

**CITY MANAGER'S/STAFF'S REPORT
COUNCIL MEETING DATE:**

February 5, 2024

ITEM NO: A.

SUBJECT: Consideration of a Resolution Approving Job Description and Salary Range for Public Works Inspector

BACKGROUND: Per the City of Selma Municipal Code Section 2-2-2, section (D), any revisions to class specifications are required to be approved by the City Council. In addition, any updates to the Master Salary Schedule are also required to be approved by the City Council.

DISCUSSION: The City of Selma is continuously recruiting for vacant positions identified within the Adopted 2023/2024 Fiscal Year Budget, as well as identifying positions necessary to provide exceptional service to the community.

City staff is seeking to establish a new job description, and associated salary range, for the following:

Public Works Inspector

The Public Works Inspector position is necessary due to the on-going large quantity of public improvement and capital improvement projects. This also includes the large number of private developments which affect the public right-of-way which need to be inspected and approved daily. The City anticipates partially offsetting the cost of this position with savings from our contract PW Inspector (Yamabe & Horn Engineering), who is more project focused and not available throughout the day for continuous and repeat inspections. The attached job description reflects the desired current requirements for this position.

The new classification was presented to the appropriate bargaining unit prior to submittal as required.

Staff is also recommending that the following salary ranges be adopted for the position listed below:

	Current Monthly	Proposed Monthly
Public Works Inspector	N/A	\$5,304 - \$6,617

A mid-year budget adjustment will be brought to Council to account for the budget impacts associated with the adjusted salary range of the new position.

All other position classifications and salaries, including for all department heads, will be further analyzed as part of the upcoming Classification and Compensation study requested by the City Council December 2023 when the Master Salary Schedule Update was approved.

RECOMMENDATION: Adoption of Resolution approving job description and salary range for Public Works Inspector; and authorizing the City Manager, or his designee, to add to the Master Salary Schedule.

_____/s/_____
Janie Venegas
Administrative Services Director

_____02/01/2024_____
Date

_____/s/_____
Fernando Santillan
City Manager

_____02/01/2024_____
Date

RESOLUTION NO. 2024 – __

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELMA,
CALIFORNIA APPROVING THE JOB DESCRIPTION AND SALARY RANGE FOR
PUBLIC WORKS INSPECTOR**

WHEREAS, On June 19, 2023, the City Council adopted the 2023/2024 fiscal year budget approving Full-Time Employee (FTE) quantities and associated salary ranges; and,

WHEREAS, The City Manager for the City of Selma, in an effort to recruit for vacant positions within the approved 2023/2024 budget, has determined it is in the best interest of the city to add the Public Works Inspector classification and salary range due to the on-going large quantity of public improvement and capital improvement projects; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Selma hereby finds, determines, and declares the following:

Section 1. The above recitals are true and correct;

Section 2. The City Council hereby approves the following:

- a. The Public Works Inspector position will be added as a new classification, allocated to the Public Works Department and shall be a represented, non-exempt position, with a salary range of \$5,304 - \$6,617 monthly;
- b. The Public Works Inspector job description attached hereto is hereby adopted;
- c. The City Manager, or designee, shall update the Master Salary Schedule accordingly;
- d. The City Manager, or designee, shall recruit for vacant position as necessary.

Section 3. Severability. The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

Section 4. Effective Date. That the City Clerk shall certify to the adoption of this Resolution and that the same shall be in full force and effect.

The foregoing Resolution was approved and adopted at a regular meeting of the City Council of the City of Selma held on the 5th day of February 2024 by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSTAIN:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:

Scott Robertson
Mayor

ATTEST:

Reyna Rivera
City Clerk

PUBLIC WORKS INSPECTOR

PURPOSE:

Under general supervision of the Public Works Director, performs site checks and inspections on private development, public utility, and capital improvement projects, reviews certified payroll and conducts payroll interviews with contractor's employees for capital improvement projects. Project inspections include street improvements, traffic control setup and DOT compliance, curb, gutter, sewer, storm drain, concrete, landscape, ADA compliance, and storm water best management practices to ensure compliance with federal, state, and local standards; maintains daily inspection logs; investigates complaints; communicates with residents and contractors; reviews plans and specifications; and performs other related duties as assigned.

CLASS CHARACTERISTICS

The Public Works Inspector is responsible for handling inspections of a variety of public improvement and capital improvement projects to ensure compliance with federal, state, and local standards. This class differs from a Building Inspector due to the level of experience required and scope of responsibilities focusing on public works and capital improvement projects.

ESSENTIAL FUNCTIONS STATEMENT: *Management reserves the right to add, modify, change or rescind the work assignments of different positions and to make reasonable accommodations so that qualified employees may perform the essential functions of the job.*

Essential Functions (Illustrative Only):

- Inspects public works and capital improvement projects including street, traffic control, curb, gutter sewer, storm drain, erosion control, and landscaping to ensure compliance with plans and specifications and the proper use of materials; conducts field surveys; determines required corrections/improvements during various phases of construction; and performs permit inspections for private development.
- Investigates complaints including gathering information and recommending solutions related to drainage, illicit discharges, illegal waste disposal, sewer collection systems, and other public infrastructure; prepares and maintains a daily log of inspection reports; and issues stop work notices and corrective action reports.
- Answers inquiries and explains federal, state, and local engineering codes and any necessary corrective measures or improvements on infrastructure projects, and coordinates inspection activities and the construction progress with other City departments, contractors, engineers, outside agencies, and the public.
- Performs other related duties as assigned.

QUALIFICATIONS / REQUIREMENTS:

Knowledge of:

- Basic fundamentals of public works construction techniques and infrastructure maintenance; proper construction techniques; application of federal, state, local, and engineering codes, and their administration and enforcement; office administration practices and procedures; and City department policies and procedures.
- Correct English usage, spelling, grammar, and punctuation; business letter writing and other document preparation; modern office methods, procedures, and equipment including the use of a computer, copier, facsimile machine, scanners, calculator, and various computer applications and software packages.
- Principles of fiscal, statistical, and administrative research and report preparation; records management principles and procedures including record keeping and filing principles and practices; methods and techniques of proper phone etiquette; and customer service and public relations methods and techniques.
- Proper usage of inspection tools; smart level, 10' straight edge, tape measure, laser.

Ability to:

- Read, understand, and correctly interpret construction plans, drawing, and specifications; correctly interpret and apply technical codes, ordinances, plans, and specifications; and communicate clearly and concisely both orally and in writing, which includes using tact and discretion when dealing with the public, elected officials, and City staff.
- Always be aware of safety elements and ensure safe practices are employed.
- Prepare clear and concise technical and administrative reports including accurate tables, schedules, summaries, and other materials in narrative form; establish and maintain various data collection, record keeping, tracking, filing, and reporting systems; and maintain office and specialized files.
- Resolve grievances and complaints, and establish and maintain an effective working relationship with fellow employees, the public, elected officials, and other departments and outside agencies.
- Outstanding customer service and public relations skills.

REQUIREMENTS:

Education and Experience:

Equivalent to the completion of the twelfth grade supplemented by three (3) years of public works construction experience. Local government and Engineering Inspector experience desirable.

Licenses and Certifications:

- Possession of, or ability to obtain, a valid Class C California Driver's License
- Registration as a California construction inspector is highly desirable
- Possession of a Certified Public Infrastructure Inspector (CPII) is highly desirable

Physical Demands:

Ability to lift up to 50 pounds or more; sit, stand, run, kneel, crouch, stoop, squat, crawl, twist, climb, and walk for prolonged periods of time; ability to travel to different sites and locations.

Environmental Elements:

Work is performed in a standard office setting and in the field with occasional exposed to extreme noise, noxious odors, cold and hot temperatures and inclement weather conditions. Employees may interact with upset staff and/or members of the public in interpreting and enforcing departmental policies and procedures.

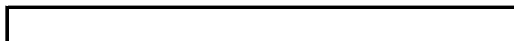
City of Selma
Overview of Competitiveness Within the Labor Market
Above, Below, Competitive
2024

BENCHMARK CLASSIFICATION TITLE	# of Comps	Selma Base Salary	Market Median Salary	Selma to Market Median %	Top Step to the Median of Market	60th Percentil Salary	Selma to 60th Percentile %	Top Step to the Average of Market
Public Works Inspector	3	\$6,617	\$6,420	3.07%	Competitive	\$6,617	0.01%	Competitive

CITY OF SELMA

	Agency	Class Title	Min Monthly Salary	Max Monthly Salary
0	Selma	Public Works Inspector	\$5,304	\$6,617
1	Lemoore	Public Works Inspector II	\$4,007	\$5,114
2	Tulare City	Public Works Inspector	\$6,090	\$7,403
3	Visalia	Public Works Inspector	\$5,107	\$6,420
	Atwater	NCC	-	-
	Clovis	NCC	-	-
	Coalinga	NCC	-	-
	Dinuba	NCC	-	-
	Fowler	NCC	-	-
	Fresno City	NCC	-	-
	Fresno County	NCC	-	-
	Hanford	NCC	-	-
	Kerman	NCC	-	-
	Kings Canyon USD	NCC	-	-
	Kingsburg	NCC	-	-
	Los Banos	NCC	-	-
	Madera	NCC	-	-
	Porterville	NCC	-	-
	Reedley	NCC	-	-
	Sanger	NCC	-	-
	Selma USD		-	-
		Number of Matches	3	3
		Median of Comparators	\$5,107	\$6,420
		% Above/Below	3.86%	3.07%
		60th Percentile of Comparators	\$5,304	\$6,617
		% Above/Below	0.01%	0.01%

NCC - No Comparable Classification



**CITY MANAGER’S/STAFF’S REPORT
COUNCIL MEETING DATE:**

February 5, 2024

ITEM NO: B.

SUBJECT: Consideration of a Resolution Approving the Notice of Completion for the Alphabet Streets Reconstruction Project

BACKGROUND: The Council adopted the Alphabet Streets Reconstruction Project through Resolution 2021-24R to utilize funding from the Road Maintenance and Rehabilitation Account (“RMRA”) created by Senate Bill 1 (SB 1).

The Alphabet Streets Reconstruction Project (“Project”) was generally located on A Street between Floral Avenue and Tulare Street, and B Street, C Street, D Street, and E Street, between Floral Avenue and Rose Avenue and Orange Avenue. The Project included a combination of complete removal and reconstruction of the paved street surface, and pulverized with an overlay, and cape seals. A portion of concrete curbs, gutters, and valley gutters were to be removed and replaced to improve stormwater drainage. Portions of public sidewalks and several curb ramps were included to be removed and replaced to address accessibility issues.

The Project was awarded to R.J. Berry Jr., Inc. through Resolution No. 2023-37R by the Council on June 5, 2023. Construction began on July 17, 2023 and was completed on January 22, 2024.

DISCUSSION: The Public Works and Engineering Department is requesting that the City Council approve the Notice of Completion for the Project. All work has been completed, has met all design standards, and has been approved by the City Engineer.

FISCAL IMPACT: No Fiscal Impact.

RECOMMENDATION: Approve the Notice of Completion for the Alphabet Streets Reconstruction Project and authorize the City Manager to execute the required documents.

_____/s/
David Horn
City Engineer

_____02/01/2024
Date

_____/s/
Jerome Keene
Deputy City Manager

_____02/01/2024
Date

_____/s/
Fernando Santillan
City Manager

_____02/01/2024
Date

RESOLUTION NO. 2024-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELMA,
CALIFORNIA APPROVING FINAL ACCEPTANCE AND
NOTICE OF COMPLETION FOR THE
ALPHABET STREETS RECONSTRUCTION PROJECT**

WHEREAS, R.J. Berry Jr., Inc., a California Corporation, has completed the work for the Alphabet Streets Reconstruction Project; and,

WHEREAS, the Contract Public Works Inspector has inspected the improvements required by the City and all improvements required have been completed; and,

WHEREAS, the City Engineer recommends acceptance of Alphabet Streets Reconstruction Project and requests City Council to authorize the City Engineer to record the Notice of Completion for the project.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Selma hereby finds, determines, and declares the following:

1. The above recitals are true and correct;
2. City Council accepts the Alphabet Streets Reconstruction Project and authorize the City Engineer to record the Notice of Completion.
3. **Severability.** The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.
4. **Effective Date.** That the City Clerk shall certify to the adoption of this Resolution and that the same shall be in full force and effect.

The foregoing Resolution was approved and adopted at a regular meeting of the City Council of the City of Selma held on the 5th day of February 2024 by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

(Signatures on the following page)

Scott Robertson
Mayor

ATTEST:

Reyna Rivera
City Clerk

Recording Requested By
City of Selma

When Recorded Return To:
City of Selma - City Clerk
1710 Tucker Street
Selma, CA 93662

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document."

THIS SPACE IS FOR RECORDING INFORMATION ONLY

**NOTICE OF COMPLETION
(UNDER SECTION 1187 C.C.P.)**

NOTICE IS HEREBY GIVEN that the undersigned, City of Selma, a Municipal Corporation, is the owner of the real estate situated in the City of Selma, County of Fresno, State of California, and described as follows, to-wit:

- Alphabet Streets Reconstruction Project;
- That the address of said owner is City Hall, 1710 Tucker Street, Selma, California;
- That the nature of the title of the owner to said real estate is that of fee simple and/or easement;
- That the name of the Contractor is R.J. Berry Jr., Inc., 2020 High Street, Suite B, Selma, CA 93662;
- That on the 22nd day of January, 2024, the Contract for the work on the above-described property was actually completed.

By: _____
Fernando Santillan, City Manager
Owner

I, _____, being duly sworn says:
That I am the agent of the Owner of the property described in the foregoing Notice; that I have read the foregoing Notice and know the contents thereof, and that the same is true of my own knowledge.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document."

CITY OF SELMA, a Municipal Corporation

By: _____
Fernando Santillan City Manager
Owner

State of California
County of Fresno

On January __, 2024, before me, Reyna Rivera, City Clerk, personally appeared Fernando Santillan, City Manager, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument. I certify under PENALTY OF PERJURY under laws of the State of California the foregoing paragraph is true and correct.
WITNESS my hand and official seal.

Reyna Rivera, Selma City Clerk

(Acknowledgment taken by City Clerk pursuant to California Civil Code Section 1181)

CHECK REGISTER REPORT

CHECK NUMBER	CHECK DATE	STATUS	VENDOR NAME	CHECK DESCRIPTION	CATEGORY	AMOUNT
83195	01/10/24	Printed	A&E INDUSTRIAL CLEANING	PW -GUN TRIGGER FOR PRESSURE WASHER		81.13
83196	01/10/24	Printed	ADVENTIST HEALTH TULARE	PD -BLOOD/ALCOHOL ANALYSIS NOVEMBER 2023		100.00
83197	01/10/24	Printed	NICOLE AGUIRRE	REC -NFL FLAG FOOTBALL REFUND		50.00
83198	01/10/24	Printed	AIRGAS USA LLC	ECO DEV -CVTC OXYGEN SUPPLIES	R	26.17
83199	01/10/24	Printed	JENNIFER ALEMAN	REC -NFL FLAG FOOTBALL REFUND		50.00
83200	01/10/24	Printed	PATRICIA ALMAGUER	REC -NFL FLAG FOOTBALL REFUND		50.00
83201	01/10/24	Printed	ALTA LANGUAGE SERVICES, INC.	HR -LISTENING & SPEAKING TEST		68.00
83202	01/10/24	Printed	ALEJANDRO ALVAREZ	PD -POST SLI COURSE 1/21/24-1/24/24	R	225.00
83203	01/10/24	Printed	PETER ALVAREZ	REC -NFL FLAG FOOTBALL REFUND		50.00
83204	01/10/24	Printed	SILVIA ALVAREZ	REC -NFL FLAG FOOTBALL REFUND		50.00
83205	01/10/24	Printed	MARK ALVES / ALVES ELECTRIC	PW -ELECTRICAL SERVICES FOR VARIOUS LOCATIONS		2,500.00
83206	01/10/24	Printed	ANTONIO APARICIO	REC -NFL FLAG FOOTBALL REFUND		50.00
83207	01/10/24	Printed	MARIA ARAUJO	REC -NFL FLAG FOOTBALL REFUND		50.00
83208	01/10/24	Printed	DEBBIE ARREVALO	REC -NFL FLAG FOOTBALL REFUND		50.00
83209	01/10/24	Printed	NELLY ARVIZU	REC -NFL FLAG FOOTBALL REFUND		50.00
83210	01/10/24	Printed	ASBURY ENVIRONMENTAL SERVICES	FLEET -USED OIL & FILTERS		55.00
83211	01/10/24	Printed	AT&T	ADMIN -TELEPHONE DECEMBER 2023		43.08
83212	01/10/24	Printed	AT&T	FIN -INTERNET FOR WEED & SEED 12/11/23-1/10/24		84.89
83213	01/10/24	Printed	AT&T	FIN -CVTC INTERNET SERVICE 12/6/23-1/5/24	R	121.29
83214	01/10/24	Printed	AT&T	ADMIN -PD FIRE ALARM 12/20/23-1/19/24		309.50
83215	01/10/24	Printed	AT&T	PD -LOGGING RECORDER MAINT 12/23/23-1/22/24		474.37
83216	01/10/24	Printed	AT&T	ADMIN -TELEPHONE 11/12/23-12/11/23		57.47
83217	01/10/24	Printed	AT&T	ADMIN -TELEPHONE 11/12/23-12/11/23		97.54
83218	01/10/24	Printed	AT&T	ADMIN -TELEPHONE 11/12/23-12/11/23		200.90
83219	01/10/24	Printed	AT&T MOBILITY	ADMIN -TELEPHONE/MDT'S 11/12/23-12/11/23		1,780.90
83220	01/10/24	Printed	BANNER PEST CONTROL INC	ADMIN -PEST CONTROL DECEMBER 2023		456.00
83221	01/10/24	Printed	CLAUDIA BARAJAS	REC -NFL FLAG FOOTBALL REFUND		100.00
83222	01/10/24	Printed	PATRICK BEJARANO	REC -NFL FLAG FOOTBALL REFUND		50.00
83223	01/10/24	Printed	LETICIA BONILLA	REC -NFL FLAG FOOTBALL REFUND		50.00
83224	01/10/24	Printed	STEPHANIE BOYK	REC -NFL FLAG FOOTBALL REFUND		50.00
83225	01/10/24	Hold	BOYS & GIRLS CLUBS OF FRESNO	COMM SERV -YOUTH DEVELOPMENT SERVICES		29,060.00
83226	01/10/24	Printed	LIANA J. BRIGHAM / PICTURE THIS EMBROIDERY	PW -CAPS & SHIRTS FOR NEW EMPLOYEE		357.34
83227	01/10/24	Printed	BROWN'S DOCK & DOOR, INC.	PW -COILING FIRE DOOR INSPECTIONS FOR PD, SENIOR CENTER, SALAZAR CENTER, CITY HALL		660.00
83228	01/10/24	Printed	MICHAEL BUGARIN	REC -NFL FLAG FOOTBALL REFUND		50.00
83229	01/10/24	Printed	SARAH BUSTINZA	REC -NFL FLAG FOOTBALL REFUND		50.00
83230	01/10/24	Printed	LEONARD CABRERA	REC -NFL FLAG FOOTBALL REFUND		50.00
83231	01/10/24	Printed	CALIFORNIA PEACE OFFICERS' ASSOCIATION	PD -CPOA DUES 1/1-12/31/24		1,150.00
83232	01/10/24	Printed	CALIFORNIA WATER SERVICE	ADMIN -WATER SERVICE NOVEMBER 2023		11,375.92
83233	01/10/24	Printed	TIM CANNON	PD -POST MANAGEMENT COURSE PER DIEM 1/7/24-1/11/24	R	290.00
83234	01/10/24	Printed	CHRISTIAN ADRIAN CANO	PD -DET ICI COURSE PER DIEM 1/15/24-1/26/24	R	150.00
83235	01/10/24	Printed	MELISSA CANTU	REC -NFL FLAG FOOTBALL REFUND		150.00
83236	01/10/24	Printed	VANESSA CANTU	REC -NFL FLAG FOOTBALL REFUND		50.00
83237	01/10/24	Printed	HEATHER CARRILLO	REC -NFL FLAG FOOTBALL REFUND		50.00
83238	01/10/24	Printed	ROD CARSEY / ROD CARSEY CONSULTING	BLDG -PLAN CHECKS DECEMBER 2023		9,934.16
83239	01/10/24	Printed	LISA CASTILLO	REC -NFL FLAG FOOTBALL REFUND		50.00
83240	01/10/24	Printed	CATHY CEJA	REC -NFL FLAG FOOTBALL REFUND		100.00
83241-83242	01/10/24	Printed	CENCAL AUTO & TRUCK PARTS, INC	FLEET -AUTO PARTS & SUPPLIES		1,430.19
83243	01/10/24	Printed	CENTRAL SANITARY SUPPLY, LLC.	PW -JANITORIAL SUPPLIES		913.29
83244	01/10/24	Printed	NIDIA CERVANTES	REC -NFL FLAG FOOTBALL REFUND		50.00
83245	01/10/24	Printed	JONATHAN CHACON	PD -DET ICI COUSE PER DIEM 1/15/24-1/26/24	R	150.00
83246	01/10/24	Printed	BEVERLY CHO	REC -THANKSGIVING DINNER REFUND		1,764.61

CHECK REGISTER REPORT

CHECK NUMBER	CHECK DATE	STATUS	VENDOR NAME	CHECK DESCRIPTION	CATEGORY	AMOUNT
83247	01/10/24	Printed	CISCO SYSTEMS CAPITAL CRP	ADMIN -PHONE SYSTEM LEASE		1,375.84
83248	01/10/24	Printed	COBRA PROFESSIONALS, INC.	HR -FLEXIBLE SPENDING ACCOUNT ADMIN FEE 2ND & 3RD QUARTER 2023		262.40
83249	01/10/24	Printed	COMCAST	ADMIN -PD TO FCSO NOVEMBER 2023		728.74
83250	01/10/24	Printed	COMCAST	ADMIN -INTERNET SERVICE DECEMBER 2023		821.45
83251	01/10/24	Printed	COMCAST	FD -INTERNET SERVICE 12/11/23-1/10/24		215.71
83252	01/10/24	Printed	JESSIE CONTRERAS	REC -NFL FLAG FOOTBALL REFUND		50.00
83253	01/10/24	Printed	ELIZABETH CORTINA	REC -NFL FLAG FOOTBALL REFUND		50.00
83254	01/10/24	Printed	JESSE AARON CROUCH	REC -NFL FLAG FOOTBALL REFUND		50.00
83255	01/10/24	Printed	CARLOS CRUZ	REC -NFL FLAG FOOTBALL REFUND		100.00
83256	01/10/24	Printed	MIRIAM CRUZ	REC -NFL FLAG FOOTBALL REFUND		50.00
83257	01/10/24	Printed	CSJVRMA	HR -2023/2024 3RD QTR DEPOSIT		364,754.00
83258	01/10/24	Printed	CAROL CURTIS	REC -NFL FLAG FOOTBALL REFUND		100.00
83259	01/10/24	Printed	DATAPATH LLC	ADMIN -NETCARE/ON SITE SUPPORT DECEMBER 2023 & JANUARY 2024		14,366.50
83260	01/10/24	Printed	ANTHONY DELGADILLO	REC -NFL FLAG FOOTBALL REFUND		50.00
83261	01/10/24	Printed	DEPARTMENT OF INDUSTRIAL RELATIONS PROCESSING CENTER	ART C - ELEVATOR PERMIT		125.00
83262	01/10/24	Printed	DEPARTMENT OF JUSTICE	PD -FINGERPRINTING NOVEMBER 2023		432.00
83263	01/10/24	Printed	MATTEO DESANTIS	FD -1231 ROSE AVE LEASE JANUARY - JUNE 2024		14,346.00
83264	01/10/24	Printed	MARIA DIAZ	REC -NFL FLAG FOOTBALL REFUND		50.00
83265	01/10/24	Printed	DIVISION OF THE STATE ARCHITECT	FIN -ADA FEE 10/1/23-12/31/23	R	88.80
83266	01/10/24	Printed	DODD INVESTIGATIONS, LLC	HR -PERSONNEL INVESTIGATION		295.70
83267	01/10/24	Printed	DON BERRY CONSTRUCTION INC.	PW -CDBG DOWNTOWN ADA IMPROVEMENT PROG PAY #4	G	31,358.21
83268	01/10/24	Printed	EBIX, INC.	HR -WORKER'S COMPENSATION MGMT SOFTWARE 11/1/23-12/31/23		3,505.00
83269	01/10/24	Printed	EDITOR LLC	ART C -MEAN GIRLS VIDEO RECORDING & PRODUCTION PHOTOS		900.00
83270	01/10/24	Printed	EUGENIA ESQUIBEL	REC -NFL FLAG FOOTBALL REFUND		50.00
83271	01/10/24	Printed	JAVIER EVARISTO / GARAGE DOOR SKILLZ INC	PW -SERVICE PUBLIC WORKS GATES & RESET KEYPAD ON BACK GATE		245.00
83272	01/10/24	Printed	SEBRIANA FABELA	REC -NFL FLAG FOOTBALL REFUND		50.00
83273	01/10/24	Printed	JOEL A FEDOR / FEDOR PLUMBING	PW -REPLACED SEWER LINE AT LINCOLN PARK RESTROOMS		1,678.18
83274	01/10/24	Printed	AMANDA FERNANDEZ	REC -NFL FLAG FOOTBALL REFUND		50.00
83275	01/10/24	Printed	MARICELA FLORES	REC -NFL FLAG FOOTBALL REFUND		100.00
83276	01/10/24	Printed	ROXANNE FLORES	REC -NFL FLAG FOOTBALL REFUND		50.00
83277	01/10/24	Printed	PHILLIP FRENCH	REC -NFL FLAG FOOTBALL REFUND		50.00
83278	01/10/24	Printed	FRESNO COUNTY EDC	FIN -CVTC 11/1-11/30/23	R	42,747.19
83279	01/10/24	Printed	FRESNO OXYGEN	FD -OXYGEN RENTALS		171.15
83280	01/10/24	Printed	JACOB J. GALINDO	ART C -RIDE THE CYCLONE LIGHTNING DESIGN		300.00
83281	01/10/24	Printed	DAVID GAMA	REC -NFL FLAG FOOTBALL REFUND		50.00
83282	01/10/24	Printed	GAR BENNETT LLC	PW -PVC TUBE & ELBOW -SHAFFER PARK, PVC PIPE CUTTER ELBOWS		64.74
83283	01/10/24	Printed	JESSICA GARCIA	REC -NFL FLAG FOOTBALL REFUND		50.00
83284	01/10/24	Printed	JOSE GARCIA	REC -NFL FLAG FOOTBALL REFUND		100.00
83285	01/10/24	Printed	JUANITA GARCIA	REC -NFL FLAG FOOTBALL REFUND		50.00
83286	01/10/24	Printed	ROGER GARCIA	REC -NFL FLAG FOOTBALL REFUND		50.00
83287	01/10/24	Printed	ROSA GARIBAY	REC -NFL FLAG FOOTBALL REFUND		50.00
83288	01/10/24	Printed	GEIL ENTERPRISES INC	PD -JANITORIAL SERVICES DECEMBER 2023		4,686.00
83289	01/10/24	Printed	GABRIEL GONZALES	REC -NFL FLAG FOOTBALL REFUND		50.00
83290	01/10/24	Printed	DANIEL GONZALEZ	REC -NFL FLAG FOOTBALL REFUND		50.00
83291	01/10/24	Printed	TYLER GRAY	REC -NFL FLAG FOOTBALL REFUND		100.00
83292	01/10/24	Printed	GRISWOLD, LASALLE, COBB, DOWD	CITY ATTORNEY -LEGAL FEES NOVEMBER 2023		19,135.90
83293	01/10/24	Printed	DANIEL GUTIERREZ	REC -NFL FLAG FOOTBALL REFUND		50.00
83294	01/10/24	Printed	ARELI GUZMAN	REC -NFL FLAG FOOTBALL REFUND		50.00
83295	01/10/24	Printed	HEALTHEDGE ADMINISTRATORS INC.	HR -DENTAL CLAIMS 1/3/24		402.27
83296	01/10/24	Printed	HEALTHEDGE ADMINISTRATORS INC.	HR -DENTAL CLAIMS 12/13/23		1,768.40

CHECK REGISTER REPORT

CHECK NUMBER	CHECK DATE	STATUS	VENDOR NAME	CHECK DESCRIPTION	CATEGORY	AMOUNT
83297	01/10/24	Printed	HEALTHEDGE ADMINISTRATORS INC.	HR -DENTAL CLAIMS 12/20/23		998.94
83298	01/10/24	Printed	HEALTHEDGE ADMINISTRATORS INC.	HR -DENTAL CLAIMS 12/27/23		1,518.38
83299	01/10/24	Printed	HEALTHEDGE ADMINISTRATORS INC.	HR -DENTAL ADMINISTRATIVE FEES JAN-FEB 2024		1,826.32
83300	01/10/24	Printed	HENRY SCHEIN INC.	FD -MEDICAL SUPPLIES		1,295.24
83301	01/10/24	Printed	JOSE HERNANDEZ	REC -NFL FLAG FOOTBALL REFUND		50.00
83302	01/10/24	Printed	HINDERLITER DE LLAMAS & ASSOCIATES	FIN -SALES TAX Q2/2023		1,081.45
83303	01/10/24	Printed	MATTHEW HUGHES	PD -GOOGLE INVESTIGATION TRAINING PER DIEM 1/23-1/26/24		175.00
83304	01/10/24	Printed	MYRNA HURTADO	REC -NFL FLAG FOOTBALL REFUND		50.00
83305	01/10/24	Printed	IMAGETREND INC.	FD -EPCR SOFTWARE JUNE-OCTOBER 2023		1,353.32
83306	01/10/24	Printed	NATHALY INIGUEZ	REC -NFL FLAG FOOTBALL REFUND		50.00
83307	01/10/24	Printed	IRG MASTER HOLDINGS, LLC	FIN -CVTC UTILITIES 10/25/23-11/27/23	R	2,049.72
83308	01/10/24	Printed	J&A DRUG TESTING INC	HR -EMPLOYEE DRUG TESTING		494.00
83309	01/10/24	Printed	JH TACKETT INC.	ADMIN -NEW HIRE STAFF JACKETS		377.37
83310	01/10/24	Printed	JOHNSON CONTROLS SECURITY	PW -ART CENTER SERVICE		1,287.92
83311	01/10/24	Printed	MIKAEL JOHNSON	REC -NFL FLAG FOOTBALL REFUND		50.00
83312	01/10/24	Printed	JEFF KESTLY	HR -MEDICAL PREMIUM REIMB DECEMBER 2023		178.85
83313	01/10/24	Printed	KINGS INDUSTRIAL OCCUPATION	HR -PHYSICALS & DRUG TESTS		1,159.52
83314	01/10/24	Printed	KOEFRAN INDUSTRIES, INC.	PD -EMPTY ANIMAL CONTROL FREEZER		163.86
83315	01/10/24	Printed	LEAGUE OF CALIFORNIA CITIES	ADMIN -DIVISION MEETING 5/8/23		50.00
83316	01/10/24	Printed	LEAGUE OF CALIFORNIA CITIES	ECO DEV -DIVISION MEETING 7/20/23		25.00
83317	01/10/24	Printed	MIKE LEE	REC -NFL FLAG FOOTBALL REFUND		50.00
83318	01/10/24	Printed	LES SCHWAB TIRE CENTERS OF	FLEET -ALIGNMENT UNIT 196		129.99
83319	01/10/24	Printed	LIFE-ASSIST INC.	FD -MEDICAL SUPPLIES		2,010.72
83320	01/10/24	Printed	LIGHTNING ROOFING INC.	BLDG -REFUND PERMIT 23-67		249.64
83321	01/10/24	Printed	ADRIANA LOMELI	REC -NFL FLAG FOOTBALL REFUND		50.00
83322	01/10/24	Printed	LUPE MACIAS	COMM DEV -CEQA CONFERENCE LODGING, PARKING & PER DIEM		717.90
83323	01/10/24	Printed	LUPE MACIAS	REC -NFL FLAG FOOTBALL REFUND		100.00
83324	01/10/24	Printed	DWAYNE MCPHERSON	PD -DET ICI COURSE PER DIEM 1/15/24-1/26/24	R	150.00
83325	01/10/24	Printed	JEANETTE MEDINA	REC -NFL FLAG FOOTBALL REFUND		50.00
83326	01/10/24	Printed	NICHOLAS MENDEZ	REC -NFL FLAG FOOTBALL REFUND		50.00
83327	01/10/24	Printed	MICHAEL BALLIET CONSULTING LLC	ADMIN -PROJECT BILLING 10/1-10/31/23 FINAL BILLING		675.00
83328	01/10/24	Printed	JOCELYN MONROY	REC -NFL FLAG FOOTBALL REFUND		50.00
83329	01/10/24	Printed	MONIQUE MONTES	ART C -ON YOUR FEET STAGE MANAGER		400.00
83330	01/10/24	Printed	ANTOINETTE MORENO	REC -NFL FLAG FOOTBALL REFUND		50.00
83331	01/10/24	Printed	ERICA MULLER	REC -NFL FLAG FOOTBALL REFUND		50.00
83332	01/10/24	Printed	NATIONAL BAND & TAG COMPANY	FIN -2024 DOG TAGS		263.38
83333	01/10/24	Printed	MARIBEL NAVA	REC -NFL FLAG FOOTBALL REFUND		50.00
83334	01/10/24	Printed	YVONNE NAVARRO	REC -NFL FLAG FOOTBALL REFUND		50.00
83335	01/10/24	Printed	NORTHERN CALIFORNIA ADMINISTRATIVE FIRE SERVICES / AFSS NORTH	FD -AFSS MEMBERSHIP & CONFERENCE		474.00
83336	01/10/24	Printed	DAVID OCANAS	REC -NFL FLAG FOOTBALL REFUND		100.00
83337	01/10/24	Printed	ADELA OCHOA	REC -NFL FLAG FOOTBALL REFUND		50.00
83338	01/10/24	Printed	ODP BUSINESS SOLUTIONS LLC	ADMIN -OFFICE SUPPLIES		792.78
83339	01/10/24	Printed	OOSOSHARP, LLC / SHARP	FD -AMBULANCE BILLING OCTOBER & NOVEMBER 2023		19,380.66
83340	01/10/24	Printed	HEATHER ORNELAS	REC -NFL FLAG FOOTBALL REFUND		50.00
83341	01/10/24	Printed	HOPE ORTEGA	REC -NFL FLAG FOOTBALL REFUND		100.00
83342	01/10/24	Printed	CHRISTOPHER ORTIZ-BELCHER	ART C -2023/2024 SEASON 2/4 PAYMENT & RIDE THE CYCLONE DIRECTION		1,700.00
83343	01/10/24	Printed	ROSA PACHECO	REC -NFL FLAG FOOTBALL REFUND		50.00
83344	01/10/24	Printed	CORINA PADILLA	REC -NFL FLAG FOOTBALL REFUND		50.00
83345	01/10/24	Printed	SONIA PEREZ	REC -NFL FLAG FOOTBALL REFUND		50.00
83346	01/10/24	Printed	PG&E	PW -ENGINEERING DESIGN CORTLEY/CHANDLER BASIN METER		3,000.00
83347	01/10/24	Printed	PG&E	ADMIN -UTILITIES DECEMBER 2023		242.50

