

**ACTION MINUTES OF
BOARD OF PUBLIC UTILITIES COMMISSIONERS
CITY OF TULARE**

May 17, 2018

A regular meeting of the Board of Public Utilities, City of Tulare was held on Thursday, May 17, 2018 at 4:00 p.m. in the Tulare Public Library & Council Chambers, 491 North "M" Street.

BPU PRESENT: Jim Pennington, Howard Stroman, Thomas Griesbach, Chris Soria

STAFF PRESENT: Willard Epps, Sarah Tobias, Darlene Thompson, Michael Miller, Trisha Whitfield, Nick Bartsch, Tim Doyle, Frank Rodriguez, Ben Siegel, Jim Funk, Melissa Hermann

I. CALL TO ORDER REGULAR MEETING

President Pennington called the regular meeting to order at 4:03 p.m.

Deputy City Clerk/Records Coordinator Melissa Hermann administered an Oath of Office to Chris Soria.

II. PLEDGE OF ALLEGIANCE AND INVOCATION

Board Member Griesbach led the Pledge of Allegiance and an invocation was given by Vice President Stroman.

III. CITIZEN COMMENTS

President Pennington advised that comments from the public are limited to items listed on the agenda (GC 54954.3a). Speakers will be allowed three minutes. Please begin your comments by stating and spelling your name and providing your city of residence.

There were no citizen comments.

IV. COMMUNICATIONS

There were no items for this section.

V. STUDENT REPORTS

There were no students present to provide a report.

VI. CONSENT CALENDAR

It was moved by Vice President Stroman, seconded by Board Member Griesbach and unanimously carried that the items on the Consent Calendar be approved as presented with the exception of items 6 and 9.

- (1) **Approve minutes May 3, 2018 regular and/or special meeting(s).**
- (2) **Accept Financial Status Report.**
- (3) **Receive the Public Works performance reports for April 2018.**
- (4) **Receive the Fuel Cell Performance report for March 2018.**
- (5) **Accept the Water System Development Program update.**
- (6) **Accept Public Works Monthly Water System Report.** Board Member Griesbach pulled this item to inquire about the water connections. City Engineer Michael Miller provided a response thereto. It was moved by Board Member Griesbach, seconded by Vice President Stroman and unanimously carried to approve the item as presented.
- (7) **Award and authorize the City Manager to sign a contract with Agee Construction Corp. of Clovis, CA in an amount not to exceed \$5,462,539.00 for street and utility improvements associated with Project EN0076, O Street Improvement Project; approve the revised project budget (attached); authorize the City Manager or designee to approve contract change orders in an amount not to exceed 10% (\$546,253.90) of the contract award amount.**
- (8) **Award and authorize the City Manager to sign a contract with Cannon of Bakersfield, CA in an amount not to exceed \$98,085.00 for construction surveying services associated with EN0076 - O Street Improvements Project; and authorize the City Manager or designee to approve contract change orders in an amount not to exceed 10% (\$9,808.50) of the contract award amount.**
- (9) **Receive the proposed utility funds fiscal year 2018/19 operating and position control budget for Board review prior to the budget adoption on June 7, 2018.** Vice President Stroman pulled this item to bring attention to a slight inaccuracy on the resolution documents. President Pennington expressed concern in the lack of involvement and information in the budget process. Public Works Director Trisha Whitfield provided a response thereto. The Board requested informal meetings between individual Board members and staff to receive a clearer view of the budget prior to adoption. Following discussion, it

was moved by President Pennington, seconded by Board Member Griesbach and unanimously carried to approve the item as presented.

VII. SCHEDULED PRESENTATION(S)

There were no presentations scheduled.

VIII. GENERAL BUSINESS – Comments related to General Business Items are limited to three minutes per speaker for a maximum of 30 minutes per item unless otherwise extended by the Board.

- (1) **Receive update on the status of the Solar Expansion Project.** Public Works Director Trisha Whitfield provided a report for the Board’s review. There was no action taken on this item as it was informational only.

IX. ITEMS OF BOARD INTEREST

Items of Board interest were discussed amongst the Board and staff.

X. ADJOURN REGULAR MEETING

President Pennington adjourned the regular meeting at 4:42 p.m.

President of the Board of Public Utilities
Commissioners of the City of Tulare

ATTEST:

Secretary of the Board of
Public Utilities Commissioners

**CITY OF TULARE
SUMMARY TREASURER'S REPORT
SUMMARY OF ALL INVESTMENTS
APRIL 30, 2018**

AGENDA ITEM: Consent 2

<u>TYPE OF INVESTMENT</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>CURRENT YIELD</u>	<u>BOOK VALUE % OF TOTAL</u>
UNRESTRICTED INVESTMENTS - SEE PAGE 2	122,362,040	119,408,632	1.853%	56.49%
RESTRICTED INVESTMENTS - SEE PAGE 4	94,236,106	91,112,902	N/A	43.51%
TOTAL INVESTMENTS	<u>216,598,146</u>	<u>210,521,533</u>	N/A	<u>100.00%</u>

Note: The City's financial statements will report market values, not book values, at June 30 each year.

I certify that this report reflects all City investments and complies with the investment policy of the City of Tulare as approved by City Council. Furthermore, I certify that sufficient investment liquidity and anticipated revenues are available to meet the City's budgeted expenditures for the next six months.

Presented to the City Council on May 23, 2018.

Presented to the Board of Public Utility Commissioners on May 23, 2018.

Respectfully submitted, Darlene J. Thompson, CPA, Finance Director/Treasurer



Date

5-23-18
Date

CITY OF TULARE
SUMMARY TREASURER'S REPORT, CONTINUED
SUMMARY OF UNRESTRICTED INVESTMENTS
APRIL 30, 2018

TYPE OF INVESTMENT	ISSUER OF INVESTMENT	DATES:		INTEREST RATES:		BOOK VALUE MARKET VALUE	UNREALIZED	ESTIMATED	BOOK VALUE % OF U/I~
		ACQUISITION MATURITY	STATED CURRENT YIELD	PAR VALUE	GAIN/(LOSS): THIS MONTH LAST MONTH		EARNINGS: ANNUAL THIS MONTH		
Petty Cash	N/A	N/A	N/A	N/A	6,825	N/A	N/A	N/A	0.01%
		N/A	None		6,825	N/A	N/A		
Checking Account - City	Wells Fargo Bank	N/A	N/A	N/A	1,489,412	N/A	N/A	N/A	1.22%
		On Demand	None		1,489,412	N/A	N/A		
					Balance per bank is \$1,523,900				
Local Agency Investment Fund (LAIF)	State of California	Various	N/A	N/A	36,621,257	(90,161)	608,279	29.93%	
		On Demand	1.661%	*	36,531,096	(60,054)	50,690		
Sub-Total			N/A	N/A	38,117,494	(90,161)	608,279	31.15%	
			1.600%		38,027,333	(60,054)	50,690		
Fixed Income Investments	Various (See page 6-9)		N/A	N/A	84,244,546	(2,863,247)	1,604,078	68.85%	
		Investments in Safekeeping With BNY Western Trust Company	1.970%		81,381,299	(2,327,563)	133,673		
TOTAL UNRESTRICTED INVESTMENTS			N/A	N/A	122,362,040	(2,953,408)	2,212,357	100.00%	
			1.853%		119,408,632	(2,387,617)	184,363		

* LAIF market values are based on the most currently available amortized cost information - March, 2018:

