning with the fifteenth of the month immediately following the date the City issues the Certificate of Occupancy for the Site the amounts set forth in **Exhibit C**, attached hereto and incorporated herein. The fee for Gross Receipts is payable thereafter on the 15th of each month. The square footage fee is payable annually based on the square footage on the anniversary date of the Agreement's Effective Date, with adjustments made during the year as square footage is added or removed.

c. Late or deficient payments under this Section shall be subject to a penalty of a one-time penalty of one percent (1%) of the amount owed, plus monthly non-compounding interest at the maximum rate allowed by law, but not to exceed an annualized amount of ten percent (10%).

d. If the City Manager is not satisfied with the veracity of report(s) filed by Operator regarding the Business Operations' total gross receipts or square footage, the City Manager may compute and determine the amount of the fees to paid on the gross receipts or square footage and make a deficiency determination upon the basis of the facts contain in such report(s), or upon the basis of any information in City's possession, or that may come into City's possession within three years of the date the fees are paid. One or more deficiency determinations of the amount of fees owed for a period or periods may be made. The determination of the City Manager pursuant to this subsection is appealable pursuant to Title 1, Chapter 4 of the City's Municipal Code.

7. Social Equity Programs.

a. Operator agrees to implement and maintain for the entirety of the term of this Agreement a Social Equity Program ("**Equity Program**") to benefit the City and its residents, to foster equitable participation in the cannabis industry, and to create business opportunities for those most negatively impacted by the enforcement of cannabis laws prior to the legalization of cannabis in

California. Operator shall initiate its Equity Program within three months of this Agreement's Effective Date.

b. Operator shall prepare a written Social Equity Program Plan ("**Equity Plan**"), which includes an Equity Program description and an action plan with goals, tasks, responsible parties, timelines, and measurable outcomes. The Equity Plan shall be set forth in **Exhibit D**, attached hereto and incorporated herein. Operator shall provide an annual report to the City Manager and City Attorney on its progress in carrying-out the Equity Program's goals and measurable outcomes. Upon request of the City Manager or City Attorney, Operator shall also agree to provide a presentation to the City Council on the Equity Program's goals and measurable outcomes. The Equity Plan may be modified in writing by request of the Operator and approval of the City Manager or the City Attorney.

c. If the City Council, the City Manager, or the City Attorney determine that Operator's Equity Plan does not adequately achieve the City's goals as set forth herein, the City Council, the City Manager, or the City Attorney shall have the discretion to require the Operator to modify its Equity Plan subsequent to one or more meetings with the Operator.

8. Applicable Law. At all times, Operator shall conduct its Business Operations consistent with Applicable Law, including the City's ordinances, rules, and regulations; the CBUP; and this Agreement, as each may be amended or modified from time to time. Any violation thereof by Operator or its Business Operations may, at the City's discretion, be considered Evidence of Default.

9. Default.

a. If the City Manager finds Evidence of Default, the City Manager shall provide at least forty-five (45) days' written notice thereof to Operator, with the notice specifying the nature of the default, the facts supporting such Evidence of Default, and the manner in which the Default may be cured. Within that forty-five day period, Operator shall cure the Default to the City Manager's reasonable satisfaction, provide evidence with supporting facts as to why no Default exists, or provide alternatives satisfactory to the City Manager to address the Default.

b. If the City Manager is not satisfied with Operator's response and/or believes a Default continues to exist, then the City Manager may, at his/her sole discretion:

- Order the Operator to suspend all Business Operations at the Site until the Default is cured.
- Take such other action as may be authorized by the CBUP or this Agreement.
- Remedy the Default and charge the costs thereof to the Operator, who agrees to pay such sums.

c. The decision of the City Manager under this section are appealable pursuant to Title 1, Chapter 4 of the City's Municipal Code.

d. The remedies of this section, plus any other remedies set forth in this Agreement and remedies available in law or in equity are cumulative, and non-exclusive. Such remedies are distinct and separate whether or not exercised by the City. The City may, in its discretion, exercise any or all of its rights and remedies, at once or in succession, at such time or times as it considers to be appropriate.

10. Record Keeping. Operator shall keep, maintain, and preserve to the extent applicable all records that may be necessary to determine the amount of gross receipts, the number of retail delivery vehicles, the amount of cannabis manufactured, the amount of cannabis delivered, and any and all other records by which City may determine and verify the amount of fees due to the City pursuant to Section 6 hereof. At Operator's expense, City shall have the option of conducting, whether by City staff or by a City-selected consultant, an annual audit to verify the fees due to the City pursuant to Section 6 hereof and compliance with Exhibit D. City shall have the right to inspect such records at all reasonable times. During normal business hours and upon not less than five (5) business days' prior notice. To the extent permitted by Applicable Law, City agrees to treat such records as confidential.