CHECK REGISTER REPORT

CHECK NUMBER	CHECK DATE	STATUS	VENDOR NAME	CHECK DESCRIPTION	CATEGORY	AMOUNT
83348	01/10/24	Printed	PG&E	ADMIN -UTILITIES DECEMBER 2023		72.13
83349	01/10/24	Printed	PG&E	ADMIN -UTILITIES DECEMBER 2023		41,116.81
83350	01/10/24	Printed	PG&E	ADMIN -UTILITIES DECEMBER 2023		144.95
83351	01/10/24	Printed	PG&E	ADMIN -UTILITIES DECEMBER 2023		339.66
83352	01/10/24	Printed	PG&E	ADMIN -UTILITIES DECEMBER 2023		16.98
83353	01/10/24	Printed	ALBERTO PINTOR	REC -NFL FLAG FOOTBALL REFUND		50.00
83354	01/10/24	Printed	PIPKIN DETECTIVE AGENCY INC.	HR -EMPLOYMENT BACKGROUND CHECKS		540.00
83355	01/10/24	Printed	PRICE PAIGE & COMPANY	FIN -PROFESSIONAL SERVICES NOVEMBER 2023		14,304.00
83356	01/10/24	Printed	LUCILA PUENTES	REC -NFL FLAG FOOTBALL REFUND		50.00
83357	01/10/24	Printed	QUAD KNOPF, INC.	COMM DEV -PLANNING SERVICES 10/15/23-12/9/23	PARTIAL R	40,844.00
83358	01/10/24	Printed	YORBIS QUINTERO	REC -NFL FLAG FOOTBALL REFUND		50.00
83359	01/10/24	Printed	BRITNEY RAFANAN	REC -NFL FLAG FOOTBALL REFUND		50.00
83360	01/10/24	Printed	ALICIA RAMIREZ	REC -NFL FLAG FOOTBALL REFUND		50.00
83361	01/10/24	Printed	ANA RAMIREZ	REC -NFL FLAG FOOTBALL REFUND		50.00
83362	01/10/24	Printed	ARIANA RAMIREZ	REC -NFL FLAG FOOTBALL REFUND		50.00
83363	01/10/24	Printed	DEBORAH RAMIREZ	REC -NFL FLAG FOOTBALL REFUND		100.00
83364	01/10/24	Printed	ROBERT RAMOS	REC -NFL FLAG FOOTBALL REFUND		50.00
83365	01/10/24	Printed	RAHUL RANDHAWA	REC -NFL FLAG FOOTBALL REFUND		50.00
83366	01/10/24	Printed	JENNY REYES	REC -NFL FLAG FOOTBALL REFUND		50.00
83367	01/10/24	Printed	JORGE REYES	REC -NFL FLAG FOOTBALL REFUND		50.00
83368	01/10/24	Printed	OLGA RODRIGUEZ	REC -NFL FLAG FOOTBALL REFUND		100.00
83369	01/10/24	Printed	YADIRA RODRIGUEZ	REC -NFL FLAG FOOTBALL REFUND		100.00
83370	01/10/24	Printed	MARISOL ROQUE	REC -NFL FLAG FOOTBALL REFUND		50.00
83371	01/10/24	Void	GISELA ROSALES / CAMACHO TIRES	FLEET -TIRE INSTALL & BALANCE UNIT 318		715.00
83372	01/10/24	Printed	RRM DESIGN GROUP	COMM DEV -THOMPSON PARK PROJECT NOVEMBER 2023	G	8,462.00
83373	01/10/24	Printed	EUFENIA RUIZ	REC -NFL FLAG FOOTBALL REFUND		50.00
83374	01/10/24	Printed	GUILLERMO SALINAS	REC -NFL FLAG FOOTBALL REFUND		50.00
83375	01/10/24	Printed	SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DIST	PW -24/25 ANNUAL PERMIT CITY HALL GENERATOR		577.00
83376	01/10/24	Printed	ASHLEY SANCHEZ	REC -NFL FLAG FOOTBALL REFUND		50.00
83377	01/10/24	Printed	SANTA MARIA CALIFORNIA NEWS	PLANNING -COMMISSION MEETING PW - CLARKSON LIFT STATION AD		478.07
83378	01/10/24	Printed	FERNANDO SANTILLAN	ADMIN -AICP CERTIFICATION MAINTENANCE, 2024 CITY MANAGER'S CONFERENCE PER DIEM & MILEAGE		639.05
83379	01/10/24	Printed	IVAN SANTOS	REC -NFL FLAG FOOTBALL REFUND		50.00
83380	01/10/24	Printed	SAMANTHA SAUCEDA	FD -FLIGHT FOR CONFERENCE REIMBURSEMENT		401.82
83381	01/10/24	Printed	SELMA DISTRICT CHAMBER OF	FIN -SANTA'S ARRIVAL 2023 RECYCLING FEE	G	200.00
83382	01/10/24	Printed	SELMA UNIFIED SCHOOL DISTRICT	ADMIN -FUEL OCTOBER & NOVEMBER 2023		54,972.97
83383	01/10/24	Printed	SITEONE LANDSCAPE SUPPLY, LLC.	PW -IRRIGATION SUPPLIES		2,679.47
83384	01/10/24	Printed	SNAP-ON INCORPORATED	FLEET -SHOP TOOL BOX		29,219.34
83385	01/10/24	Printed	SOCIAL VOCATIONAL SERVICES INC / EMPLOY AMERICA	PW -PARK RESTROOM MAINTENANCE OCTOBER & NOVEMBER 2023		2,399.40
83386	01/10/24	Printed	SPARKLETTS	ECO DEV -WATER SERVICE FOR CVTC NOV 202	R	42.99
83387	01/10/24	Printed	SPARKLETTS	ECO DEV -WATER SERVICE FOR CVTC DEC 202	R	42.99
83388	01/10/24	Printed	NICK STRAIT	REC -NFL FLAG FOOTBALL REFUND		50.00
83389	01/10/24	Printed	SUN LIFE	HR -EMPLOYEE INSURANCE JANUARY 2024		2,373.57
83390	01/10/24	Printed	TEC GROUP INC.	HR -CLERICAL ASSIST 12/10/23-12/24/23		3,944.69
83391	01/10/24	Printed	THOMAS J O'LAUGHLIN MD INC.	FD -MEDICAL DIRECTOR JANUARY 2024		500.00
83392	01/10/24	Printed	JESSICA THOMPSON	REC -NFL FLAG FOOTBALL REFUND		100.00
83393	01/10/24	Printed	DENISE TIRADO	REC -NFL FLAG FOOTBALL REFUND		50.00
83394	01/10/24	Printed	BIANCA TORRES	REC -NFL FLAG FOOTBALL REFUND		50.00
83395	01/10/24	Printed	SABINA TORRES	REC -NFL FLAG FOOTBALL REFUND		50.00
83396	01/10/24	Printed	MARIA TORREZ	REC -NFL FLAG FOOTBALL REFUND		50.00
83397	01/10/24	Printed	KRISTEN TREAS	REC -NFL FLAG FOOTBALL REFUND		50.00
83398	01/10/24	Printed	MELISSA TREVINO	REC -NFL FLAG FOOTBALL REFUND		100.00
83399	01/10/24	Printed	TRUCKPRO HOLDING CORPORATION	FLEET UNIT 1001 SMOG OPACITY TEST		177.52

CHECK REGISTER REPORT

CHECK NUMBER	CHECK DATE	STATUS	VENDOR NAME	CHECK DESCRIPTION	CATEGORY	AMOUNT
83400	01/10/24	Printed	RUSSELL & MARIE TYGART / UNIQUELY YOURS	PW -NAME EMBROIDERY & PATCHES		56.54
83401	01/10/24	Printed	U.S. BANK CORPORATE PMT SYSTEM	FIN -CALCARD CHARGES 11/23/23-12/22/23	PARTIAL R	84,136.57
83402	01/10/24	Printed	U.S. BANK EQUIPMENT FINANCE	ADMIN -COPY MACHINE LEASES JANUARY 2024		2,325.59
83403	01/10/24	Printed	KARINA VALDEZ	REC -NFL FLAG FOOTBALL REFUND		50.00
83404	01/10/24	Printed	CAMIE VALENCIA	REC -NFL FLAG FOOTBALL REFUND		50.00
83405	01/10/24	Printed	VALLEY SHREDDING LLC	ADMIN -SHREDDING SERVICE		48.00
83406	01/10/24	Printed	VANIR CONSTRUCTION	COMM DEV -THOMPSON PARK PROJECT 11/1/23-11/30/23	G	4,605.00
83407	01/10/24	Printed	ELEAZAR VASQUEZ	REC -NFL FLAG FOOTBALL REFUND		50.00
83408	01/10/24	Printed	JUANA VASQUEZ	REC -NFL FLAG FOOTBALL REFUND		50.00
83409	01/10/24	Printed	KIMBERLY VASQUEZ	REC -NFL FLAG FOOTBALL REFUND		50.00
83410	01/10/24	Printed	SARAH VASQUEZ	REC -NFL FLAG FOOTBALL REFUND		100.00
83411	01/10/24	Printed	VERIZON	FD -VEHICLE TRACKING NOVEMBER 2023		94.75
83412	01/10/24	Printed	VIDEO INSPECTION SPECIALISTS	PW -CCTV STORM DRAIN INSPECTIONS AT 2 DOCKERY & NORTHHILL & MCCALL & ALTON		2,140.00
83413	01/10/24	Printed	VINCENT COMMUNICATIONS INC	FD -RADIO INSTALLATION & REMOVAL FOR TRUCK 111, AMB 554 DEVICES INSTALL, PORTABLE RADIOS FOR AMB, AMB 552 ANTENNA REPLACEMENT		11,939.62
83414	01/10/24	Printed	JOSEPH WARD	REC -NFL FLAG FOOTBALL REFUND		50.00
83415	01/10/24	Printed	WASTE MANAGEMENT-USA WASTE	FIN -GARBAGE DECEMBER 2023		139,318.81
83416	01/10/24	Printed	WASTE MANAGEMENT-USA WASTE	COMM DEV -GARBAGE SERVICE FOR CVTC 25 YARD ROLLOFF	R	795.27
83417	01/10/24	Printed	WHITE CAP, L.P.	PW -WINTER JACKET,SWEATER, BOOTS,PANTS FOR NEW EMPLOYEE		502.84
83418	01/10/24	Printed	WILLDAN ENGINEERING	BLDG -INSPECTOR SERVICES THROUGH 11/24/23		6,795.00
83419- 83422	01/10/24	Printed	YAMABE & HORN ENGINEERING, INC	COMM DEV -ENGINEERING SERVICES OCTOBER 2023	PARTIAL R	114,570.76
83423- 83462	01/10/24	Printed	YAMABE & HORN ENGINEERING, INC	COMM DEV -ENGINEERING SERVICES NOVEMBER 2023	PARTIAL R	145,102.46
83463	01/10/24	Printed	STEPHANIE ZAPATA	REC -NFL FLAG FOOTBALL REFUND		50.00
83464	01/10/24	Printed	MARY HELEN ZARAGOZA	REC -NFL FLAG FOOTBALL REFUND		100.00
83465	01/10/24	Printed	ZOLL DATA SYSTEMS INC	FD -LIFE PAK MAINT 1/1/24-12/31/24		720.72
TOTAL						1,338,412.73

Grant: G PD State Appropriation: PDSA (457) Reimbursement: R

WIRE/EFT						
	01/12/24		US BANK	2017 GENERAL OBLIGATION BONDS		65,531.25
	01/12/24		IRG MASTER HOLDINGS	CVTC JANUARY 2024 LEASE PAYMENT		12,350.42
	01/12/24		DEPARTMENT OF HEALTH CARE SERVICES	GEMT PROGRAM		93,315.43

US BANK INVOICE FOR CALCARD CHARGES: 11/23/23-12/22/23

EMPLOYEE NAME	TRANSACTION DATE	VENDOR NAME	DESCRIPTION OF PURCHASE	ACCOUNT NUMBER	AMOUNT
AMY SMART	12/8/2023	CPRS	CPRS MEMBERSHIP - J. CORTES-MORELOS	100-4100-610.900.000	170.00
AMY SMART	12/9/2023	HOBBY LOBBY	STAFF MEETING SUPPLIES	100-4100-600.250.000	37.37
AMY SMART	12/10/2023	JOANN	STAFF MEETING SUPPLIES	100-4100-600.250.000	35.81
AMY SMART	12/10/2023	WAL-MART	STAFF MEETING SUPPLIES	100-4100-600.250.000	99.18
AMY SMART	12/11/2023	G'S RISTORANTE	STAFF MEETING LUNCH	100-4100-610.920.000	184.86
AMY SMART	12/11/2023	MARSHALLS	STAFF MEETING SUPPLIES	100-4100-600.250.000	61.10
AMY SMART	12/11/2023	WAL-MART	STAFF MEETING SUPPLIES	100-4100-600.250.000	89.53
ANDREW GUZMAN	11/30/2023	GALLS	LEATHER 48 DUTY BELT	100-2200-600.250.000	117.37
ANDREW GUZMAN	12/5/2023	AMAZON	10 DIGITAL CAMERAS	100-2200-600.250.000	1,198.60
ANDREW GUZMAN	12/5/2023	GALLS	LEATHER 38 DUTY BELT	100-2200-600.250.000	131.03
ANDREW GUZMAN	12/5/2023	THE BEARS DEN	DONUTS FOR FIREARM TRAINING	100-2100-600.250.000	33.28
ANDREW GUZMAN	12/6/2023	CAMACHO TIRES	FIX FLAT TIRE ON POLICE UNIT #184	100-2200-600.250.000	45.00
CALEB GARCIA	11/29/2023	UNIVERSITY MARKET, CLOVIS CA	FUEL-ACT	269-2100-600.257.000	69.14
CALEB GARCIA	12/3/2023	CHEVRON, FRESNO CA	FUEL-ACT	269-2100-600.257.000	88.66
CALEB GARCIA	12/3/2023	EXXON CASTAIC GAS, CASTAIC CA	FUEL-ACT	269-2100-600.257.000	67.71
CALEB GARCIA	12/6/2023	GRAPEVINE FOOD MART, LEBEC CA	FUEL-ACT	269-2100-600.257.000	106.08
CALEB GARCIA	12/8/2023	SELMA STATION, SELMA CA	FUEL-ACT	269-2100-600.257.000	73.05
CALEB GARCIA	12/12/2023	CHEVRON, KINGSBURG CA	FUEL-ACT	269-2100-600.257.000	84.18
CALEB GARCIA	12/18/2023	SNAP ROSE FOOD STORE, FRESNO CA	FUEL-ACT	269-2100-600.257.000	63.18
CALEB GARCIA	12/18/2023	VIOC, FRESNO CA	FUEL-ACT	269-2100-600.257.000	74.91
CALEB GARCIA	12/21/2023	WAL-MART SUPERCENTER, KERMAN CA	FUEL-ACT	269-2100-600.257.000	49.39
CASSY FAIN	11/20/2023	HOLIDAY INN SWAN COURT	TRAINING - ANN CARRIZALEZ/FACILITATOR	100-2100-610.915.000	266.56
CASSY FAIN	11/27/2023	CHEVRON GAS STATION	FUEL	100-2100-610.920.000	78.69
CASSY FAIN	11/28/2023	NET TRANSCRIPTS	TRANSCRIPTION PAYMENT	100-2100-600.400.000	152.64
CASSY FAIN	12/8/2023	CHEVRON GAS STATION	FUEL	100-2100-610.920.000	80.32
CASSY FAIN	12/18/2023	ARCO GAS STATION	FUEL	100-2100-610.920.000	52.02
CASSY FAIN	12/18/2023	HAMPTON INN	TRAINING	100-2100-610.915.000	751.15
CITY OF SELMA FIRE QRT MST	11/22/2023	ELM AVE FEED	TRAINING ITEMS FOR TOWER	295-2525-610.915.000	50.00
CITY OF SELMA FIRE QRT MST	11/24/2023	THE HOME DEPOT	TRAINING WOOD DOOR WEDGES	295-2525-610.915.000	50.03
CITY OF SELMA FIRE QRT MST	12/5/2023	ALLS HANDS FIRE EQUIPMENT	CO MONITOR BATTERY PACK	100-2525-600.375.000	88.99
CITY OF SELMA FIRE QRT MST	12/9/2023	AMAZON	PERSONAL CHECK TO CITY FOR REIMBURSEMENT	800-0000-220.000.000	54.55
CITY OF SELMA FIRE QRT MST	12/10/2023	AMAZON	PERSONAL CHECK TO CITY FOR REIMBURSEMENT	800-0000-220.000.000	19.51
CITY OF SELMA STATION NO. 1	12/4/2023	DPH EMERGENCY MEDICAL SERVICES	EMT RECERT-J. GOMEZ	100-2525-610.917.000	82.00
CITY OF SELMA STATION NO. 1	12/6/2023	NAPA AUTO PARTS	10 HR TRUCK SUPPLIES	100-2525-600.250.000	62.89
CITY OF SELMA STATION NO. 2	11/28/2023	CIRCLE K GAS STATION	FUEL	701-9200-600.257.000	100.11
CITY OF SELMA STATION NO. 2	12/10/2023	WAL-MART	GATORADE & WATER FOR ST. 1, 2, & 3	100-2525-600.250.000	75.96
CITY OF SELMA STATION NO. 2	12/10/2023	WAL-MART	GATORADE & WATER FOR ST. 1, 2, & 3	600-2600-600.250.000	37.98
CITY OF SELMA TRAINING DIV	12/14/2023	WORLDPOINT ECC INCORPORATED	CPR MATERIALS	800-0000-121.000.000	321.52
CITY OF SELMA TRAINING DIV	12/15/2023	THE UPS STORE	POSICHEK MACHINE SHIPPING	100-2525-600.475.000	119.92
CYNTHIA GOMEZ	11/30/2023	AMAZON	SUPPLIES	100-2100-600.250.000	71.58
CYNTHIA GOMEZ	11/30/2023	AMAZON	SUPPLIES	100-2200-600.250.000	32.53
CYNTHIA GOMEZ	11/30/2023	BIG 5 SPORTING GOODS	SUPPLIES	100-2200-600.250.000	5.74

US BANK INVOICE FOR CALCARD CHARGES: 11/23/23-12/22/23

EMPLOYEE NAME	TRANSACTION DATE	VENDOR NAME	DESCRIPTION OF PURCHASE	ACCOUNT NUMBER	AMOUNT
CYNTHIA GOMEZ	11/30/2023	HOBBY LOBBY	SUPPLIES	100-2200-600.250.000	93.08
CYNTHIA GOMEZ	12/2/2023	WAL-MART	SUPPLIES	100-2200-600.250.000	42.37
CYNTHIA GOMEZ	12/15/2023	DELI DELICIOUS	SUPPLIES - RANGE LUNCH TRAINING	100-2100-600.250.000	79.95
EMS DIVISION 550	12/21/2023	CHEVRON GAS STATION	FUEL	701-9200-600.257.000	87.18
EMS DIVISION 551	12/2/2023	WAL-MART	WATER	600-2600-600.250.000	34.48
EMS DIVISION 552	12/9/2023	CIRCLE K GAS STATION	FUEL	701-9200-600.257.000	109.01
EMS DIVISION 552	12/17/2023	SHELL OIL GAS STATION	FUEL	701-9200-600.257.000	106.56
EMS DIVISION 553	12/3/2023	CHEVRON GAS STATION	FUEL	701-9200-600.257.000	95.01
EMS DIVISION 553	12/11/2023	LOVE'S GAS STATION	FUEL	701-9200-600.257.000	116.01
EMS DIVISION 553	12/15/2023	CIRCLE K GAS STATION	FUEL	701-9200-600.257.000	92.50
EMS DIVISION 553	12/16/2023	CIRCLE K GAS STATION	FUEL	701-9200-600.257.000	69.65
EMS DIVISION 553	12/17/2023	7-ELEVEN GAS STATION	FUEL	701-9200-600.257.000	93.30
EMS DIVISION 553	12/19/2023	CIRCLE K GAS STATION	FUEL	701-9200-600.257.000	90.01
EMS DIVISION 553	12/20/2023	CIRCLE K GAS STATION	FUEL	701-9200-600.257.000	92.39
EMS DIVISION 553	12/20/2023	CIRCLE K GAS STATION	FUEL	701-9200-600.257.000	62.01
EMS DIVISION 553	12/21/2023	CIRCLE K GAS STATION	FUEL	701-9200-600.257.000	53.01
FABIAN URESTI	12/16/2023	NELSONS ACE HARDWARE	BOLTS & WASHERS FOR T-111 REPAIR	701-9200-600.256.000	3.21
FERNANDO MORAN	11/27/2023	NELSON'S ACE HARDWARE	TIE-DOWN RATCHETS-PARKS	100-5300-600.250.000	48.81
FERNANDO MORAN	11/27/2023	NELSON'S ACE HARDWARE	TIE-DOWN RATCHETS-STREETS	210-5400-600.250.000	48.80
FERNANDO MORAN	11/29/2023	PANE SUPPLY	MANHOLE LIFTER-PARKS	100-5300-600.305.000	67.60
FERNANDO MORAN	11/29/2023	PANE SUPPLY	PLUMBING SUPPLIES-SHAFER PARK RESTROOM REPAIRS	100-5300-600.370.000	344.93
FERNANDO SANTILLAN	12/7/2024	FRESNO BEE	SUBSCRIPTION	100-1300-610.900.000	39.99
FERNANDO SANTILLAN	12/7/2024	G'S RISTORANTE	ONBOARDING - BUILDING/PLANNING TECH M. CRUZ	100-1300-610.920.000	53.34
FERNANDO SANTILLAN	12/13/2024	LEGENDS TAPHOUSE	MEETING WITH ADMIN SERVICES DIRECTOR J. VENEGAS	100-1300-610.920.000	47.06
FERNANDO SANTILLAN	12/14/2024	VENMO: FCOG	FCOG RETIREMENT LUNCHEON FOR T. BOREN	100-1300-610.920.000	20.60
FINANCE DEPARTMENT	11/29/2023	LEONS COMPUTERS	FULL HD NETWORK CAMERA FOR COUNCIL CHAMBER	704-9600-600.250.000	3,420.34
FINANCE DEPARTMENT	12/8/2023	THE HOME DEPOT	CVTC SUPPLY ORDER	274-1600-600.250.000	31.57
FINANCE DEPARTMENT	12/9/2023	THE HOME DEPOT	CVTC SUPPLY ORDER	274-1600-600.250.000	262.08
FINANCE DEPARTMENT	12/10/2023	THE HOME DEPOT	CVTC SUPPLY ORDER	274-1600-600.250.000	133.74
FINANCE DEPARTMENT	12/11/2023	THE HOME DEPOT	CVTC SUPPLY ORDER	274-1600-600.250.000	1,390.74
FINANCE DEPARTMENT	12/11/2023	THE HOME DEPOT	CVTC SUPPLY ORDER	274-1600-600.250.000	134.34
FINANCE DEPARTMENT	12/14/2023	WENDY'S	SENIOR CITIZEN MEALS	100-4500-656.895.000	43.39
GEORGE SIPIN	11/22/2023	LES SCHWAB TIRES	RESTOCK TIRES	603-5500-600.256.000	1,817.76
GEORGE SIPIN	11/28/2023	INTERSTATE BATTERY SYSTEMS	BATTERY-STOCK	603-5500-600.256.000	161.18
GEORGE SIPIN	11/28/2023	INTERSTATE BATTERY SYSTEMS	BATTERY-RT#185	603-5500-600.256.000	190.90
GEORGE SIPIN	11/28/2023	INTERSTATE BATTERY SYSTEMS	BATTERIES-STOCK	603-5500-600.256.000	453.52
GEORGE SIPIN	11/28/2023	INTERSTATE BATTERY SYSTEMS	BATTERIES-STOCK	603-5500-600.256.000	1,224.54
GEORGE SIPIN	11/28/2023	LES SCHWAB TIRES	RESTOCK TIRES	603-5500-600.256.000	1,272.41
GEORGE SIPIN	11/28/2023	MARTEN'S CHEVROLET	SERVICE HVAC SYSTEM-RT#223	603-5500-600.400.000	775.72
GEORGE SIPIN	11/29/2023	BLACKSTONE CHEVROLET	RADIATOR - STOCK	603-5500-600.256.000	1,132.26
GEORGE SIPIN	11/29/2023	COOK'S COMMUNICATIONS	TWO WAY RADIO-STOCK	603-5500-600.250.000	881.97
GEORGE SIPIN	11/29/2023	LES SCHWAB TIRES	RESTOCK TIRES	603-5500-600.256.000	1,660.25

US BANK INVOICE FOR CALCARD CHARGES: 11/23/23-12/22/23

EMPLOYEE NAME	TRANSACTION DATE	VENDOR NAME	DESCRIPTION OF PURCHASE	ACCOUNT NUMBER	AMOUNT
GEORGE SIPIN	11/29/2023	NAPA AUTO PARTS	ENGINE OIL PAN, COOLANT-STOCK	603-5500-600.256.000	654.54
GEORGE SIPIN	11/29/2023	SAFETY-KLEEN SYSTEMS	MOTOR OIL	603-5500-600.250.000	1,539.85
GEORGE SIPIN	11/30/2023	CUMMINS SALES & SERVICE	NG9500 FUEL FILTERS-STOCK	603-5500-600.256.000	821.95
GEORGE SIPIN	11/30/2023	KIMBALL MIDWEST	SHOP SUPPLIES-STOCK	603-5500-600.256.000	2,248.24
GEORGE SIPIN	11/30/2023	SAFETY-KLEEN SYSTEMS	TRANSMISSION FLUID-STOCK	603-5500-600.250.000	946.57
GEORGE SIPIN	12/4/2023	COOKS COMMUNICATIONS	REPLACE RADIO	603-5500-600.400.000	164.00
GEORGE SIPIN	12/4/2023	NAPA AUTO PARTS	FRONT ROTORS FOR ARBOCS-STOCK	603-5500-600.256.000	960.84
GEORGE SIPIN	12/5/2023	AZ BUS SALES	MICROSWITCH KITS-STOCK	603-5500-600.256.000	1,613.49
GEORGE SIPIN	12/5/2023	CUMMINS SALES & SERVICE	REPLACED ECM-RT#192	603-5500-600.400.000	3,929.80
GEORGE SIPIN	12/5/2023	SAFETY-KLEEN SYSTEMS	PARTS WASHER SERVICE	603-5500-600.400.000	314.66
GEORGE SIPIN	12/6/2023	BLACKSTONE CHEVROLET	SENSORS-STOCK	603-5500-600.256.000	587.95
GEORGE SIPIN	12/6/2023	BLACKSTONE CHEVROLET	CONVERTERS-STOCK	603-5500-600.256.000	4,917.71
GEORGE SIPIN	12/6/2023	JENSEN & PILEGARD	LAWN MOWER	603-5500-600.250.000	4,767.39
GEORGE SIPIN	12/6/2023	TRUCKPRO HOLDINGS CORP	PUSH LOCKS-STOCK	603-5500-600.256.000	195.56
GEORGE SIPIN	12/7/2023	CUMMINS SALES & SERVICE	INSTALLED SENSORS & PIG TAIL CONNECTORS-RT#189	603-5500-600.256.000	1,755.06
GEORGE SIPIN	12/7/2023	NVB EQUIPMENT	A/C PARTS FOR ARBOCS	603-5500-600.256.000	580.68
GEORGE SIPIN	12/8/2023	KINGSBURG SINCLAIR	PROPANE FOR SHOP HEATERS	603-5500-600.250.000	250.89
GEORGE SIPIN	12/11/2023	AMAZON	FAN CLUTCH WRENCH SET- TOOL	603-5500-600.250.000	41.59
GEORGE SIPIN	12/11/2023	AMAZON	AIR RIDE COMPRESSORS -STOCK	603-5500-600.256.000	562.41
GEORGE SIPIN	12/11/2023	BLACKSTONE CHEVROLET	BOOSTERS-STOCK	603-5500-600.256.000	1,165.17
GEORGE SIPIN	12/11/2023	MAC TOOLS	LEAK DETECTOR -TOOL	603-5500-600.250.000	1,462.71
GEORGE SIPIN	12/11/2023	NAPA AUTO PARTS	PRESSURE GAUGE & VAULT TESTER-TOOLS	603-5500-600.250.000	180.03
GEORGE SIPIN	12/11/2023	NAPA AUTO PARTS	ATP PLATINUM KITS - STOCK	603-5500-600.256.000	186.96
GEORGE SIPIN	12/11/2023	WAL-MART	KITCHEN SUPPLIES	603-5500-600.250.000	43.46
GEORGE SIPIN	12/12/2023	BLACKSTONE CHEVROLET	SUNSHADE VISORS-STOCK	603-5500-600.256.000	865.61
GEORGE SIPIN	12/12/2023	INTERSTATE BATTERY SYSTEMS	BATTERIES FOR EL DORADO'S-STOCK	603-5500-600.256.000	538.22
GEORGE SIPIN	12/12/2023	NAPA AUTO PARTS	JB WELD, GLUE-STOCK	603-5500-600.250.000	30.60
GEORGE SIPIN	12/12/2023	NAPA AUTO PARTS	RADIATOR HOSES-STOCK	603-5500-600.256.000	688.53
GEORGE SIPIN	12/12/2023	NAPA AUTO PARTS	CURVED RADIATOR HOSES-STOCK	603-5500-600.256.000	500.94
GEORGE SIPIN	12/13/2023	AZ BUS SALES	PASSENGER DOOR-RT#154	603-5500-600.256.000	899.41
GEORGE SIPIN	12/13/2023	BLACKSTONE CHEVROLET	REAR END KITS FOR ARBOCS-STOCK	603-5500-600.256.000	210.09
GEORGE SIPIN	12/13/2023	LES SCHWAB TIRES	RESTOCK TIRES	603-5500-600.256.000	1,383.55
GEORGE SIPIN	12/13/2023	TRUCKPRO HOLDINGS CORP	TOGGLE SWITCHES - STOCK	603-5500-600.256.000	97.69
GEORGE SIPIN	12/14/2023	BLACKSTONE CHEVROLET	POWER STEERING LINE FOR ARBOCS-STOCK	603-5500-600.256.000	29.59
GEORGE SIPIN	12/19/2023	WAL-MART	FILE FOLDERS	603-5500-600.250.000	13.58
JANIE VENEGAS	11/30/2023	G'S RISTORANTE	CUSTODIAN PANEL LUNCHES	100-1400-600.250.000	112.91
JANIE VENEGAS	12/7/2023	AMAZON	ADMIN SERVICES DIRECTOR ERGONOMIC MOUSE	100-1400-600.250.000	93.22
JANIE VENEGAS	12/11/2023	LABORLAW CENTER	2024 LABOR LAW POSTERS	100-1400-600.250.000	258.21
JEROME KEENE	11/27/2023	CLE INTERNATIONAL	CEQA TRAINING FOR PLANNING	100-3100-610.920.000	1,790.00
JESUS HERNANDEZ	11/29/2023	NELSON'S ACE HARDWARE	MULTIBIT DRIVER - BLDGS TOOLS	702-9300-600.305.000	25.99
JESUS HERNANDEZ	11/29/2023	NELSON'S ACE HARDWARE	PD REPAIRS SUPPLIES	702-9300-600.370.000	90.30
JESUS HERNANDEZ	11/29/2023	NELSON'S ACE HARDWARE	ART'S CENTER REPAIRS SUPPLIES	702-9300-600.370.000	370.96