0.997538001

~ U/I = Unrestricted Investments

CITY OF TULARE
SUMMARY TREASURER'S REPORT, CONTINUED
SUMMARY OF RESTRICTED INVESTMENTS
APRIL 30, 2018

TYPE OF INVESTMENT	ISSUER OF INVESTMENT	ACQUISITION DATE	MATURITY DATE	STATED INTEREST RATE	PAR VALUE	BOOK VALUE	MARKET VALUE	BALANCES AS-OF DATE
Bond Funds (All are Managed by U.S. Bank Trust Except LAIF):								
2018 Lease Revenue and Refunding Bonds (Account No. 244938000)								
U S Bk Mmkt	U.S. Bank Trust	Various	On Demand	Various	N/A	3,999,144	3,999,144	04-30-18
						<u>3,999,144</u>	<u>3,999,144</u>	
2009 Sewer Revenue Bonds (Account No. 133007000)								
U S Bk Mmkt	U.S. Bank Trust	Various	On Demand	Various	N/A	131	131	04-30-18
Ge Funding Cap Mkt Svcs GIC	Ge Funding	08-06-09	08-06-19	3.812%	N/A	5,925,764	5,925,764	04-30-18
				Reserve Fund		<u>5,925,895</u>	<u>5,925,895</u>	
2012 Sewer Revenue Refunding Bonds (Account No. 162033000)								
U S Bk Mmkt	U.S. Bank Trust	Various	On Demand	Various	N/A	386,552	386,552	04-30-18
U S Bk Mmkt	U.S. Bank Trust	Various	On Demand	Various	N/A	923,355	923,355	04-30-18
				Reserve Fund		<u>1,309,907</u>	<u>1,309,907</u>	
2013 Sewer Revenue Refunding Bonds (Account No. 203701000)								
U S Bk Mmkt	U.S. Bank Trust	Various	On Demand	Various	N/A	31,867	31,867	04-30-18
Guarantee Invest. Cont.	Bayerische Landesbank	08-01-13	11-15-22	2.310%	N/A	2,745,126	2,745,126	04-30-18
				Reserve Fund		<u>2,776,993</u>	<u>2,776,993</u>	
2015 Sewer Revenue Refunding Bonds (Account No. 2615940000)								
U S Bk Mmkt	U.S. Bank Trust	Various	On Demand	Various	N/A	133,295	133,295	04-30-18
Investment Repurchase GIC	Bayerische Landesbank	11-15-15	11-15-25	1.960%	N/A	6,668,131	6,668,131	04-30-18
				Reserve Fund		<u>6,801,426</u>	<u>6,801,426</u>	
2016 Sewer Revenue Refunding Bonds (Account No. 260)								
U S Bk Mmkt	U.S. Bank Trust	Various	On Demand	Various	N/A	1,279,577	1,279,577	04-30-18
Cash				Reserve Fund - 2009 Sewer Bonds		658,030	658,030	04-30-18
U S Treasuries	U S Treasuries	Various	11-15-16 to 11-15-19	1.125% - 3.75%	N/A	51,452,891	50,267,294	04-30-18
				Reserve Fund - 2009 Sewer Bonds		<u>53,390,498</u>	<u>50,267,294</u>	
2017 Water Revenue Bonds (Account No. 219189000)								
U S Bk Mmkt	U.S. Bank Trust	Various	On Demand	Various	N/A	20,021,516	20,021,516	04-30-18
						<u>20,021,516</u>	<u>20,021,516</u>	

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**CITY OF TULARE
SUMMARY TREASURER'S REPORT, CONTINUED
SUMMARY OF RESTRICTED INVESTMENTS
APRIL 30, 2018**

<u>TYPE OF INVESTMENT</u>	<u>ISSUER OF INVESTMENT</u>	<u>ACQUISITION DATE</u>	<u>MATURITY DATE</u>	<u>STATED INTEREST RATE</u>	<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>BALANCES AS-OF DATE</u>
Bond Funds (All are Managed by U.S. Bank Trust Except LAIF):								
2017 Successor Agency Tax Allocation Bonds - Series A & B (Account No. 24534600)								
U S Bk Mmkt	U.S. Bank Trust	Various	On Demand	Various	N/A	10,908	10,908	04-30-18
						<u>10,908</u>	<u>10,908</u>	
TOTAL BOND FUNDS						<u>94,236,287</u>	<u>91,113,083</u>	
Restricted Insurance Deposits Managed by Fiscal Agents:								
Employee Welfare Fund	(60) Various	N/A	N/A	Various	N/A	(181)	(181)	04-30-18
Workers' Comp. Fund	(61) Various	N/A	N/A	Various	N/A	0	0 *	06-30-17
General Insurance Fund	(62) Various	N/A	N/A	Various	N/A	0	0 *	06-30-17
						<u>(181)</u>	<u>(181)</u>	
* NOTE: Reported as information is made available.								
* Adjusted annually.								
TOTAL RESTRICTED INVESTMENTS	<i>Book Value % of Total Investments =</i>			43.51%		<u>94,236,106</u>	<u>91,112,902</u>	

CITY OF TULARE
SUMMARY TREASURER'S REPORT, CONTINUED
FIXED INCOME INVESTMENTS
APRIL 30, 2018

TYPE OF FIXED INCOME INVESTMENT	CUSIP NUMBER	DATES:		INTEREST RATES:		BOOK VALUE MARKET VALUE	UNREALIZED	ESTIMATED
		ACQUISITION	MATURITY	STATED	CURRENT YIELD		GAIN/(LOSS): THIS MONTH	LAST MONTH
<u>U.S. GOVERNMENT AGENCY OBLIGATIONS</u>								
			**			Per BNY WTC		
Federal Farm Credit Banks		05-08-13		0.950%	2,000,000	2,000,000	(300)	19,000
	3133ECNY6	05-08-18	C	0.950%		1,999,700	(1,520)	1,583
Federal Home Ln Bks		07-13-16		1.375%	1,500,000	1,500,000	(46,620)	20,625
	3130A8MP5	10-13-20	C	1.420%		1,453,380	(41,505)	1,719
Federal Home Ln Bks		10-28-15		1.720%	2,000,000	2,000,000	(51,700)	34,400
	3130A6MH7	10-28-20	C	1.770%		1,948,300	(37,720)	2,867
Federal Nat'l Mortgage Assoc		09-30-16		1.500%	1,500,000	1,500,000	(42,510)	22,500
	3136G4AB9	12-30-20	C	1.540%		1,457,490	(36,885)	1,875
Federal Farm Credit Banks		07-19-16		1.440%	1,000,000	999,250	(33,860)	14,400
	3133EGMP7	01-19-21	C	1.490%		965,390	(29,110)	1,200
Federal Farm Credit Banks		01-29-18		2.250%	1,500,000	1,497,825	(15,105)	33,750
	3133EJAW9	01-19-21	C	2.280%		1,482,720	(6,525)	2,813
Federal Farm Credit Banks		07-06-16		1.500%	2,500,000	2,500,000	(97,925)	37,500
	3133EGKA2	07-06-21	C	1.560%		2,402,075	(83,825)	3,125
Federal Nat'l Mortgage Assoc		07-27-16		1.500%	1,000,000	998,750	(39,780)	15,000
	3136G3A70	07-27-21	C	1.560%		958,970	(34,990)	1,250
Federal Nat'l Mortgage Assoc		07-27-16		1.550%	1,000,000	999,500	(40,910)	15,500
	3136G3G90	07-27-21	C	1.620%		958,590	(36,130)	1,292
Federal Nat'l Mortgage Assoc		07-28-16		1.550%	1,000,000	999,250	(37,270)	15,500
	3136G3C78	07-28-21	C	1.610%		961,980	(32,510)	1,292
Federal Nat'l Mortgage Assoc		07-28-16		1.600%	2,000,000	2,000,000	(71,060)	32,000
	3136G3J30	07-28-21	C	1.660%		1,928,940	(61,600)	2,667
Federal Nat'l Mortgage Assoc		07-28-16		1.650%	2,000,000	2,000,000	(81,840)	33,000
	3136G3R72	07-28-21	C	1.720%		1,918,160	(72,260)	2,750
Federal Nat'l Mortgage Assoc		10-28-16		1.500%	1,500,000	1,500,000	(64,185)	22,500
	3136G4EF6	07-28-21	C	1.570%		1,435,815	(57,060)	1,875

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**CITY OF TULARE
SUMMARY TREASURER'S REPORT, CONTINUED
FIXED INCOME INVESTMENTS, CONTINUED
APRIL 30, 2018**