11. Annual Review. In addition to the right to conduct an audit pursuant to Section 10 hereof, the City Manager, at his/her discretion, may direct City staff or a third party to review, no more frequently than once per year, the Business Operations and compliance thereof with the CBUP and this Agreement. Operator shall be responsible for paying the costs of this annual review, which shall not exceed \$10,000 per review, adjusted annually by the CPI index for Bay area cities. In the event there is good cause for a review that would exceed \$10,000 (as adjusted annually), Operator and City shall negotiate a minor amendment to allow for such review. Based on this review, City may require additional mitigation measures or other changes to the Business Operations to assure compliance with the CBUP and this Agreement.

12. Amendments. This Agreement may be amended from time to time, if in writing and signed by both parties. The City Manager or the City Attorney shall have the discretion to approve a Minor Amendment to this Agreement or to refer such Minor Amendment to the Council for review and possible action. The City Council, at a duly noticed public meeting, shall have the discretion to approve a Major Amendment or a Minor Amendment, which has been referred to the Council.

13. Assignment. City has entered into the Agreement with Operator in reliance upon Operator's specialized knowledge, experience, and expertise relating to the Project and cannabis-related business. Therefore, this Agreement may not be assigned or otherwise transferred by Operator, whether to a third party or to another entity (even if Operator is a partner, owner, or otherwise a participant in such entity), without the prior written authorization of the City Council at a duly noticed meeting. Any such assignment or transfer, at City's sole discretion, may be considered Evidence of Default. Should Operator wish to assign or otherwise transfer the Agreement, Operator shall provide evidence to the reasonable satisfaction of the City Manager and the City Attorney of the specialized knowledge, experience, expertise, and financial stability of the proposed assignee or transferee prior to review and possible approval by the City Council.

14. Indemnification. Operator agrees to indemnify, defend, and hold harmless City, its officers, official, employees, agents, and consultants from any and all administrative, legal, or equitable actions, claims, or other proceedings instituted by any person or entity not a party to the Agreement challenging the validity of the Agreement or any action arising out of or relating to the Agreement. Operator shall pay for City's costs of defense, whether directly or by timely reimbursement on a monthly basis. Such costs shall include, but not be limited to, all court costs and attorney's fees expended by the City in defense of the action or proceeding, plus staff and consultant time spent in regard to defense of the action or proceeding. The parties shall use best efforts to select mutually agreeable defense counsel

but, if the parties cannot reach agreement, City may select its own legal counsel and Operator agrees to pay directly or timely reimburse on a monthly basis City for all such court costs, attorney's fees and time referenced herein.

Operator further agrees to indemnify, defend, and hold harmless City, its officers, officials, employees, agents, and consultants from any and all claims, costs, and liability for any damages, personal injury or death, or property damage which may arise directly or indirectly from Operator's Business Operations pursuant to this Agreement, except as caused by City's sole or gross negligence.

15. Insurance.

a. For the term of the Agreement, Operator shall be required to, and agrees to, maintain in full force and effect public liability and property damage insurance, including personal injury, and automobile insurance for owned and non-owned vehicles, with such coverage and limits as may be reasonably requested by City from time to time, but in no event for less than three million dollars (\$3,000,000) per occurrence and five million dollars (\$5,000,000) aggregate.

b. The insurance referenced herein shall include endorsements, naming as additional insureds the City, its officers, officials, employees, consultants, and agents. The endorsements shall also specify that the insurance is primary, with any policies held by the City to be non-contributing.

c. The insurance referenced herein shall be evidenced by certificate(s) of insurance, which shall be kept current during the term of this Agreement.

d. The certificate(s) and endorsement(s) shall be provided to, and approved by, the City Attorney prior to Operator beginning Business Operations.

e. The insurance shall be placed with a company authorized to transact business in the State of California and with a rating of not less than A.M. Best-A, or such other rating as approved by the City Attorney.

f. Operator shall provide at least thirty (30) days' prior written notice of any cancellation, reduction in scope or amount, or material modification of the insurance referenced herein.

g. If Operator fails to maintain the insurance referenced herein, the City in its sole discretion may obtain such insurance at Operator's expense, with Operator obligated to promptly reimburse the City, or determine such failure to be Evidence of Default.