US BANK INVOICE FOR CALCARD CHARGES: 11/23/23-12/22/23

EMPLOYEE NAME	TRANSACTION DATE	VENDOR NAME	DESCRIPTION OF PURCHASE	ACCOUNT NUMBER	AMOUNT
JESUS HERNANDEZ	11/29/2023	NELSON'S POWER CENTER	CONCRETE-PARKS	100-5300-600.250.000	189.02
JESUS HERNANDEZ	12/4/2023	THE HOME DEPOT	SANDPAPER-RETURN	100-5300-600.250.000	(12.97)
JESUS HERNANDEZ	12/4/2023	THE HOME DEPOT	HAND SANDER, SAND PAPER-PARKS	100-5300-600.250.000	40.04
JESUS HERNANDEZ	12/4/2023	THE HOME DEPOT	DRYWALL SHEETS-PARKS	100-5300-600.250.000	11.91
JESUS HERNANDEZ	12/6/2023	NELSON'S POWER CENTER	52G DRUM-FLEET	701-9200-600.254.000	1,290.84
JESUS HERNANDEZ	12/19/2023	NELSON'S ACE HARDWARE	METAL TRIPPERS/DUPLEX RECEPTACLE, TIMER, TAPE - LINCOLN PARK	100-5300-600.250.000	147.87
JESUS HERNANDEZ	12/19/2023	NELSON'S ACE HARDWARE	BUBBLER,SPRAYPAINT,LITHIUM BATTERY-BRENTLINGER PARK	100-5300-600.250.000	53.83
JESUS HERNANDEZ	12/19/2023	NELSON'S ACE HARDWARE	REPAIRS SUPPLIES- SHAFER PARK	100-5300-600.360.000	97.69
JESUS HERNANDEZ	12/19/2023	NELSON'S ACE HARDWARE	CHAINS, PADLOCKS, KEYS-STREETS	210-5400-600.250.000	263.03
JESUS HERNANDEZ	12/19/2023	NELSON'S ACE HARDWARE	SPRAY PAINT-STREETS	210-5400-600.250.000	12.63
JESUS HERNANDEZ	12/19/2023	NELSON'S ACE HARDWARE	FAUCET, PADLOCK, GASKET URINAL-FIRE DEPT	702-9300-600.250.000	289.06
JESUS HERNANDEZ	12/19/2023	NELSON'S ACE HARDWARE	PLUNGER,ALL PURPOSE CLEANER, TUBE STRAP-SENIOR CENTER	702-9300-600.250.000	78.90
JESUS HERNANDEZ	12/19/2023	NELSON'S ACE HARDWARE	LITHIUM BATTERY, EXT CORD, RAFTER-CORP YARD	702-9300-600.250.000	68.46
JESUS HERNANDEZ	12/19/2023	NELSON'S ACE HARDWARE	PADLOCKS- WEED & SEED	702-9300-600.250.000	65.97
JESUS HERNANDEZ	12/19/2023	NELSON'S ACE HARDWARE	BUSHINGS, COUPLERS-PD	702-9300-600.250.000	14.15
JORDAN WEBSTER	11/27/2023	JOHNNY QUIK GAS STATION	FUEL	701-9200-600.257.000	41.58
JORDAN WEBSTER	12/1/2023	JUANITO'S EXPRESS	MEETING WITH CITY OF DINUBA EMS OPS	100-2525-610.900.000	81.68
JORDAN WEBSTER	12/1/2023	LEAGUE OF CALIFORNIA	CONFERENCE	100-2525-610.900.000	510.00
JORDAN WEBSTER	12/14/2023	HILTON GARDEN INN	CONFERENCE HOTEL	100-2525-610.900.000	398.36
JUSTIN HOLT	12/2/2023	CIRCLE K GAS STATION	FUEL FOR UNIT 1000	701-9200-600.257.000	67.36
JUSTIN HOLT	12/6/2023	CIRCLE K GAS STATION	FUEL FOR UNIT 1000	701-9200-600.257.000	49.30
JUSTIN HOLT	12/7/2023	CIRCLE K GAS STATION	FUEL FOR UNIT 1000	701-9200-600.257.000	62.51
JUSTIN HOLT	12/8/2023	CIRCLE K GAS STATION	FUEL FOR UNIT 1000	701-9200-600.257.000	63.87
JUSTIN HOLT	12/9/2023	CIRCLE K GAS STATION	FUEL FOR UNIT 1000	701-9200-600.257.000	63.82
JUSTIN HOLT	12/16/2023	CIRCLE K GAS STATION	FUEL FOR UNIT 1000	701-9200-600.257.000	54.58
KELLI TELLEZ	11/21/2023	WAL-MART	CHIEF URESTI RETIREMENT SUPPLIES	600-2600-600.250.000	24.86
KELLI TELLEZ	11/29/2023	CRAVE COOKIE	CHIEF URESTI'S RETIREMENT REFRESHMENTS	600-2600-600.250.000	70.40
KELLI TELLEZ	11/30/2023	NOTHING BUNDT CAKES	CHIEF URESTI'S RETIREMENT REFRESHMENTS	600-2600-600.250.000	108.00
KELLI TELLEZ	12/4/2023	SAL'S MEXICAN RESTAURANT	CHIEF URESTI'S RETIREMENT PARTY (PLATTERS)	600-2600-600.250.000	120.87
KELLI TELLEZ	12/4/2023	TARGET	CHIEF URESTI'S RETIREMENT PARTY	600-2600-600.250.000	68.02
KELLI TELLEZ	12/4/2023	WAL-MART	WATER-CHIEF URESTI'S RETIREMENT	600-2600-600.250.000	27.36
KELLI TELLEZ	12/20/2023	GRAND SIERRA RESORT	DEPOSIT FOR SAM'S CONFERENCE HOTEL	100-2500-610.920.000	77.97
LISBETH MARTINEZ	11/22/2023	WAL-MART	SODAS & COOL WHIP FOR THANKSGIVING	100-4500-656.895.000	60.24
LISBETH MARTINEZ	11/29/2023	BED BATH & BEYOND	GIANT INFLATABLE GRINCH	100-4100-656.905.000	147.06
LISBETH MARTINEZ	11/29/2023	WAL-MART	TREATS FOR CHRISTMAS PARADE	100-4100-656.905.000	111.46
LISBETH MARTINEZ	11/30/2023	WAL-MART	GARLAND FOR GRINCHMAS	100-4100-656.905.000	41.18
LISBETH MARTINEZ	12/1/2023	AMAZON	SNOW MACHINES, LIQUID SNOW, 12V ADAPTER	100-4100-656.905.000	319.37
LISBETH MARTINEZ	12/2/2023	AMAZON	GRINCH COSTUME & ORNAMENTS	100-4100-656.905.000	150.76
LISBETH MARTINEZ	12/4/2023	WAL-MART	BREAD FOR SENIOR CENTER	100-4500-656.895.000	5.84

US BANK INVOICE FOR CALCARD CHARGES: 11/23/23-12/22/23

EMPLOYEE NAME	TRANSACTION DATE	VENDOR NAME	DESCRIPTION OF PURCHASE	ACCOUNT NUMBER	AMOUNT
LISBETH MARTINEZ	12/6/2023	WAL-MART	BREAKFAST ITEMS FOR SENIOR CENTER	100-4500-656.895.000	145.96
LISBETH MARTINEZ	12/8/2023	AMAZON	TRIPOD STANDS & LIQUID SNOW	100-4100-656.905.000	140.98
LISBETH MARTINEZ	12/10/2023	AMAZON	LETTERS FOR SANTA SUPPLIES	100-4100-656.905.000	25.57
LISBETH MARTINEZ	12/10/2023	AMAZON	LETTERS FOR SANTA SUPPLIES	100-4100-656.905.000	15.18
LISBETH MARTINEZ	12/12/2023	DOLLAR TREE	SR. CENTER GAME SUPPLIES/PRIZES	100-4200-656.900.000	25.23
LISBETH MARTINEZ	12/12/2023	WAL-MART	COOKIE DECORATING KITS FOR GRINCHMAS	100-4100-656.905.000	236.06
LISBETH MARTINEZ	12/12/2023	WAL-MART	BREAKFAST FOR SR. XMAS PARTY	100-4500-656.895.000	188.79
LISBETH MARTINEZ	12/14/2023	AMAZON	RAFFLE BOXES FOR GRINCHMAS	100-4100-656.905.000	20.17
LISBETH MARTINEZ	12/15/2023	ACE HARDWARE	SPRAY CAN MARKING WAND	100-4100-656.905.000	41.21
LISBETH MARTINEZ	12/15/2023	DOLLAR TREE	BALLOONS & MISC. FOR GRINCHMAS	100-4100-656.905.000	30.47
LISBETH MARTINEZ	12/15/2023	WAL-MART	PLATES, TABLE CLOTHES, MISC FOR XMAS	100-4200-656.900.000	30.36
LISBETH MARTINEZ	12/19/2023	AMAZON	JAM FOR SR. CENTER BREAKFAST PARTY	100-4500-656.895.000	14.98
LISBETH MARTINEZ	12/20/2023	WAL-MART	MISC. SR. CENTER BREAKFAST ITEMS	100-4500-656.895.000	64.41
NESTOR GALVAN	11/21/2023	NAPA AUTO PARTS	UNIT 717 (05 GMC SIERRA) BRAKE HOSE	701-9200-600.256.000	33.51
NESTOR GALVAN	11/21/2023	NAPA AUTO PARTS	UNIT 8508 (ENG 112) STARTER	701-9200-600.256.000	500.62
NESTOR GALVAN	11/21/2023	NAPA AUTO PARTS	UNIT 182 (14 PD INTERCEPTOR) HITCH, BALL MOUNT, TRAILER WIRE	701-9200-600.256.000	374.55
NESTOR GALVAN	11/22/2023	NAPA AUTO PARTS	CORE DEPOSIT CREDIT	701-9200-600.256.000	(48.21)
NESTOR GALVAN	11/27/2023	NAPA AUTO PARTS	UNIT 503 (07 FORD VAN) FUEL PUMP, FILTER, WATER PUMP	701-9200-600.256.000	239.33
NESTOR GALVAN	11/28/2023	FAHRNEY FORD	UNIT 8560 (AMB 550) SEAT BELTS	701-9200-600.256.000	175.00
NESTOR GALVAN	11/28/2023	NAPA AUTO PARTS	UNIT 8563 (AMB 553) FUEL FILTER, OIL FILTER, AIR FILTER, BRAKE PADS, ROTORS, CABIN AIR FILTER	701-9200-600.256.000	637.40
NESTOR GALVAN	11/28/2023	THE MOWERS EDGE	PULLY IDLER, BELT-V W SLEEVE, BEARING CROSS SHAFT UNIT 3205 - XMARK MOWER	701-9200-600.256.000	427.18
NESTOR GALVAN	11/29/2023	THE HOME DEPOT	UNIT 2110 (DUI TRAILER) TRAILER JACK & LIFTING TOOL	701-9200-600.256.000	86.74
NESTOR GALVAN	11/30/2023	ELBERT DISTRIBUTING	OILS & INTAKE CLEANER	701-9200-600.254.000	841.29
NESTOR GALVAN	11/30/2023	GIBBS INTERNATIONAL INC	UNIT 8510 (ENG 110) TURBO SENSOR KIT	701-9200-600.256.000	324.56
NESTOR GALVAN	11/30/2023	NAPA AUTO PARTS	UNIT 502 (99 CHEV VAN) DISTRIBUTOR CAP & DISTRIBUTOR ROTOR	701-9200-600.256.000	65.76
NESTOR GALVAN	12/1/2023	NAPA AUTO PARTS	UNIT 722 (07 F150) TRANSMISSION SPEED SENSOR	701-9200-600.256.000	50.97
NESTOR GALVAN	12/2/2023	NAPA AUTO PARTS	UNIT 8513 (T111) RADIATOR CAP	701-9200-600.256.000	5.88
NESTOR GALVAN	12/4/2023	FUTURE FORD OF CLOVIS	UNIT 199 (18 PD INTERCEPTOR)	701-9200-600.256.000	235.82
NESTOR GALVAN	12/4/2023	NAPA AUTO PARTS	STOCK PARTS CONTROL ARM AND BALL X 2	701-9200-600.256.000	269.69
NESTOR GALVAN	12/5/2023	TIFCO INDUSTRIES INC	INDUSTRIAL CHEMICAL	701-9200-600.250.000	126.86
NESTOR GALVAN	12/11/2023	QUINN PARTS DEPARTMENT	UNIT 1402 (FORKLIFT) ANTIFREEZE, SWITCH, MIRROR	701-9200-600.256.000	307.94
NESTOR GALVAN	12/12/2023	NAPA AUTO PARTS	SHOP TOOLS 12V MAX LITHIUM ION BATTERIES	701-9200-600.250.000	126.90
NESTOR GALVAN	12/13/2023	QUINN PARTS DEPARTMENT	TEMP SENSOR - UNIT 8508 (ENG 112)	701-9200-600.256.000	61.10
NESTOR GALVAN	12/14/2023	NAPA AUTO PARTS	SHOP PARTS AIR FILTERS & BRAKE PAD	701-9200-600.256.000	659.33
NESTOR GALVAN	12/19/2023	MERCEDES BENZ OF FRESNO	VOLTAGE CONVERTER, SHOCK ABSORBER	701-9200-600.256.000	1,370.63
NESTOR GALVAN	12/19/2023	O'REILLY AUTO PARTS	UNIT 8563 (AMB 553) BATTERY	701-9200-600.256.000	230.02

US BANK INVOICE FOR CALCARD CHARGES: 11/23/23-12/22/23

EMPLOYEE NAME	TRANSACTION DATE	VENDOR NAME	DESCRIPTION OF PURCHASE	ACCOUNT NUMBER	AMOUNT
NICOLETTE ANDERSEN	11/22/2023	SIGNUP GENIUS	AUDITION SIGN UP PLATFORM	605-4300-656.910.000	24.99
NICOLETTE ANDERSEN	11/24/2023	SAVE MART	SAC - RIDE THE CYCLONE - SNACK BAR	605-4300-656.910.000	71.47
NICOLETTE ANDERSEN	11/26/2023	SAVE MART	SAC - RIDE THE CYCLONE - SNACK BAR	605-4300-656.910.000	24.52
NICOLETTE ANDERSEN	11/27/2023	AMAZON	SAC - RIDE THE CYCLONE - BATTERIES & MIC ELEMENTS	605-4300-656.910.000	199.77
NICOLETTE ANDERSEN	11/27/2023	SLACK	SAC- MARKETING PLATFORM	605-4300-656.910.000	46.57
NICOLETTE ANDERSEN	11/29/2023	AMAZON	SAC - RIDE THE CYCLONE - RETURN	605-4300-656.910.000	(15.18)
NICOLETTE ANDERSEN	11/29/2023	THE UPS STORE	SAC- MEAN GIRLS SCRIPT RETURN	605-4300-656.910.000	134.18
NICOLETTE ANDERSEN	11/30/2023	AMAZON	SAC - RIDE THE CYCLONE - RETURN	605-4300-656.910.000	(25.74)
NICOLETTE ANDERSEN	11/30/2023	CLASSIC CHARTER	SAC- CHARTER BUS FOR LION KING MUSICAL FIELD TRIP WITH SACTEENS	605-4300-656.910.000	2,224.00
NICOLETTE ANDERSEN	11/30/2023	WAL-MART	SAC - RIDE THE CYCLONE - SNACK BAR	605-4300-656.910.000	83.25
NICOLETTE ANDERSEN	12/1/2023	PERSONALIZATION MALL	SAC- ORNAMENTS FOR FUNDRAISERS	605-4300-656.910.000	123.02
NICOLETTE ANDERSEN	12/3/2023	SAL'S MEXICAN RESTAURANT	SAC- RIDE THE CYCLONE CAST PARTY	605-4300-656.910.000	89.26
NICOLETTE ANDERSEN	12/5/2023	AMAZON	CKP- PINOCCHIO COSTUMES	100-4300.600.250.000	40.11
NICOLETTE ANDERSEN	12/6/2023	THE HOME DEPOT	SAC- BLACK PAINT FOR STAGE	605-4300-656.910.000	32.09
NICOLETTE ANDERSEN	12/7/2023	AMAZON	CKP - PINOCCHIO COSTUMES	100-4300.600.250.000	229.44
NICOLETTE ANDERSEN	12/7/2023	NELSON'S ACE HARDWARE	SAC- S HOOKS FOR STAGE CURTAINS	605-4300-600.250.000	32.44
NICOLETTE ANDERSEN	12/9/2023	AMAZON PRIME	SAC - PRIME MEMBERSHIP	605-4300-600.250.000	16.26
NICOLETTE ANDERSEN	12/13/2023	AMAZON	CKP - PINOCCHIO COSTUMES	100-4300-600.250.000	26.02
NICOLETTE ANDERSEN	12/13/2023	RITE AID	SAC - HOLIDAY EVENT SNACK BAR SUPPLIES	605-4300-656.910.000	10.39
NICOLETTE ANDERSEN	12/13/2023	WAL-MART	SAC - D&D HOLIDAY EVENT SNACK BAR SUPPLIES	605-4300-656.910.000	157.79
NICOLETTE ANDERSEN	12/15/2023	DREAM HOST	SAC - WEB HOSTING	605-4300-656.910.000	5.00
NICOLETTE ANDERSEN	12/19/2023	ETSY.INC	CKP - PINOCCHIO COSTUME	100-4300-600.250.000	87.86
NICOLETTE ANDERSEN	12/19/2023	WAL-MART	SAC - HOLIDAY CABARET SNACK BAR SUPPLIES	605-4300-656.910.000	53.96
NICOLETTE ANDERSEN	12/20/2023	AMAZON	CKP- PINOCCHIO COSTUMES	100-4300-600.250.000	20.04
NICOLETTE ANDERSEN	12/20/2023	AMAZON	CKP- PINOCCHIO COSTUMES	100-4300-600.250.000	20.59
NICOLETTE ANDERSEN	12/21/2023	AMAZON	CKP- PINOCCHIO COSTUMES	100-4300-600.250.000	417.04
NICOLETTE ANDERSEN	12/21/2023	AMAZON	SAC - RIDE THE CYCLONE - RETURN	605-4300-656.910.000	(37.30)
PATRICK HERNANDEZ	12/11/2023	AMAZON	REFUND TO CITY OF SELMA	800-0000-220.000.000	119.81
PATRICK HERNANDEZ	12/22/2023	AMAZON	NETGEAR 8 PORT SWITCH	704-9600-600.250.000	23.85
POLICE DEPARTMENT NO 1	11/22/2023	USPS	MAIL PACKAGE TO ANA CARRIZALEZ	100-2100-600.120.000	18.95
POLICE DEPARTMENT NO 1	12/4/2023	PETCO	DOG FOOD K-9	100-2200-600.250.000	133.92
POLICE DEPARTMENT NO 2	12/7/2023	AIRDATA	SOFTWARE ACCESS/DRONE PROGRAM	100-2200-600.250.000	(133.94)
RENE GARZA	11/21/2023	FAST N EASY GAS	FUEL	701-9200-600.257.000	66.62
RENE GARZA	11/22/2023	AMAZON MARKET	WARRANTY FOR MINI I-PAD FOR DRONE	100-2100-600.250.000	65.99
RENE GARZA	11/30/2023	CHEVRON GAS STATION	FUEL	701-9200-600.257.000	50.00
RENE GARZA	11/30/2023	HILTON HOTEL	LODGING FOR TRAINING	100-2100-610.920.000	621.04
RENE GARZA	12/4/2023	C21 CLETS	TITLE 15 TRAINING/REGISTRATION	100-2200-610.910.000	200.00
RENE GARZA	12/7/2023	76 GAS STATION	FUEL	701-9200-600.257.000	57.24
RENE GARZA	12/7/2023	AIR TABLE	DISPATCH SOFTWARE	100-2100-600.470.000	1,200.00
RENE GARZA	12/13/2023	HILTON HOTEL	LODGING FOR TRAINING	100-2100-610.920.000	120.91
RENE GARZA	12/14/2023	CHEVRON GAS STATION	FUEL	701-9200-600.257.000	62.52

US BANK INVOICE FOR CALCARD CHARGES: 11/23/23-12/22/23

EMPLOYEE NAME	TRANSACTION DATE	VENDOR NAME	DESCRIPTION OF PURCHASE	ACCOUNT NUMBER	AMOUNT
REYNA RIVERA	11/27/2023	COLUMN PUBLIC NOTICE.COM	PH COUNCIL LIMIT TERMS	100-1700-600.210.000	83.57
REYNA RIVERA	11/27/2023	COLUMN PUBLIC NOTICE.COM	SPECIAL EVENTS ORDINANCE ADOPTION	100-1700-600.210.000	94.96
REYNA RIVERA	11/28/2023	CANVA	SUBSCRIPTION	100-1700-600.215.000	27.49
REYNA RIVERA	11/29/2023	UNIQUELY YOURS	URESTI RETIREMENT PLAQUE - FD	100-2500-600.250.000	48.93
REYNA RIVERA	12/12/2023	COLUMN PUBLIC NOTICE.COM	PH ANIMAL CONTROL	100-1700-600.210.000	157.58
REYNA RIVERA	12/12/2023	COLUMN PUBLIC NOTICE.COM	PH BID AMENDMENT	100-1700-600.210.000	153.79
RICHARD FIGUEROA	12/1/2023	WAL-MART	EXTERNAL HARD-DRIVES (23-1486/HOMICIDE CASE)	100-2200-600.250.000	128.10
RICHARD FIGUEROA	12/18/2023	76 GAS STATION	FUEL -N123	701-9200-600.257.000	57.64
ROBYN LEWIS	11/30/2023	PARTY CITY	CHRISTMAS FLOAT DECORATIONS	100-2100-600.250.000	36.25
ROBYN LEWIS	12/5/2023	ME N EDS PIZZA	LUNCH FOR SIG TRAINING	100-2200-600.250.000	130.68
ROBYN LEWIS	12/5/2023	SIERRA MARKET	SUPPLIES FOR LUNCH/SIG TRAINING	100-2200-600.250.000	9.99
ROBYN LEWIS	12/6/2023	AMAZON	SUPPLIES	100-2100-600.250.000	13.00
ROBYN LEWIS	12/6/2023	AMAZON	SUPPLIES-EXTERNAL HARD DRIVE DETECTIVES UNIT	100-2100-600.250.000	57.48
ROBYN LEWIS	12/6/2023	PITNEY BOWES	POSTAGE INK	100-2200-600.400.000	117.02
ROBYN LEWIS	12/7/2023	ME N EDS PIZZA	LUNCH FOR SIG TRAINING	100-2200-600.250.000	118.10
ROBYN LEWIS	12/11/2023	AMAZON	SUPPLIES - THUMB DRIVES DETECTIVE UNIT	100-2100-600.250.000	78.08
ROBYN LEWIS	12/18/2023	BLOOMIE'S	CARD FOR OFC GORMAN - FATHER PASSED	100-2100-600.250.000	5.37
ROBYN LEWIS	12/19/2023	WAL-MART	LUNCH SANDWICHES FOR WARRANT DETAIL	100-2100-600.400.000	89.49
ROBYN LEWIS	12/20/2023	FROM YOU FLOWERS	PLANT FOR OFC FORMAN - FATHER PASSED	100-2100-600.400.000	83.40
ROBYN LEWIS	12/21/2023	GALLS	REFUND	100-2100-600.400.000	(83.90)
ROBYN LEWIS	12/21/2023	WRISTBAND BROS	WRISTBANDS FOR CARRASCO MEMORIAL	100-2100-600.400.000	232.00
RUDOLFO ALCARAZ	12/3/2023	SAM'S CLUB	SNACK BAR	800-0000-121.000.000	178.98
RUDOLFO ALCARAZ	12/9/2023	LEGENDS TAPHOUSE	UNIFORM INSPECTION BREAKFAST	100-2300-600.400.000	784.62
TIFFANY FLORES	11/30/2023	DELI DELICIOUS	REBRAND KICK-OFF MEETING: CM AND A. AGUIRRE	100-1300-610.920.000	19.76
TIFFANY FLORES	11/30/2023	DELI DELICIOUS	REBRAND KICK-OFF MEETING: CM AND A. AGUIRRE	100-1300-610.920.000	3.62
TIFFANY FLORES	12/5/2023	DOMINO'S PIZZA	COUNCIL MEETING	100-1300-610.920.000	53.08
TIFFANY FLORES	12/5/2023	DOMINO'S PIZZA	COUNCIL MEETING	100-1300-610.920.000	36.86
TIFFANY FLORES	12/11/2023	AMAZON.COM	OFFICE SUPPLIES	100-1300-600.250.000	118.65
TIFFANY FLORES	12/15/2023	RITE AID	EMPLOYEE APPRECIATION	100-1300-610.000.000	50.00
TIFFANY FLORES	12/18/2023	DROPBOX.COM	SUBSCRIPTION	100-1300-610.900.000	19.99
TIM CANNON	12/14/2023	SHELL OIL GAS STATION	FUEL - TRAINING	701-9200-600.257.000	73.22
TIM CANNON	12/18/2024	HILTON HOTEL - TRAINING	HOTEL - TRAINING	100-2200-610.910.000	738.30
					84,136.57

CITY MANAGER’S/STAFF’S REPORT

COUNCIL AND SELMA PUBLIC FINANCING AUTHORITY MEETING DATE:

February 5, 2024

ITEM NO: 1.A

SUBJECT: RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELMA AUTHORIZING AND APPROVING THE ISSUANCE OF LEASE REVENUE BONDS, 2024 SERIES A (WASTEWATER INFRASTRUCTURE PROJECTS), IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8,000,000; APPROVING THE EXECUTION AND DELIVERY OF A SITE AND FACILITY LEASE, A LEASE AGREEMENT, A TERM SHEET AND A PLACEMENT AGENT AGREEMENT, AND AUTHORIZING ACTIONS AND EXECUTION OF DOCUMENTS RELATED THERETO

ITEM NO: 1.B

SUBJECT: RESOLUTION OF THE SELMA PUBLIC FINANCING AUTHORITY APPROVING THE ISSUANCE OF LEASE REVENUE BONDS, 2024 SERIES A (WASTEWATER INFRASTRUCTURE PROJECTS), IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8,000,000; APPROVING THE EXECUTION AND DELIVERY OF A SITE AND FACILITY LEASE, A LEASE AGREEMENT, AN ASSIGNMENT AGREEMENT, AN INDENTURE, A TERM SHEET AND A PLACEMENT AGENT AGREEMENT; AND AUTHORIZING ACTIONS AND EXECUTION OF DOCUMENTS RELATED THERETO

BACKGROUND: In order to support housing development, meet our Regional Housing Needs Allocation (RHNA) target, and facilitate economic development, the City of Selma is in need of significant upgrades, repairs, and construction of wastewater collection facilities within the City. Currently, various residential and commercial development projects are at a stand-still due to the high cost of the necessary upgrades. Development/reimbursement agreements would be entered into between the City and the developers of the benefitting projects to reimburse the City for the cost of the improvements.

The Selma Wastewater Collection Infrastructure Upgrade Project (“the Project”) will provide significant benefits to the Selma community and residents of Fresno County by funding critical infrastructure to support jobs and housing.

Selma is one of Fresno County’s most prominent small cities, located centrally on State Route (SR) 99 within a 15-minute drive south of Fresno along SR 99. The City of Fresno, which is Selma’s metropolitan neighbor to the north, has itself been on a growth trajectory and is experiencing housing inventory shortages, making some of the outlying communities, like Selma, attractive to people who want to remain in the Fresno-Metro region.

Despite its ideal location along SR 99 and its existing commercial activity, Selma's economic growth has been limited by a lack of investment in critical infrastructure. The City's aging sewer infrastructure, in particular, is at capacity in many areas of town suitable for infill development. Additionally, many areas planned for development near or just outside the City limits depend on very expensive new sewer mains and trunk lines, which make many projects difficult to fund without issuing debt because of the cost and extent of the infrastructure required.

Making the necessary investments in critical infrastructure will facilitate and encourage housing development. This additional housing development and population growth is likely to result in additional commercial development and job creation, while supporting further economic development.

DISCUSSION: City staff has been working with its independent municipal advisor, NHA Advisors, to analyze and evaluate the capacity to finance the Project. NHA Advisors and the financing team have conducted their own due diligence to ascertain a preferred Plan of Finance that funds the Project and helps maintain the City's financial sustainability and resiliency. The Project will include the East Selma Wastewater Trunk Line Project.

Bond Structure:

The legal structure for the contemplated bond financing ("2024 Bonds") will be a lease revenue bond structure. Under such structure, the City's General Fund revenues provide repayment for the 2024 Bonds, and physical assets are required to serve as the "Leased Asset" to support the financing. This financing structure is similar to what the City executed in 2015 to refinance prior Lease Obligations. Under a lease revenue financing structure, a City cannot legally make debt payments unless it has beneficial use and possession of the facilities that will serve as the leased asset for the financing. The fair rental value of the leased property must be no less than the debt service on the lease revenue bonds. There is no security interest (lien) given in the City leased property.

Existing City assets have been identified as of suitable quality and value to serve as leased assets. These leased assets to support the 2024 Bonds are expected to include Fire Station No. 2, the Old Police Station, the Selma Arts Center and the City's existing wastewater system. Following installation of the East Selma Wastewater Trunk Line Project, the City's existing wastewater system is expected to be substituted out of the leased property and the East Selma Wastewater Trunk Line Project is expected to be added in its place. The purchaser of the bonds will be reviewing the proposed properties as part of its credit approval process.

It is expected that the 2024 Bonds will be supported by a level annual lease payment structure that begins amortizing principal immediately and has a final maturity of February 1, 2049.

Financing Documents and Schedule:

Being presented for approval by the City Council and the Authority, as applicable, are the following documents:

Site and Facility Lease: This is an agreement between the City and the Authority providing the mechanism from which the Authority may then lease the identified asset back to the City in exchange for the lease payments sufficient to pay debt service on the 2024 Bonds.

Lease Agreement: This agreement provides for the leasing of the identified asset back from the Authority to the City in exchange for semi-annual lease payments commensurate with the debt service on the 2024 Bonds. The City’s General Fund will make the lease payments over the term of the Lease Agreement.

Assignment Agreement: This is an agreement between the Authority and the Trustee providing the mechanism from which the Authority assigns its rights, title and interest in and to the Lease and Site Lease to the Trustee.

Indenture: The Indenture formalizes the relationship between the Selma Public Financing Authority (issuing the 2024 Bonds) and U.S. Bank Trust Company, National Association (“U.S. Bank”) as trustee for the 2024 Bonds. The Indenture describes the terms of the 2024 Bonds, including the payment terms and schedule, prepayment options, other covenants related to the 2024 Bonds, and other administrative items.

Term Sheet: This document summarizes the key terms offered by Capital One Public Funding, LLC (“Purchaser”). Pending approval by the City Council and the Authority, the terms in this document will be used to fill in many of the terms in the other documents.

Placement Agent Agreement: The Placement Agent Agreement among the City, the Authority and Oppenheimer & Co. Inc., which is acting as placement agent for the 2024 Bonds. This agreement defines Oppenheimer & Co. Inc.'s role in placing the 2024 Bonds with the Purchaser and identifies the amount to be paid to Oppenheimer & Co. Inc. for services provided in that role. This fee is contingent upon a successful closing of the 2024 Bonds.

If City Council and Authority Board elect to approve the two resolutions, City staff will work with the financing team to immediately ready the 2024 Bond transaction for a private placement. Below is a summary of the anticipated financing schedule:

Date	Activity
2/5/24	City Council and Authority Board Approve Financing Resolutions
2/6/24	Sign Term Sheet
Before 4/4/24	Close Financing

The City Council resolution sets forth certain parameters upon any sale of the Bonds. These parameters include a par amount of the bonds not to exceed \$8,000,000.

FISCAL IMPACT: Based on the term sheet, a General Fund backed lease financing that raises approximately \$8,000,000 million for wastewater collection facilities will cost approximately \$566,000 annually in lease payments through February 1, 2049, with payments beginning August 1, 2024.

RECOMMENDATION: Adoption of each of the resolutions.

RESOLUTION NO. ____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELMA AUTHORIZING AND APPROVING THE ISSUANCE OF LEASE REVENUE BONDS, 2024 SERIES A (WASTEWATER INFRASTRUCTURE PROJECTS), IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8,000,000; APPROVING THE EXECUTION AND DELIVERY OF A SITE AND FACILITY LEASE, A LEASE AGREEMENT, A TERM SHEET AND A PLACEMENT AGENT AGREEMENT, AND AUTHORIZING ACTIONS AND EXECUTION OF DOCUMENTS RELATED THERETO

WHEREAS, the Selma Public Financing Authority (the “Authority”) has been formed pursuant to a Joint Exercise of Powers Agreement, dated as of February 18, 1992 (the “Agreement”), by and between the City of Selma (the “City”) and the Successor Agency to the Redevelopment Agency of the City of Selma, and is authorized under the Agreement and under the laws of the State of California (the “State”) to finance and refinance public capital improvements for any of its members; and

WHEREAS, the City desires to finance the acquisition, construction and improvement of wastewater collection infrastructure projects in the City (the “Wastewater Infrastructure Projects”); and

WHEREAS, it has been proposed that the Authority assist the City in providing funds to finance the Wastewater Infrastructure Projects by entering into an Indenture, dated as of February 1, 2024 (the “Indenture”), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee and providing for the issuance and delivery of the Authority’s Lease Revenue Bonds, 2024 Series A (Wastewater Infrastructure Projects) (the “Bonds”); and

WHEREAS, Section 5852.1 of the Government Code of the State requires that the governing body of a public body prior to authorizing the issuance of bonds with a term of greater than 13 months, obtain good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SELMA, CALIFORNIA DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Approval of Bonds. The City Council hereby approves the issuance and sale of the Authority’s Lease Revenue Bonds, 2024 Series A (Wastewater Infrastructure Projects), in the aggregate principal amount not to exceed \$8,000,000 to be issued in accordance with the terms of, and in the form set forth in, the Indenture. The Mayor or the City Manager or their individual designees (each, a “Responsible Officer”) are each hereby authorized to accept a

proposal to purchase the Bonds from Capital One Public Funding, LLC (the “Purchaser”) in accordance with the Term Sheet (defined below); provided, however, that the interest rate on the Bonds shall not exceed the interest rate set forth in the Term Sheet presented to the City Council. The Bonds may be issued on a bank qualified or non-bank qualified basis as determined by a Responsible Officer (defined herein).

Section 2. Approval of the Site and Facility Lease. The City Council hereby approves the Site and Facility Lease in substantially the form on file with the City Clerk of the City and presented to the City Council at this meeting. Any Responsible Officer is each hereby authorized to execute the Site and Facility Lease in substantially such form, with such revisions, amendments and completions as shall be approved by a Responsible Officer, with the advice of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. Approval of the Lease Agreement. The City Council hereby approves the Lease Agreement in substantially the form on file with the City Clerk of the City and presented to the City Council at this meeting. Any Responsible Officer is hereby authorized to execute the Lease Agreement in substantially such form, with such revisions, amendments and completions as shall be approved by a Responsible Officer, with the advice of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. Private Placement; Placement Agent Agreement. Any Responsible Officer is authorized to accept the proposal to purchase the Bonds described in the term sheet (the “Term Sheet”) the Purchaser. The City Council hereby approves the Term Sheet in substantially the form on file with the City Clerk of the City and presented to the City Council at this meeting. Any Responsible Officer is hereby authorized to execute the Term Sheet in substantially such form, with such revisions, amendments and completions as shall be approved by a Responsible Officer, with the advice of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof. The City Council hereby approves private placement of the Bonds, subject to the authorization and limitations set forth herein and final delivery of the documents authorized hereby. The City Council hereby approves the Placement Agent Agreement in substantially the form on file with the City Clerk of the City and presented to the City Council at this meeting. Any Responsible Officer is hereby authorized to execute the Placement Agent Agreement, in substantially such form, with such revisions, amendments and completions as shall be approved by a Responsible Officer, with the advice of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. Good Faith Cost Estimates. In accordance with Section 5852.1 of the Government Code of the State, good faith estimates of the following are set forth on Exhibit A attached hereto: (a) the true interest cost of the Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Bonds, (c) the amount of proceeds of the Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Bonds, and (d) the sum total of all debt service payments on the Bonds calculated to the final maturity of the Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Bonds.