TYPE OF FIXED INCOME INVESTMENT	CUSIP NUMBER	DATES:		INTEREST RATES:		PAR VALUE	BOOK VALUE MARKET VALUE	UNREALIZED	ESTIMATED
		ACQUISITION	MATURITY	STATED	CURRENT YIELD			GAIN/(LOSS): THIS MONTH	EARNINGS: ANNUAL THIS MONTH
<u>U.S. GOVERNMENT AGENCY OBLIGATIONS, CONTINUED</u>									
				**			Per BNY WTC		
Federal Home Loan Mtg Corp		08-24-16			1.550%	2,000,000	2,000,000	(88,760)	31,000
	3134G94T1	08-24-21	C		1.620%		1,911,240	(78,100)	2,583
Federal Nat'l Mortgage Assoc		08-24-16			1.500%	1,500,000	1,500,000	(66,300)	22,500
	3136G3X26	08-24-21	C		1.570%		1,433,700	(58,890)	1,875
Federal Home Loan Mtg Corp		08-25-16			1.625%	3,000,000	3,000,000	(158,790)	48,750
	3134G9X44	08-25-21	C		1.720%		2,841,210	(143,550)	4,063
Federal Nat'l Mortgage Assoc		08-25-16			1.500%	1,500,000	1,500,000	(64,155)	22,500
	3136G3Y25	08-25-21	C		1.570%		1,435,845	(55,320)	1,875
Federal Home Loan Mtg Corp		09-29-16			1.650%	2,000,000	2,000,000	(71,940)	33,000
	3134GAEF7	09-29-21	C		1.710%		1,928,060	(60,960)	2,750
Federal Home Ln Bks		09-30-16			1.625%	2,000,000	1,999,200	(81,040)	32,500
	3130A9F89	09-30-21	C		1.690%		1,918,160	(69,380)	2,708
Federal Nat'l Mortgage Assoc		09-30-16			1.625%	2,000,000	2,000,000	(98,100)	32,500
	3136G4AH6	09-30-21	C		1.710%		1,901,900	(87,900)	2,708
Federal Nat'l Mortgage Assoc		09-30-16			1.500%	1,500,000	1,499,775	(75,570)	22,500
	3136G4CY7	09-30-21	C		1.580%		1,424,205	(67,965)	1,875
Federal Home Ln Banks		10-12-16			1.700%	1,500,000	1,500,000	(58,275)	25,500
	3130A9GS4	10-12-21	C		1.770%		1,441,725	(49,695)	2,125
Federal Home Ln Banks		10-12-16			1.580%	1,500,000	1,500,000	(63,825)	23,700
	3130A9KH3	10-12-21	C		1.650%		1,436,175	(54,990)	1,975
Federal Nat'l Mortgage Assoc		10-13-16			1.650%	2,255,000	2,255,000	(110,856)	37,208
	3136G4AS2	10-13-21	C		1.740%		2,144,144	(99,130)	3,101
Federal Nat'l Mortgage Assoc		10-25-16			1.550%	1,500,000	1,500,000	(73,125)	23,250
	3136G4ED1	10-25-21	C		1.630%		1,426,875	(65,145)	1,938

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CITY OF TULARE
SUMMARY TREASURER'S REPORT, CONTINUED
FIXED INCOME INVESTMENTS, CONTINUED
APRIL 30, 2018

TYPE OF FIXED INCOME INVESTMENT	CUSIP NUMBER	DATES:		INTEREST RATES:		PAR VALUE	BOOK VALUE MARKET VALUE	UNREALIZED	ESTIMATED
		ACQUISITION		STATED				GAIN/(LOSS):	EARNINGS:
		MATURITY		CURRENT YIELD				THIS MONTH	ANNUAL
						LAST MONTH	THIS MONTH		
<u>U.S. GOVERNMENT AGENCY OBLIGATIONS, CONTINUED</u>									
				**			Per BNY WTC		
Federal Home Ln Mtg Corp		11-10-16		1.700%	2,500,000	2,500,000	(122,975)	42,500	
	3131GATC8	11-10-21	C	1.790%		2,377,025	(108,400)	3,542	
Federal Farm Credit Bks		02-22-18		2.740%	2,000,000	1,499,475	(9,465)	41,100	
	3133EJDR7	11-22-21	C	2.760%		1,490,010	705	3,425	
Federal Home Ln Mtg Corp		11-22-16		1.650%	2,000,000	2,000,000	(99,640)	33,000	
	3134GAUB8	11-22-21	C	1.740%		1,900,360	(87,780)	2,750	
Federal Nat'l Mtg Corp		11-23-16		1.600%	2,000,000	2,000,000	(94,540)	32,000	
	3136G4GM9	11-23-21	C	1.680%		1,905,460	(83,340)	2,667	
Federal Home Ln Mtg Corp		10-02-16		2.000%	2,000,000	1,998,500	(54,840)	40,000	
	3134GBK68	12-29-21	C	2.060%		1,943,660	(40,640)	3,333	
Federal Home Ln Mtg Corp		12-30-16		2.000%	2,000,000	2,000,000	(63,100)	40,000	
	3134GAYV0	12-30-21	C	2.070%		1,936,900	(49,100)	3,333	
Federal Farm Credit Bks		09-14-17		1.950%	1,500,000	1,500,000	(55,065)	29,250	
	3133EHYQ0	03-14-22	C	2.020%		1,444,935	(37,020)	2,438	
Federal Farm Credit Bks		03-29-18		3.000%	1,500,000	1,500,000	(2,070)	45,000	
	3133EJJA8	06-29-22	C	3.000%		1,497,930	(990)	3,750	
Federal Home Ln Mtg Corp		07-27-17		2.250%	1,500,000	1,500,000	(49,650)	33,750	
	3134GBXU1	07-27-22	C	2.330%		1,450,350	(37,440)	2,813	
Federal Nat'l Mtg Assoc.		08-23-17		2.000%	1,500,000	1,498,500	(55,350)	30,000	
	3136G4NQ2	08-23-22	C	2.080%		1,443,150	(43,035)	2,500	
Federal Home Ln Mtg Corp		08-24-17		2.150%	1,500,000	1,500,000	(59,655)	32,250	
	3130AC2L7	08-24-22	C	2.240%		1,440,345	(47,325)	2,688	
Federal Farm Credit Bks		09-12-17		2.000%	1,500,000	1,500,000	(47,520)	30,000	
	3133EHXZ1	09-12-22	C	2.070%		1,452,480	(34,770)	2,500	
Federal Home Ln Mtg Corp		10-02-17		2.150%	1,500,000	1,499,250	(50,265)	32,250	
	3134GBM74	09-29-22	C	2.230%		1,448,985	(37,515)	2,688	

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CITY OF TULARE
SUMMARY TREASURER'S REPORT, CONTINUED
FIXED INCOME INVESTMENTS, CONTINUED
APRIL 30, 2018

TYPE OF FIXED INCOME INVESTMENT	CUSIP NUMBER	DATES:		INTEREST RATES:		PAR VALUE	BOOK VALUE MARKET VALUE	UNREALIZED	ESTIMATED
		ACQUISITION	MATURITY	STATED	CURRENT YIELD			GAIN/(LOSS): THIS MONTH LAST MONTH	EARNINGS: ANNUAL THIS MONTH
<u>U.S. GOVERNMENT AGENCY OBLIGATIONS, CONTINUED</u>									
				**			Per BNY WTC		
Federal Farm Credit Bks		10-17-17			2.280%	1,500,000	1,500,000	(38,970)	34,200
	3133EHF73	10-17-22	C		2.340%		1,461,030	(25,785)	2,850
Federal Home Ln Banks		10-26-17			2.250%	2,000,000	2,000,000	(66,860)	45,000
	3130ACJU9	10-26-22	C		2.330%		1,933,140	(49,600)	3,750
Federal Nat'l Mtg Corp		10-27-17			2.250%	1,500,000	1,500,000	(43,515)	33,750
	3136G4PV9	10-27-22	C		2.320%		1,456,485	(30,375)	2,813
Federal Home Loan Mtg Corp		11-22-17			2.350%	2,000,000	2,000,000	(61,740)	47,000
	3134GBW73	11-22-22	C		2.420%		1,938,260	(44,000)	3,917
Federal Farm Credit Bks		05-31-17			2.220%	2,000,000	1,999,700	(66,380)	44,400
	3133EHKT9	11-25-22	C		2.300%		1,933,320	(39,600)	3,700
Federal Home Loan Mtg Corp		11-28-17			2.400%	2,000,000	2,000,000	(64,360)	48,000
	3134GBY63	11-28-22	C		2.480%		1,935,640	(46,580)	4,000
Federal Home Loan Mtg Corp		12-29-17			2.400%	2,000,000	2,000,000	(62,400)	48,000
	3134GB4U3	12-29-22	C		2.480%		1,937,600	(44,100)	4,000
Federal Home Loan Mtg Corp		02-23-18			2.750%	2,000,000	2,000,000	(31,300)	55,000
	3134GSCQ6	02-23-23	C		2.790%		1,968,700	(15,540)	4,583
Federal Home Loan Mtg Corp		02-23-18			2.850%	2,000,000	2,000,000	(22,460)	57,000
	3134GSDH5	02-23-23	C		2.880%		1,977,540	(2,940)	4,750
Federal Home Loan Mtg Corp		03-15-18			3.000%	2,000,000	2,000,000	(7,320)	60,000
	3134GSE04	03-15-23	C		3.010%		1,992,680	280	5,000
Government National Mortgage Association II Pool		01-24-94			8.500%	N/A	571	(6)	45
		09-20-22			8.050%		565	(8)	4
TOTAL FIXED INCOME INVESTMENTS					N/A	N/A	84,244,546	(2,863,247)	1,604,078
All are in safekeeping with BNY Western Trust Company					1.970%		81,381,299	(2,327,563)	133,673