16. Notices. Any notice or communication required by the Agreement between the parties shall be in writing and may be delivered either personally or by registered mail, return receipt requested. Notice, whether given by personal delivery or by registered mail, shall be deemed to have been given and received on the day of actual receipt at any of the addresses designated below as to the party to whom the notice is sent. Any party hereto may at any time, upon 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. However, should a party's address no longer be valid such that delivery by registered mail, return receipt required, is not successful, then delivery by U.S. mail shall be effective five business days after mailing of notice. Such notices or communications shall be given to the parties at the addresses set forth below:

To the City of Antioch:

Delta Dispensary Operating Agreement
November 26, 2019

City of Antioch
200 H Street
Antioch, CA 94509
Attn: City Manager

With a copy to:

City of Antioch
200 H Street
Antioch, CA 94509
Attn: City Attorney

To Operator:

Rick Hoke
2101 West Tenth Street, Suite J
Antioch, CA 94509

17. Miscellaneous

a. Each party has had an equal opportunity to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply to the Agreement.

b. If any term, provision, covenant, or condition of this Agreement is held by court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of the Agreement shall continue in full force and effect, unless enforcement of the Agreement as so invalidated would be unreasonable or grossly inequitable under all the circumstances or would the frustrate the purpose of the Agreement.

c. The Parties shall take all steps reasonable and necessary to effectuate the terms and intent of the Agreement. However, no provision of the Agreement shall limit, or be construed to limit, the right of the City, the City Manager, the City Attorney, or the City Council to exercise discretion as to the Agreement or other matters.

d. The Parties are not, and shall not be construed, to be partners or joint venturers.

e. The only parties to the Agreement are City and Operator. There are no third-party beneficiaries and the Agreement is not intended, and shall not be construed, to benefit or be enforceable by any other person whatsoever.

f. In the event that suit is brought by either Party to the Agreement, the Parties agree that venue shall be exclusively vested in the state court of Contra Costa County, or in the U.S. District Court for the Northern District of California.

g. This Agreement and the Exhibits attached hereto contain all the representations and the entire agreement between parties with respect to the subject matter hereof.

h. The Parties acknowledge that City would not have entered into this Agreement had it been exposed to damage claims from Operator for any breach hereof. As such, the Parties agree that in no event shall Operator be entitled to recover damages against City for breach of this Agreement.

i. This Agreement may be executed in duplicate counterpart originals, each of which is deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

j. All waivers must be in writing to be effective or binding upon the waiving party and no waiver shall be implied from any omission by a party to take or not take any action with respect to default or other matters. Failure by a party to insist upon the strict performance of any provisions of the Agreement by the other party shall not constitute waiver of such party's right to demand strict compliance by the other party in the future. Furthermore, no express written waiver of any default shall affect any other default or cover any other period of time specified in such express waiver.

k. Notwithstanding termination or expiration of this Agreement for any reason, Sections 6c, 6d, 10 and 14 shall be continuing obligations of Operator and shall survive this Agreement.

EXECUTED AS OF _____, 2019.

[SIGNATURES ON THE NEXT PAGE]

CITY OF ANTIOCH

OPERATOR

City Manager, City of Antioch

Attest:

City Clerk

Approved as to form:

City Attorney

EXHIBIT A

[to be attached]

EXHIBIT B

The Site is located at 2101 West 10th Street, Suites A and B, Antioch CA 94509 and is APN 074-051-005.

EXHIBIT C

Business type	Yr 1	Yr 2	Yr 3	Yr 4+
Retail	2%	3%	4%	5%
Microbusiness*	2%	3%	5%	6%
Cultivation (per square foot)*	\$2	\$3	\$5	\$6

*Eligible for local employment incentive

The total amount payable to City by the Operator pursuant to this Exhibit shall be reduced by the following amount(s) if the Operator employs not fewer than the following numbers of Antioch residents on a full-time basis, providing healthcare benefits:

At least 20 City residents	1%, but not to exceed \$60,000
At least 50 City residents	3%, but not to exceed \$150,000
At least 100 City residents	6%, but not to exceed \$300,000
At least 150 City residents	9%, but not to exceed \$450,000
200 or more City residents	12%, but not to exceed \$600,000

Example: If the revenue due to the City from Operator, based on gross receipts, is \$500,000, and the Operator employs 51 City residents, then the \$500,000 would be reduced by 3% and the Operator would owe the City \$485,000.

For any Operator requesting the local employment incentive, the City reserves the right to verify the number of City residents employed on an annual basis.

EXHIBIT D

EXHIBIT D

- Delta Dispensary will donate a percentage of gross receipts to Antioch-based programs whose purpose is to reclaim, redeem and restore Antioch residents' lives that have been disrupted by drugs, alcohol, and other substance abuse.
- One program Delta Dispensary may include in its equity program is Victory Outreach Church men's and women's homes. The related construction company has worked with the men's home for years, providing job training to the residents and monetary funds to the home.
- Delta Dispensary will work to include other programs that offer similar services to Antioch residents
- Delta Dispensary will donate 0.25% of gross receipts in year one, .0.37% of gross receipts in year two and 0.5% of gross receipts in year three and thereafter.