Section 6. Official Actions. The Responsible Officers, the City Clerk and all other officers of the City are hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all other actions, including the publication of any notices necessary or desirable in connection with the issuance and sale of the Bonds, the release or substitution of properties leased under the Site and Facility Lease and the Lease Agreement through amendments in accordance with their respective terms, procurement of municipal bond insurance, if any, and reserve fund surety bond, if any, elimination of a reserve fund, and execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, deem necessary or advisable to consummate the lawful issuance and sale of the Bonds and the consummation of the transactions as described herein.

Section 7. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Selma, California held on the ____ day of _____ 2024.

CITY OF SELMA

Scott Robertson, Mayor

ATTEST:

Reyna Rivera, City Clerk

STATE OF CALIFORNIA)
COUNTY OF FRESNO)
CITY OF SELMA)

I, Reyna Rivera, City Clerk of the City of Selma, California do hereby certify that the foregoing Resolution No. 24-__ was duly and regularly adopted at a regular meeting of the City Council of the City of Selma, California, held on _____ 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By _____
Reyna Rivera, City Clerk

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City by NHA Advisors, LLC, the City's Municipal Advisor (the "Municipal Advisor").

Principal Amount. The Municipal Advisor has informed the City that, based on the City's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bonds to be sold is \$8,000,000 (the "Estimated Principal Amounts").

True Interest Cost of the Bonds. The Municipal Advisor has informed the City that, assuming that the respective Estimated Principal Amounts of the Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 4.93%.

Finance Charge of the Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amounts of the Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is \$250,000.

Amount of Proceeds to be Received. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amounts of the Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the City for sale of the Bonds, less the finance charge of the Bonds, as estimated above, and any capitalized interest on the Bonds paid or funded with proceeds of the Bonds, is \$7,750,000.

Total Payment Amount. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amounts of the Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay lease payments that will pay debt service on the Bonds, plus the finance charge for the Bonds, as described above, not paid with the respective proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$14,043,194.

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates on January 29, 2024. The actual principal amount of the Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates, (b) the actual

principal amount of Bonds sold being different from the respective Estimated Principal Amounts, (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the City's financing plan, or a combination of such factors. The actual date of sale of the Bonds and the actual principal amount of Bonds sold will be determined by the City based on various factors. The actual interest rates borne by the Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.

RESOLUTION NO. ____

RESOLUTION OF THE SELMA PUBLIC FINANCING AUTHORITY APPROVING THE ISSUANCE OF LEASE REVENUE BONDS, 2024 SERIES A (WASTEWATER INFRASTRUCTURE PROJECTS), IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8,000,000; APPROVING THE EXECUTION AND DELIVERY OF A SITE AND FACILITY LEASE, A LEASE AGREEMENT, AN ASSIGNMENT AGREEMENT, AN INDENTURE, A TERM SHEET AND A PLACEMENT AGENT AGREEMENT; AND AUTHORIZING ACTIONS AND EXECUTION OF DOCUMENTS RELATED THERETO

WHEREAS, the Selma Public Financing Authority (the “Authority”) has been formed pursuant to a Joint Exercise of Powers Agreement, dated February 18, 1992 (the “Agreement”), by and between the City of Selma (the “City”) and the Successor Agency to the Redevelopment Agency of the City of Selma, and is authorized under the Agreement and under the laws of the State of California (the “State”) to finance and refinance public capital improvements for any of its members; and

WHEREAS, the City desires to finance the acquisition, construction and improvement of wastewater collection infrastructure projects in the City (the “Wastewater Infrastructure Projects”); and

WHEREAS, it has been proposed that the Authority assist the City in providing funds to finance the Wastewater Collection Infrastructure Projects by entering into an Indenture, dated as of February 1, 2024 (the “Indenture”), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee, and providing for the issuance and delivery of the Authority’s Lease Revenue Bonds, 2024 Series A (Wastewater Infrastructure Projects) (the “Bonds”); and

WHEREAS, Section 5852.1 of the Government Code of the State requires that the governing body of a public body prior to authorizing the issuance of bonds with a term of greater than 13 months, obtain good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds;

WHEREAS, the Board of Directors (the “Board”) of the Authority has duly considered the issuance and sale of the Bonds and wishes at this time to approve the issuance and sale of the Bonds; and

WHEREAS, the City Council has approved the Site and Facility Lease, the Lease, the Term Sheet (defined below) and the Placement Agent Agreement;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SELMA PUBLIC FINANCING AUTHORITY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Approval of the Issuance of the Bonds. The Board hereby approves the issuance and sale of the Bonds in the aggregate principal amount not to exceed \$8,000,000, to be issued in accordance with the terms of, and in the form set forth in, the Indenture. The Chairman, the Vice-Chairman, or the Executive Director of the Authority, or their individual designees, or any member of the Board (each, a “Responsible Officer”) are each hereby authorized to accept a proposal to purchase the Bonds from Capital One Public Funding, LLC (the “Purchaser”) in accordance with the Term Sheet; provided, however, that the interest rate on the Bonds shall not exceed the interest rate set forth in the Term Sheet presented to the City Council. The Bonds may be issued on a bank qualified or non-bank qualified basis as determined by a Responsible Officer (defined herein).

Section 2. Approval of the Site and Facility Lease. The Board hereby approves the Site and Facility Lease in substantially the form on file with the Secretary of the Authority and presented to the Board at this meeting. Any Responsible Officer is hereby authorized to execute the Site and Facility Lease in substantially such form, with such revisions, amendments and completions as shall be approved by a Responsible Officer, with the advice of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. Approval of the Lease Agreement. The Board hereby approves the Lease Agreement in substantially the form on file with the Secretary of the Authority and presented to the Board at this meeting. Any Responsible Officer is hereby authorized to execute the Lease Agreement in substantially such form, with such revisions, amendments and completions as shall be approved by a Responsible Officer, with the advice of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. Approval of the Assignment Agreement. The Board hereby approves the Assignment Agreement in substantially the form on file with the Secretary of the Authority and presented to the Board at this meeting. Any Responsible Officer is hereby authorized to execute the Assignment Agreement in substantially such form, with such revisions, amendments and completions as shall be approved by a Responsible Officer, with the advice of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. Approval of the Indenture. The Board hereby approves the Indenture in substantially the form on file with the Secretary of the Authority and presented to the Board at this meeting. Any Responsible Officer is hereby authorized to execute the Indenture in substantially such form, with such revisions, amendments and completions as shall be approved by a Responsible Officer, with the advice of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. Private Placement; Placement Agent Agreement. Any Responsible Officer is authorized to accept the proposal to purchase the Bonds described in the term sheet (the “Term Sheet”) of the Purchaser. The Board hereby approves the Term Sheet in substantially the form on file with the Secretary of the Authority and presented to the Board at this meeting. Any Responsible Officer is hereby authorized to execute the Term Sheet in substantially such form, with such revisions, amendments and completions as shall be approved by a Responsible Officer, with the advice of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof. The Board hereby approves private placement of the Bonds, subject to the authorization and limitations set forth herein and final delivery of the documents authorized hereby. The Board hereby approves the Placement Agent Agreement in substantially the form on file with the Secretary of the Authority and presented to the Board at this meeting. Any Responsible Officer is hereby authorized to execute the Placement Agent Agreement, in substantially such form, with such revisions, amendments and completions as shall be approved by a Responsible Officer, with the advice of Bond Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. Good Faith Cost Estimates. In accordance with Section 5852.1 of the Government Code of the State, good faith estimates of the following are set forth on Exhibit A attached hereto: (a) the true interest cost of the Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Bonds, (c) the amount of proceeds of the Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Bonds, and (d) the sum total of all debt service payments on the Bonds calculated to the final maturity of the Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Bonds.

Section 8. Official Actions. The Responsible Officers, the Secretary, and any and all other officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all other actions, including the publication of any notices necessary or desirable in connection with the issuance and sale of the Bonds, the release or substitution of properties leased under the Site and Facility Lease and the Lease Agreement through amendments in accordance with their respective terms, procurement of a municipal bond insurance policy, if any, and reserve fund surety bond, if any, elimination of a reserve fund, and execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, deem necessary or advisable to consummate the lawful issuance and sale of the Bonds and the consummation of the transactions as described herein.

Section 9. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED at a regular meeting of Board of Directors of the Selma Public Financing Authority held on the ___ day of _____ 2024.

SELMA PUBLIC FINANCING AUTHORITY

Scott Robertson, Chairperson

ATTEST:

Reyna Rivera, Secretary

STATE OF CALIFORNIA)
COUNTY OF FRESNO)
CITY OF SELMA)

I, Reyna Rivera, Secretary of the Selma Public Financing Authority do hereby certify that the foregoing Resolution No. 24-__ was duly and regularly adopted at a regular meeting of the Selma Public Financing Authority held on _____, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By _____
Reyna Rivera, Secretary

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Authority by NHA Advisors, LLC, the City's Municipal Advisor (the "Municipal Advisor").

Principal Amount. The Municipal Advisor has informed the Authority that, based on the City's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bonds to be sold is \$8,000,000 (the "Estimated Principal Amounts").

True Interest Cost of the Bonds. The Municipal Advisor has informed the Authority that, assuming that the respective Estimated Principal Amounts of the Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 4.93%.

Finance Charge of the Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amounts of the Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is \$250,000.

Amount of Proceeds to be Received. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amounts of the Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the Authority for sale of the Bonds, less the finance charge of the Bonds, as estimated above, and any capitalized interest on the Bonds paid or funded with proceeds of the Bonds, is \$7,750,000.

Total Payment Amount. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amounts of the Bonds are sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the Authority will make to pay debt service on the Bonds, plus the finance charge for the Bonds, as described above, not paid with the respective proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$14,043,194.

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates on January 29, 2024. The actual principal amount of the Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates, (b) the actual

principal amount of Bonds sold being different from the respective Estimated Principal Amounts, (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the Authority's financing plan, or a combination of such factors. The actual date of sale of the Bonds and the actual principal amount of Bonds sold will be determined by the Authority based on various factors. The actual interest rates borne by the Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Authority.

AFTER RECORDATION PLEASE RETURN TO:
Norton Rose Fulbright US LLP
555 South Flower Street, Suite 4100
Los Angeles, California 90071
Attention: Stepan A. Haytayan, Esq.

LEASE AGREEMENT

Dated as of February 1, 2024

by and between

SELMA PUBLIC FINANCING AUTHORITY

and

CITY OF SELMA

Relating to

[\$[Par Amount]
Selma Public Financing Authority
Lease Revenue Bonds, 2024 Series A
(Wastewater Infrastructure Projects)

THIS IS A FINANCING DOCUMENT.
NO DOCUMENTARY TRANSFER TAX IS DUE PURSUANT
TO REVENUE AND TAXATION CODE SECTION 11922
AND THIS DOCUMENT IS EXEMPT FROM RECORDING FEES
PURSUANT TO GOVERNMENT CODE SECTION 27383

SECTION 1.	DEFINITIONS.....	2
SECTION 2.	TERM	3
SECTION 3.	RENTAL.....	3
SECTION 4.	USE OF PROCEEDS	5
SECTION 5.	MAINTENANCE, UTILITIES, TAXES AND ASSESSMENTS.....	5
SECTION 6.	CHANGES TO THE LEASED PROPERTY.....	6
SECTION 7.	TAX COVENANTS	6
SECTION 8.	SUBSTITUTION, ADDITION AND RELEASE OF PROPERTY.....	10
SECTION 9.	INSURANCE.....	11
SECTION 10.	DAMAGE, DESTRUCTION AND CONDEMNATION; APPLICATION OF NET PROCEEDS	13
SECTION 11.	DEFAULT	14
SECTION 12.	PREPAYMENT AND CREDITS.....	16
SECTION 13.	MECHANICS' LIENS	17
SECTION 14.	QUIET ENJOYMENT.....	17
SECTION 15.	INDEMNIFICATION.....	17
SECTION 16.	ASSIGNMENT.....	18
SECTION 17.	ABATEMENT OF RENTAL.....	18
SECTION 18.	CONTINUING DISCLOSURE.....	19
SECTION 19.	WAIVER.....	19
SECTION 20.	NET LEASE	19
SECTION 21.	AMENDMENTS.	19
SECTION 22.	ESSENTIALITY.....	20
SECTION 23.	GOVERNING LAW.....	20
SECTION 24.	NOTICES.....	20
SECTION 25.	VALIDITY AND SEVERABILITY	20
SECTION 26.	SECTION HEADINGS	21
SECTION 27.	NO MERGER.....	21
SECTION 28.	EXECUTION.....	21

EXHIBIT A-1 — DESCRIPTION OF THE LEASED REAL PROPERTY

EXHIBIT A-2 — DESCRIPTION OF THE LEASED WASTEWATER SYSTEM PROPERTY

EXHIBIT B — BASE RENTAL PAYMENT SCHEDULE

LEASE AGREEMENT

This Lease Agreement, dated as of February 1, 2024 (this “Lease”), is made by and between the SELMA PUBLIC FINANCING AUTHORITY, a joint powers authority duly organized and existing under the Constitution and the laws of the State of California (the “Authority”), as lessor, and the CITY OF SELMA, a general law city duly organized and existing under the laws of the State of California (the “City” or “Lessee”), as lessee.

RECITALS:

WHEREAS, the City of Selma, California (the “City”) and the Successor Agency to the Redevelopment Agency of the City of Selma, have entered into a Joint Exercise of Powers Agreement, dated as of February 18, 1992, establishing the Selma Public Financing Authority (the “Authority”) for the purpose of, among other things, issuing its bonds to be used to provide financing and refinancing of obligations of the City; and

WHEREAS, the Authority has determined to issue its Lease Revenue Bonds, 2024 Series A in the aggregate principal amount of \$[Par Amount] (the “Bonds”) pursuant to an Indenture, dated as of February 1, 2024 (the “Indenture”), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”) for the purposes of (i) funding all or a portion of the Project, (ii) funding a debt service reserve for the Bonds, (iii) funding a portion of interest for the Bonds and (iv) paying the related costs of issuing the Bonds; and

WHEREAS, in connection with the issuance of the Bonds, the City and the Authority have entered into a Site and Facility Lease, dated as of February 1, 2024 (the “Site Lease”), whereby the Authority has agreed to lease the Leased Property described in Exhibit A-1 and Exhibit A-2, consisting of the [_____] in the City; and

WHEREAS, the Authority, pursuant to this Lease, will sublease the Leased Property described in Exhibit A-1 and Exhibit A-2 to the City, in consideration for base rental payments to be made by the City pursuant to this Lease, in accordance with the base rental schedule in Exhibit B, that corresponds in amount to the principal and interest coming due with respect to the Bonds; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Lease Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Lease;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. DEFINITIONS

Terms used herein and not otherwise defined herein but defined in the Indenture shall have the meanings ascribed to them in the Indenture. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Lease, have the meanings herein specified, the following definitions to be equally applicable to both the singular and plural forms of any of the terms herein defined:

“Additional Rental Payments” means Additional Rental Payments due under Section 3(b) hereof.

“Base Rental Payments” means base rental payments to be made by the City in accordance with this Lease, including the base rental schedule attached hereto as Exhibit B in connection with the Bonds.

“Expiration Date” means February 1, 20__.

“Final Completion of the Project” means the construction, the installation of improvements and the substantial readiness of the Project for use and occupancy by the City (subject to minor architectural finish items e.g., “punch list” items) as evidenced by the delivery of the Written Certificate of Project Completion (in the form of Exhibit E to the Indenture).

“Insurance Consultant” means an individual or firm retained by the City as an independent insurance consultant, experienced in the field of risk management.

“Interest Component” means the interest component of any Base Rental Payments as set forth in Exhibit B hereto.

“Lease” means this Lease Agreement as it may be amended from time to time in accordance with Section 8.

“Leased Property” means, collectively, the Leased Real Property and the Leased Wastewater System Property .

“Leased Real Property” means the Leased Real Property of the City, as more particularly described in Exhibit A-1.

“Leased Wastewater System Property” means the Leased Wastewater System Property of the City, as more particularly described in Exhibit A-2.

“Net Proceeds” means proceeds of any casualty or title insurance or condemnation awards, paid with respect to the Leased Property remaining after payment therefrom of all expenses in the collection thereof.

“Permitted Encumbrances” means, with respect to the Leased Property, as of any particular time, (i) the Site Lease; (ii) this Lease, (iii) the Indenture, (iv) the Assignment Agreement and the Trustee’s and the Authority’s interests in the Leased Property, (v) liens for taxes and assessments not then delinquent, (vi) utility, access and other easements and rights of way,

restrictions and exceptions that as certified in a Certificate of the City will not interfere with or impair the use intended to be made of the Leased Property; (vii) encumbrances upon any additions and improvements to the Leased Property as permitted in this Lease and which do not materially impair the use intended to be made of the portions of the Leased Property other than such additions and improvements; (viii) any sublease or use permitted by this Lease, (viii) covenants, conditions or restrictions or liens of record relating to the Leased Property and existing on the Closing Date; and (ix) such minor defects, irregularities, encumbrances and clouds on title as normally exist with respect to property similar in character to the Leased Property and as do not materially impair the use intended to be made of property affected thereby.

“Principal Component” means the principal component of any Base Rental Payments as set forth in Exhibit B hereto.

SECTION 2. TERM

The Authority hereby leases to the City and the City hereby leases from the Authority, on the terms and conditions hereinafter set forth, the Leased Property. The term of this Lease shall commence on _____, 2024.

The term of the leasehold interest created hereby shall expire on the earliest of (i) the Expiration Date; (ii) the date the last Base Rental Payment is made under the provisions hereof; or (iii) the date of discharge of all of the Bonds pursuant to Section 10.03 of the Indenture. Notwithstanding the foregoing, the term of this Lease shall automatically be extended for a period of ten (10) years, if, on the Expiration Date, the Bonds have not been fully discharged, and shall terminate on the date when the Bonds have been fully discharged.

SECTION 3. RENTAL

Subject to the provisions of Sections 11 and 16 hereof, the City agrees to pay to the Authority, its successors or assigns, as rental for the use and possession of the Leased Property, the following amounts at the following times:

(a) Base Rental Payments; Additional Rental Payments. The City shall pay the Base Rental Payments to the Trustee, as assignee of the Authority, as hereinafter provided, in accordance with the Base Rental Payment Schedule attached hereto as Exhibit B, less any amounts credited against the Base Rental Payments pursuant to Section 4.02(c) of the Indenture. The City shall pay to the Trustee the Base Rental Payments coming due fifteen (15) Business Days prior to the next succeeding February 1 and August 1, respectively, as set forth in Exhibit B and such payments shall constitute payment in arrears in consideration for the City’s use and possession of the Leased Property for the six-month period preceding the due date of such Base Rental Payments.

(b) Additional Rental Payments. The City shall also pay, as “Additional Rental Payments” hereunder, in addition to the Base Rental Payments, to the Trustee, as assignee of the Authority, as hereinafter provided, such amounts in each year as shall be required for the payment of all costs and expenses (not otherwise paid for or provided for out of the proceeds of sale of the Bonds) incurred by the Authority or the Trustee in connection with the execution, performance or enforcement of this Lease or the assignment hereof, the Indenture, or the Authority’s or the Trustee’s interest in the Leased Property, including, but not limited to, all fees, costs and expenses,

all administrative costs of the Authority relating to the Leased Property (including, without limiting the generality of the foregoing, salaries and wages of employees, overhead, insurance premiums, taxes and assessments (if any), expenses, compensation and indemnification of the Trustee payable by the Authority under the Indenture), fees and expenses of auditors, accountants, attorneys or engineers, all other reasonable and necessary administrative costs of the Authority or all other fees, expenses and charges required to be paid by the Authority or the Trustee to comply with the terms of the Bonds or of the Indenture. Such Additional Rental Payments shall be billed to the City by the Authority or the Trustee from time to time. Amounts so billed shall be paid by the City within sixty (60) days after receipt of the bill by the City.

(c) Fair Rental Value. Such payments of Base Rental Payments and Additional Rental Payments for each rental payment period shall constitute the total rental for such rental payment period, and shall be paid by the City in each rental payment period for and in consideration of the right of the use and possession of, and the continued quiet use and enjoyment of, the Leased Property during each such period for which said rental is to be paid. The City represents and covenants that the useful life of the Leased Property is not shorter than the final maturity of the Bonds. The parties to the Lease specifically acknowledge that the annual fair rental value of the Leased Property is in excess of the maximum annual Base Rental Payments. In making such determination, consideration has been given to other obligations of the parties under this Lease, the uses and purposes which may be served by the Leased Property and the benefits therefrom which will accrue to the City and the general public. The determination of fair rental value of the Leased Property pursuant to this paragraph shall not be deemed to be controlling in connection with a determination of fair value of the Leased Property by the parties hereto for any other purpose.

(d) Payment of Base Rental Payments. Each installment of Base Rental Payments payable hereunder shall be paid in lawful money of the United States of America to the order of the Trustee at the designated corporate trust office of the Trustee in Los Angeles, California, or such other place as the Trustee shall designate. The Base Rental Payments shall be made on a *pari passu* basis with each other. Notwithstanding any dispute between the City and the Authority, the City shall make all Base Rental Payments when due, without deduction or offset of any kind, and shall not withhold any Base Rental Payments pending the final resolution of any such dispute. In the event of a determination that the City was not liable for said Base Rental Payments or any portion thereof, said Base Rental Payments or excess of payments, as the case may be, shall, at the option of the City, be credited against subsequent Base Rental Payments due hereunder or be refunded at the time of such determination.

(e) Increases in Aggregate Base Rental Payments. The City covenants that it shall not permit an increase in the Base Rental Payments without first obtaining an opinion of Bond Counsel to the effect that the incurring of such increased Base Rental Payments will not impair the validity and enforceability of this Lease.

(f) Covenant to Budget and Appropriate. The City covenants to take such action as may be necessary to include all Base Rental Payments and Additional Rental Payments due hereunder in its annual budget and to make the necessary annual appropriations for all such Base Rental Payments and Additional Rental Payments, subject only to abatement as provided in Section 16 hereof. The City will furnish to the Authority and the Trustee annually, on or before

October 1, a certificate stating that it has complied with the covenant set forth in this paragraph. The covenants on the part of the City herein contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the City to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in this Lease agreed to be carried out and performed by the City.

The obligation of the City to make Base Rental Payments or Additional Rental Payments does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the Bonds nor the obligation of the City to make Base Rental Payments or Additional Rental Payments constitutes an indebtedness of the City, the State or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

SECTION 4. USE OF PROCEEDS

The parties hereto agree that the proceeds of the Bonds will be used to provide funds to: (i) finance the acquisition, construction and improvement of wastewater collection infrastructure projects in the City (the “Wastewater Infrastructure Projects”), as described herein, (ii) fund a debt service reserve for the Bonds, (iii) fund a portion of interest for the Bonds and (iv) pay the related costs of issuing the Bonds.

SECTION 5. MAINTENANCE, UTILITIES, TAXES AND ASSESSMENTS

During such time as the City or any assignee or sublessee thereof is in possession of the Leased Property, all maintenance and repair, ordinary or extraordinary, of the Leased Property shall be the responsibility of the City, and the City shall pay for or otherwise arrange for the payment of (a) all utility services supplied to the Leased Property, (b) the cost of operation of the Leased Property, and (c) the costs of maintenance of and repair to the Leased Property resulting from ordinary wear and tear or want of care on the part of the City. The City shall at the City’s sole cost and expense keep and maintain the Leased Property clean and in a safe and good condition and repair. Without limiting the foregoing, the Leased Wastewater System Property may be maintained by the Selma-Kingsburg-Fowler County Sanitation District under an agreement with the City. The Authority shall have no obligation to alter, remodel, improve, repair, decorate, or paint the Leased Property or any part thereof, and the parties hereto affirm that the Authority has made no representations or warranties to the City respecting the condition of the Leased Property.

The City shall comply with all statutes, ordinances, regulations, and other requirements of all governmental entities that pertain to the occupancy or use of the Leased Property. The Authority has no responsibility or obligation whatsoever to construct any improvements, modifications or alterations to the Leased Property.

The City waives the right to make repairs at the Authority’s expense under Subsection 1 of Section 1932 and Section 1942 of the California Civil Code, or any other such law, statute, or ordinance now or hereafter in effect.

The parties hereto contemplate that the Leased Property will be used for public purposes by the City and, therefore, that the Leased Property will be exempt from all taxes presently assessed and levied with respect to real and personal property, respectively. If the use, possession or acquisition by the Authority or the City of the Leased Property is found to be subject to taxation in any form, the City will pay during the term hereof, as the same respectively become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Leased Property and any other property acquired by the City in substitution for, as a renewal or replacement of, or a modification, improvement or addition to the Leased Property; provided, that with respect to any governmental charges or taxes that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as are accrued during such time as this Lease is in effect.

SECTION 6. CHANGES TO THE LEASED PROPERTY

The City shall have the right during the term of this Lease to acquire and construct improvements or to attach fixtures, structures or signs to the Leased Property if such improvements, fixtures, structures or signs are necessary or beneficial for the use of the Leased Property by the City; provided, however, that no such acquisition or construction shall result in a material reduction in the value of the Leased Property, reduce the fair rental value thereof or substantially alter the nature of the Leased Property.

Upon termination of this Lease, the City may remove any fixture, structure or sign added by the City, but such removal shall be accomplished so as to leave the Leased Property, except for ordinary wear and tear and damage by casualty, in substantially the same condition as it was in before the fixture, structure or sign was attached.

SECTION 7. TAX COVENANTS

(a) Special Definitions. When used in this Section, the following terms have the following meanings:

“Code” means the Internal Revenue Code of 1986.

“Computation Date” has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

“Gross Proceeds” means any proceeds as defined in section 1.148-1(b) of the Tax Regulations (referring to sales, investment and transferred proceeds), and any replacement proceeds as defined in section 1.148-1(c) of the Tax Regulations, of the Bonds.

“Investment” has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

“Nonpurpose Investment” means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and that is not acquired to carry out the governmental purposes of that Series of Bonds.

“Rebate Amount” has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

“Tax Regulations” means the United States Treasury Regulations promulgated pursuant to sections 103 and 141 through 150 of the Code, or section 103 of the 1954 Code, as applicable.

“Yield” of any Investment has the meaning set forth in section 1.148-5 of the Tax Regulations; and of any issue of governmental obligations has the meaning set forth in section 1.148-4 of the Tax Regulations.

(b) Not to Cause Interest to Become Taxable. The City covenants that it shall not use, and shall not permit the use of, and shall not omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner that if made or omitted, respectively, could cause the interest on any Bond to fail to be excluded pursuant to Section 103(a) of the Code from the gross income of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the Trustee receives a written opinion of Bond Counsel to the effect that failure to comply with such covenant will not adversely affect such exclusion of the interest on any Bond from the gross income of the owner thereof for federal income tax purposes, the City shall comply with each of the specific covenants in this Section.

(c) Private Use or Private Payments. Except as would not cause any Bond to become a “private activity bond” within the meaning of section 141 of the Code and the Tax Regulations, the City shall take all actions necessary to assure that the City at all times prior to the final cancellation of the last of the Bonds to be retired:

(1) exclusively owns, operates and possesses all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds and not use or permit the use of such Gross Proceeds (including through any contractual arrangement with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) does not directly or indirectly impose or accept any charge or other payment by any person or entity (other than a state or local government) who is treated as using any Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds.

(d) No Private Loan. Except as would not cause any Bond to become a “private activity bond” within the meaning of section 141 of the Code and the Tax Regulations and rulings thereunder, the City shall not use or permit the use of Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (i)

property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction that creates a debt for federal income tax purposes; (ii) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (iii) indirect benefits of such Gross Proceeds, or burdens and benefits of ownership of any property acquired, constructed or improved with such Gross Proceeds, are otherwise transferred in a transaction that is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except as would not cause the Bonds to become “arbitrage bonds” within the meaning of section 148 of the Code and the Tax Regulations and rulings thereunder, the City shall not (and shall not permit any person to), at any time prior to the final cancellation of the last Bond to be retired, directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, would materially exceed the Yield of the Bonds within the meaning of said section 148.

(f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Tax Regulations and rulings thereunder, the City shall take or omit to take (and shall not permit any person to take or omit to take) any action that would cause any Bond to be “federally guaranteed” within the meaning of section 149(b) of the Code and the Tax Regulations and rulings thereunder.

(g) Information Report. The Authority shall timely file any information required by section 149(e) of the Code with respect to Bonds with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Tax Regulations:

(1) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Bond is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of Bonds with its other monies, provided that it separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the City shall calculate, the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Tax Regulations and rulings thereunder. The City shall maintain a copy of the calculation with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date. The Trustee shall not be responsible for calculating Rebate Amounts or for the adequacy or correctness of any rebate report. The Trustee may rely conclusively upon and shall be fully protected from all liability in relying upon the Authority’s, the City’s or a rebate analyst’s determinations, opinions, directions, calculations and certifications. The Trustee shall be deemed conclusively to have complied with the provisions of the Indenture and any other agreement relating to the Bonds regarding calculation and payment of rebate if it follows the directions of the

Authority, the City or a rebate analyst, and it shall have no independent duty to review or enforce the Authority's, City's or rebate analyst's compliance with such rebate requirements. The Trustee shall have no responsibility to independently make any calculation or determination or to review the City's calculations hereunder.

(3) In order to assure the excludability pursuant to section 103(a) of the Code of the interest on the Bonds from the gross income of the owners thereof for federal income tax purposes, the City shall pay to the United States the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of the Final Computation Date as defined in section 1.148-3(e)(2) of the Tax Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, such rebate payments shall be made by the City at the times and in the amounts as are or may be required by section 148(f) of the Code and the Tax Regulations and rulings thereunder, and shall be accompanied by Form 8038-T prepared by the City or such other forms and information as is or may be required by section 148(f) of the Code and the Tax Regulations and rulings thereunder for execution and filing by the City.

(4) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148 3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Tax Regulations and rulings thereunder, the City shall not and shall not permit any person to, at any time prior to the final cancellation of the last of the Bonds to be retired, enter into any transaction that reduces the amount required to be paid to the United States pursuant to paragraph (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yields on the Bonds not been relevant to either party.

(j) Bonds Not Hedge Bonds. The City represents that none of the Bonds is or will become a "hedge bond" within the meaning of section 149(g) of the Code. As of the date of issuance of the Bonds the City reasonably expects that at least 85% of the spendable proceeds of the Bonds will be expended within the three-year period commencing on such date of issuance, and (B) no more than 50% of the proceeds of the Bonds will be invested in Nonpurpose Investments having a substantially guaranteed yield for a period of four years or more.

(k) Elections. The City hereby directs and authorizes any City Representative to make elections permitted or required pursuant to the provisions of the Code or the Tax Regulations, as such Representative (after consultation with Bond Counsel) deems necessary or appropriate in connection with the Bonds, in the Tax Certificate or similar or other appropriate certificate, form or document.

(1) Closing Certificate. The City agrees to execute and deliver in connection with the issuance of the Bonds a Tax Certificate, or similar document containing additional representations and covenants pertaining to the exclusion of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes, which representations and covenants are incorporated as though expressly set forth herein.

The City shall at all times do and perform all acts and things permitted by law and this Lease which are necessary or desirable in order to assure that interest paid on the Bonds (or any of them) will be excluded from gross income for federal income tax purposes and shall take no action that would result in such interest not being so excluded. Without limiting the generality of the foregoing, the City agrees to comply with the provisions of the Tax Certificate. This covenant shall survive payment in full or defeasance of the Bonds.

SECTION 8. SUBSTITUTION, ADDITION AND RELEASE OF PROPERTY

The parties to the Lease specifically acknowledge that the annual fair rental value of the Leased Property is in excess of the maximum annual Base Rental Payments. The City shall have, so long as this Lease is in effect, and is hereby granted, the option at any time and from time to time, to substitute other property (the "Substitute Property") for any portion of the Leased Property (the "Former Property"), add to or release any identifiable property and/or improvements currently constituting all or any portion of the Leased Property (in such case, Substitute Property shall mean the Former Property less any portion released pursuant to this Section); provided, that (i) only the 2024A East Trunk Line Project or real property may be substituted for the initial Leased Wastewater System Property, (ii) no real property may be released if the initial Leased Wastewater System Property or the 2024A East Trunk Line Project remains part of the Leased Property upon such release, and (iii) the City shall satisfy all of the following requirements, which are conditions precedent to such substitution:

(a) No default under Section 11 hereof or Event of Default shall have occurred and be continuing;

(b) The City shall file with the Authority and the Trustee, and cause to be recorded in the office of the County Recorder, sufficient memorialization of amendments to this Lease and the Site Lease which replaces Exhibit A-1 and Exhibit A-2 hereto and Exhibit A-1 and Exhibit A-2 to the Site Lease with a description of such Substitute Property which deletes therefrom the description of the Former Property;

(c) The City shall obtain an extended California Land Title Association ("CLTA") policy of title insurance insuring the City's fee or leasehold estate in such Substitute Property, the City's leasehold estate hereunder, and the Authority's leasehold estate under the Site Lease in such Substitute Property, subject only to Permitted Encumbrances, in an amount not less than the aggregate principal amount of the Outstanding Bonds; provided, however, that this requirement shall not apply to Substitute Property that consists only of Former Property less any released portion and no title insurance shall be required for the 2024A East Trunk Line Project;

(d) The City shall provide a Certificate of the City to the Authority and to the Trustee that such Substitute Property constitutes property which the City is permitted to lease under the laws of the State of California;

(e) The substitution of the Substitute Property shall not cause the City to violate any of its covenants, representations and warranties made herein;

(f) The City shall file with the Authority and the Trustee a Certificate of the City or other evidence which establishes that the annual fair rental value of the Substitute Property after substitution or release will be at least equal to 100% of the maximum amount of the Base Rental Payments becoming due in the then current fiscal year or in any subsequent fiscal year and the useful economic life of the Substitute Property shall be at least equal to the maximum remaining term of this Lease; and

(g) The City shall furnish to the Trustee an opinion of Bond Counsel addressed to the Trustee, the City and the Authority to the effect that the substitution or release is permitted under this Lease.

Upon the satisfaction of all such conditions precedent, and upon the City delivering to the Authority and the Trustee a Certificate of the City certifying that the conditions set forth in subsections (a), (c) and (e) of this Section have been satisfied, the Term of this Lease shall thereupon end as to the Leased Property and shall thereupon commence as to the Substitute Property, and all references to the Leased Property shall apply with full force and effect to the Substitute Property. The City shall not be entitled to any reduction, diminution, extension or other modification of the Base Rental Payments whatsoever as a result of any substitution or removal hereunder.