~ U/I = Unrestricted Investments

**CITY OF TULARE
TREASURER'S EXECUTIVE SUMMARY
APRIL 30, 2018**

CHANGES IN BALANCES AND YIELDS: CATEGORY	BOOK VALUE MARKET VALUE DIFFERENCE			AVERAGE STATED YIELD		
	APRIL	MARCH	CHANGE	APRIL	MARCH	CHANGE
Total Investments	216,598,146 <u>210,521,533</u> (6,076,612)	212,192,382 <u>207,395,528</u> (4,796,854)	4,405,764 <u>3,126,005</u> (1,279,758)	N/A	N/A	N/A
Unrestricted Investments	122,362,040 <u>119,408,632</u> (2,953,408)	112,458,214 <u>110,077,270</u> (2,380,944)	9,903,826 <u>9,331,362</u> (572,464)	1.853%	1.845%	0.008%
Restricted Investments	94,236,106 <u>91,112,902</u> (3,123,204)	99,734,168 <u>97,318,258</u> (2,415,910)	(5,498,062) <u>(6,205,356)</u> (707,294)	N/A	N/A	N/A
Local Agency Investment Fund (LAIF)	36,621,257 <u>36,531,096</u> (90,161)	28,000,000 <u>27,946,619</u> (53,381)	8,621,257 <u>8,584,477</u> (36,780)	1.661%	1.524%	0.137%
Fixed Income Investments (Total)	84,244,546 <u>81,381,299</u> (2,863,247)	84,244,644 <u>81,917,081</u> (2,327,563)	(98) <u>(535,782)</u> (535,684)	1.970%	1.960%	0.010%

TRANSACTIONS (BOOK VALUE): *

CATEGORY	PURCHASES	SALES / CALLS
Certificates of Deposit		Certificates of Deposit
	0	0
Fixed Income Investments		Fixed Income Investments Government National Mortgage Assn. Pool
	0	98

Net LAIF transactions are represented by the change in book value balance shown above. Changes in Restricted Investments are not shown.

CITY OF TULARE
INVESTMENTS BALANCE AND YIELD HISTORY FOR EIGHT MONTHS
APRIL 30, 2018

BALANCES:	BOOK VALUE							
	MARKET VALUE							
CATEGORY	DIFFERENCE							
	MARCH	FEBRUARY	JANUARY	DECEMBER	NOVEMBER	OCTOBER	SEPTEMBER	AUGUST
	2018	2018	2018	2017	2017	2017	2017	2017
Total Investments	212,192,382	204,084,297	204,396,706	198,499,425	170,242,581	175,011,119	174,287,424	169,248,134
	<u>207,395,528</u>	<u>198,971,988</u>	<u>199,546,709</u>	<u>194,719,597</u>	<u>166,626,124</u>	<u>172,330,811</u>	<u>171,180,332</u>	<u>166,661,810</u>
	(4,796,854)	(5,112,309)	(4,849,997)	(3,779,828)	(3,616,457)	(2,680,308)	(3,107,092)	(2,586,324)
Unrestricted Investments	112,458,214	112,834,892	112,821,306	107,431,925	99,466,971	104,337,382	101,696,551	97,471,737
	<u>110,077,270</u>	<u>110,174,200</u>	<u>110,363,692</u>	<u>105,766,198</u>	<u>97,920,060</u>	<u>103,085,689</u>	<u>100,556,394</u>	<u>96,709,420</u>
	(2,380,944)	(2,660,692)	(2,457,614)	(1,665,727)	(1,546,911)	(1,251,693)	(1,140,157)	(762,317)
Restricted Investments	99,734,168	91,249,405	91,575,400	91,067,500	70,775,610	70,673,737	72,590,873	71,776,397
	<u>97,318,258</u>	<u>88,797,788</u>	<u>89,183,017</u>	<u>88,953,399</u>	<u>68,706,064</u>	<u>69,245,122</u>	<u>70,623,938</u>	<u>69,952,390</u>
	(2,415,910)	(2,451,617)	(2,392,383)	(2,114,101)	(2,069,546)	(1,428,615)	(1,966,935)	(1,824,007)
Local Agency Investment Fund (LAIF)	28,000,000	31,500,000	37,000,000	32,000,000	23,900,000	32,900,000	33,000,000	31,000,000
	<u>27,946,619</u>	<u>31,439,946</u>	<u>36,929,461</u>	<u>31,938,993</u>	<u>23,877,105</u>	<u>32,868,484</u>	<u>32,968,388</u>	<u>30,967,161</u>
	(53,381)	(60,054)	(70,539)	(61,007)	(22,895)	(31,516)	(31,612)	(32,839)
Certificates of Deposit		245,000	245,000	245,000	245,000	245,000	245,000	245,000
		<u>244,989</u>	<u>244,907</u>	<u>244,779</u>	<u>244,760</u>	<u>244,750</u>	<u>244,686</u>	<u>244,631</u>
	0	(11)	(93)	(221)	(240)	(250)	(314)	(369)
Fixed Income Investments (Total)	84,244,644	80,744,660	75,245,201	74,747,397	74,247,413	70,247,549	63,294,821	64,249,838
	<u>81,917,081</u>	<u>78,144,033</u>	<u>72,858,219</u>	<u>73,142,898</u>	<u>72,723,637</u>	<u>69,027,622</u>	<u>62,141,590</u>	<u>63,520,729</u>
	(2,327,563)	(2,600,627)	(2,386,982)	(1,604,499)	(1,523,776)	(1,219,927)	(1,153,231)	(729,109)
AVERAGE STATED YIELDS:								
Unrestricted Investments	1.845%	1.767%	1.675%	1.627%	1.602%	1.523%	1.385%	1.456%
Restricted Investments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Local Agency Investment Fund (LAIF)	1.524%	1.412%	1.350%	1.239%	1.172%	1.143%	1.070%	1.084%
Certificates of Deposit		1.100%	1.100%	1.100%	1.100%	1.100%	1.100%	1.100%
Fixed Income Investments (Total)	1.960%	1.850%	1.770%	1.730%	1.670%	1.680%	1.730%	1.710%

**CITY OF TULARE, CALIFORNIA
BOARD OF PUBLIC UTILITIES COMMISSIONERS
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: Engineering / Project Management

For Board Meeting of: June 7, 2018

Documents Attached: Ordinance Resolution Other None

AGENDA ITEM:

Review and authorize the City Manager, or designee, to approve contract change orders for additional well rehabilitation services required by unforeseen conditions (City Project No. WT0020) in the amount of \$9,564.10 to Valley Pump & Dairy Systems, Inc. of Tulare, CA for the Well #1 and Well #26 Improvement Project and \$5,558.50 for Rehabilitation of Well #35.

IS PUBLIC HEARING REQUIRED: Yes No

BACKGROUND/EXPLANATION:

At the Board's December 7, 2017 meeting, the Board approved a contract with Valley Pump & Dairy Systems, Inc. for the rehabilitation of Wells #1 and #26. The staff reported included language that informed the Board that the level of repair would not be known until the video inspection had been performed. Additionally, at the Board meeting of January 18, 2018, a contract was approved with Valley Pump for the rehabilitation of Well #35 and a Contract Change Order was approved for the Well #1 and #26 Improvement Project in the amount of \$16,250.

Upon removal of the Well #1 column pipe, it was noted that a 40 foot section of column pipe and 220 feet of 2 ½" tube and shaft needed to be replaced due to damage. Prior to the video inspection, additional hours were required to air lift debris from Well #1. Once the video inspection was performed, it was discovered that one additional well casing patch was required at Well #1. An additional video inspection was performed to determine the status of the casing and well during the cleaning and repair processes.

Upon removal of the Well #26 column pipe, it was noted that a 100 foot section of column pipe and 200 feet of 2 ½" tube and shaft needed to be replaced due to damage. Prior to the video inspection, additional hours were required to pressure wash and air lift debris from Well #26. Once the video inspection was performed, it was discovered that one additional well casing patch was required at Well #26. Two additional video inspections were performed to determine the status of the casing and well during the cleaning and repair processes.

The costs for the additional work for Well #1 and #26 described above is \$32,950.00 of which \$7,135.90 was approved as contingency with the original contract approval and \$16,250.00 was approved as part of the Change Order described above. Therefore, the balance being requested to cover additional work is \$9,564.10.

Prior to the video inspection of Well #35, additional hours were required to pressure wash and air lift debris from Well #35. Once the video inspection was performed, it was discovered that one additional well casing patch was required at Well #35. Two additional video inspections were performed to determine the status of the casing and well during the cleaning and repair processes.

The costs for the additional work for Well #35 described above is \$13,250.00 of which \$7,691.50 was approved as contingency with the original contract approval. Therefore, the balance being requested to cover additional work is \$5,558.50.

The combined total change order request for the two well rehabilitation projects is \$15,122.60. Based on an approved annual budget of \$200,000 for well rehabilitation, there is sufficient funds in the current year budget to cover the additional work.

The current status of the wells is that Well #26 and #35 are tested and back on-line and operating at their expected flow rates and efficiency. Well #1 began operating normally but soon after began pumping sand. A sand separator, installed at the bottom of the pump, is being considered to allow the well to continue operating until construction of a new well at the same location is funded. The sand separator should allow the well to contribute to the system during normal and peak demands over the next 12-18 months.

STAFF RECOMMENDATION:

Review and authorize the City Manager, or designee, to approve contract change orders for additional well rehabilitation services required by unforeseen conditions (City Project No. WT0020) in the amount of \$9,564.10 to Valley Pump & Dairy Systems, Inc. of Tulare, CA for the Well #1 and Well #26 Improvement Project and \$5,558.50 for Rehabilitation of Well #35.

CITY ATTORNEY REVIEW/COMMENTS: Yes No N/A

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A

FUNDING SOURCE/ACCOUNT NUMBER:

610 - Water CIP Fund (Water Rates)

Submitted by: James L. Funk

Title: Project Manager

Date: May 29, 2018

City Manager Approval: _____

**CITY OF TULARE, CALIFORNIA
BOARD OF PUBLIC UTILITIES COMMISSIONERS
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: Public Works / Wastewater Division

For Board Meeting of: June 7, 2018

Documents Attached: Ordinance Resolution Other None

AGENDA ITEM:

Award and authorize the City Manager to approve a contract for the Sequencing Batch Reactor (SBR) Inspection and Maintenance Services to B.R. Frost Company, Inc. of Huntington Beach in the amount of \$125,100.00 for the inspection and repairs to the SBR basins, and authorize the City Manager or Public Works Director to approve contract change orders in amounts up to 10% (\$12,510.00) of the contract award.

IS PUBLIC HEARING REQUIRED: Yes No

BACKGROUND/EXPLANATION:

The aeration system in the industrial wastewater treatment plant is comprised of six Sequential Batch Reactor (SBR) basins. The SBR basins were designed and manufactured by Sanitaire (now Xylem). The system is patented and Xylem is the sole source of parts. The basins each contain a full floor fine bubble disc membrane system with 16,499 7" diameter diffusers in each basin. Soon after startup of the plant in 2009, the system was redesigned by Sanitaire, the system supplier, and retrofitted by a private contractor to correct damage caused by the force of the floating mixers in the basins. Beginning in 2013 and completed in 2014, the City contracted with Frost Company, Inc. for a full rehabilitation of the aeration system in all six basins. In 2016, the City issued an RFP and awarded a contract to Frost Co. for the SBR inspection and maintenance services. The work was completed in October 2017.

Staff issued a Request for Proposals (RFP) in April 2018 for inspection and maintenance services of the SBR basins at the Wastewater Treatment Plant. Proposals were due back on May 24, 2018 and two (2) proposals were received from B.R. Frost Company of Huntington Beach, CA and from Aeration Works of Colombia, MO. Staff reviewed the proposals and it was determined that B.R. Frost Company submitted the most qualified proposal to perform this work.

The project is budgeted in the FY 2018/19 Wastewater Operating budget in the amount of \$308,000. Since the basins were recently rehabilitated, the RFP estimated 10% replacement for rings and membranes. Staff is requesting approval of a 10% contingency in case of any unforeseen conditions or additional ring and/or membrane replacement. The B.R. Frost Company proposal and 10% contingency is within budget and a copy of their scope of services is attached.

STAFF RECOMMENDATION:

Award and authorize the City Manager to approve a contract for the Sequencing Batch Reactor (SBR) Inspection and Maintenance Services to B.R. Frost Company, Inc. of Huntington Beach in the amount of \$125,100.00 for the inspection and repairs to the SBR basins, and authorize the City Manager or Public Works Director to approve contract change orders in amounts up to 10% (\$12,510.00) of the contract award.

CITY ATTORNEY REVIEW/COMMENTS: Yes No N/A

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A

FUNDING SOURCE/ACCOUNT NUMBER:

Wastewater Operating Fund – 015-4653-5905

Submitted by: Trisha Whitfield

Title: Public Works Director

Date: May 30, 2018

City Manager Approval: _____

B. Proposed Program Approach.

B.R. Frost Company realizes the impact of disrupting the plant's ability to process water. Keeping the down-time of the basins to a minimum is critical to a successful project.

I. Overview

Job safety is our number one concern for our employees and the treatment plant. A viable, job-specific safety program is critical. B.R. Frost Company suggests that following award of the project, that a "kick-off" meeting with plant personnel is scheduled to discuss safety concerns specific to the basins. A written Safety Plan to insure a safe working environment will be produced by B.R. Frost Company following meeting with plant personnel. Input from plant personnel is critical to addressing any safety concerns unique to the plant.

During the kick-off meeting, other items to discuss would be the timeline of the work, basin/work sequencing and other considerations specific to the plant to understand how the work can be performed efficiently and with minimal impact on day-to-day operations (*i.e.*, early or late start to avoid interference with other plant operations). Input from plant personnel will help B.R. Frost Company employees understand the critical areas that the plant requires to keep open and moving during performance of the work.

II. Process Control Procedure.

B.R. Frost Company has developed the following Process Control Procedure ("**PCP**") for servicing aeration basins. The PCP, along with the Safety Program, will insure a successful project with minimal disruption to plant operations.

It may be noted that B.R. Frost Company has included several items in the following PCP that need to be done and are not addressed in the RFP, but included in B.R. Frost Company's bid. One example of this is washing the diffusers prior to repair. This is an important step for servicing diffusers as it enables the technicians to see any potential problems with the rings and diffusers. Pre-repair washing also allows us to check for a correct diffusion pattern, nor does it allow sediment to dry on the membranes while the work is being performed. Diffuser washing is called-out in the manufacturer's Operations & Maintenance guide ("**O&M**") under Annual Maintenance. Even though pre-repair washing is not specified in the RFP, to not perform the Annual Maintenance items while the basins are down would not be the correct approach to inspecting, servicing and performing necessary repairs to the diffuser systems.

Several other Annual Maintenance items not addressed are included in B.R. Frost Company's response to this RFP.

Process Control Procedure for Each Basin:

1. Pump remaining water from basin to approximately three (3) inches from the top of the diffusers.
2. Bring air into system at a rate of approximately .50 to .75 cubic feet per minute ("**CFM**") per diffuser. B.R. Frost Company will calculate approximate air flow for flow meters.
3. Gas monitor basin for entry. If gases are within allowable levels, two (2) men will enter the basin, one (1) man will be up top to monitor air and one (1) additional man will be up top to visually inspect the basin to identify leaking or damaged rings or diffusers.
4. Tag damaged diffusers and rings with highlighted plastic tape. Shut off air to basin.
5. Generate report of basin for City and submit.
6. After receipt of approval for repairs, pump down basin to below bottoms of aeration piping and begin repairs to diffuser grids. Remove and replace identified, broken/damaged rings and/or membranes. Note: proper lubrication procedures is a critical item during repair and the O&M outline must be followed.
7. Tighten all replaced rings to "hand tight" and turn 1/8 to 1/4 turn on retaining ring to insure proper ring tightness. Do not exceed 1/4 turn of the ring. Over-tightening of the ring can cause the membrane to crack the ring and allow water to leak back into the system and damage the grid.



8. "Walk" the entire basin to verify that each of the support stand anchors are tight.
9. Verify that the anchor stand nuts are tight – top and bottom.
10. Remove any trash or other foreign object debris that has fallen into the basin during the day-to-day operation.
11. Bring air into the system slowly (to remove any water that has migrated into the piping during operation) at a rate of .50 to .75 CFM per diffuser. (Again, B.R. Frost Company will calculate the flow rate for flow meters).
12. Visually check for correct diffusion pattern on all membranes. Visually confirm that the grid is plus or minus 1/4" of level, per the O&M.
13. Perform Leak & Level per the O&M.
14. Verify that the system is leak free. Repair as necessary.
15. Fill basin to operation depth (Plant operators).
16. Place basin into service.

III. General Management Principles, Policies and Procedures

Response Time. Response-time is key in any problem situation. As a standard operating procedure during a project, Plant Managers are provided with contact lists containing on-call information for B.R. Frost Company's management on a 24 hour basis. Standard contact lists include cellphone numbers, home phone numbers, email address, and any other applicable contact information. Each company contact listed maintains authority to mobilize crews and equipment on limited notice.

Communication. Communication is essential to rapid response-times. To ensure readiness, all of B.R. Frost Company's key personnel are on-call 24 hours a day. If, for a particular reason, a team member is not available for a period of time (illness, vacation, personal) Plant Management will be notified regarding the duration of absence and alternate contact guidelines are provided.