SECTION 9. INSURANCE

(a) The City shall secure and maintain or cause to be secured and maintained at all times with insurers of recognized responsibility, or through a program of self-insurance to the extent specifically permitted in this Section 9, all coverage on the Leased Property on which improvements are constructed as required by this Section 9.

Such insurance shall consist of:

(1) Comprehensive general liability coverage against claims for damages including death, personal injury, bodily injury or property damage arising from operations involving the Leased Property. Such insurance shall afford protection with a combined single limit of not less than \$1,000,000 per occurrence with respect to bodily injury, death or property damage liability, or such greater amount as may from time to time be recommended by the City's risk management officer or an independent Insurance Consultant retained by the City for that purpose, subject to a deductible clause of not to exceed \$500,000. The City's obligations under this clause (1) may be satisfied by self-insurance;

(2) The City shall maintain or cause to be maintained, throughout the term of this Lease, casualty insurance against loss or damage to any or all of the Leased

Property by fire and lightning, with extended coverage and vandalism and malicious mischief insurance, and against loss of Leased Property by theft. Such extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. The insurance required by this paragraph shall be in an amount not less than the principal amount of the Outstanding Bonds. The City's obligations under this clause (2) may be satisfied by self-insurance;

(3) Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State to insure employers against liability for compensation under the Labor Code of the State, or any act enacted as an amendment or supplement thereto or in lieu thereof, such workers' compensation insurance to cover all persons employed by the City in connection with the Leased Property and to cover full liability for compensation under any such act; provided, however, that the City's obligations under this clause (3) may be satisfied by self-insurance; and

(4) Rental interruption insurance in an amount not less than the maximum remaining scheduled Base Rental Payments in any twenty-four (24) month period, by an insurance provider rated at least "A" by A.M. Best & Company, to insure against loss of use of the Leased Property caused by perils covered by the insurance required in Section 9(a)(1). Such insurance may be maintained as part of or in conjunction with any other rental interruption insurance carried by the City and must list the Authority and the Trustee as additional insured parties. Such insurance shall be in place as of the Closing Date. The net proceeds of such insurance shall be paid to the Trustee and credited toward the payment of the Base Rental Payments in the order in which such Base Rental Payments come due and payable.

All policies or certificates issued by the respective insurers for insurance, with the exception of workers' compensation insurance, shall provide that such policies or certificates shall not be canceled or materially changed without at least 30 days' prior written notice to the Authority and the Trustee. Certificates of comprehensive general liability and workers' compensation insurance shall be furnished by applicable insurers to the City, and, at least ten days prior to the expiration dates of such policies, if any, evidence of renewals shall be deposited with the Trustee.

If the City elects to provide self-insurance pursuant to clauses (1), (2) and/or (3) above, the City shall annually cause to be delivered to the Trustee, upon request, a certificate of an Insurance Consultant certifying to the adequacy of the City's reserves for such insurance.

All policies or certificates of insurance provided for herein shall name the City as a named insured and the Trustee as an additional insured. All proceeds of insurance maintained under clauses (1) and (3) shall be deposited with the City and under clause (2) shall be deposited with the Trustee.

Notwithstanding the generality of the foregoing, the City shall not be required to maintain or cause to be maintained more insurance than is specifically referred to above or any policies of insurance other than standard policies of insurance with standard deductibles offered by reputable insurers at a reasonable cost on the open market.

(b) Form of Policies. The City shall deliver to the Trustee on or before the Closing Date and each anniversary of the Closing Date a Certificate of the City that all insurance required under this Lease is in full force and effect. If the City obtains insurance through a pooled insurance program of governmental entities, an annual statement or memorandum of coverage delivered to the Authority and the Trustee will satisfy the requirements of this subsection. The Trustee and the Authority shall not be responsible for the sufficiency of any insurance herein required or payment of premium and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the City.

(c) Advances. If the City shall fail to perform any of its obligations under this Section, then the Authority or the Trustee may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money on behalf of the City, and the City shall be obligated to repay all such advances as soon as possible.

SECTION 10. DAMAGE, DESTRUCTION AND CONDEMNATION; APPLICATION OF NET PROCEEDS

If prior to the termination of the term hereof (a) the Leased Property is destroyed (in whole or in part) or is damaged by fire or other casualty, or (b) title to, or the temporary use of, any portion of the Leased Property or the estate of the Authority or the City in the Leased Property or any portion shall be taken under the exercise of the power of eminent domain by any governmental body or by any person or firm or corporation acting under governmental authority, then the City and the Authority shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair or replacement thereof, unless the City elects not to repair or replace the Leased Property or portion thereof, in accordance with the provisions of this Section 10. If Net Proceeds are insufficient to repair or replace the Leased Property or portion thereof, the City shall, to the extent permitted by law, use its best efforts to fund any deficiency from any legally available funds.

If there is an abatement of rental payments pursuant to Section 17 hereof as a result of such casualty or event, and the City elects pursuant to Section 12(a) hereof to apply such insurance proceeds and such other sums as are deposited by the City pursuant to such Section to the prepayment of Base Rental Payments rather than replacing or repairing the destroyed or damaged portion of the Leased Property, then this Lease shall terminate with respect to the destroyed or damaged portion of the Leased Property as of the later of the date of such election by the City or the date the amount required by Section 12(a) hereof is received by the Trustee.

The provisions of Section 1932, Subdivision 2, and Section 1933, Subdivision 4, of the California Civil Code, including any amendments thereto and any other law which may hereinafter be in force during the term of this Lease which authorizes the termination of this Lease upon the partial or complete destruction of the Leased Property, are hereby waived by the City.

The City hereby covenants and agrees, to the extent it may lawfully do so, that so long as any of the Bonds remain outstanding and unpaid, the City will not exercise the power of condemnation with respect to the Leased Property. The City further covenants and agrees, to the extent it may lawfully do so, that if for any reason the foregoing covenant is determined to be unenforceable or if the City should fail or refuse to abide by such covenant and condemns the

Leased Property, the value of the Leased Property shall not be less than the greater of (i) if Outstanding Bonds are then subject to redemption, the principal and interest due on the Outstanding Bonds through the date of their redemption, or (ii) if such Outstanding Bonds are not then subject to redemption, the amount necessary to defease such Outstanding Bonds to the first available redemption date in accordance with the Indenture.

The City shall deposit any proceeds received from insurance and condemnation awards with respect to the destruction or partial destruction of Leased Property with the Trustee for deposit into the: (a) 2024A Insurance and Condemnation Fund if the City elects to repair the Leased Property or (b) the Lease Revenue Fund if the City elects to redeem the Outstanding Bonds. The City shall have forty-five (45) days from the date of any such destruction or partial destruction to determine whether to repair the Leased Property or use insurance and condemnation award proceeds received to redeem such bonds. To the extent that the City determines not to repair the Leased Property and cannot use insurance and condemnation award proceeds to redeem such bonds, the City shall and hereby covenants to substitute property for such Leased Property of equivalent or greater value in accordance with the provisions of Section 7 hereof. If the City determines to repair the Leased Property, disbursements by the Trustee shall only be made upon presentation of a requisition in a form substantially similar to Exhibit C of the Indenture. If the City determines to cause the redemption of less than the full amount of the Outstanding Bonds, such redemption shall only be made to the extent the remaining fair rental value of the Leased Property is sufficient to support the remaining Base Rental Payments supporting debt service on the Outstanding Bonds.

The City shall deposit any 2024A East Trunk Line Project Reimbursements and Development Impact Fees with the Trustee for deposit into the 2024A East Trunk Line Project Reimbursements and Development Impact Fees Fund for application to the redemption of Bonds in accordance with Section 2.03(b) of the Indenture.

SECTION 11. DEFAULT

(a) Each of the following events constitutes an Event of Default hereunder:

(1) Failure by the City to pay any Base Rental Payment or other payment (including Additional Rental Payments) required to be paid hereunder at the time specified herein.

(2) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in the preceding subsection (1), for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Authority. However, if the City notifies the Authority that in its reasonable opinion the failure stated in the notice can be corrected, but not within such thirty (30) day period, the failure will not constitute an Event of Default if the City commences to cure the failure within such thirty (30) day period and thereafter diligently and in good faith cures such failure in a reasonable period of time; provided, that such cure period shall not extend beyond sixty (60) days.

(3) The filing by the City of a voluntary petition in bankruptcy, or failure by the City promptly to lift any execution, garnishment or attachment, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.

(b) If default shall be made by the City in the observance or performance of any agreement, condition, covenant or term contained herein required to be observed or performed by it (including, without limitation, the payment of any Base Rental Payments or Additional Rental Payments due hereunder), subject to the provisions of subsection (a)(2) of this Section, the Authority may at any time thereafter (with or without notice and demand and without limiting any other rights or remedies the Authority may have) recover rent and other monetary charges as they become due hereunder without terminating the City's right to possession of the Leased Property, regardless of whether or not the City has abandoned the Leased Property, and the Authority shall have the right and the City hereby irrevocably appoints the Authority as its agent and attorney in fact for such purpose to attempt to sublet or re-let the Leased Real Property (but not the Leased Wastewater System Property nor the 2024A Trunk Line Projects if substituted therefor under Section 8) at such rent, upon such conditions and for such term, and to do all other acts to maintain or preserve the Leased Real Property, including the removal of persons therefrom or taking possession thereof or the removal of property therefrom to a storage facility located elsewhere in the City, as the Authority deems desirable or necessary, and the City hereby waives any and all claims for any damages that may result to the Leased Real Property thereby except for such damages caused by the gross negligence or intentional misconduct of the person taking such actions; provided, that no such actions shall be deemed to terminate the Lease and the City shall continue to remain liable for any deficiency that may arise out of such re-letting, taking into account expenses incurred by the Authority due to such re-letting, payable at the same time and manner as provided for Base Rental Payments in Section 3(a). In the event the Leased Real Property is re-let, the City shall cooperate with the Authority to provide reasonable parking access for the Leased Real Property.

The Authority expressly waives the right to receive any amount from the City pursuant to Section 1951.2(a)(3) of the California Civil Code.

(c) Upon the occurrence and during the continuance of any Event of Default, the Authority may exercise each and every one of the following remedies:

(1) *Proceedings at Law or In Equity.* If an Event of Default occurs and continues hereunder, the Authority may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce any other of its rights hereunder.

(2) *Remedies under the Site Lease.* If an Event of Default occurs and continues hereunder, the Authority may exercise its rights under the Site Lease.

(d) Notwithstanding any other provision of this Lease or the Indenture, in no event shall the Authority have the right to accelerate the payment of any Base Rental Payments hereunder.

SECTION 12. PREPAYMENT AND CREDITS

(a) Prepayment From Net Proceeds.

(1) The City may prepay, from Net Proceeds of insurance or a condemnation award received by it pursuant to Section 9, the Principal Component of Base Rental Payments then unpaid (and corresponding Interest Component), in whole or in part on any date, pursuant to Section 9 hereof, at a prepayment price equal to the sum of the Principal Component prepaid plus accrued interest thereon to the date of prepayment, without premium.

(2) Prepayments made pursuant to this subsection (a) shall be allocated *pro rata* among the Principal Components of Base Rental Payments relating to the Bonds.

(b) Prepayment From 2024A Trunk Line Projects Reimbursements and Development Impact Fees. The City may prepay, from 2024A Trunk Line Projects Reimbursements and Development Impact Fees or equivalent amounts of alternative legally available funds for redemption of Bonds pursuant to Section 2.03(b) of the Indenture, the Principal Component of Base Rental Payments then unpaid (and corresponding Interest Component), in whole or in part on any date (in an integral multiple of \$5,000) of the Principal Component of Base Rental Payments (and corresponding Interest Component), so that the aggregate annual amounts of Principal Component of Base Rental Payments which shall be payable after such prepayment shall each be an integral multiple of \$5,000, at a prepayment price equal to the sum of the Principal Component prepaid plus accrued interest thereon to the date of prepayment, without premium.

(c) Optional Prepayment.

The City may at its option prepay from any source of available moneys for redemption of Bonds pursuant to Section 2.03(b) of the Indenture, all or any part (in an integral multiple of \$5,000) of the Principal Component of Base Rental Payments (and corresponding Interest Component), so that the aggregate annual amounts of Principal Component of Base Rental Payments which shall be payable after such prepayment shall each be an integral multiple of \$5,000, at a prepayment price equal to the principal amount to be redeemed, plus accrued but unpaid interest to the prepayment date, without premium.

Before making any prepayment pursuant to this Section, the City shall give written notice to the Trustee specifying the date on which the prepayment will be made, which date shall be not less than forty-five (45) days from the date such notice is given unless the Trustee agrees to a shorter period.

The Authority and the City hereby agree that any prepayment in part under this Section and the redemption of any Bonds by the Authority pursuant to Section 2.03(c) of the Indenture shall be credited towards the City's obligations hereunder at the option of the City in any manner determined in writing delivered to the Trustee by the City. A prepayment made

pursuant to this Section shall not cause a defeasance of any Bonds unless the requirements of Section 10.03 of the Indenture are satisfied.

In the event of prepayment in full of the Principal Component of all Base Rental Payments, such that this Lease shall be terminated by its terms as provided in Section 2, all amounts then on deposit under the Indenture which are to be credited to the City's obligations to make Base Rental Payments shall be credited towards the amounts then required to be so prepaid.

SECTION 13. MECHANICS' LIENS

In the event the City shall at any time during the term of this Lease cause any improvements or other work to be done or performed or materials to be supplied, in or upon the Leased Property, the City shall pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the City in, upon or about the Leased Property and which may be secured by any mechanics', materialmen's or other liens against the Leased Property or the Authority's interest therein, and will cause any such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that, if the City desires to contest any such lien it may do so. If any such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, the City shall forthwith pay and discharge said judgment.

SECTION 14. QUIET ENJOYMENT

The parties hereto mutually covenant that the City, so long as it keeps and performs the covenants and agreements herein contained, shall at all times during the term of this Lease peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from the Authority.

SECTION 15. INDEMNIFICATION

The City shall, to the full extent then permitted by law, indemnify, defend, protect and hold harmless the Authority, the Trustee and their members, officers, directors, agents and employees from and against any and all liabilities, obligations, losses, claims, taxes and damages whatsoever, regardless of the cause thereof (except for claims arising out of willful misconduct or negligence on the part of the Authority or the Trustee or their respective members, officers, directors or employees), and expenses in connection therewith, including, without limitation, reasonable counsel fees and expenses, penalties and interest arising out of or as the result of the entering into of this Lease and the Indenture, the payment of the costs of acquiring the Leased Property or any accident in connection with the operation, use, condition or possession of the Leased Property or any portion thereof resulting in damage to property or injury to or death to any person. The indemnification arising under this section shall continue in full force and effect notwithstanding the full payment of all rent obligations hereunder, the removal or resignation of the Trustee or the termination hereof for any reason. The City agrees not to withhold or abate any portion of the payments required pursuant hereto by reason of any defects, malfunctions, breakdowns or infirmities of the Leased Property. The Authority and the City mutually agree to

promptly give notice to each other of any claim or liability hereby indemnified against following either party's learning thereof.

SECTION 16. ASSIGNMENT

The parties understand that this Lease and the rights of the Authority hereunder, with certain exceptions, will be assigned to the Trustee as provided in the Indenture and the Assignment Agreement, to which assignments the City hereby consents.

Neither this Lease nor any interest of the City hereunder shall be mortgaged, pledged, assigned or transferred by the City by voluntary act or by operation of law or otherwise; provided, however, that the Leased Property may be subleased in whole or in part by the City, but only subject to the following conditions, which are hereby made conditions precedent to any such sublease:

(a) This Lease and the obligation of the City to make all Base Rental Payments and Additional Rental Payments hereunder shall remain the primary obligation of the City;

(b) The City shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the Authority and the Trustee a true and complete copy of such sublease;

(c) No such sublease by the City shall cause the Leased Property to be used for a primary purpose other than a governmental or proprietary function authorized under the provisions of the Constitution and laws of the State of California, as evidenced by a Certificate of the City that is delivered to the Trustee; and

(d) Any sublease of the Leased Property by the City shall explicitly provide that such sublease is subject to all rights of the Authority under this Lease.

SECTION 17. ABATEMENT OF RENTAL

The obligation of the City to pay Base Rental Payments and Additional Rental Payments shall be abated during any period in which by reason of any damage, destruction, condemnation or title defect there is substantial interference with the use by the City of the Leased Property or any portion thereof. Such abatement shall be in an amount such that the resulting Base Rental Payments in any year during which such interference continues does not exceed the fair rental value of the portions of the Leased Property as to which such damage, destruction, taking or title defect does not substantially interfere with the City's use and right of possession, as evidenced by a Certificate of the City. Such abatement shall continue for the period commencing with the date of interference resulting from such damage, destruction, condemnation, taking or title defect and, with respect to damage to or destruction of the Leased Property, ending with the substantial completion of the work of repair or replacement of the Leased Property, or the portion thereof so damaged or destroyed, and the term of this Lease shall be extended as provided in Section 2 hereof. Notwithstanding the foregoing, to the extent that moneys are available for the payment of Base Rental Payments in any of the funds and accounts established under the Indenture, such base rental payments shall not be abated but shall be payable by the City as a special obligation payable solely from such funds and accounts.

SECTION 18. CONTINUING DISCLOSURE

The City will comply with the continuing disclosure requirements applicable to it promulgated under U.S. Securities and Exchange Commission Rule 15c2-12 and will also comply with its obligations under the Continuing Disclosure Agreement, dated as of February 1, 2024, by and between the City and NHA Advisors, LLC related to the Bonds that are subject to Rule 15c2-12; provided, however, that the sole remedy hereunder in the event of any failure of the City to comply with this covenant shall be an action to compel performance and the City’s failure to comply with any continuing disclosure requirement shall not be deemed a default or an Event of Default.

SECTION 19. WAIVER

Failure of the Authority to take advantage of any default on the part of the City shall not be, or be construed as, a waiver thereof, nor shall any custom or practice which may be established between the parties in the course of administering this Lease be construed to waive or to lessen the right of the Authority to insist upon performance by the City of any term, covenant or condition hereof, or to exercise any rights given the Authority on account of such default. A waiver of a particular default shall not be deemed to be a waiver of the same or any subsequent default. The acceptance of rent hereunder shall not be, nor be construed to be, a waiver of any term, covenant or condition of this Lease.

SECTION 20. NET LEASE

Subject to the provisions of Section 17 (“Abatement of Rental”), this Lease shall be deemed and construed to be a “Triple-Net-Lease” and the City hereby agrees that rental provided for herein shall be an absolute net return to the Authority, free and clear of any expenses, taxes, fees, insurance premiums, rebate payments, Leased Property costs, reserve deposits, charges or setoffs whatsoever.

SECTION 21. AMENDMENTS.

This Lease may be amended in writing as may be mutually agreed by the Authority and the City; *provided*, that no such amendment which materially adversely affects the rights of the Owners shall be effective unless it shall have been consented to by the Owners of more than a majority in aggregate principal amount of the affected Bonds then Outstanding, and *provided further*, that no such amendment shall (a) extend the payment date of any Base Rental Payment, without the prior written consent of the Owner of each Bond so affected, or (b) reduce the percentage of the Outstanding Bonds the consent of the Owners of which is required for the execution of any amendment hereof.

This Lease and the rights and obligations of the Authority and the City hereunder may also be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding upon execution by the Authority and the City without the written consents of any Owners, but only to the extent permitted by law and only for any one or more of the following purposes:

(a) to add to the agreements, conditions, covenants and terms required by the Authority or the City to be observed or performed herein and other agreements, conditions, covenants and terms thereafter to be observed or performed by the Authority or the City, or to surrender any right or power reserved herein to or conferred herein on the Authority or the City, and which in either case shall not materially adversely affect the interests of the Owners;

(b) to make such provisions for the purpose of curing any ambiguity of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which the Authority or the City may deem desirable or necessary and not inconsistent herewith, and which shall not materially adversely affect the interests of the Owners;

(c) to effect a substitution or release in accordance with Section 8;

(d) to increase the amount of Base Rental Payment payable hereunder for the purpose of allowing the Authority to add any property to be acquired and leased hereunder; or

(e) for any other purpose which shall not materially adversely affect the interests of the Owners.

SECTION 22. ESSENTIALITY

The City covenants and agrees that the Leased Property is essential to the City's exercise of its governmental functions.

SECTION 23. GOVERNING LAW

This Lease shall be governed by and construed in accordance with the laws of the State of California.

SECTION 24. NOTICES

All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be made as provided in the Indenture.

SECTION 25. VALIDITY AND SEVERABILITY

If for any reason this Lease shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by the Authority or by the City, or if for any reason it is held by such a court that any of the covenants of the City hereunder, including the covenant to pay rentals hereunder, is unenforceable for the full term hereof, then and in such event this Lease is and shall be deemed to be a lease from year to year under which the rentals are to be paid by the City semi-annually in consideration of the right of the City to possess, occupy and use the Leased Property, and all of the rental and other terms, provisions and conditions of this Lease, except to the extent that such terms, provisions and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

SECTION 26. SECTION HEADINGS

All section headings contained are for convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

SECTION 27. NO MERGER

If both the Authority's and the City's estate under this or any other lease relating to the Leased Property or any portion thereof shall at any time or for any reason become vested in one owner, this Lease and the estate created hereby shall not be destroyed or terminated by the doctrine of merger unless the City so elects as evidenced by recording a written declaration so stating, and unless and until the City so elects, the City shall continue to have and enjoy all of its rights and privileges as to the separate estates.

SECTION 28. EXECUTION

It is agreed that separate counterparts of this Lease may separately be executed by the Authority and the City, all with the same force and effect as though the same counterpart had been executed by both the Authority and the City.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Authority and the City have caused this Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

SELMA PUBLIC FINANCING
AUTHORITY

By _____
Fernando Santillan
Executive Director

ATTEST:

By _____
Reyna Rivera
Secretary

CITY OF SELMA

By _____
Fernando Santillan
City Manager

ATTEST:

By _____
Reyna Rivera
City Clerk

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE
VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE
DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE
TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA)
) ss:
COUNTY OF FRESNO)

On _____ before me, _____ (insert name
of the officer), Notary Public, personally appeared _____, who proved to
me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____ [Seal]

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA)
) ss:
COUNTY OF FRESNO)

On _____ before me, _____ (insert name of the officer), Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____ [Seal]

EXHIBIT A-1

DESCRIPTION OF THE LEASED REAL PROPERTY

[New Police Station located at 2055 Third Street, Selma, California]

[Fire Station No. 1 located at 1927 West Front Street, Selma, California]

[Fire Station No. 2 located at 2861 A Street, Selma, California]

[Old Police Station 1935 East Front Street, Selma, California]

[Selma Arts Center located at 1935 High Street, Selma, California]

[New Corporate Yard located at 1325 Nebraska Street, Selma, California]

[Old Corporate Yard located at 2155 East Front Street, Selma, California]

[Salazar Recreation Center located at 1800 Sheridan Street, Selma, California]

[Lincoln Park Senior Center located at 2301 Selma Street, Selma, California]

EXHIBIT A-2

DESCRIPTION OF THE LEASED WASTEWATER SYSTEM PROPERTY

The City's wastewater collection system, including a network of approximately 82 miles of sewer lines, approximately 1,300 sewer manholes, and 10 sewer lift stations that convey wastewater from homes and business.

EXHIBIT B
BASE RENTAL PAYMENT SCHEDULE

Interest Payment Date⁽¹⁾	Principal	Interest	Total by Date
--	------------------	-----------------	----------------------

⁽¹⁾ Base Rental Payments are made fifteen (15) Business Days prior to each Interest Payment Date.

AFTER RECORDATION PLEASE RETURN TO:
Norton Rose Fulbright US LLP
555 South Flower Street, Suite 4100
Los Angeles, California 90071
Attention: Stepan A. Haytayan, Esq.

SITE AND FACILITY LEASE

Dated as of February 1, 2024

by and between

CITY OF SELMA

and

SELMA PUBLIC FINANCING AUTHORITY

Relating to the

[\$Par Amount]
Selma Public Financing Authority
Lease Revenue Bonds, 2024 Series A
(Wastewater Infrastructure Projects)

THIS IS A FINANCING DOCUMENT
NO DOCUMENTARY TRANSFER TAX IS DUE PURSUANT
TO REVENUE AND TAXATION CODE SECTION 11922
AND THIS DOCUMENT IS EXEMPT FROM RECORDING FEES
PURSUANT TO GOVERNMENT CODE SECTION 27383

SECTION 1.	DEFINITIONS.....	1
SECTION 2.	SITE LEASE.....	1
SECTION 3.	TERM	2
SECTION 4.	RENTAL.....	2
SECTION 5.	TITLE	2
SECTION 6.	DEFAULT	2
SECTION 7.	EMINENT DOMAIN	3
SECTION 8.	RIGHT OF ENTRY	3
SECTION 9.	TERMINATION.....	3
SECTION 10.	QUIET ENJOYMENT BY THE AUTHORITY	3
SECTION 11.	ASSIGNMENTS AND SUBLEASES	3
SECTION 12.	WAIVER OF PERSONAL LIABILITY	4
SECTION 13.	TAXES.....	4
SECTION 14.	GOVERNING LAW.....	4
SECTION 15.	NOTICES.....	4
SECTION 16.	VALIDITY AND SEVERABILITY	5
SECTION 17.	THE LEASED PROPERTY	5
SECTION 18.	WAIVER OF DEFAULT	5
SECTION 19.	SECTION HEADINGS	5
SECTION 20.	AMENDMENTS	6
SECTION 21.	EXECUTION.....	6

EXHIBIT A-1 — DESCRIPTION OF THE LEASED REAL PROPERTY

EXHIBIT A-2 — DESCRIPTION OF THE LEASED WASTEWATER SYSTEM PROPERTY

SITE AND FACILITY LEASE

This SITE AND FACILITY LEASE, dated as of February 1, 2024 (this “Site Lease”), is made by and between the CITY OF SELMA, a general law city duly organized and existing under the laws of the State of California (the “City”), as lessor, and the SELMA PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority, duly organized and existing under the laws of the State of California (the “Authority”), as lessee.

RECITALS:

WHEREAS, the City is leasing the property more particularly described in Exhibit A-1 and Exhibit A-2 attached hereto (collectively, the “Leased Property”) to the Authority; and

WHEREAS, the Authority has determined to issue its \$[Par Amount] Lease Revenue Bonds, 2024 Series A (Wastewater Infrastructure Projects) (the “Bonds”) pursuant to an Indenture, dated as of February 1, 2024 (the “Indenture”), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”); and

WHEREAS, the Authority, concurrently with the execution of this Site Lease, will sublease the Leased Property described in Exhibit A-1 and Exhibit A-2 to the City, in consideration for base rental payments to be made by the City pursuant to a Lease Agreement, dated as of February 1, 2024 (the “Lease”), by and between the City and the Authority, that correspond in timing and amounts of base rental payments to the payments of principal and interest scheduled to come due on the Bonds; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Site Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Site Lease;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

SECTION 1. DEFINITIONS

Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture or the Lease, as applicable.

SECTION 2. SITE LEASE

The City hereby leases the Leased Property to the Authority and the Authority hereby leases the Leased Property from the City, on the terms and conditions hereinafter set forth.

SECTION 3. TERM

The term of this Site Lease shall commence on _____, 2024. This Site Lease shall constitute a lease of the City's interest in the Leased Property.

The term of this Site Lease shall expire on the earliest of (i) the Expiration Date; (ii) the date the last base rental payment is made under the provisions of the Lease (i.e. February 1, 20__); or (iii) the date of discharge of the Indenture pursuant to Section 10.03 thereof. Notwithstanding the foregoing, the term of this Lease shall automatically be extended for a period of ten (10) years, if, on the Expiration Date, the Indenture has not been fully discharged, and shall terminate on the date when the Indenture has been fully discharged.

SECTION 4. RENTAL

The Authority agrees to pay, or cause to be paid, to the Trustee, on the Closing Date, the net proceeds of the Bonds in the amount set forth in Section 3.02 of the Indenture, as advance rental for the use and right to possession of the Leased Property for the term of this Site Lease. The rental shall be applied by the Trustee as provided in the Indenture.

SECTION 5. TITLE

Throughout the term of this Site Lease, title to the Leased Property shall remain in the City.

SECTION 6. DEFAULT

(a) If the Authority shall fail to keep, observe or perform any term, covenant or condition contained herein to be kept or performed by the Authority, or (b) if (1) the Authority's interest in this Site Lease or any part thereof is assigned or transferred without the written consent of the City, either voluntarily or by operation of law or otherwise, except as provided in Section 11 hereof, or (2) any proceeding under the United States Bankruptcy Code or any federal or state bankruptcy, insolvency or similar law or any law providing for the appointment of a receiver, liquidator, trustee or similar official of the Authority or of all or substantially all of its assets is instituted by or with the consent of the Authority, or is instituted without its consent and is not permanently stayed or dismissed within sixty (60) days, or if the Authority offers to the Authority's creditors to effect a composition or extension of time to pay the Authority's debts, or asks, seeks or prays for a reorganization or to effect a plan of reorganization or for readjustment of the Authority's debts, or if the Authority shall make a general assignment or any assignment for the benefit of the Authority's creditors, then the Authority shall be deemed to be in default hereunder and it shall be lawful for the City to exercise any and all rights and remedies available pursuant to law; provided however, that: (i) no merger of this Site Lease and of the Lease shall be deemed to occur as a result thereof; and (ii) so long as any Bonds remain outstanding the City shall have no power to terminate this Site Lease by reason of any default on the part of the Authority if such termination would prejudice the exercise of the remedies provided in Section 11 (captioned "DEFAULT") of the Lease.

Neither the City nor the Authority shall in any event be in default in the performance of any of its obligations hereunder or imposed by law unless and until the City or the Authority (as the case may be) shall have failed to perform such obligations within sixty (60) days after notice by the Authority or the City to the nonperforming party properly specifying wherein such party has failed to perform any such obligation.

SECTION 7. EMINENT DOMAIN

If the whole or any part of the Leased Property shall be taken under the power of eminent domain, the interest of the Authority shall be recognized and is hereby determined to be the amount of the unpaid principal components of base rental payments due under the Lease, and all accrued interest thereon, and the amount of the unpaid Additional Rental Payments due under the Lease and such amount shall be paid to the Trustee as assignee of the Authority, and the balance of the award, if any, shall be paid to the City.

SECTION 8. RIGHT OF ENTRY

The City and its assignees shall have the right to enter the Leased Property during reasonable business hours (and in emergencies at all times) (a) to inspect the same, (b) for any purpose connected with the City's or the Authority's rights or obligations under this Site Lease and (c) for all other lawful purposes.

SECTION 9. TERMINATION

The Authority agrees, upon the termination of this Site Lease, to quit and surrender the Leased Property in the same good order and condition as the same were in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and the Authority and the City agree that any permanent improvements and structures existing upon the Leased Property at the time of the termination of this Site Lease shall remain thereon and title thereto shall be vested in the City.

SECTION 10. QUIET ENJOYMENT BY THE AUTHORITY

The Authority shall at all times during the term of this Site Lease peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from the City, subject to the Authority's compliance with the terms and provisions hereof and of the Lease.

SECTION 11. ASSIGNMENTS AND SUBLEASES

The Authority shall not assign, mortgage, hypothecate or otherwise encumber this Site Lease or any rights hereunder or the leasehold created hereby by trust agreement, indenture or deed of trust or otherwise or sublet the Leased Property without the written consent of the City, except as provided by the Lease and as security for the Bonds.

SECTION 12. WAIVER OF PERSONAL LIABILITY

All liabilities hereunder on the part of the Authority shall be solely liabilities of the Authority as a separate legal entity, and no member, officer or employee of the Authority shall at any time or under any circumstances be individually or personally liable hereunder for anything done or omitted to be done by the Authority hereunder.

SECTION 13. TAXES

The City agrees and covenants to pay, any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Leased Property (including both land and improvements thereon).

SECTION 14. GOVERNING LAW

This Site Lease shall be governed by and construed in accordance with the laws of the State of California.

SECTION 15. NOTICES

All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered or certified mail, return receipt requested, postage pre-paid, and,

if to the City:

City of Selma
1710 Tucker Street
Selma, California 93662
Attention: City Manager

if to the Authority:

Selma Public Financing Authority
c/of City of Selma
1710 Tucker Street
Selma, California 93662
Attention: Executive Director

or to such other addresses as the respective parties may from time to time designate by notice in writing.

SECTION 16. VALIDITY AND SEVERABILITY

If any one or more of the terms, provisions, covenants or conditions of this Site Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site Lease shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

If for any reason this Site Lease shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by the City or by the Authority, or if for any reason it is held by such a court that any of the covenants and conditions of the Authority hereunder is unenforceable for the full term hereof, then and in such event this Site Lease is and shall be deemed to be a lease from year to year and all of the rental and other terms, provisions and conditions of this Site Lease, except to the extent that such terms, provisions and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

SECTION 17. THE LEASED PROPERTY

The City represents, warrants and covenants that it has good and indefeasible marketable fee simple to the real property and all building, property and improvements comprising the Lease Property. The City covenants and agrees to hold and maintain clean and marketable title to all of the Leased Property during the term of this Site Lease. If necessary to maintain clear and marketable title to the leased properties, the City shall take all actions necessary, including eminent domain or condemnation proceedings, to ensure that title to the Leased Property is clear and marketable.

The Authority covenants that during the term of this Site Lease, it shall use the Leased Property for the purposes described in the Lease and for such other purposes as may be incidental thereto.

SECTION 18. WAIVER OF DEFAULT

Failure of the City to take advantage of any default on the part of the Authority shall not be, or be construed as, a waiver thereof, nor shall any custom or practice which may grow up between the parties in the course of administering this Site Lease be construed to waive or to lessen the right of the City to insist upon performance by the Authority of any term, covenant or condition hereof, or to exercise any rights given the City on account of such default. A waiver of a particular default shall not be deemed to be a waiver of the same or any subsequent default. The acceptance of rent hereunder shall not be, nor be construed to be, a waiver of any term, covenant or condition of this Site Lease.

SECTION 19. SECTION HEADINGS

All section headings contained are for convenience of reference only and are not intended to define or limit the scope of any provision of this Site Lease.

SECTION 20. AMENDMENTS

This Site Lease may be amended in writing as may be mutually agreed by the Authority and the City.

SECTION 21. EXECUTION

This Site Lease may be executed in any number of counterparts, each of which shall be deemed to an original, but all together shall constitute but one and the same Site Lease. It is also agreed that separate counterparts of this Site Lease may separately be executed by the City and the Authority, all with the same force and effect as though the same counterpart had been executed by both the City and the Authority.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the City and the Authority have caused this Site Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

SELMA PUBLIC FINANCING AUTHORITY

By _____
Fernando Santillan
Executive Director

ATTEST:

By _____
Reyna Rivera
Secretary

CITY OF SELMA

By _____
Fernando Santillan
City Manager

ATTEST:

By _____
Reyna Rivera
City Clerk

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA)
) ss:
COUNTY OF FRESNO)

On _____ before me, _____ (insert name of the officer), Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____ [Seal]

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) ss:
COUNTY OF FRESNO)

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I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____ [Seal]

EXHIBIT A-1

DESCRIPTION OF THE LEASED REAL PROPERTY

[New Police Station located at 2055 Third Street, Selma, California]

[Fire Station No. 1 located at 1927 West Front Street, Selma, California]

[Fire Station No. 2 located at 2861 A Street, Selma, California]

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[Salazar Recreation Center located at 1800 Sheridan Street, Selma, California]

[Lincoln Park Senior Center located at 2301 Selma Street, Selma, California]

EXHIBIT A-2

DESCRIPTION OF THE LEASED WASTEWATER SYSTEM PROPERTY

The City's wastewater collection system, including a network of approximately 82 miles of sewer lines, approximately 1,300 sewer manholes, and 10 sewer lift stations that convey wastewater from homes and business.

AFTER RECORDATION PLEASE RETURN TO:
Norton Rose Fulbright US LLP
555 South Flower Street, Suite 4100
Los Angeles, California 90071
Attention: Stepan A. Haytayan, Esq.

ASSIGNMENT AGREEMENT

Dated as of February 1, 2024

by and between

SELMA PUBLIC FINANCING AUTHORITY

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

Relating to the

[\$[Par Amount]
Selma Public Financing Authority
Lease Revenue Bonds, 2024 Series A
(Wastewater Infrastructure Projects)

THIS IS A FINANCING DOCUMENT.
NO DOCUMENTARY TRANSFER TAX IS DUE PURSUANT
TO REVENUE AND TAXATION CODE SECTION 11922
AND THIS DOCUMENT IS EXEMPT FROM RECORDING FEES
PURSUANT TO GOVERNMENT CODE SECTION 27383

SECTION 1. DEFINITIONS..... 1

SECTION 2. ASSIGNMENT..... 1

SECTION 3. ACCEPTANCE OF ASSIGNMENT 2

SECTION 4. NO ADDITIONAL RIGHTS OR DUTIES..... 2

SECTION 5. FURTHER ASSURANCES 2

SECTION 6. COUNTERPARTS 2

SECTION 7. GOVERNING LAW 2

SECTION 8. NOTICES..... 2

SECTION 9. BINDING EFFECT; SUCCESSORS..... 2

EXHIBIT A-1 — DESCRIPTION OF THE LEASED REAL PROPERTY

EXHIBIT A-2 — DESCRIPTION OF THE LEASED WASTEWATER SYSTEM PROPERTY

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT, dated as of February 1, 2024 (this “Assignment Agreement”), by and between the SELMA PUBLIC FINANCING AUTHORITY, a joint powers authority duly organized and existing under the laws of the State of California (the “Authority”) and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America and authorized to accept assignments of the nature herein set forth, as trustee (the “Trustee”);

WITNESSETH:

WHEREAS, the Authority has entered into a Site and Facility Lease, dated as of February 1, 2024 (the “Site Lease”), with the City of Selma, California (the “City”), whereby the Authority has agreed to lease certain property located within the City, as described in Exhibit A-1 and Exhibit A-2 attached hereto (collectively, the “Leased Property”), from the City; and

WHEREAS, the Authority has entered into a Lease Agreement, dated as of February 1, 2024 (the “Lease”), with the City, whereby the Authority has agreed to lease the Leased Property to the City; and

WHEREAS, under and pursuant to the Lease, the City is obligated to make base rental payments, including the Base Rental Payments as defined therein, to the Authority for the lease of the Leased Property; and

WHEREAS, the Base Rental Payments have been pledged by the Authority as security for the payment of principal of and interest on its \$[Par Amount] Lease Revenue Bonds, 2024 Series A (Wastewater Infrastructure Projects) authorized and issued pursuant to an Indenture, dated as of February 1, 2024 (the “Indenture”), by and between the Authority and the Trustee; and

WHEREAS, the Authority desires to assign to the Trustee without recourse certain of its rights under the Lease and the Site Lease, including all of its rights to receive the Base Rental Payments scheduled to be paid by the City under and pursuant to the Lease;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions. All capitalized terms used herein without definition shall have the meanings given to such terms in the Indenture or the Lease, as appropriate.

Section 2. Assignment. The Authority does hereby assign and transfer to the Trustee all of the Authority’s rights, title and interest in and to (but none of its obligations under) the Lease and the Site Lease (excepting only (i) the Authority’s rights to give approvals and consents thereunder, including, without limitation, to amendments, and the Authority’s rights to the payment of Additional Rental Payments pursuant to Section 3(b) of the Lease and to indemnification pursuant to Section 15 of the Lease, and (ii) the Authority’s rights to receive lease payments other than the Base Rental Payments), including the Authority’s rights to receive Base

Rental Payments, as well as its rights to enforce payment of such Base Rental Payments when due or otherwise to protect its interests in the event of a default by the City under the Lease, in accordance with the terms thereof, in trust nonetheless and provided that should the Authority well and truly perform all of its obligations under the Indenture, this Assignment Agreement shall terminate and all interest in the Lease and the Site Lease shall revert to the Authority. The Base Rental Payments shall be applied, and the rights of the Authority assigned hereunder shall be exercised by the Trustee, as provided in the Indenture.

Section 3. Acceptance of Assignment. The Trustee hereby accepts the assignment and transfer of such of the Authority's rights, title and interest in and to the Lease and the Site Lease as are assigned and transferred pursuant to the terms of this Assignment Agreement.

Section 4. No Additional Rights or Duties. Excepting only the assignment and transfer of rights to the Trustee pursuant to Section 2 hereof, this Assignment Agreement shall not confer any rights nor impose any duties, obligations or responsibilities upon the Trustee beyond those expressly provided in the Lease, the Site Lease and the Indenture. The Trustee does not warrant the accuracy of any of the recitals hereto. This Assignment Agreement shall not impose any duties, obligations or responsibilities upon the Authority or the City beyond those expressly provided in the Lease, the Site Lease and the Indenture or as otherwise set forth herein. The Trustee shall have the same rights, protections, immunities, benefits, powers and indemnities hereunder as afforded to it under the Indenture and the Lease.

Section 5. Further Assurances. The Trustee will make, execute and deliver any and all such further resolutions, instruments and assurances prepared by the Authority as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Assignment Agreement, and for the better assuring and confirming to the Trustee the rights and obligations intended to be conveyed pursuant hereto.

Section 6. Counterparts. This Assignment Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement. The exchange of copies of this Assignment Agreement and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Assignment Agreement as to the parties hereto and may be used in lieu of the original Assignment Agreement and signature pages for all purposes.

Section 7. Governing Law. This Assignment Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 8. Notices. All notices under this Assignment Agreement shall be in accordance with Section 10.13 of the Indenture.

Section 9. Binding Effect; Successors. This Assignment Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Whenever in this Assignment Agreement any party is named or referred to, such reference shall be deemed to include such party's successors and assigns and all covenants and agreements contained in this Assignment Agreement by or on behalf of any party hereto shall bind and inure to the benefit of such party's successors and assigns whether so expressed or not.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment Agreement as of the date first above written.

SELMA PUBLIC FINANCING AUTHORITY

By _____
Fernando Santillan
Executive Director

ATTEST:

Reyna Rivera
Secretary

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee

By _____
Authorized Officer

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA)
) ss:
COUNTY OF FRESNO)

On _____ before me, _____ (insert name of the officer), Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____ [Seal]

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA)
) ss:
COUNTY OF FRESNO)

On _____ before me, _____ (insert name of the officer), Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____ [Seal]

EXHIBIT A-1

DESCRIPTION OF THE LEASED REAL PROPERTY

[New Police Station located at 2055 Third Street, Selma, California]

[Fire Station No. 1 located at 1927 West Front Street, Selma, California]

[Fire Station No. 2 located at 2861 A Street, Selma, California]

[Old Police Station 1935 East Front Street, Selma, California]

[Selma Arts Center located at 1935 High Street, Selma, California]

[New Corporate Yard located at 1325 Nebraska Street, Selma, California]

[Old Corporate Yard located at 2155 East Front Street, Selma, California]

[Salazar Recreation Center located at 1800 Sheridan Street, Selma, California]

[Lincoln Park Senior Center located at 2301 Selma Street, Selma, California]

EXHIBIT A-2

DESCRIPTION OF THE LEASED WASTEWATER SYSTEM PROPERTY

The City's wastewater collection system, including a network of approximately 82 miles of sewer lines, approximately 1,300 sewer manholes, and 10 sewer lift stations that convey wastewater from homes and business.

INDENTURE

by and between

SELMA PUBLIC FINANCING AUTHORITY

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

Dated as of February 1, 2024

Relating to

[\$Par Amount]
Selma Public Financing Authority
Lease Revenue Bonds, 2024 Series A
(Wastewater Infrastructure Projects)

ARTICLE I DEFINITIONS; AUTHORIZATION AND PURPOSE OF BONDS; EQUAL SECURITY	2
SECTION 1.01. Definitions	2
SECTION 1.02. Rules of Construction	11
SECTION 1.03. Authorization and Purpose of Bonds	11
SECTION 1.04. Equal Security	11
ARTICLE II ISSUANCE OF BONDS.....	12
SECTION 2.01. Designation	12
SECTION 2.02. Terms of Bonds	12
SECTION 2.03. Redemption of Bonds	13
SECTION 2.04. Form of Bonds	15
SECTION 2.05. Execution of Bonds	16
SECTION 2.06. Transfer of Bonds	16
SECTION 2.07. Exchange of Bonds	17
SECTION 2.08. Temporary Bonds	17
SECTION 2.09. Registration Books	17
SECTION 2.10. Bonds Mutilated, Lost, Destroyed or Stolen	17
SECTION 2.11. Book-Entry System; Limited Obligation	18
SECTION 2.12. Representation Letter	19
SECTION 2.13. Transfers Outside Book-Entry System	19
SECTION 2.14. Payments and Notices to the Nominee	20
SECTION 2.15. Initial Depository and Nominee	Error! Bookmark not defined.
SECTION 2.16. CUSIP Numbers	Error! Bookmark not defined.
ARTICLE III DEPOSIT AND APPLICATION OF PROCEEDS.....	20
SECTION 3.01. Issuance of Bonds	20
SECTION 3.02. Application of Proceeds of Sale of Bonds	20
SECTION 3.03. 2024A Costs of Issuance Fund	21
SECTION 3.04. 2024A Reserve Fund	21
SECTION 3.05. 2024A Project Fund	22
SECTION 3.06. 2024A Insurance and Condemnation Fund	22
SECTION 3.07. Validity of Bonds	23
ARTICLE IV REVENUES; FLOW OF FUNDS.....	23
SECTION 4.01. Pledge of Revenues; Assignment of Rights	23
SECTION 4.02. Lease Revenue Fund; Receipt, Deposit and Application of Revenues	24
SECTION 4.03. Reserved	25
SECTION 4.04. Investments	25
SECTION 4.05. Valuation and Disposition of Investments	26
ARTICLE V COVENANTS OF THE AUTHORITY	26
SECTION 5.01. Punctual Payment	26

SECTION 5.02.	Extension of Payment of Bonds	26
SECTION 5.03.	Against Encumbrances.....	26
SECTION 5.04.	Power to Issue Bonds and Make Pledge and Assignment.....	26
SECTION 5.05.	Accounting Records and Financial Statements.....	27
SECTION 5.06.	No Additional Obligations.....	27
SECTION 5.07.	Lease.....	27
SECTION 5.08.	Further Assurances.....	27
ARTICLE VI THE TRUSTEE		27
SECTION 6.01.	Appointment of Trustee	27
SECTION 6.02.	Acceptance of Trusts.....	28
SECTION 6.03.	Fees, Charges and Expenses of Trustee	31
SECTION 6.04.	Notice to Bond Owners of Default.....	32
SECTION 6.05.	Intervention by Trustee.....	32
SECTION 6.06.	Removal of Trustee	32
SECTION 6.07.	Resignation by Trustee.....	32
SECTION 6.08.	Appointment of Successor Trustee.....	32
SECTION 6.09.	Merger or Consolidation	33
SECTION 6.10.	Concerning any Successor Trustee.....	33
SECTION 6.11.	Appointment of Co-Trustee	33
SECTION 6.12.	Indemnification; Limited Liability of Trustee	34
ARTICLE VII MODIFICATION AND AMENDMENT OF THE INDENTURE		34
SECTION 7.01.	Amendment	34
SECTION 7.02.	Effect of Supplemental Indenture	35
SECTION 7.03.	Endorsement or Replacement of Bonds After Amendment	35
ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS		36
SECTION 8.01.	Events of Default	36
SECTION 8.02.	Remedies; No Acceleration	36
SECTION 8.03.	Application of Revenues and Other Funds After Default.....	37
SECTION 8.04.	Power of Trustee to Control Proceedings.....	37
SECTION 8.05.	Appointment of Receivers	38
SECTION 8.06.	Non-Waiver	38
SECTION 8.07.	Rights of Owners.....	38
SECTION 8.08.	Termination of Proceedings.....	39
ARTICLE IX TAX COVENANTS		39
SECTION 9.01.	Tax Covenants.....	39
ARTICLE X MISCELLANEOUS		43
SECTION 10.01.	Limited Liability of Authority	43
SECTION 10.02.	Benefits of Indenture Limited to Parties	43
SECTION 10.03.	Defeasance; Discharge of Indenture.....	43

SECTION 10.04.	Successor is Deemed Included in All References to Predecessor	44
SECTION 10.05.	Content of Certificates and Opinions.....	44
SECTION 10.06.	Execution of Documents by Owners	45
SECTION 10.07.	Disqualified Bonds	45
SECTION 10.08.	Waiver of Personal Liability	45
SECTION 10.09.	Partial Invalidity	46
SECTION 10.10.	Disposal of Canceled Bonds	46
SECTION 10.11.	Funds and Accounts.....	46
SECTION 10.12.	Payment on Business Days	46
SECTION 10.13.	Notices	46
SECTION 10.14.	Unclaimed Moneys.....	47
SECTION 10.15.	Governing Law.....	47
SECTION 10.16.	Execution in Counterparts	47

EXHIBIT A – FORM OF BOND

EXHIBIT B – FORM OF COSTS OF ISSUANCE REQUISITION

EXHIBIT C – FORM OF PROJECT FUND REQUISITION

EXHIBIT D – FORM OF NET PROCEEDS REQUISITION

EXHIBIT E – FORM OF WRITTEN CERTIFICATE OF SUBSTANTIAL PROJECT COMPLETION

INDENTURE

This INDENTURE is dated as of February 1, 2024, by and between the SELMA PUBLIC FINANCING AUTHORITY, a joint powers authority organized and existing under the laws of the State of California (the “Authority”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America with a corporate trust office in Los Angeles, California and qualified to accept and administer the trusts hereby created, as trustee (the “Trustee”).

RECITALS:

WHEREAS, the City of Selma, California (the “City”) and Successor Agency to the Redevelopment Agency of the City of Selma, have entered into a Joint Exercise of Powers Agreement, dated February 18, 1992, establishing the Selma Public Financing Authority (the “Authority”) for the purpose of, among other things, issuing bonds to provide financing for the City; and

WHEREAS, the Authority has determined to issue its Lease Revenue Bonds, 2024 Series A (Wastewater Infrastructure Projects), in the aggregate principal amount of \$[Par Amount] (the “Bonds”) to provide funds to: (i) finance the acquisition, construction and improvement of wastewater collection infrastructure projects in the City, as described herein, (ii) fund a debt service reserve for the Bonds, (iii) fund a portion of interest for the Bonds and (iv) pay the related costs of issuing the Bonds; and

WHEREAS, the City and the Authority have entered into a Site and Facility Lease, dated as of February 1, 2024 (the “Site Lease”), whereby the Authority has agreed to lease the Leased Property (as defined herein) from the City; and

WHEREAS, the Authority and the City have entered into a Lease Agreement, dated as of February 1, 2024 (the “Lease”), whereby the Authority has agreed to lease the Leased Property to the City; and

WHEREAS, under and pursuant to the Lease, the City is obligated to make Base Rental Payments (as defined herein) to the Authority for the sublease of the Leased Property; and

WHEREAS, as security for its obligations hereunder, the Authority has assigned without recourse all its rights to receive the Base Rental Payments scheduled to be paid by the City under and pursuant to the Lease and certain other rights to the Trustee pursuant to this Indenture; and

WHEREAS, to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and to secure the payment of the principal thereof, premium, if any, and interest thereon, the Authority has authorized the execution and delivery of this Indenture; and

WHEREAS, the Authority has determined that all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal special obligations of the Authority, and to

constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of the Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that to secure the payment of the principal of and the interest and premium (if any) on all Bonds at any time issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the Authority does hereby covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the Bonds, as follows:

**ARTICLE I
DEFINITIONS; AUTHORIZATION AND PURPOSE OF BONDS;
EQUAL SECURITY**

SECTION 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Indenture and of any Supplemental Indenture and of the Bonds and of any certificate, opinion, request or other document herein mentioned have the meanings herein specified.

“**Act**” means Articles 1 through 4 (commencing with Section 6500), Chapter 5, Division 7, Title 1 of the Government Code of the State, as in existence on the Closing Date or as thereafter amended from time to time.

“**Additional Rental Payments**” means the additional rental payable by the City under and pursuant to Section 3(b) of the Lease.

“**Annual Debt Service**” means, for each Bond Year with respect to each of the Bonds, the sum of (a) the interest payable on the Outstanding Bonds in such Bond Year, and (b) the principal amount of the Outstanding Bonds scheduled to be paid in such Bond Year.

“**Approved Buyer**” means a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933.

“**Assignment Agreement**” means the Assignment Agreement, dated as of February 1, 2024, by and between the Authority and the Trustee.

“**Authority**” means the Selma Public Financing Authority, a joint powers authority duly organized and existing under the Joint Exercise of Powers Agreement and the laws of the State.

“**Authorized Denominations**” means \$5,000 or any integral multiple thereof.

“**Base Rental Payments**” means all Base Rental Payments under the Lease.

“Bond Counsel” means (a) Norton Rose Fulbright US LLP, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Authority of nationally recognized experience.

“Bond Law” means the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of the Act, as in existence on the Closing Date or as thereafter amended from time to time.

“Bond Year” means each twelve-month period extending from July 1 in one calendar year to June 30 of the succeeding calendar year, both dates inclusive, except that the first Bond Year shall begin on the Closing Date and shall end on June 30, 2024.

“Bonds” means the Authority’s Lease Revenue Bonds, 2024 Series A (Wastewater Infrastructure Projects).

“Business Day” means a day other than (i) a Saturday or Sunday, (ii) a day on which the commercial banks in the city in which the Trustee maintains its Trust Office are authorized or required by law or executive order to close or (iii) a day on which the New York Stock Exchange is closed.

“Certificate of the Authority” means a certificate in writing signed by the Chairperson of the Authority or by any other officer of the Authority duly authorized by the Chairperson or any other officer of the Authority duly authorized for that purpose, as evidenced in writing to the Trustee.

“Certificate of the City” means a certificate in writing signed by the City Manager of the City or by any other officer of the City duly authorized for that purpose, as evidenced in writing to the Trustee.

“City” means the City of Selma, California.

“Closing Date” means _____, 2024, being the date of delivery of the Bonds to the Original Purchaser thereof.

“Code” means the Internal Revenue Code of 1986.

“Costs of Issuance” means all items of expense directly or indirectly relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to printing expenses, rating agency fees, filing and recording fees, fees, expenses and charges of the City, the Authority, the Trustee, and their respective counsel (including the fees of Bond Counsel and Disclosure Counsel), including the Trustee’s first annual administrative fee, costs of obtaining bond insurance, if any, a Qualified Reserve Fund Credit Instrument or Permitted Investment for monies held in the funds and accounts created and held hereunder, fees, charges and disbursements of bond counsel, disclosure counsel and other attorneys, municipal advisors, placement agents, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds and the execution and delivery of the Lease.

“Defeasance Securities” means (1) cash, (2) non-callable direct obligations of the United States of America (“Treasuries”), fully and unconditionally guaranteed as to timely payment by,

the United States government and any agency, instrumentality, or establishment of the United States government, (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s, respectively.

“Depository” means DTC and its successors and assigns or if (a) the then existing Depository resigns from its functions as securities depository of the Bonds, or (b) the Authority discontinues use of the Depository pursuant to Section 2.13 hereof, any other securities depository which agrees to follow the procedures requested to be followed by a securities depository in connection with the Bonds and which is selected by the Authority.

“Depository Participant” means a member of, or participant in, the Depository.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Event of Default” means any of the events described in Section 8.01.

“Fiscal Year” means any twelve-month period extending from July 1 in one calendar year to June 30 of the succeeding calendar year, both dates inclusive, or any other twelve-month period selected and designated by the Authority as its official fiscal year period.

“Indenture” means this Indenture, dated as of February 1, 2024, as originally executed or as it may from time to time be amended or supplemented in accordance herewith.

“Independent Certified Public Accountant” means any certified public accountant or firm of certified public accountants appointed and paid by the Authority, and who, or each of whom:

- (a) is in fact independent and not under domination of the Authority or the City;
 - (b) does not have any substantial interest, direct or indirect, in the Authority or the City;
- and
- (c) is not connected with the Authority or the City as an officer or employee of the Authority or the City but who may be regularly retained to make annual or other audits of the books of or reports to the Authority or the City.

“Information Services” means the Electronic Municipal Market Access System (referred to as “EMMA”), a facility of the Municipal Securities Rulemaking Board, at <http://emma.msrb.org>; provided, however, in accordance with then current guidelines of the Securities and Exchange Commission, Information Services shall mean such other organizations providing information with respect to called Bonds as the Authority may designate in writing to the Trustee.

“Interest Payment Date” means February 1 and August 1 of each year, commencing August 1, 2024.

“Lease” means that certain Lease Agreement, dated as of February 1, 2024, by and between the Authority as lessor and the City as lessee, as it may be further amended or modified.

“Lease Revenue Fund” means the fund by that name established and held by the Trustee pursuant to Section 4.02.

“Leased Property” means, collectively, the Leased Real Property and the Leased Wastewater System Property .

“Leased Real Property” means, collectively, those certain parcels of real property, together with the improvements thereon, leased by the Authority to the City pursuant to the Lease, as more fully described in Exhibit A-1 to the Lease, as such Exhibit A-1 may be revised and amended from time to time pursuant to the terms hereof and of the Lease.

“Leased Wastewater System Property” means, collectively, that certain property leased by the Authority to the City pursuant to the Lease, as more fully described in Exhibit A-2 to the Lease, as such Exhibit A-2 may be revised and amended from time to time pursuant to the terms hereof and of the Lease.

“Maximum Annual Debt Service” in respect of any Bond Year means the largest of the sums obtained for that or any succeeding Bond Year after totaling the following for each such Bond Year:

(a) The principal amount of all Outstanding Bonds maturing or required to be redeemed by mandatory sinking account redemption in such Bond Year; and

(b) The interest that would be due during such Bond Year on the aggregate principal amount of Bonds which would be Outstanding in such Bond Year if the Bonds Outstanding on the date of such computation were to mature or be redeemed in accordance with the applicable maturity or mandatory sinking account redemption schedule. At the time and for the purpose of making such computation, the amount of Bonds already retired in advance of the above mentioned schedule or schedules shall be deducted pro rata from the remaining amounts thereon.

“Moody’s” means Moody’s Investors Service, and its successors and assigns.

“Nominee” means the nominee of the Original Purchaser and thereafter the nominee of an Approved Buyer or the Depository, which may be the Depository, as determined from time to time pursuant hereto.

“Original Purchaser” means Capital One Public Funding, LLC, and its successors.

“Outstanding,” when used as of any particular time with reference to Bonds means (subject to the provisions of Section 10.07) all Bonds theretofore executed, issued and delivered by the Authority under this Indenture except:

(a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;

(b) Bonds paid or deemed to have been paid within the meaning of Section 10.03; and

(c) Bonds in lieu of which or in substitution for which other Bonds shall have been executed, issued and delivered pursuant to this Indenture or any Supplemental Indenture.

“Owner” when used with respect to any Bond, means the person in whose name the ownership of such Bond shall be registered on the Registration Books. Initially, the Owner is the Original Purchaser.

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein (the Trustee is entitled to conclusively rely on a Request of the Authority directing investment in such Permitted Investment as a certification by the Authority to the Trustee that such Permitted Investment is a legal investment under the laws of the State), but only to the extent that the same are acquired at fair market value:

(a) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) or obligations the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by the United States of America, including instruments evidencing a direct ownership interest in securities described in this clause such as Stripped Treasury Coupons rated or assessed in the highest rating category by S&P and Moody’s and held by a custodian for safekeeping on behalf of holders of such securities.

(b) Bonds or notes which are exempt from federal income taxes and for the payment of which cash or obligations described in clause (a) of this definition in an amount sufficient to pay the principal of, premium, if any, and interest when due have been irrevocably deposited with a trustee or other fiscal depository and which are rated the same rating as direct obligations of the United States of America by S&P and Moody’s.

(c) Obligations, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following: Federal Home Loan Bank System, Government National Mortgage Association, Farmer’s Home Administration, Federal Home Loan Mortgage Corporation or Federal Housing Administration; provided that with respect to the funds and accounts established under this Indenture, such obligations shall at no time exceed an amount equal to ten percent (10%) of the aggregate principal amount of the Bonds Outstanding.

(d) Deposit accounts, certificates of deposit including those placed by a third party pursuant to an agreement between the Trustee and the Authority, interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, other deposit products, bankers acceptances of depository institutions, or savings accounts (i) insured by the Federal Deposit Insurance Corporation or (ii) with banks whose short term obligations are rated no lower than A 1 by S&P and P 1 by Moody’s at the time of purchase including those of the Trustee and its affiliates.

(e) Federal funds or banker's acceptances with a maximum term of one year of any bank that (i) has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" by Moody's and "A-1" or "A" or better by S&P (including the Trustee and its affiliates) at the time of purchase or (ii) is insured by the FDIC.

(f) Repurchase or reverse repurchase obligations (including those of the Trustee or any of its affiliates) with a term not exceeding 30 days pursuant to a written agreement between the Trustee and either a primary dealer on the Federal Reserve reporting dealer list which falls under the jurisdiction of the SIPC or a federally chartered commercial bank whose long-term debt obligations are rated A or better by S&P and Moody's, with respect to any security described in clause (1); provided that the securities which are the subject of such repurchase obligation (i) must be free and clear of all liens, (ii) in the case of a SIPC dealer, were not acquired pursuant to a repurchase or reverse repurchase agreement, (iii) must be deposited with the Trustee and maintained through weekly market valuations in an amount equal to 104% of the invested funds plus accrued interest; and further provided that the Trustee must have a valid first perfected security interest in such securities.

(g) Taxable government money market portfolios that have a rating by S&P of Am-G or Am or better and rated in one of the three highest rating categories of Moody's, subject to a maximum permissible limit equal to six months of principal and interest on the Bonds including portfolios of the Trustee and its affiliates.

(h) Tax-exempt government money market portfolios that have a rating by S&P of Am-G or Am or better and rated in one of the three highest rating categories of Moody's consisting of securities which are rated in the highest Rating Categories of S&P and Moody's subject to a maximum permissible limit equal to six months of principal and interest on the Bonds.

(i) Money market mutual funds registered under the Investment Company Act of 1940, the shares in which are registered under the Securities Act of 1933 and that have a rating by S&P of AA-Am-G or AA-Am and rated in one of the two highest Rating Categories of Moody's at the time of purchase, including those managed or advised by the Trustee or its affiliates or for which the Trustee or an affiliate of the Trustee serves as administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee.

(j) Commercial paper having, at the time of investment or contractual commitment to invest therein, a rating from S&P and Moody's, of A1 and P1, respectively.

(k) The Local Agency Investment Fund of the State, created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

(l) Investment agreements, including guaranteed investment contracts ("GICs") forward purchase agreements and reserve fund put agreements with banks or other financial

institutions rated, or guaranteed by institutions rated, or with senior unsecured debt rated by S&P or Moody's, in one of the three highest rating categories assigned by such agencies.

(m) The California Investment Trust managed by The California Investment Trust Retirement Plan Group.

(n) Bonds, notes or other obligations the interest on which is excluded from the gross income of the owners thereof for federal income tax purposes and is not included in computing the alternative minimum taxable income of the owners thereof who are individuals.

(o) Any other investments which meet the criteria established by applicable published investment guidelines issued by each rating agency then rating the Bonds.

“Project” means the acquisition, construction and improvement of wastewater collection infrastructure projects in the City, including without limitation the 2024A East Trunk Line Project.

“Project Costs” means all costs which are paid from moneys on deposit in the Project Fund, including but not limited to:

(a) all costs required to be paid to any person under the terms of any agreement for or relating to the Project;

(b) obligations incurred for labor and materials in connection with the Project;

(c) the cost of performance or other bonds and any and all types of insurance that may be necessary or appropriate to have in effect in connection with the Project;

(d) all costs of engineering and architectural services, including the actual out-of-pocket costs for test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, development fees, sales commissions, and for supervising construction, as well as for the performance of all other duties required by or consequent to the Project;

(e) any sums required to reimburse the Authority or the City for advances made for any of the above items or for any other costs incurred and for work done which are properly chargeable to the Project; and

(f) all financing costs incurred in connection with the Project, including but not limited to Costs of Issuance and other costs incurred in connection herewith and the financing of the Project.

“Qualified Reserve Fund Credit Instrument” means an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank, national banking association or insurance company and deposited with the Trustee pursuant to Section 3.04(d) provided that all of the following requirements are met: (i) the long-term credit rating of such bank or insurance company at the time of delivery of such letter of credit or surety bond is rated in one of the two highest rating categories by Moody's or S&P respectively and, if rated by A.M. Best & Company, a minimum rating of “A”; (ii) such letter of credit or surety bond or policy has a term which ends no earlier than the last Interest Payment Date of the Bonds; (iii) such letter of credit or surety bond

has a stated amount at least equal to the portion of the 2024A Reserve Requirement with respect to which funds are proposed to be released pursuant to Section 3.04(d); and (iv) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the amounts available to repay the principal of and interest on the Bonds.

“Record Date” means, with respect to any Interest Payment Date, the fifteenth calendar day of the month immediately preceding such Interest Payment Date, whether or not such day is a Business Day.

“Registration Books” means the records maintained by the Trustee pursuant to Section 2.09 for the registration and transfer of ownership of the Bonds.

“Rental Payments” means, collectively, the Base Rental Payments and any Additional Rental Payments.

“Request of the Authority” means a request or direction in writing signed by the Chairperson or Executive Director of the Authority or by any other officer of the Authority duly authorized by the Chairperson or by the Authority for that purpose, as evidenced in writing to the Trustee.

“Request of the City” means a request or direction in writing signed by the Mayor or the City Manager or by any other officer of the City duly authorized for that purpose by the Mayor or City Manager or by the City Council, as evidenced in writing to the Trustee.

“Responsible Officer” means any member of the Authority or any other person authorized by resolution of the Authority to act on behalf of the Authority under or with respect to the Lease or this Indenture.

“Revenues” means (i) all Base Rental Payments payable by the City pursuant to the Lease (including prepayments), (ii) any proceeds of Bonds deposited with the Trustee and all moneys on deposit in the funds and accounts established hereunder, (iii) investment income with respect to such moneys held by the Trustee and (iv) any insurance proceeds or condemnation awards received by or payable to the Trustee relating to the Base Rental Payments.

“S&P” means S&P Global Ratings, and its successors and assigns.

“Securities Depositories” means The Depository Trust Company, New York, New York and its successors and assigns or if (i) the then existing Securities Depository resigns from its functions as depository of the Bonds or (ii) the Authority discontinues use of the then existing Securities Depository pursuant to Section 2.13, any other securities depository which agrees to follow the procedures required to be followed by a securities depository in connection with the Bonds and which is selected by the Authority.

“Site Lease” means that certain Site and Facility Lease, dated as of February 1, 2024, by and between the City and the Authority, pursuant to which the Authority leases the Leased Property from the City.

“**State**” means the State of California.

“**Supplemental Indenture**” means any agreement supplemental to or amendatory of this Indenture entered into in accordance with the provisions of Article VII.

“**Tax Certificate**” means the Tax Certificate related to the Bonds, dated as of the Closing Date, as the same may be amended from time to time.

“**Trust Office**” means the designated corporate trust office of the Trustee in Los Angeles, California or such other offices as may be designated to the Authority by the Trustee in writing from time to time at which at any time its corporate trust business shall be administered, or the designated corporate trust office of any successor Trustee (or such other address as such successor Trustee may designate from time to time by notice to the Owners and the Authority) or, solely for purposes of the surrender of the Bonds for payment, transfer or exchange, the corporate trust operations or agency office designated by the Trustee.

“**Trustee**” means U.S. Bank Trust Company, National Association, and its successors and assigns, and any other banking corporation or association that may at any time be substituted in its place as provided in Article VI hereof.

“**2024A Costs of Issuance Fund**” means the fund by that name established and held by the Trustee pursuant to Section 3.03.

“**2024A Interest Account**” means the account by that name established and held by the Trustee pursuant to Section 4.02(a).

“**2024A Insurance and Condemnation Fund**” means the fund by that name established and held by the Trustee pursuant to Section 3.06.

“**2024A Principal Account**” means the account by that name established and held by the Trustee pursuant to Section 4.02(b).

“**2024A Project Fund**” means the account by that name established and held by the Trustee pursuant to Section 3.05.

“**2024A Reserve Fund**” means the fund by that name established and held by the Trustee pursuant to Section 3.04.

“**2024A Reserve Requirement**” means, as of each calculation date, an amount equal to the least of (i) Maximum Annual Debt Service on all Outstanding Bonds, (ii) 10% of the initial principal amount of the Bonds (or, if the Bonds are sold with more than 2% net original issue discount or more than 2% net original issue premium, 10% of the issue price of the Bonds), or (iii) 125% of the average Annual Debt Service as of the date of issuance of the Bonds.