Due Diligence. Any effective response is dictated by relevant information. By starting the due diligence process on the first call, B.R. Frost company gathers information from the Operator calling in the request for personnel and equipment. In emergency or high-priority situations, troubleshooting will also start at the time of the initial call and continues throughout mobilization. Understanding the nature and extent of the issues as well as the Operator's requirements enables B.R. Frost Company to mobilize the correct personnel and equipment necessary to deliver the required results. Oftentimes, the triage is focused on getting failed equipment back online until new or rebuilt equipment can be requisitioned and delivered, to mitigate protracted down-time of critical equipment. An overarching and critical component of every response is focused on ensuring that the plant does not lose its ability to process water and does not violate its permits or otherwise fall out of compliance during a service interruption.

Safety. Safety is our first priority. B.R. Frost Company continually invests in its workforce to ensure that they are properly trained in all applicable safety standards for the industry. Being Hazwoper, Confined-Spaced and Fall Protection trained, B.R. Frost Company's employees are well aware of potential hazards present in the Wastewater Treatment facilities and are cognizant of safety issues present from performing site evaluations prior to the start of work through providing the contracted services.



**CITY OF TULARE, CALIFORNIA
BOARD OF PUBLIC UTILITIES COMMISSIONERS
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: Engineering / Project Management

For Board Meeting of: June 7, 2018

Documents Attached: Ordinance Resolution Other None

AGENDA ITEM:

Award and authorize the City Manager to sign a contract with Krazan of Fresno, CA in an amount not to exceed \$54,125.00 for materials testing services associated with EN0076 - O Street Improvements Project; and authorize the City Manager or designee to approve contract change orders in an amount not to exceed 10% (\$5,412.50) of the contract award amount.

IS PUBLIC HEARING REQUIRED: Yes No

BACKGROUND/EXPLANATION:

EN0076 is a street and utility improvement project on O Street between Bardsley Avenue and Pleasant Avenue. The O Street Improvement Project will include ADA compliance improvements to intersection curb returns and alley/sidewalk intersections that fall within the project limits. Additionally, the project will address necessary water, sewer, and storm drain improvements within those limits. The need for the project was identified through the City's Pavement Management System as well as a review of the condition of the City's utility infrastructure. This project was included and approved as a part of the City's 2017-2022 transportation and utility CIP program budget.

During the course of constructing underground utilities (water, sewer, storm drain), and surface improvements (street and concrete) associated with the O Street Improvement Project, it will be necessary to perform materials testing to ensure compliance with plans, specifications, and City standards. Material testing services include laboratory testing to determine material identification and soil characteristics such as dry unit weight versus optimum moisture content. For a specific field sample taken, optimum laboratory dry density is used for comparing to field compacted density to determine the percent of compaction for compliance with project minimum requirements. Formal reports showing test results will be prepared for City review, inspector use, and record keeping.

Additionally, material testing services will review field soil conditions and material types to make any corrections necessary to cement content of the Full Depth Reclamation design prepared during the design phase. During the design phase, the FDR design was prepared based on limited soil samples obtained by coring the existing roadway. During construction, after the asphalt has been removed, confirmation tests are performed using a larger sampling of material.

A Request for Proposals for on-call geotechnical and materials testing services was issued on June 7, 2017. Four (4) firms submitted all the necessary information to be considered for inclusion on a list of pre-approved consultants to provide these services. The proposals were reviewed and rated in accordance with the consultant selection procedures identified in the RFQ, and all four (4) firms were recommended for inclusion on the list of prequalified geotechnical and materials testing consultants. On August 17, 2017, the Board of Public Utilities approved this list of four (4) consultants.

Krazan of Fresno, CA is included on the list of pre-qualified on-call geotechnical and materials testing consultants and demonstrated in their proposal that they have the skills, expertise and resources available to meet the City's needs and timeframe to complete the work on this project. Krazan has reviewed the scope of this project and has proposed to perform the necessary services on a time and materials basis, not to exceed \$54,125.00. This amount is in line with industry standards and with what the City has experienced on projects with similar scopes of work. It is also within the budgeted amounts for this work on these projects.

Due to the inclusion of funding from various utility related funds on this project, this contract will be taken to, and awarded by the Board of Public Utilities at its June 7, 2018 regular meeting.

STAFF RECOMMENDATION:

Award and authorize the City Manager to sign a contract with Krazan of Fresno, CA in an amount not to exceed \$54,125.00 for materials testing services associated with EN0076 - O Street Improvements Project; and authorize the City Manager or designee to approve contract change orders in an amount not to exceed 10% (\$5,412.50) of the contract award amount.

CITY ATTORNEY REVIEW/COMMENTS: Yes No N/A

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A

FUNDING SOURCE/ACCOUNT NUMBER:

EN0076-050-0601
010 – Water Bonds
077 – CDBG
615 – Sewer Wastewater CIP
647 – Surface Water Management CIP
777 – RDA

Submitted by: James L. Funk

Title: Project Manager

Date: May 23, 2018

City Manager Approval: _____

**CITY OF TULARE, CALIFORNIA
BOARD OF PUBLIC UTILITIES COMMISSIONERS
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: Public Works

For Board Meeting of: June 7, 2018

Documents Attached: Ordinance Resolution Other None

AGENDA ITEM:

Public Hearing to adopt Resolution 18-05 approving the 2018/19 Fiscal Year Municipal Utility Budget and to adopt Resolution 18-06 approving the 2018/19 Fiscal Year City's Utility Position Control Budget.

IS PUBLIC HEARING REQUIRED: Yes No

BACKGROUND/EXPLANATION:

At the May 17, 2018 meeting, the Board was provided with the proposed Municipal Utility Budget for fiscal year 2018/19 and the Utility Position Control Budget for fiscal year 2018/19.

The Board is requested to formally adopt, by way of public hearing, the above listed proposed budgets and related resolutions.

Operating Budget (including the Position Control Budget (PCB))

The complete proposed utility funds operating budgets for the water, sewer/wastewater/storm water pollution control, and solid waste enterprise funds (including all their component elements and assumptions) are submitted for Board approval at the public hearing by resolution. Also included is the complete proposed Utility Position Control Budget for FY 2018/19.

STAFF RECOMMENDATION:

Public Hearing to adopt Resolution 18-05 approving the 2018/19 Fiscal Year Municipal Utility Budget and to adopt Resolution 18-06 approving the 2018/19 Fiscal Year City's Utility Position Control Budget.

CITY ATTORNEY REVIEW/COMMENTS: Yes No N/A

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A

FUNDING SOURCE/ACCOUNT NUMBER:

Submitted by: Trisha Whitfield

Title: Public Works Director

Date: May 29, 2018

City Manager Approval: _____

RESOLUTION 18-05

A RESOLUTION OF THE BOARD OF PUBLIC UTILITIES OF THE CITY OF TULARE ADOPTING THE 2018/2019 FISCAL YEAR MUNICIPAL UTILITY BUDGET AND ALL SECTIONS THEREIN

WHEREAS, the City Manager has prepared a municipal utility budget for the fiscal year ending June 30, 2019, which includes budgets for the City's Water, Sewer/Wastewater and Solid Waste Enterprise Funds ("Proposed Budget"), a copy of which is on file in the Office of the City Clerk; and,

WHEREAS, the Board of Public Utilities has examined the Proposed Budget, has conferred with the City Manager and appropriate staff in public sessions, and has deliberated and considered the Proposed Budget during public hearings.

NOW THEREFORE, THE BOARD OF PUBLIC UTILITIES OF THE CITY OF TULARE HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The City Manager is hereby directed to prepare the final budget, in substantial conformance with the Proposed Budget, and as directed by the Board of Public Utilities, for the Fiscal Year July 1, 2018 through June 30, 2019. The final budget shall be the "City of Tulare, Fiscal Year 2018/2019 Adopted Municipal Utility Budget," and includes all sub-component budgets and assumptions. The final budget may be referred to as "the Budget," and a copy of the Budget shall be filed in the Office of the City Clerk. The Budget is hereby adopted and approved.

SECTION 2. The City Manager is hereby authorized to implement the Budget as set forth in this resolution. The City Manager may delegate the authority to implement this resolution to the Finance Director, or other designated City employees.

SECTION 3. The City Manager is authorized to transfer appropriations as needed from savings available in any account in the Budget to any other accounts within the same fund to meet overall Budget requirements.

SECTION 4. The City Manager is authorized to transfer among the various funds the sums appropriated in the Proposed Budget with the descriptive designations of either "Transfers" or "Operating Transfers," in such increments and at such intervals determined by the City Manager.

SECTION 5. The City Manager is authorized to increase appropriations for fiscal year 2018/19 expenditures in an amount not to exceed the amount of funds encumbered, but not yet expended, from Fiscal Year 2017/18. The actual amount of the increased appropriations due to encumbrances will be reported to the Board of Public Utilities, as part of the Fiscal Year 2018/19 year-end financial report.