“**2024A East Trunk Line Project**” the acquisition, construction and installation of an approximately []-mile sewer trunk line to be located approximately in areas along and between Rose Avenue and Saginaw Avenue in the eastern portions of the City and adjacent areas in unincorporated Fresno County.

“2024A East Trunk Line Project Development Impact Fees” means the portion of any fees imposed and received by the City under the Mitigation Fee Act to defraying all or a portion of the cost of the 2024A East Trunk Line Project.

“2024A East Trunk Line Project Reimbursement Agreement” means each agreement previously or hereafter executed by the City under which the City receives amounts to reimburse all or a portion of the cost of the 2024A East Trunk Line Project, including without limitation the Reimbursement Agreement made and entered into on July 11, 2023, by and between the City and Leslie A. Morgan, as to an undivided twenty-five percent (25%) interest, BAK Limited, LLC, (successor-in-interest to Daniel L. Serimian), as to an undivided twenty-five percent (25%) interest, Marlon D. Serimian, as to an undivided twenty-five percent (25%) interest, and David M. Serimian, as to an undivided twenty-five percent (25%) interest, the owner of real property within the City generally referred to as the Amberwood Specific Plan Area.

“2024A East Trunk Line Project Reimbursements and Development Impact Fees” means (i) amounts received by the City as reimbursement for the costs of the 2024A East Trunk Line Project under any 2024A East Trunk Line Project Reimbursement Agreement and (ii) the 2024A East Trunk Line Project Development Impact Fees.

“2024A East Trunk Line Project Reimbursements and Development Impact Fees Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.07.

SECTION 1.02. Rules of Construction. All references in this Indenture to “Articles,” “Sections,” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; and the words “herein,” “hereof,” “hereunder,” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

SECTION 1.03. Authorization and Purpose of Bonds. The Authority has reviewed all proceedings heretofore taken relative to the authorization of the Bonds and has found, as a result of such review, and hereby finds and determines that all things, conditions, and acts required by law to exist, to happen and to be performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority is now authorized under the Joint Exercise of Powers Agreement and the Bond Law and each and every requirement of law, to issue the Bonds in the manner and form provided in this Indenture. Accordingly, the Authority hereby authorizes the issuance of the Bonds pursuant to the Bond Law and this Indenture for the purpose described in the recitals hereof.

SECTION 1.04. Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, this Indenture shall be deemed to be and shall constitute a contract between the Authority and the Owners from time to time of the Bonds; and the covenants and agreements herein set forth to be performed on behalf of the Authority shall be for the equal and proportionate benefit, security and protection of all Owners without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution or delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

ARTICLE II ISSUANCE OF BONDS

SECTION 2.01. Designation. The Bonds are authorized to be issued by the Authority under and subject to the Bond Law and the terms of this Indenture and shall be designated, respectively, as the “Selma Public Financing Authority Lease Revenue Bonds, 2024 Series A (Wastewater Infrastructure Projects).” The Bonds shall be issued in the original aggregate principal amount of \$[Par Amount].

SECTION 2.02. Terms of Bonds. The Bonds shall be dated the Delivery Date, and mature on February 1, 20[___], in the principal amount of \$[____], and bear interest at the rate per annum of [___]% (computed on the basis of a 360-day year of twelve 30-day months) . The Bonds shall be delivered in fully registered form, numbered from one upwards in consecutive numerical order (with such alphabetical prefix as shall be determined). The Bonds shall be executed and delivered in Authorized Denominations. The Bonds shall be dated the Closing Date.

Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (i) it is authenticated during the period from the day after the Record Date for an Interest Payment Date to and including such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) it is authenticated on or prior to the Record Date for the first Interest Payment Date, in which event it shall bear interest from the Closing Date; provided, however, that if, at the time of authentication of any Bond interest with respect to such Bond is in default, such Bond shall bear interest from the Interest Payment Date to which interest has been paid or made available for payment with respect to such Bond.

Interest with respect to any Bond shall be payable in lawful money of the United States of America on each Interest Payment Date to the Owner thereof as of the close of business on the Record Date, such interest to be paid by check of the Trustee, mailed by first class mail no later than the Interest Payment Date to the Owner at his address as it appears, on such Record Date, on the Registration Books maintained by the Trustee; *provided, however*, that at the written request of the Owner of at least \$1,000,000 in aggregate principal amount of Outstanding Bonds filed with the Trustee prior to any Record Date, interest on such Bonds shall be paid to such Owner on each succeeding Interest Payment Date (unless such request has been revoked in writing) by wire transfer of immediately available funds to an account in the United States designated in such written request. Payments of defaulted interest with respect to the Bonds shall be paid by check to the registered Owners of the Bonds as of a special record date to be fixed by the Trustee, notice of which special record date shall be given to the registered Owners of the Bonds not less than ten days prior thereto. The principal of and premium, if any, on the Bonds are payable by check when due upon surrender thereof at the Trust Office in lawful money of the United States of America.

So long as all of the Bond is owned by the Original Purchaser or a single Owner (i) the Trustee shall pay principal of and interest and redemption premium on the Bonds when due by wire transfer in immediately available funds to the Owner in accordance with wire transfer instructions on file with the Trustee as shall be filed by the Owner with the Trustee from time to time; (ii) payments of principal on the Bond, including sinking fund redemption, shall be made without the requirement for presentation or surrender of the Bond by the Owner; provided, however, that the Owner shall present, or surrender the Bonds prior to the final payment, payable

at maturity, redemption or otherwise, to the Trust Office of the Trustee, and (iii) the Trustee shall not be required to give notice to the Owner of the sinking fund redemption.

SECTION 2.03. Redemption of Bonds.

(a) Extraordinary Redemption from Net Proceeds. The Bonds are subject to redemption prior to their respective maturity dates, upon notice as hereinafter provided, as a whole or in part on any date, from prepayments of Base Rental Payments made by the City pursuant to the Lease from funds received by the City due to a taking of the Leased Property or any portion thereof under the power of eminent domain or from insurance proceeds received by the City due to damage to or destruction of the Leased Property or any portion thereof, under the circumstances and upon the conditions and terms prescribed herein and in the Lease. Redemption of Bonds pursuant to this subparagraph (a) shall be made at a redemption price equal to the sum of the principal of the Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption, without premium.

(b) Extraordinary Redemption from 2024A East Trunk Line Project Reimbursements and Development Impact Fees. The Bonds are subject to redemption prior to their respective maturity dates, upon notice as hereinafter provided, as a whole on any date, from prepayments of Base Rental Payments made by the City pursuant to the Lease from 2024A East Trunk Line Project Reimbursements and Development Impact Fees received by the City and deposited to the 2024A East Trunk Line Project Reimbursements and Development Impact Fees Fund, under the circumstances and upon the conditions and terms prescribed herein and in the Lease. The Bonds are subject to redemption prior to their respective maturity dates, upon notice as hereinafter provided, in part on any date, from prepayments of Base Rental Payments made by the City pursuant to the Lease from 2024A East Trunk Line Project Reimbursements and Development Impact Fees received by the City and deposited to the 2024A East Trunk Line Project Reimbursements and Development Impact Fees Fund, under the circumstances and upon the conditions and terms prescribed herein and in the Lease; provided the Bonds may be redeemed in part under this subsection and subsection (c) of this Section on no more than four dates. Redemption of Bonds pursuant to this subsection (b) shall be made at a redemption price equal to the sum of the principal of the Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption, without premium.

(c) Bonds Optional Redemption from Prepayments of Base Rental Payments. The Bonds shall be subject to redemption prior to their respective maturity dates as a whole on any date, in any order deemed reasonable by the Authority, and by lot within a maturity, from prepayments of Base Rental Payments made at the option of the City pursuant to Section 12(c) of the Lease. The Bonds shall be subject to redemption prior to their respective maturity dates in part on any date, from prepayments of Base Rental Payments made at the option of the City pursuant to Section 12(c) of the Lease provided the Bonds may be redeemed in part under this subsection and subsection (b) of this Section on no more than four dates. Redemption of Bonds pursuant to this subsection (c) shall be made at a redemption price equal to the sum of the principal of the Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption, without premium.

(d) Mandatory Sinking Account Redemption. The are subject to mandatory redemption, in part by lot, from sinking account payments set forth in the following schedule commencing on February 1 in each year to and including February 1, 20__ at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption.

**Redemption Date
(February 1)**

**Principal Amount
To be Redeemed**

*

* Maturity.

(e) If some but not all of the Bonds have been redeemed pursuant to extraordinary or optional redemptions, the total amount of sinking account payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of Bonds so redeemed by reducing each such future sinking account payment in reverse order of payment date in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the Authority with the Trustee. In the event of any reductions in the amount of sinking account payments due as a result of some but not all of the Bonds being redeemed pursuant to extraordinary or optional redemptions, the Authority shall provide the Trustee with a revised schedule reflecting such reductions.

(f) Notice of Redemption. The Trustee on behalf and at the expense of the Authority shall send (by first class mail or other means acceptable to the recipient thereof) notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, to the Securities Depositories and to one or more

Information Services, at least twenty (20) but not more than sixty (60) days prior to the date fixed for redemption; *provided, however*, that neither failure to receive any such notice so mailed nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the date of the notice, the redemption date, the redemption place and the redemption price and shall designate the CUSIP numbers, the Bond numbers and the maturity or maturities (except in the event of redemption of all of the Bonds) of the Bonds to be redeemed, and shall require that such Bonds be then surrendered at the Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date. Redemption notices may be conditional. Neither the Authority nor the Trustee shall have any responsibility for any defect in the CUSIP number that appears on any Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the Authority nor the Trustee shall be liable for any inaccuracy in such numbers.

Any notice given pursuant to this Section 2.03 may be conditional and/or rescinded by written notice given to the Trustee by the Authority and the Trustee shall provide notice of such rescission as soon thereafter as practicable in the same manner, and to the same recipients, as notice of such redemption was given pursuant to this Section.

(g) Selection of Bonds for Redemption. Whenever provision is made in this Indenture for the redemption of less than all of the Bonds, the Trustee shall select the Bonds to be redeemed from all Bonds not previously called for redemption, in such maturities as the Authority shall designate (and by lot within any maturity). For purposes of such selection, all Bonds shall be deemed to be comprised of separate \$5,000 portions and such portions shall be treated as separate Bonds, which may be separately redeemed.

(h) Partial Redemption of Bonds. If only a portion of any Bond is called for redemption, then upon surrender of such Bond the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds, with the same interest rate and maturity date as, and in aggregate principal amount equal to, the unredeemed portion of the Bond being redeemed.

(i) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, premium, if any, and interest on the Bonds so called for redemption shall have been duly provided, such Bonds so called shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price, and no interest shall accrue thereon from and after the redemption date. All Bonds redeemed pursuant to this Section 2.03 shall be canceled by the Trustee. All moneys held by or on behalf of the Trustee for the payment of principal of or interest or premium on Bonds, whether at redemption or maturity, shall be held in trust for the account of the Owners thereof and the Trustee shall not be required to pay Owners any interest on, or be liable to Owners for any interest earned on, moneys so held.

SECTION 2.04. Form of Bonds. The Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the form set

forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

During any period that the Original Purchaser is the Owner of the Bond, the Bond shall not be (i) assigned a rating by any credit rating agency, (ii) registered with DTC or any other securities depository, (iii) offered pursuant to any type of offering document or official statement or (iv) assigned a CUSIP number.

SECTION 2.05. Execution of Bonds. The Bonds shall be signed in the name and on behalf of the Authority with the manual or facsimile signature of its Chairperson or the Executive Director or the Interim Executive Director, and attested with the manual or facsimile signature of its Secretary or any Assistant Secretary duly appointed by the Authority, and shall be delivered to the Trustee for authentication by it. In case any officer of the Authority who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been authenticated or delivered by the Trustee or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though the individual who signed the same had continued to be such officer of the Authority. Also, any Bond may be signed on behalf of the Authority by any individual who on the actual date of the execution of such Bond shall be the proper officer although on the nominal date of such Bond such individual shall not have been such officer. Only such of the Bonds as shall bear thereon a certificate of authentication, manually executed on behalf of the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

SECTION 2.06. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon presentation and surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed. Whenever any Bond shall be surrendered for transfer, the Authority shall execute and the Trustee shall thereupon authenticate and deliver to the transferee a new Bond or Bonds of like tenor, interest rate, maturity and aggregate principal amount in Authorized Denominations. The Bonds may be transferred only in whole and not in part. The cost of printing any Bonds and any services rendered or fees or expenses incurred by the Trustee in connection with any such transfer shall be paid by the Authority, except that the Trustee shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. The Trustee shall not be required to transfer, pursuant to this Section, (a) any Bond during the period established by the Trustee for the selection of Bonds for redemption or (b) any Bond selected for redemption pursuant to Section 2.03(g). The transferor shall also provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Notwithstanding any other provision hereof, the Bonds may not be registered in the name of, or transferred to, any person except an Approved Buyer who has executed and delivered a Purchaser Letter of Representations in the form set forth in Exhibit E hereto to the Trustee and the Authority; provided, however, that Bonds registered in the name of the Depository or the Nominee shall be deemed to comply with this Section 2.06 so long as each beneficial owner of the Bonds is an Approved Buyer. Any transfer in violation of this paragraph shall be null and void.

SECTION 2.07. Exchange of Bonds. Bonds may be exchanged at the Trust Office of the Trustee for the same aggregate principal amount of Bonds of the same tenor, interest rate, and maturity and of other Authorized Denominations. The cost of printing any Bonds and any services rendered or fees or expenses incurred by the Trustee in connection with any such exchange shall be paid by the Authority, except that the Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. The Trustee shall not be required to exchange, pursuant to this Section, (a) any Bond during the period established by the Trustee for the selection of Bonds for redemption or (b) any Bond selected for redemption pursuant to Section 2.03(g).

SECTION 2.08. Temporary Bonds. The Bonds may be issued initially in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Authority and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Authority and be registered and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange therefor at the Trust Office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds definitive Bonds of like tenor, maturity and aggregate principal amount in Authorized Denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

SECTION 2.09. Registration Books. The Trustee will keep or cause to be kept at its Trust Office sufficient records for the registration and transfer of the Bonds, which shall at all times during regular business hours be open to inspection by the Authority with reasonable prior notice; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer, or cause to be registered or transferred, on said records, Bonds as herein provided.

SECTION 2.10. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor, maturity and aggregate principal amount in an Authorized Denomination in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it. If any Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence shall be satisfactory to it and indemnity satisfactory to it shall be given, the Authority and Trustee, at the expense of the Bond Owner, shall execute, and the Trustee shall

thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee). The Authority may require payment of a reasonable fee for each new Bond issued under this Section and of the expenses that may be incurred by the Authority and the Trustee. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original contractual obligation on the part of the Authority whether or not the Bond alleged to be lost, destroyed or stolen shall be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds secured by this Indenture.

SECTION 2.11. Book-Entry System; Limited Obligation. The Bonds shall be initially executed, authenticated and delivered in the form of a separate single fully registered Bond (which may be typewritten) for each of the maturities of the Bonds. Upon initial execution, authentication and delivery, the ownership of each such Bond shall be registered in the Registration Books in the name of the Original Purchaser and shall thereafter be assigned to and registered in the name of such other Approved Buyer or in the name of the Nominee as nominee of the Depository, if applicable. Except as provided in Section 2.13 hereof, all of the Outstanding Bonds shall be registered in the Registration Books kept by the Trustee in the name of the Nominee and the Bonds may be transferred, in whole but not in part, only to another nominee of and Approved Buyer or of the Depository or of a successor Depository, if a depository is desired by such subsequent Approved Buyer and acceptable to the Trustee.

With respect to Bonds registered in the Registration Books in the name of the Nominee, the Authority and the Trustee shall have no responsibility or obligation to any Depository Participant or to any person on behalf of which such a Depository Participant holds a beneficial interest in the Bonds. Without limiting the immediately preceding sentence, the Authority and the Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, the Nominee or any Depository Participant with respect to any beneficial ownership interest in the Bonds, (b) the delivery to any Depository Participant, beneficial owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any redemption notice, (c) the selection by the Depository and the Depository Participants of the beneficial interests in the Bonds to be redeemed in part, or (d) the payment to any Depository Participant, beneficial owner or any other person, other than the Depository, of any amount with respect to principal of, interest on, or premium, if any, of the Bonds. The Authority and the Trustee may treat and consider the person in whose name each Bond is registered in the Registration Books as the holder and absolute Owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on, the Bond, for the purpose of giving Redemption Notices with respect to the Bonds and other notices with respect to the Bonds, and for all other purposes whatsoever, including, without limitation, registering transfers with respect to the Bonds.

The Trustee shall pay all principal of, premium, if any, and interest on, the Bonds only to or upon the order of the respective Bond Owners, as shown in the Registration Books kept by the Trustee, or their respective attorneys duly authorized in writing, and all such payments shall be valid hereunder with respect to payment of principal of, premium, if any, and interest on, the Bonds to the extent of the sum or sums so paid. No person other than a Bond Owner, as shown in the

Registration Books, shall receive a Bond evidencing the obligation to make payments of principal of, premium, if any, and interest on, such Bond pursuant to this Indenture. Upon delivery by the Depository to the Trustee and the Authority of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in this Indenture shall refer to such new nominee of the Depository.

SECTION 2.12. Representation Letter. To qualify the Bonds for the Depository's book-entry system, the Authority has previously authorized, executed, countersigned and delivered to such Depository a letter from the Authority representing such matters as shall be necessary to so qualify the Bonds (the "Representation Letter"). The execution and delivery of the Representation Letter shall not in any way limit the provisions of Section 2.11 hereof or in any other way impose upon the Authority or the City any obligation whatsoever with respect to persons having beneficial interests in the Bonds other than the Owners, as shown in the Registration Books kept by the Trustee. In the written acceptance by the Trustee of the Representation Letter, the Trustee shall agree, and hereby agrees, to take all actions necessary for all representations of the Trustee in the Representation Letter with respect to the Trustee to at all times be complied with. In addition to the execution and delivery of the Representation Letter, the Authority representative and all other officers of the Authority, and their respective deputies and designees, each is hereby authorized to take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

SECTION 2.13. Transfers Outside Book-Entry System. If at any time the Depository is being used in connection with the Bonds and the Depository notifies the Authority that it is unwilling or unable to continue as Depository with respect to the Bonds or if at any time the Depository shall no longer be registered or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation and a successor Depository is not appointed by the Authority within 90 days after the Authority receives notice or becomes aware of such condition, as the case may be, Section 2.11 hereof shall no longer be applicable and the Authority shall execute and the Trustee shall authenticate and deliver Bonds as provided below. In addition, the Authority may determine at any time that the Bonds shall no longer be represented by global bonds and that the provisions of Section 2.11 hereof shall no longer apply to the Bonds. In any such event the Authority shall execute and the Trustee shall authenticate and deliver Bonds as provided below. Bonds executed, authenticated and delivered in exchange for global bonds pursuant to this Section 2.13 shall be registered in such names and delivered in such Authorized Denominations as the Depository, pursuant to instructions from the Depository Participants or otherwise, shall instruct the Authority and the Trustee. The Trustee shall deliver such Bonds to the persons in whose names such Bonds are so registered.

If the Authority determines to replace the Depository with another qualified securities depository, the Authority shall prepare or cause to be prepared a new fully-registered global bond for each of the maturities of the Bonds, registered in the name of such successor or substitute securities depository or its nominee, or make such other arrangements as are acceptable to the Authority, the Trustee and such securities depository and not inconsistent with the terms of this Indenture.

In connection with any proposed transfer outside the Book-Entry system, the Authority, the City or DTC shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

SECTION 2.14. Payments and Notices to the Nominee. All payments to the Original Purchaser shall be made by wire transfer in accordance with written instructions provided by the Original Purchaser or, with the Original Purchaser's consent, by such other commercially reasonable method of payment. So long as the Bonds are owned by the Original Purchaser, or a single Owner, (i) the Trustee shall pay principal of and interest on the Bonds when due by wire transfer in immediately available funds to the Owner thereof in accordance with such wire transfer instruction as shall be filed by the Owner of the Bonds with the Trustee from time to time, (ii) payments of principal on the Bonds shall be made without the requirement for presentation and surrender of the Bonds by the Owner; provided, however, that the Owner shall present or surrender the Bonds prior to the final payment, payable at maturity, redemption or otherwise, to the Trust Office of the Trustee, and (ii) the Trustee shall not be required to give notice to the Owner of the sinking fund payments described in Section 2.02. Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond shall subsequently be registered in the name of the Nominee, all payments of principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository.

ARTICLE III DEPOSIT AND APPLICATION OF PROCEEDS

SECTION 3.01. Issuance of Bonds. Upon the execution and delivery of this Indenture, the Authority shall execute and deliver the Bonds to the Trustee for authentication and delivery to the original purchaser thereof upon the Request of the Authority.

SECTION 3.02. Application of Proceeds of Sale of Bonds. Upon the receipt of payment for the Bonds on the Closing Date the Trustee shall deposit \$_____ of the net proceeds of the sale of the Bonds (representing the principal amount of the Bonds of \$[Par Amount].00, plus a net original issue premium of \$_____, less an underwriter's discount of \$_____) as follows:

- (1) \$_____ in the 2024A Project Fund;
- (2) \$_____ in the 2024A Reserve Fund; and
- (3) \$_____ in the 2024A Costs of Issuance Fund.

The Trustee may establish such temporary funds, accounts and subaccounts as may be necessary or desirable to accomplish such deposits and transfer.

SECTION 3.03. 2024A Costs of Issuance Fund. There is hereby established a fund to be held by the Trustee known as the “2024A Costs of Issuance Fund,” into which shall be deposited a portion of the proceeds of the sale of the Bonds pursuant to Section 3.02. The moneys in the 2024A Costs of Issuance Fund shall be used to pay Costs of Issuance related to the Bonds from time to time and shall be disbursed by the Trustee upon delivery to the Trustee of a requisition, substantially in the form attached hereto as Exhibit B, executed by an officer of the Authority. On the date that is 180 days following the Closing Date, or upon the earlier receipt by the Trustee of a Request of the Authority certifying that all Costs of Issuance related to the Bonds have been paid or provided for, the Trustee shall transfer any remaining amounts in the 2024A Costs of Issuance Fund to the Lease Revenue Fund and the Trustee shall then close the 2024A Costs of Issuance Fund.

SECTION 3.04. 2024A Reserve Fund. (a) There is hereby created a separate fund to be known as the “2024A Reserve Fund,” which shall be held in trust by the Trustee. An amount equal to the 2024A Reserve Requirement shall be maintained in the 2024A Reserve Fund at all times, subject to the provisions of Section 4.02(c), and any deficiency therein shall be replenished from the first available Revenues pursuant to Section 4.02(c).

(b) Moneys in the 2024A Reserve Fund shall be used solely for the purpose of paying the principal of and interest on the Bonds, including the redemption price of the Bonds coming due and payable by operation of mandatory sinking fund redemption pursuant to Section 2.03, if the Revenues are insufficient therefor. If the amount on deposit in the Lease Revenue Fund on any date is insufficient to enable the Trustee to pay in full the aggregate amount of principal of and interest on the Bonds coming due and payable, including the redemption price of the Bonds coming due and payable by operation of mandatory sinking fund redemption pursuant to Section 2.03, the Trustee shall withdraw the amount of such insufficiency from the 2024A Reserve Fund and transfer such amount to the Lease Revenue Fund.

(c) If the amount on deposit in the 2024A Reserve Fund exceeds the 2024A Reserve Requirement on the fifteenth (15th) calendar day of the month preceding any Interest Payment Date, the amount of such excess shall be withdrawn therefrom by the Trustee and transferred to the Lease Revenue Fund and credited against the Base Rental Payments next due from the City.

(d) The Authority may fund all or a portion of the 2024A Reserve Requirement with one or more Qualified Reserve Fund Credit Instruments. In any case where the 2024A Reserve Fund is funded with a combination of cash and a Qualified Reserve Fund Credit Instrument, the Trustee shall deplete all cash balances before drawing on the Qualified Reserve Fund Credit Instrument. With regard to replenishment, any available moneys provided by the Authority shall be used first to reinstate the Qualified Reserve Fund Credit Instrument and second, to replenish the cash in the 2024A Reserve Fund. If the Qualified Reserve Fund Credit Instrument is drawn upon, the Authority shall make payment of interest on amounts advanced under the Qualified Reserve Fund Credit Instrument after making any payments pursuant to Section 4.02.

If the Qualified Reserve Fund Credit Instrument will lapse or expire, the Trustee shall draw upon such Qualified Reserve Fund Credit Instrument prior to its lapsing or expiring in the full amount of such Qualified Reserve Fund Credit Instrument, make deposits from available Revenues to the 2024A Reserve Fund to increase the amount on deposit therein to the 2024A Reserve

Requirement or substitute such Qualified Reserve Fund Credit Instrument with a Qualified Reserve Fund Credit Instrument that satisfies the requirements of this subsection (d) and the definition of such term.

SECTION 3.05. 2024A Project Fund. The Trustee shall establish, maintain and hold in trust a separate fund to be known as the “2024A Project Fund.” Except as otherwise provided herein, moneys in the 2024A Project Fund shall be used solely for the payment of Project Costs. Before any payment from the 2024A Project Fund shall be made, the City shall file or cause to be filed with the Trustee, a requisition of the City which shall be substantially in the form attached hereto as Exhibit C. The Trustee shall be entitled to rely on the representations of the City contained in such requisition and shall not be required to independently verify the contents of such requisition.

Within three (3) Business Days following receipt of each such requisition, the Trustee shall pay the amount set forth in such requisition as directed by the terms thereof out of the 2024A Project Fund. Upon the Request of the City accompanied by a Certificate of the City stating that all Project Costs have been paid or provision made for their payment, any unexpended moneys in such 2024A Project Fund may be used to pay the costs associated with any other improvements of the City; provided, that in the opinion of Bond Counsel such use of the proceeds of the Bonds shall not adversely affect the exclusion of interest on the Bonds from gross income of the owners thereof.

For purposes of complying with the requirements of this Section, the Trustee may conclusively rely and shall be protected in acting or refraining from acting upon the requisition signed by the authorized officer of the City. The Trustee shall not be bound to make an investigation into the facts or matters stated in any requisition of the City. The Trustee shall not be responsible for determining whether the funds on hand in the 2024A Project Fund are sufficient to complete the Project. The Trustee shall not be responsible to collect lien waivers.

Any unexpended moneys in the 2024A Project Fund subsequent to the payment of all Project Costs which are not used to pay the cost of other improvements of the City shall be transferred to the Lease Revenue Fund upon receipt by the Trustee of a Request of the City accompanied by a Certificate of the City stating that all Project Costs have been paid or provision made for their payment.

SECTION 3.06. 2024A Insurance and Condemnation Fund. The Trustee shall establish and maintain a separate fund to be known as the “2024A Insurance and Condemnation Fund,” into which shall be deposited Net Proceeds (as defined in the Lease) required to be deposited therein pursuant to Section 10 of the Lease. The Trustee shall disburse or transfer all amounts in the 2024A Insurance and Condemnation Fund, as stated in a Request of the City (as described below) for the payment of the cost of the reconstruction of the Leased Property (including reimbursement to the City for any such costs paid by it). Before any payment of money is made from the 2024A Insurance and Condemnation Fund, the Authority shall file or shall cause the City to file with the Trustee a requisition in substantially the form set forth as Exhibit D hereto.

SECTION 3.07. 2024A East Trunk Line Project Reimbursements and Development Impact Fees Fund. The Trustee shall establish and maintain a separate fund to be known as the

“2024A East Trunk Line Project Reimbursements and Development Impact Fees Fund,” into which shall be deposited 2024A East Trunk Line Project Reimbursements and Development Impact Fees required to be deposited therein pursuant to Section 10 of the Lease. The Trustee shall disburse or transfer all amounts in the 2024A East Trunk Line Project Reimbursements and Development Impact Fees Fund, as stated in a Request of the City (as described below) for redemption of Bonds under Section 2.03(b).

SECTION 3.08. Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be affected in any way by any proceedings taken with respect to the application of the proceeds of the Bonds, and the recital contained in the Bonds that the same are issued pursuant to the Bond Law shall be conclusive evidence of their validity and of the regularity of their issuance.

ARTICLE IV REVENUES; FLOW OF FUNDS

SECTION 4.01. Pledge of Revenues; Assignment of Rights. Subject to the provisions of Section 6.03, the Bonds shall be secured by a first lien on and pledge (which shall be effected in the manner and to the extent hereinafter provided) of all of the Revenues, including all of the moneys in the 2024A Interest Account, the 2024A Principal Account and the 2024A Reserve Fund, including all amounts derived from the investment of such moneys. The Bonds shall be equally secured by a pledge, charge and lien upon the Revenues and such moneys without priority for number, date of the Bonds, date of execution or date of delivery; and the payment of the interest on and principal of the Bonds and any premiums upon the redemption of any portion thereof shall be and are secured by an exclusive pledge, charge and lien upon the Revenues and such moneys. So long as any of the Bonds are Outstanding, the Revenues and such moneys shall not be used for any other purpose; except that out of the Revenues there may be apportioned such sums, for such purposes, as are expressly permitted by Section 4.02.

The Authority hereby transfers in trust and assigns to the Trustee, for the benefit of the Owners from time to time of the Bonds, all of the Revenues and all of the right, title and interest (but none of the obligations) of the Authority in the Lease with respect to the Revenues, including its rights to receive the Base Rental Payments scheduled to be paid by the City under and pursuant to the Lease and any and all of the other rights of the Authority under the Lease as may be necessary to enforce payment of such Base Rental Payments when due or otherwise to protect the interest of the Owners of the Bonds, including its leasehold title to the Leased Property leased to the City pursuant to the Lease with respect to the Base Rental Payments. The Trustee accepts such assignments. The Trustee shall be entitled to and shall receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee.

Each of the Authority and the City covenant and agree to take such action as is necessary from time to time to preserve the priority of the pledge set forth in this Section 4.01 under applicable law, and at the expense of the Authority or the City and the Trustee shall cooperate with the Authority and/or the City in taking such action.

SECTION 4.02. Lease Revenue Fund; Receipt, Deposit and Application of Revenues. All Revenues shall be deposited by the Trustee in a special fund designated as the “Lease Revenue Fund,” which the Trustee shall establish, maintain and hold in trust hereunder. In the event the City pays more than 100% of the Base Rental Payments coming due 15 Business Days prior to any Interest Payment Date, the Trustee shall deposit into the Lease Revenue Fund only that portion of the Base Rental Payments which the City is required to make under Section 3(a) of the Lease, and shall remit any excess to the City.

On or before each Interest Payment Date, the Trustee shall transfer from the Lease Revenue Fund and deposit into the following respective accounts (each of which the Trustee shall establish and maintain within the Lease Revenue Fund), the following amounts in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

(a) **2024A Interest Account.** The Trustee shall establish and maintain a separate account to be known as the “2024A Interest Account.” On or before each Interest Payment Date, the Trustee shall deposit in the 2024A Interest Account an amount required to cause the aggregate amount on deposit in the 2024A interest Account to equal the interest on the Bonds coming due on such Interest Payment Date pursuant to Section 2.02 or Section 2.03 or pursuant to a Supplemental Indenture, as the case may be. All moneys in the 2024A Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds redeemed prior to maturity).

(b) **2024A Principal Account.** The Trustee shall establish and maintain a separate account to be known as the “2024A Principal Account.” On or before each Interest Payment Date, the Trustee shall deposit in the 2024A Principal Account an amount required to cause the aggregate amount on deposit in the 2024A Principal Account to equal the principal amount of the Bonds maturing on such Interest Payment Date pursuant to Section 2.02 or Section 2.03 or pursuant to a Supplemental Indenture, as the case may be. All moneys in the 2024A Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds.

(c) **2024A Reserve Fund.** If the amount on deposit in the 2024A Reserve Fund at any time falls below the 2024A Reserve Requirement, the Trustee shall promptly notify the City and the Authority of such fact and the Trustee shall promptly (i) withdraw the amount of such insufficiency from available Revenues on deposit in the 2024A Lease Revenue Fund, and (ii) transfer such amount to the 2024A Reserve Fund.

(d) **Surplus.** On or before February 1 and August 1 of each year the Trustee shall determine the Revenues, if any, remaining in the Lease Revenue Fund after making the deposits required by paragraphs (a) through (c) above, and shall apply such amount as a credit against the next following Base Rental Payment; provided that, until the 2024A Project Fund is closed in accordance with Section 3.05, earnings on amounts in 2024A Interest Account and the 2024A Reserve Fund shall be retained in the respective account or fund until transferred to the 2024A Project Fund as provided in Section 4.04.

SECTION 4.03. Reserved.

SECTION 4.04. Investments. All moneys in the 2024A East Trunk Line Project Reimbursements and Development Impact Fees Fund shall be invested by the Trustee solely in Permitted Investments described in clause (n) of the definition thereof, and all moneys in any of the other the funds or accounts established with the Trustee pursuant to this Indenture shall be invested by the Trustee solely in Permitted Investments, in each case pursuant to the written direction (including facsimile transmission) of the Authority (such written direction to specify the particular investment in Permitted Investments to be made) given to the Trustee two Business Days in advance of the making of such investments. In the absence of any such direction from the Authority, the Trustee shall hold uninvested any moneys in the 2024A East Trunk Line Project Reimbursements and Development Impact Fees Fund and invest any other such moneys in money market funds described in subsection (g) of the definition of Permitted Investments; provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a written direction of the Authority specifying a specific money market fund that satisfies the requirements of the subsection in which such investment is to be made and, if no such written direction is so received, the Trustee shall hold such moneys uninvested as cash. Obligations purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account.

The Trustee shall transfer all investment earnings on amounts in 2024A Interest Account and the 2024A Reserve Fund to the 2024A Project Fund on each February 2 until the 2024A Project Fund is closed in accordance with Section 3.05 and thereafter all such investment earnings shall be transferred to the Lease Revenue Fund. All investment earnings on amounts in the 2024A Insurance and Condemnation Fund and the 2024A Principal Account shall be retained therein and applied in accordance herewith.