SECTION 6. When revenue estimates exceed the amount identified in the Budget due to increases in grant revenues as verified by the Finance Director, the City Manager is authorized to increase appropriations for Fiscal Year 2018/19 expenditures in an amount not to exceed the amount of increased revenues. Approval of increased appropriations shall be made in writing by the City Manager, filed with the Finance Director, and reported to the Board of Public Utilities as part of the Fiscal Year 2018/19 year-end financial report.

SECTION 7. The City Manager is instructed to use restricted funding sources in accordance with the requirements of the funding sources prior to using funds with unrestricted resources in order to allow the City the greatest flexibility in meeting its financial obligations.

SECTION 8. The City Manager is authorized to approve, in accordance with the City's adopted Purchasing Policy, purchases of items identified in the Fleet Control Budget and Equipment Replacement Budget (which are approved component budgets of the Proposed Budget) in accord with those budget's appropriations.

SECTION 9. The City Manager is instructed to cause all transfers into reserves specified in the Budget Document transmittal report to occur and to hold and administer said reserves in accordance with Board policies. The City Manager, or any person to whom such responsibility is delegated by the City Manager, to administer the contributions into revolving funds for Project Budgets, Equipment Replacement, and Fleet Replacement in accordance with Board policies and best practices. Activities occurring in these reserves will be reported to the City Council as part of the Fiscal Year 2018/19 year-end financial report.

SECTION 10. The City Council approved City of Tulare Administrative Policy No. 13-02 (Budget Policies & Practices) on June 4, 2013, this policy and all subsequent amendments are incorporated herein by reference. The City Manager is instructed to update said policies from time to time for Board of Public Utility review.

SECTION 11. The City Manager is instructed to implement all policies contained in the "Policies" section of the Budget, taking the best interests of the City into account with regard to particular circumstances.

SECTION 12. This resolution shall take effect immediately upon its adoption.

SECTION 13. The Assignments of fund balance included in the adopted budget, which were made by the Finance Director, are approved.

BE IT FURTHER RESOLVED BY THE BOARD OF PUBLIC UTILITIES OF THE CITY OF TULARE, AS FOLLOWS, TO WIT:

SECTION 14. The Board of Public Utilities of the City of Tulare approves and adopts the 2018/2019 Fiscal Year Budget Document and all sections and components

therein. The total City Funds expenditure budget of \$50,545,130 is summarized by the following funds and functions:

**CITY OF TULARE
PROPOSED MUNICIPAL UTILITY (APPROPRIATIONS) BUDGET
FISCAL YEAR 2018/2019**

MUNICIPAL UTILITY BUDGET (Amounts are Approximate):

I. <u>WATER FUND</u>	
Administration Division	\$ 2,037,910
Distribution Division	3,351,500
Extraction Division	2,867,560
Treatment Division	388,580
Groundwater Division	1,234,260
TOTAL WATER FUND	<u>\$ 9,879,810</u>
II. <u>SEWER/WASTEWATER FUND</u>	
Sanitary Sewer Division	\$ 4,499,840
Domestic Wastewater Division	8,745,960
Industrial Wastewater Division	16,960,940
Pretreatment Division	148,540
Energy Plant Division	2,006,310
TOTAL SEWER/WASTEWATER FUND	<u>\$ 32,361,590</u>
III. <u>SOLID WASTE FUND</u>	
Residential Division	\$ 4,449,040
Commercial Division	2,295,460
Street Sweeping Division	731,510
Roll-off	827,720
TOTAL SOLID WASTE FUND	<u>\$ 8,303,730</u>
GRAND TOTAL – ALL UTILITY ENTERPRISE FUNDS	<u>\$ 50,545,130</u>

Passed, approved, and adopted this 7th day of June, 2018.

President of the Board
Commissioners of the City of Tulare

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF TULARE) ss.
CITY OF TULARE)

I, Willard Epps, Interim City Clerk of the City of Tulare, certify the foregoing is the full and true Resolution 18-05 passed and adopted by the Board of Public Utilities of the City of Tulare at a regular meeting held on June 7, 2018, by the following vote:

Aye(s) _____

Noe(s) _____ Absent _____.

Dated: June 7, 2018

WILLARD EPPS, INTERIM CITY CLERK

By Melissa Hermann, Deputy City Clerk

RESOLUTION 18-06

A RESOLUTION OF THE BOARD OF PUBLIC UTILITIES OF THE CITY OF TULARE ADOPTING THE 2018/19 FISCAL YEAR MUNICIPAL UTILITY POSITION CONTROL BUDGET

WHEREAS, the City's Municipal Utility Position Control Budget sets the authorized positions and salary class (which sets the range) and compensation for the fiscal year; and,

WHEREAS, the City Municipal Utility budgets are adopted by the Board of Public Utilities and filed with the City Council pursuant to the City's charter document so no further action on those budgets is required; and,

WHEREAS, the Board of Public Utilities of the City of Tulare has considered on Thursday, June 7 2018, the adoption of the 2018/19 Fiscal Year City's Utility Position Control Budget (PCB) and has appropriated all funds necessary to pay salaries as part of adopting the Operating Budget for the utility services it oversees.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Public Utilities of the City of Tulare:

that the PCB is hereby adopted;

that the City Manager is required to bring any additions to the PCB of authorized positions or any changes in any position's salary range to be made during the fiscal year to the Board for further approval;

that the City Manager is authorized to make changes to job descriptions, including without limitation title changes that do not affect the positional role in the PCB or the positional salary range, to make changes to job responsibilities that do not affect the PCB or require approval as part of the collective bargaining process, and to re-allocate funding sources among divisions within the same Municipal Utility fund for any position;

that the City Manager, or his or her designee, is authorized to recruit and fill in anticipation of known upcoming vacancies to minimize periods where there are key unfilled positions even though employee counts temporarily exceed the authorized position count for a particular position; provided, however, that there will be no adjustment to the total divisional appropriations and all such costs must be covered by savings in other line items so that the total division budget remains unchanged.

PASSED, ADOPTED AND APPROVED this 7th day of June 2018.

President of the Board of Public Utilities of
the City of Tulare

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF TULARE) ss.
CITY OF TULARE)

I, Willard Epps, Interim City Clerk of the City of Tulare, certify the foregoing is the full and true Resolution 18-xx passed and adopted by the Board of Public Utilities of the City of Tulare at a regular meeting held on June 7, 2018, by the following vote:

Aye(s) _____

Noe(s) _____ Absent _____.

Dated: June 7, 2018

WILLARD EPPS, INTERIM CITY CLERK

By Melissa Hermann, Deputy City Clerk

City of Tulare
POSITION CONTROL BUDGET
Allocation Listing - Utility
FY 2018-19

Position number	Classification Title	FTE
- WATER FUND: 010-4610 (Count: 18)		
CP03N0925-001	WATER CONSERVATION OFFICER	1.00
MM01E0650-001	PUBLIC WORKS DIRECTOR	1.00
MM03E0917-001	WATER & WW COLL UTILITY MGR	1.00
NM0070965-001	WATER UTILITY SUPERVISOR	1.00
NM05N0920-002	WATER TREATMENT TECHNICIAN	1.00
NM08N0500-001	METER READER	1.00
NM08N0500-002	METER READER	1.00
NM08N0920-001	WATER TREATMENT TECHNICIAN	1.00
NM08N0935-002	WATER UTILITY CREW LEADER	1.00
NM08N0935-003	WATER UTILITY CREW LEADER	1.00
NM08N0945-001	WATER UTILITY MAINT. WORKER I	1.00
NM08N0945-002	WATER UTILITY MAINT. WORKER I	1.00
NM08N0945-003	WATER UTILITY MAINT. WORKER I	1.00
NM08N0945-005	WATER UTILITY MAINT. WORKER I	1.00
NM08N0950-001	WATER UTILITY MAINT. WORKER II	1.00
NM08N0950-002	WATER UTILITY MAINT. WORKER II	1.00
NM08N0950-004	WATER UTILITY MAINT. WORKER II	1.00
NM08N0950-005	WATER UTILITY MAINT. WORKER II	1.00
- SOLID WASTE FUND : 012-4710 (Count: 23)		
CP06N0235-001	DEPARTMENT ASSISTANT II	1.00
CP06N0235-004	DEPARTMENT ASSISTANT II	1.00
CP06N0236-002	OFFICE ASSISTANT	1.00
MM02E0492-001	SAFETY & REG COMP ANALYST	1.00
MM03E0785-002	SOLID WASTE MANAGER	1.00
NM03N0790-001	SOLID WASTE SUPERVISOR	1.00
NM03N0790-002	SOLID WASTE SUPERVISOR	1.00
NM08N0775-001	SOLID WASTE MAINT CREW LEADER	1.00
NM08N0780-001	SOLID WASTE OPERATOR	1.00
NM08N0780-002	SOLID WASTE OPERATOR	1.00
NM08N0780-003	SOLID WASTE OPERATOR	1.00
NM08N0780-004	SOLID WASTE OPERATOR	1.00
NM08N0780-005	SOLID WASTE OPERATOR	1.00
NM08N0780-006	SOLID WASTE OPERATOR	1.00
NM08N0780-007	SOLID WASTE OPERATOR	1.00
NM08N0780-008	SOLID WASTE OPERATOR	1.00
NM08N0780-009	SOLID WASTE OPERATOR	1.00

	NM08N0780-010	SOLID WASTE OPERATOR	1.00
	NM08N0780-011	SOLID WASTE OPERATOR	1.00
	NM08N0780-013	SOLID WASTE OPERATOR	1.00
	NM08N0781-001	SOLID WASTE MAINTENANCE WORKER	1.00
	NM08N0781-002	SOLID WASTE MAINTENANCE WORKER	1.00
	NM08N0781-003	SOLID WASTE MAINTENANCE WORKER	1.00
-	SOLID WASTE FUND : 012-4711 (Count: 9)		
	NM07N0776-001	SR SOLID WASTE MAINTENANCE WKR	1.00
	NM07N0776-003	SR SOLID WASTE MAINTENANCE WKR	1.00
	NM08N0765-001	SENIOR SOLID WASTE OPERATOR	1.00
	NM08N0765-002	SENIOR SOLID WASTE OPERATOR	1.00
	NM08N0765-003	SENIOR SOLID WASTE OPERATOR	1.00
	NM08N0765-005	SENIOR SOLID WASTE OPERATOR	1.00
	NM08N0765-006	SENIOR SOLID WASTE OPERATOR	1.00
	NM08N0765-008	SENIOR SOLID WASTE OPERATOR	1.00
	NM08N0765-010	SENIOR SOLID WASTE OPERATOR	1.00
-	SOLID WASTE FUND : 012-4712 (Count: 4)		
	NM08N0782-001	SOLID WASTE OPR/ST SWEEPER	1.00
	NM08N0805-001	STREET SWEEPER OPERATOR	1.00
	NM08N0805-002	STREET SWEEPER OPERATOR	1.00
	NM08N0805-003	STREET SWEEPER OPERATOR	1.00
-	SOLID WASTE FUND : 012-4713 (Count: 3)		
	NM08N0765-004	SENIOR SOLID WASTE OPERATOR	1.00
	NM08N0765-007	SENIOR SOLID WASTE OPERATOR	1.00
	NM08N0765-009	SENIOR SOLID WASTE OPERATOR	1.00
-	SEWER/WASTEWATER FUND: 015-4651 (Count: 6)		
	NM03N0844-001	WASTEWATER COLL. MAINT. SUPV	1.00
	NM07N0865-001	WW COLL. MAINT. CREW LEADER	1.00
	NM08N0870-001	WASTEWATER COLL. MAINT. WKR I	1.00
	NM08N0870-002	WASTEWATER COLL. MAINT. WKR I	1.00
	NM08N0875-002	WASTEWATER COLL. MAINT. WKR II	1.00
	NM08N0875-003	WASTEWATER COLL. MAINT. WKR II	1.00
-	SEWER/WASTEWATER FUND: 015-4652 (Count: 26)		
	CP06N0235-007	DEPARTMENT ASSISTANT II	1.00
	MM02E0490-001	MANAGEMENT ANALYST	1.00
	MM03E0884-001	WWTP OPERATIONS MANAGER	1.00
	NM03N0430-001	LABORATORY TECHNICIAN	1.00
	NM03N0432-001	LABORATORY SUPERVISOR	1.00
	NM03N0877-001	WASTEWATER ELECTRICAL TECH I	1.00
	NM03N0879-001	WW MAINTENANCE TECH CREW LDR	1.00
	NM03N0900-001	WWTP OPERATOR III	1.00
	NM03N0900-002	WWTP OPERATOR III	1.00
	NM03N0915-001	WASTEWATER PLANT SUPERVISOR	1.00
	NM03N0915-002	WASTEWATER PLANT SUPERVISOR	1.00

NM05N0405-001	ENVIRONMENTAL COMPLIANCE INSP	1.00
NM05N0425-001	LABORATORY ASSISTANT	1.00
NM05N0880-001	WASTEWATER MAINT. TECHNICIAN I	1.00
NM05N0880-002	WASTEWATER MAINT. TECHNICIAN I	1.00
NM05N0880-003	WASTEWATER MAINT. TECHNICIAN I	1.00
NM05N0880-004	WASTEWATER MAINT. TECHNICIAN I	1.00
NM05N0890-001	WWTP OPERATOR I	1.00
NM05N0895-001	WWTP OPERATOR II	1.00
NM05N0895-002	WWTP OPERATOR II	1.00
NM05N0895-003	WWTP OPERATOR II	1.00
NM05N0895-004	WWTP OPERATOR II	1.00
NM05N0895-007	WWTP OPERATOR II	1.00
NM05N0895-008	WWTP OPERATOR II	1.00
NM08N0905-001	WWTP OPERATOR TRAINEE	1.00
NM08N0905-002	WWTP OPERATOR TRAINEE	1.00
UTILITY FUNDS	TOTAL ALLOCATED POSITIONS	89.00

**CITY OF TULARE, CALIFORNIA
BOARD OF PUBLIC UTILITIES COMMISSIONERS
AGENDA ITEM TRANSMITTAL SHEET**

Submitting Department: Public Works - Water Division

For Board Meeting of: June 7, 2018

Documents Attached: **Ordinance** **Resolution** **Other** **None**

AGENDA ITEM:

Receive an update on the TCP Project and compliance order received by the State Water Resources Control Board.

IS PUBLIC HEARING REQUIRED: **Yes** **No**

BACKGROUND/EXPLANATION:

TCP, or 1,2,3-trichloropropane, is considered by the U.S. Environmental Protection Agency to be a “probable human carcinogen” and is deemed by the State of California as a chemical “known... to cause cancer.” In July 2017, the California Department of Public Health developed a formal drinking water standard for TCP, as known as the Maximum Contaminant Level (MCL). State Water Resources Control Board Resolution No. 2017-0042 adopted the proposed regulations for 1,2,3-TCP MCL of 5 ppt (parts per trillion). The rulemaking took effect on December 14, 2017.

On December 21, 2017, the Board approved a contract with Provost & Pritchard Consulting for engineering design services, bidding and construction support services for the treatment of TCP contamination at six City well sites. To help the project move forward more quickly and due to some constraints with land acquisition, the project was split into two groups. The first two wells to receive treatment will be Well 17 and Well 37. The second group of wells planned for treatment are Wells 34, 35, 38, and 13. The first two wells will be at 60% design by June 15 with a bid date in August and anticipated completion of the project by May 2019. There is currently a 16 week lead time on the vessels from receipt of approved drawings.

On May 8, 2018 the City received a Compliance Order from the State Water Resources Control Board for TCP. With adoption of the TCP Regulation, the State has been monitoring lab results for the first and second quarters of 2018 with regards to TCP. There are currently 9 wells that showed detection of TCP. One well is currently offline due to high nitrates. The compliance order requires quarterly sampling of all City wells and monthly sampling for the wells with TCP. The running average TCP level for Well 37 is 8 ppt which exceeds the MCL and has caused the system to be non-compliant with primary drinking water standards. Per the compliance order, “Public notification to the customers of the Water System shall be conducted and shall continue every three months until the State Water Board determines that the 1,2,3-TCP contamination is resolved.” The first notice must be mailed out by June 10, 2018. Due to the current state of the water system, we are unable to take any wells out of service to avoid the TCP regulations. Quarterly public notification of the customers will keep

us in compliance until wells can be treated or taken out of service. Once the new wells and storage tanks are online, staff will re-evaluate the system and look to take the TCP wells out of service until treatment can be added. The Compliance Order states that the water system must be in full compliance with the regulation by May 10, 2021.

STAFF RECOMMENDATION:

Receive an update on the TCP Project and compliance order received by the State Water Resources Control Board.

CITY ATTORNEY REVIEW/COMMENTS: Yes No N/A

IS ADDITIONAL (NON-BUDGETED) FUNDING REQUIRED: Yes No N/A

FUNDING SOURCE/ACCOUNT NUMBER:

Submitted by: Trisha Whitfield

Title: Public Works Director

Date: May 31, 2018

City Manager Approval: _____