For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder. The Trustee, or any of its affiliates, may act as principal or agent in the acquisition of any investment and may impose its customary charges therefor, notwithstanding that (a) the Trustee charges and collects fees and expenses from such funds for services rendered, (b) the Trustee charges and collects fees and expenses for services rendered pursuant to this Indenture and (c) services performed for such funds and pursuant to this Indenture may converge at any time. The Trustee may act as manager, sponsor, advisor or depository with respect to any Permitted Investment. The Trustee shall incur no liability for the selection (other than as provided herein) of investments or for any losses, fees, taxes or other charges arising from any investments, reinvestments or liquidations made pursuant to this Section. In the event of a loss on the sale of such investments (after giving effect to any interest or other income thereon except to the extent theretofore paid to the Authority), the Trustee shall have no responsibility in respect of such loss except that the Trustee shall notify the Authority of the amount of such loss and the City shall promptly pay such amount to the Trustee to be credited as part of the moneys originally invested. The Authority acknowledges that regulations of the Comptroller of the Currency grant the Authority the right to receive brokerage confirmations of security transactions to be effected by the Trustee hereunder as they occur, at no additional cost. The Authority specifically waives the right to receive such confirmation to the extent permitted by applicable law and agrees that it will instead receive periodic cash transaction statements which shall include detail for the investment

transactions effected by the Trustee hereunder; provided, however, that the Authority retains its right to receive brokerage confirmation on any investment transaction requested by the Authority.

SECTION 4.05. Valuation and Disposition of Investments. For the purpose of determining the amount in any fund or account, Permitted Investments credited to such fund or account shall be valued at least semiannually on or before each Interest Payment Date at cost (excluding any brokerage commissions and excluding any accrued interest) by the Authority.

ARTICLE V COVENANTS OF THE AUTHORITY

SECTION 5.01. Punctual Payment. The Authority shall punctually pay or cause to be paid the principal, interest and premium (if any) to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of applicable Revenues and other assets pledged for such payment as provided in this Indenture.

SECTION 5.02. Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Authority to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

SECTION 5.03. Against Encumbrances. The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the applicable Revenues and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by this Indenture and a Supplemental Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, including other programs under the Bond Law, and reserves the right to issue other obligations for such purposes.

SECTION 5.04. Power to Issue Bonds and Make Pledge and Assignment. The Authority is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues, the Lease and other assets purported to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the legal, valid and binding special obligations of the Authority in accordance with their terms, and the Authority and the Trustee (subject to the provisions of Section 6.02 hereof) shall at all times, to the extent permitted by law, defend, preserve and protect said pledge and assignment of Revenues and other assets and all the rights of the Bond Owners under this Indenture against all claims and demands of all persons whomsoever.

SECTION 5.05. Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions by the Trustee relating to the proceeds of Bonds, the Revenues, the Lease and all funds and accounts established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Authority and the City during regular business hours with reasonable prior notice.

SECTION 5.06. No Additional Obligations. The Authority covenants that no additional bonds, notes or indebtedness shall be issued or incurred that are payable out of the Revenues in whole or in part.

SECTION 5.07. Lease. The Trustee, as assignee of the Authority's rights under the Lease with respect to the Revenues pursuant to Section 4.01 hereof and the Assignment Agreement, shall receive amounts due from the City pursuant to the Lease with respect to the Revenues. The Authority will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms contained in the Lease required to be complied with, kept, observed and performed by it and, together with the Trustee, will enforce the Lease against the City in accordance with its terms. So long as any Bond remain Outstanding, the Authority will not alter, amend or modify the Lease, except pursuant to Section 21 thereof.

SECTION 5.08. Further Assurances. The Authority will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Indenture.

ARTICLE VI THE TRUSTEE

SECTION 6.01. Appointment of Trustee. U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, is hereby appointed Trustee by the Authority for the purpose of receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Indenture. The Authority agrees that it will maintain a Trustee which has (or which is a wholly-owned subsidiary of a corporation which has) a combined capital and surplus of at least \$50,000,000, and which is subject to supervision or examination by Federal or State authority, so long as any Bonds are Outstanding. If such bank or trust company or such parent corporation publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this Section 6.01 the combined capital and surplus of such bank or trust company or such parent corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Trustee is hereby authorized to pay the principal of and interest and redemption premium (if any) on the Bonds when duly presented for payment at maturity, or on redemption

prior to maturity, and to cancel all Bonds upon payment thereof. The Trustee shall keep accurate records of all funds and accounts administered by it and of all Bonds paid and discharged.

SECTION 6.02. Acceptance of Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(b) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence is herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a Certificate of the Authority or Certificate of the City.

(c) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Owners pursuant to this Indenture, unless such Owners shall have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(d) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond or other paper or document.

(e) The Trustee, prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no covenants or obligations of or against the Trustee shall be implied in this Indenture. In case an Event of Default hereunder or under the Lease has occurred (which has not been cured or waived), the Trustee may exercise such of the rights and powers vested in it by this Indenture and by the Lease, and shall use the same degree of care and skill in the exercise of such rights and powers as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(f) The Trustee may execute any of the trusts or powers hereunder and perform the duties required of it hereunder either directly or by or through attorneys, receivers or agents, shall not be liable for the acts or omissions of such attorneys, receivers or agents appointed with due care, and shall be entitled to advice of counsel concerning all matters of trust and its duties hereunder. The Trustee may consult with counsel of its selection and conclusively rely on an opinion of counsel as full and complete authorization and protection for any action taken, suffered or omitted by it hereunder.

(g) The Trustee shall not be responsible for any recital herein, in the Lease, or in the Bonds, or for any of the supplements thereto or instruments of further assurance, or for the validity or sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby and makes no representation as to the validity or sufficiency of the Bonds, this Indenture or the Lease. The Trustee shall not be bound to ascertain or inquire as to the observance or performance of any

covenants, conditions or agreements on the part of the Authority hereunder or on the part of the Authority or the City under the Lease. The Trustee shall not be responsible for the use or application of the proceeds of the Bonds paid over by it to the Authority.

(h) The Trustee, in its individual or any other capacity, may become the Owner or pledgee of Bonds secured hereby and otherwise deal with the Authority and the City with the same rights it would have if not the Trustee; may acquire and dispose of other bonds or evidences of indebtedness of the Authority with the same rights it would have if it were not the Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Bonds, whether or not such committee shall represent the Owners of the majority in aggregate principal amount of the Bonds then Outstanding.

(i) The Trustee may conclusively rely and shall be protected in acting or refraining from acting, in good faith and without negligence, upon any notice, resolution, opinion, report, direction, request, requisition, consent, certificate, statement, instrument, order, affidavit, letter, telegram or other paper or document believed by it to be genuine and to have been signed or presented by the proper person or persons. Any action taken, suffered or omitted to be taken by the Trustee in good faith and without negligence pursuant to this Indenture or the Lease upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued upon the registration of transfer thereof or in exchange therefor or in place thereof. The Trustee shall not be bound to recognize any person as an Owner of any Bond or to take any action at his request unless the ownership of such Bond by such person shall be reflected on the Registration Books.

(j) The permissive right of the Trustee to do things enumerated in this Indenture or in the Lease shall not be construed as a duty and it shall not be answerable for other than its negligence or willful default. The rights, privileges, protections, benefits, immunities and exceptions from liability of the Trustee including, without limitation, its right to be indemnified, shall extend to and be enforceable by the Trustee in each of its capacities hereunder and by its officers, directors, employees and agents.

(k) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder or under the Lease except failure by the Authority or the City to make any of the payments to the Trustee required to be made by the Authority pursuant hereto or thereto or failure by the Authority or the City to file with the Trustee any document required by this Indenture or the Lease to be so filed subsequent to the issuance of the Bonds by a certain date, unless the Trustee shall be specifically notified in writing of such default by the Authority or by the Owners of at least 25% in aggregate principal amount of the Bonds then Outstanding so that the Trustee has actual knowledge of such Event of Default and all notices or other instruments required by this Indenture to be delivered to the Trustee must, to be effective, be delivered at the Trust Office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Event of Default hereunder except as aforesaid.

(l) At any and all reasonable times the Trustee and its duly authorized agents, attorneys, experts, accountants and representatives, shall have the right but shall not be required to

inspect all books, papers and records of the Authority pertaining to the Bonds, and to make copies of any of such books, papers and records which are not privileged by statute or by law. In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform, on their face, to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(m) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises hereof. Before taking any action hereunder at the request or direction of the beneficial owners or Owners, the Trustee may require that security or indemnity satisfactory to it be furnished to it for the reimbursement of its fees, costs, liabilities and all expenses (including attorneys' fees and expenses) which it may incur and to protect it against all liability.

(n) Notwithstanding anything elsewhere in this Indenture with respect to the execution of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, the Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, as may be deemed desirable for the purpose of establishing the right of the Authority to the execution of any Bonds, the withdrawal of any cash or the taking of any other action by the Trustee.

(o) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed in writing with the City.

(p) Whether or not expressly provided therein, every provision of this Indenture, the Site Lease, the Assignment Agreement, and the Lease relating to the conduct or affecting the liability of the Trustee shall be subject to the provisions of this Section.

(q) The Trustee shall have no responsibility or liability with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

(r) In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, pandemics, epidemics, recognized public emergencies, quarantine restrictions, nuclear or natural catastrophes or acts of God, interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services, and hacking, cyber-attacks, or other use or infiltration of the Trustee's technological infrastructure exceeding authorized access.

(s) The Trustee is authorized and directed to enter into the Assignment Agreement in its capacity as Trustee.

(t) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Indenture and delivered using Electronic Means (“Electronic Means” shall mean the following communications methods: e-mail, facsimile transmission or other similar unsecured electronic methods, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Authority and City shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Authority and City whenever a person is to be added or deleted from the listing. If the Authority or City elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Authority and City understand and agree that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Authority and City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Authority and City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority and City. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Authority and City agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority and City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

(u) In acting or omitting to act pursuant to the Site Lease, the Lease, the Assignment Agreement or any other documents executed in connection herewith or therewith, the Trustee shall be entitled to all of the rights, protections, benefits, powers, immunities and indemnities accorded to it under this Indenture and the Lease, including, but not limited to, this Article VI.

SECTION 6.03. Fees, Charges and Expenses of Trustee. The Trustee shall be paid and reimbursed by the Authority for the compensation agreed to in writing from time to time for its services rendered hereunder and for all expenses, disbursements and advances (with interest on such expenses, disbursements and advances at the maximum rate allowed by law), counsel fees (including expenses) and other fees and expenses reasonably made or incurred by the Trustee in

connection with such services. Upon the occurrence of an Event of Default hereunder, but only upon an Event of Default, the Trustee shall have a first lien with right of payment prior to payment of any Bond upon the amounts held hereunder for the foregoing fees, charges and expenses incurred by it. When the Trustee incurs fees and expenses or renders services after the occurrence of an Event of Default, such fees and expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

SECTION 6.04. Notice to Bond Owners of Default. If an Event of Default hereunder or under the Lease occurs with respect to any Bonds of which the Trustee has been given or is deemed to have notice, as provided in Section 6.02(k) hereof, then the Trustee shall, within 30 days of the receipt of such notice, give written notice thereof by first class mail to the Owner of each such Bond, unless such Event of Default shall have been cured before the giving of such notice; *provided, however*, that unless such Event of Default consists of the failure by the Authority to make any payment when due, the Trustee may elect not to give such notice and be protected in withholding such notice if and so long as the Trustee in good faith determines that it is in the best interests of the Bond Owners not to give such notice.

SECTION 6.05. Intervention by Trustee. In any judicial proceeding to which the Authority or the City is a party that, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Owners of any of the Bonds, the Trustee may intervene on behalf of such Bond Owners, and subject to Section 6.02(c), shall do so if requested in writing by the Owners of at least 25% in aggregate principal amount of such Bonds then Outstanding and indemnified to its satisfaction.

SECTION 6.06. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee and signed by the Owners of a majority in aggregate principal amount of the Outstanding Bonds. The Authority may also remove the Trustee at any time upon 30 days' notice, except during the existence of an Event of Default. The Trustee may be removed at any time for any breach of the Trustee's duties set forth herein.

SECTION 6.07. Resignation by Trustee. The Trustee and any successor Trustee may at any time give written notice of its intention to resign as Trustee hereunder, such notice to be given to the Authority and the City by registered or certified mail. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. Upon such acceptance, the Authority shall cause notice thereof to be given by first class mail, postage prepaid, to the Bond Owners at their respective addresses set forth on the Registration Books.

SECTION 6.08. Appointment of Successor Trustee. In the event of the removal or resignation of the Trustee pursuant to Sections 6.06 or 6.07, respectively, the Authority shall promptly appoint a successor Trustee. In the event the Authority shall for any reason whatsoever fail to appoint a successor Trustee within 60 days following the delivery to the Trustee of the instrument described in Section 6.06 or within 60 days following the receipt of notice by the Authority pursuant to Section 6.07, the Trustee may, at the expense of the Authority, apply to a

court of competent jurisdiction for the appointment of a successor Trustee meeting the requirements of Section 6.01. Any such successor Trustee appointed by such court shall become the successor Trustee hereunder notwithstanding any action by the Authority purporting to appoint a successor Trustee following the expiration of such 60-day period.

SECTION 6.09. Merger or Consolidation. Any entity into which the Trustee may be merged or converted or with which it may be consolidated or any entity resulting from any merger, conversion or consolidation to which it shall be a party or any entity to which the Trustee may sell or transfer all or substantially all of its corporate trust business and assets as a whole or substantially as a whole, provided that such entity shall meet the requirements set forth in Section 6.01, shall be the successor to the Trustee and vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

SECTION 6.10. Concerning any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Authority an instrument in writing accepting such appointment hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors; but such predecessor shall, nevertheless, on the Request of the Authority, or of the Trustee's successor, and upon payment in full of such predecessor's fees and expenses then due and owing hereunder, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as the Trustee hereunder to its successor. Should any instrument in writing from the Authority be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor Trustee, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority.

SECTION 6.11. Appointment of Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in the case of litigation under this Indenture, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action that may be desirable or necessary in connection therewith, it may be necessary that the Trustee or the Authority appoint an additional individual or institution as a separate trustee or co-trustee. No co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility as a trustee under Section 6.01. The following provisions of this Section are adopted to these ends. If the Trustee or the Authority appoints an additional individual or institution as a separate trustee or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate trustee or co-trustee but only to the extent necessary to enable such separate trustee or co-trustee to exercise such powers, rights and remedies, and every

covenant and obligation necessary to the exercise thereof by such separate trustee or co-trustee shall run to and be enforceable by either of them. Should any instrument in writing from the Authority be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority. No trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder. In case any separate trustee or co-trustee, or a successor to either, shall become incapable of acting, shall resign or shall be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

SECTION 6.12. Indemnification; Limited Liability of Trustee. The Authority further covenants and agrees, to the extent permitted by law, to indemnify and save the Trustee and its officers, directors, agents and employees, harmless against any loss, expense, action, suit, claim, judgment, damage, tax and liability arising out of or in the exercise and performance of its powers and duties hereunder and under the Assignment Agreement, the Site Lease and the Lease, including the costs and expenses of enforcing the provisions of this Indenture (including this Section), the Assignment Agreement, the Site Lease and the Lease against the City and Authority and of defending against any claim of liability (whether asserted by the Authority, the City, the Owners or any other person) and fees and expenses of its attorneys, but excluding any and all losses, expenses and liabilities that are due to the negligent or willful misconduct of the Trustee, its officers, directors or employees. The Trustee shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof. No provision in this Indenture shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability hereunder. The Trustee shall not be liable for any action taken or omitted to be taken by it in accordance with the direction of the Owners of at least 25% in aggregate principal amount of Bonds Outstanding relating to the time, method and place of conducting any proceeding or remedy available to the Trustee under this Indenture or exercising any power conferred upon the Trustee under this Indenture. The obligations of the Authority under this Section shall survive the termination of this Indenture and the resignation or removal of the Trustee under this Indenture.

ARTICLE VII MODIFICATION AND AMENDMENT OF THE INDENTURE

SECTION 7.01. Amendment. This Indenture and the rights and obligations of the Authority and the Owners may be modified or amended at any time by a Supplemental Indenture, which shall become binding to the extent permitted by law upon adoption, without consent of any Owner, but only for any one or more of the following purposes:

(a) to add to the covenants and agreements of the Authority in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or

powers herein reserved to or conferred upon the Authority so long as such limitation or surrender of such rights or powers shall not materially adversely affect the Owners;

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in any other respect whatsoever as the Authority may deem necessary or desirable; or

(c) for any other purpose that does not materially adversely affect the interests of the Owners, as evidenced by the opinion of counsel delivered under Section 7.02 hereof.

Except as set forth in the preceding paragraph of this Section, this Indenture and the rights and obligations of the Authority and of the Owners may only be modified or amended at any time by a Supplemental Indenture, which shall become binding when the written consent of the Owners of a majority in aggregate principal amount of the affected Bonds then Outstanding are filed with the Trustee. No such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Authority to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owner, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (c) modify any of the rights or obligations of the Trustee without its written consent thereto.

SECTION 7.02. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners of Outstanding Bonds, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise. Prior to entering into any Supplemental Indenture pursuant to this Section, the Authority shall deliver to the Trustee an opinion of Bond Counsel to the effect that such Supplemental Indenture has been adopted in accordance with the requirements of this Indenture and that such Supplemental Indenture is the legal, valid and binding obligation of the Authority, enforceable against the Authority in accordance with its terms.

SECTION 7.03. Endorsement or Replacement of Bonds After Amendment. After the effective date of any action taken as hereinabove provided, the Authority may determine that the Bonds shall bear a notation, by endorsement in form approved by the Authority, as to such action, and in that case upon demand of the Owner at such effective date and presentation of such Bond for that purpose at the Trust Office of the Trustee, a suitable notation as to such action shall be made on such Bond. If the Authority shall so determine, new Bonds so modified as, in the opinion of the Authority, shall be necessary to conform to such Owners' action shall be prepared and executed, and in that case upon demand of the Owner at such effective date such new Bonds shall be exchanged at the Trust Office of the Trustee, without cost to each Owner, for Bonds then Outstanding, upon surrender of such Outstanding Bonds.

ARTICLE VIII
EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

SECTION 8.01. Events of Default. The following events shall be Events of Default hereunder:

(a) Default in the due and punctual payment of the principal of or premium on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, or by proceedings for redemption.

(b) Default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable.

(c) Failure by the Authority to observe and perform any of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, other than as referred to in the preceding clauses (a) and (b), for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, has been given to the Authority by the Trustee, or to the Authority and the Trustee by the Owners of not less than 50% in aggregate principal amount of the Outstanding Bonds; provided, that if such default is such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Authority within the applicable period and diligently pursued until the default is corrected, which period shall not be longer than sixty (60) days from the date of written notice specifying the failure.

(d) The filing by the Authority of a petition or answer seeking reorganization or arrangement under the Federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the Authority, seeking reorganization under the Federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property.

(e) Default under Section 11 of the Lease and such default shall not have been remedied within any applicable grace period thereunder.

SECTION 8.02. Remedies; No Acceleration. Upon the occurrence of an Event of Default the Trustee shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the Authority or any member, officer or employee thereof, to compel the Authority or any such member, officer or employee to perform and carry out its or his or her duties under law and the agreements and covenants required to be performed by it or him or her contained herein or in the Lease;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Trustee; or

(c) by suit in equity upon the happening of an Event of Default to require the Authority and its members, officers and employees to account as the trustee of an express trust.

If an Event of Default shall have occurred and be continuing and if requested so to do by the Owners of a majority in aggregate principal amount of Outstanding Bonds and indemnified as provided in Section 6.02(c), the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article VIII, as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Owners.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Owners) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or the Owners hereunder or now or hereafter existing at law or in equity.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver or any such Event of Default or acquiescence therein; such right or power may be exercised from time to time as often as may be deemed expedient.

The Trustee shall have no right to declare the principal of or interest on the Bonds to be due and payable immediately.

Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Owners so affected.

SECTION 8.03. Application of Revenues and Other Funds After Default. All amounts received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of this Indenture shall be applied by the Trustee in the following order of priority:

First, to the payment of the fees, costs and expenses of the Trustee, including compensation to its agents, attorneys and counsel;

Second, to the payment of the whole amount of interest on and principal of the Bonds then due and unpaid, *provided, however*, that if such amounts shall be insufficient to pay in full the full amount of such interest and principal, then such amounts shall be applied to the payment of such principal and interest without preference or priority of principal over interest, or interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest and amounts, if any, due and owing.

SECTION 8.04. Power of Trustee to Control Proceedings. If the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose

of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in aggregate principal amount of the Outstanding Bonds opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation and if the Trustee is indemnified as provided in Section 6.02(c). Any suit, action or proceeding which any Owner shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners issued hereunder by taking and holding the same, shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact. In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Owners of the Bonds, each representing less than a majority in aggregate principal amount of the Bonds Outstanding, the Trustee, in its sole discretion, may, and shall be fully indemnified for refraining from acting in the absence of written direction, determine what action, if any shall be taken and the Trustee may, in its sole discretion, take other actions.

SECTION 8.05. Appointment of Receivers. Upon the occurrence of an Event of Default hereunder, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Revenues and other amounts pledged hereunder, pending such proceedings, with such powers as the court making such appointment shall confer.

SECTION 8.06. Non-Waiver. A waiver of any default or breach of duty or contract by the Trustee or any Owners shall not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission of the Trustee or any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy conferred upon the Trustee or Owners by the Bond Law or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Owners, as the case may be.

SECTION 8.07. Rights of Owners. No Owner shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee. Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder; it being understood and intended that no one or more Owners shall have any right in any manner whatever

by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners.

The right of any Owner to receive payment of the principal of and interest and premium (if any) on such Bond as herein provided or to institute suit for the enforcement of any such payment, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

SECTION 8.08. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case, the Authority, the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, with regard to the property subject to this Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

ARTICLE IX TAX COVENANTS

SECTION 9.01. Tax Covenants. The Authority covenants as follows in this Section. When used in this Section, the following terms have the following meanings:

“Code” means the Internal Revenue Code of 1986.

“Computation Date” has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

“Gross Proceeds” means any proceeds as defined in section 1.148-1(b) of the Tax Regulations (referring to sales, investment and transferred proceeds), and any replacement proceeds as defined in section 1.148-1(c) of the Tax Regulations, of the Bonds.

“Investment” has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

“Nonpurpose Investment” means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and that is not acquired to carry out the governmental purposes of the Bonds.

“Rebate Amount,” has the meaning set forth in section 1.148-1(b) of the Tax Regulations.

“Tax Regulations” means the United States Treasury Regulations promulgated pursuant to sections 103 and 141 through 150 of the Code, or section 103 of the 1954 Code, as applicable.

“Yield” of any Investment has the meaning set forth in section 1.148-5 of the Tax Regulations; and of any issue of governmental obligations has the meaning set forth in section 1.148-4 of the Tax Regulations.

(a) Not to Cause Interest to Become Taxable. The Authority covenants that it shall not use, and shall not permit the use of, and shall not omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner that if made or omitted, respectively, could cause the interest on any Bond to fail to be excluded pursuant to Section 103(a) of the Code from the gross income of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the Trustee receives a written opinion of Bond Counsel to the effect that failure to comply with such covenant will not adversely affect such exclusion of the interest on any Bond from the gross income of the owner thereof for federal income tax purposes, the Authority shall comply with each of the specific covenants in this Section.

(b) Private Use and Private Payments. Except as would not cause any Bond to become a “private activity bond” within the meaning of section 141 of the Code and the Tax Regulations, the Authority shall take all actions necessary to assure that the Authority at all times prior to the final cancellation of the last of the Bonds to be retired:

(1) exclusively owns, operates and possesses all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds and not use or permit the use of such Gross Proceeds (including through any contractual arrangement with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) does not directly or indirectly impose or accept any charge or other payment by any person or entity (other than a state or local government) who is treated as using any Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds.

(c) No Private Loan. Except as would not cause any Bond to become a “private activity bond” within the meaning of section 141 of the Code and the Tax Regulations and rulings thereunder, the Authority shall not use or permit the use of Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (i) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction that creates a debt for federal income tax purposes; (ii) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (iii) indirect benefits of such Gross Proceeds, or burdens and benefits of ownership of any property acquired, constructed or improved with such Gross Proceeds, are otherwise transferred in a transaction that is the economic equivalent of a loan.

(d) Not to Invest at Higher Yield. Except as would not cause the Bonds to become “arbitrage bonds” within the meaning of section 148 of the Code and the Tax Regulations and rulings thereunder, the Authority shall not (and shall not permit any person to), at any time prior to the final cancellation of the last Bond to be retired, directly or indirectly invest Gross Proceeds

in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, would materially exceed the Yield of the Bonds within the meaning of said section 148.

(e) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Tax Regulations and rulings thereunder, the Authority shall take or omit to take (and shall not permit any person to take or omit to take) any action that would cause any Bond to be “federally guaranteed” within the meaning of section 149(b) of the Code and the Tax Regulations and rulings thereunder.

(f) Information Report. The Authority shall timely file any information required by section 149(e) of the Code with respect to Bonds with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(g) Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Tax Regulations:

(1) The Authority shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Bond is discharged. However, to the extent permitted by law, the Authority may commingle Gross Proceeds of Bonds with its other monies, provided that it separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the Authority shall calculate, the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Tax Regulations and rulings thereunder. The Authority shall maintain a copy of the calculation with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date. The Trustee shall not be responsible for calculating Rebate Amounts or for the adequacy or correctness of any rebate report. The Trustee may rely conclusively upon and shall be fully protected from all liability in relying upon the Authority’s, the City’s or a rebate analyst’s determinations, opinions, directions, calculations and certifications. The Trustee shall be deemed conclusively to have complied with the provisions of this Indenture and any other agreement relating to the Bonds regarding calculation and payment of rebate if it follows the directions of the Authority, the City or a rebate analyst, and it shall have no independent duty to review or enforce the Authority’s, City’s or rebate analyst’s compliance with such rebate requirements. The Trustee shall have no responsibility to independently make any calculation or determination or to review the Authority’s calculations hereunder.

(3) To assure the excludability pursuant to section 103(a) of the Code of the interest on the Bonds from the gross income of the owners thereof for federal income tax purposes, the Authority shall pay to the United States the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of the Final Computation Date as defined in section 1.148-3(e)(2) of the Tax Regulations, one

hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, such rebate payments shall be made by the Authority at the times and in the amounts as are or may be required by section 148(f) of the Code and the Tax Regulations and rulings thereunder, and shall be accompanied by Form 8038-T prepared by the Authority or such other forms and information as is or may be required by section 148(f) of the Code and the Tax Regulations and rulings thereunder for execution and filing by the Authority.

(4) The Authority shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148 3(h) of the Regulations.

(h) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Tax Regulations and rulings thereunder, the Authority shall not and shall not permit any person to, at any time prior to the final cancellation of the last of the Bonds to be retired, enter into any transaction that reduces the amount required to be paid to the United States pursuant to paragraph (g) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yields on the Bonds not been relevant to either party.

(i) Bonds Not Hedge Bonds.

(1) The Authority represents that none of the Bonds is or will become a "hedge bond" within the meaning of section 149(g) of the Code.

(2) As of the date of issuance of the Bonds the Authority reasonably expects that at least 85% of the spendable proceeds of the Bonds will be expended within the three-year period commencing on such date of issuance, and (B) no more than 50% of the proceeds of the Bonds will be invested in Nonpurpose Investments having a substantially guaranteed yield for a period of four years or more.

(j) Elections. The Authority hereby directs and authorizes any Authority representative to make elections permitted or required pursuant to the provisions of the Code or the Tax Regulations, as such representative (after consultation with Bond Counsel) deems necessary or appropriate in connection with the Bonds, in the Tax Certificate or similar or other appropriate certificate, form or document.

(k) Closing Certificate. The Authority agrees to execute and deliver in connection with the issuance of the Bonds a Tax Certificate, or similar document containing additional representations and covenants pertaining to the exclusion of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes, which representations and covenants are incorporated as though expressly set forth herein.

The Authority shall at all times do and perform all acts and things permitted by law and this Indenture which are necessary or desirable in order to assure that interest paid on the Bonds (or any of them) will be excluded from gross income for federal income tax purposes and shall take no action that would result in such interest not being so excluded. Without limiting the generality of the foregoing, the Authority agrees to comply with the provisions of the Tax Certificate. This covenant shall survive payment in full or defeasance of the Bonds.

ARTICLE X MISCELLANEOUS

SECTION 10.01. Limited Liability of Authority. Notwithstanding anything in this Indenture contained, the Authority shall not be required to advance any moneys derived from any source of income other than the Revenues for the payment of the principal of or interest on the Bonds, or any premiums upon the redemption thereof, or for the performance of any covenants herein contained (except to the extent any such covenants are expressly payable hereunder from the Revenues or otherwise from amounts payable under the Lease). The Authority may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose and may be used by the Authority for such purpose without incurring indebtedness.

The Bonds shall be revenue bonds, payable exclusively from the Revenues and other funds as in this Indenture provided. The general fund of the Authority is not liable, and the credit of the Authority is not pledged, for the payment of the interest and premiums (if any) on or principal of the Bonds. The Owners shall never have the right to compel the forfeiture of any property of the Authority except the Revenues and other funds pledged to the payment of the Bonds as provided in this Indenture. The principal of and interest on the Bonds, and any premiums upon the redemption of any thereof, shall not be a legal or equitable pledge, charge, lien or encumbrance upon any property of the Authority or upon any of its income, receipts or revenues except the Revenues and other funds pledged to the payment thereof as provided in this Indenture.

SECTION 10.02. Benefits of Indenture Limited to Parties. Nothing in this Indenture, expressed or implied, is intended to give to any person other than the Authority, the Trustee, the City and the Owners, any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Trustee, the City and the Owners.

SECTION 10.03. Defeasance; Discharge of Indenture. If the Authority shall pay and discharge any or all of the Outstanding Bonds in any one or more of the following ways:

(a) by well and truly paying or causing to be paid the principal of and interest and premiums (if any) on such Bonds, as and when the same become due and payable;

(b) by irrevocably depositing with the Trustee, in trust, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established with the Trustee pursuant to this Indenture, is fully sufficient to pay such Bonds, including all principal, interest and redemption premiums (if any); or

(c) by irrevocably depositing with the Trustee or an escrow agent, in trust pursuant to an escrow deposit agreement, Defeasance Securities in such amount as an Independent Certified Public Accountant shall determine in a written report acceptable in form and substance to the Authority, and addressed, to the Authority and the Trustee, filed with the Trustee (upon which report the Trustee may conclusively rely) that will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established with the Trustee pursuant to this Indenture, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates; and

(d) delivering an opinion of Bond Counsel acceptable in form and substance to the Authority, and addressed, to the Authority and the Trustee to the effect that the Bonds are no longer Outstanding under the Indenture, and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been mailed pursuant to Section 2.03(f) or provision satisfactory to the Trustee shall have been made for the mailing of such notice, then, at the Request of the Authority, and notwithstanding that any of such Bonds shall not have been surrendered for payment, the pledge of the Revenues and other funds provided for in this Indenture with respect to such Bonds, and all other pecuniary obligations of the Authority under this Indenture with respect to all such Bonds, shall cease and terminate, except only the obligation of the Authority to pay or cause to be paid to the Owners not so surrendered and paid all sums due thereon from amounts set aside for such purpose as aforesaid, and all amounts due the Trustee. Any funds held by the Trustee following any payment or discharge of the Outstanding Bonds pursuant to this Section, which are not required for said purposes, shall after payment of amounts due the Trustee hereunder be paid over to the Authority. The Authority shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the Defeasance Securities deposited pursuant to this Section or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Owners of Outstanding Bonds.

SECTION 10.04. Successor is Deemed Included in All References to Predecessor. Whenever in this Indenture or any Supplemental Indenture the Authority is named or referred to, such reference shall be deemed to include the successor to the powers, duties and functions, with respect to the management, administration and control of the affairs of the Authority, that are presently vested in the Authority, and all the covenants, agreements and provisions contained in this Indenture by or on behalf of the Authority shall bind and inure to the benefit of its successors whether so expressed or not.

SECTION 10.05. Content of Certificates and Opinions. Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture except the certificate of destruction pursuant to Section 10.10 shall include (a) a statement that the person or persons making or giving such certificate or opinion have read such covenant or conditions and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with; and (d) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with. Any such certificate made or given by an officer of the Authority may be based,

insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his certificate may be based, as aforesaid, are erroneous, or in the exercise of reasonable care should have known that the same were erroneous. Any such certificate or opinion or representation made or given by counsel may be based, insofar as it relates to factual matters, on information with respect to which is in the possession of the Authority or City, or upon the certificate or opinion of or representations by an officer or officers of the Authority or the City, unless such counsel knows that the certificate or opinion or representations with respect to the matters upon which his certificate, opinion or representation may be based, as aforesaid, are erroneous, or in the exercise of reasonable care should have known that the same were erroneous.

SECTION 10.06. Execution of Documents by Owners. Any request, consent or other instrument required by this Indenture to be signed and executed by Owners may be in any number of concurrent writings of substantially similar tenor and may be signed or executed by such Owners in person or by their agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and of the Authority if made in the manner provided in this Section.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument or writing acknowledged to him the execution thereof.

The ownership of Bonds shall be proved by the Registration Books. Any request, consent or vote of the Owner shall bind every future Owner with respect to the same Bond and the Owner with respect to any Bond issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done, omitted or suffered to be done by the Trustee in reliance thereon or the Authority in pursuance of such request, consent or vote. In lieu of obtaining any demand, request, direction, consent or waiver in writing, the Trustee may call and hold a meeting of the Owners upon such notice and in accordance with such rules and obligations as the Trustee considers fair and reasonable for the purpose of obtaining any such action.

SECTION 10.07. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, unless all Bonds are then so owned, Bonds that are owned or held by or for the account of the City or the Authority (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, *provided, however*, that for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver, only Bonds which the Trustee actually knows to be so owned or held shall be disregarded, and if 100% of the Bonds are so owned, such Bonds shall be deemed Outstanding and shall not be disregarded.

SECTION 10.08. Waiver of Personal Liability. No official, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the interest on or

principal of the Bonds; but nothing herein contained shall relieve any such official, officer, agent or employee from the performance of any official duty provided by law.

SECTION 10.09. Partial Invalidity. If any one or more of the covenants or agreements, or portions thereof, provided in this Indenture on the part of the Authority (or of the Trustee) to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of this Indenture or of the Bonds; but the Owners shall retain all rights and benefits accorded to them under the Bond Law or any other applicable provisions of law.

SECTION 10.10. Disposal of Canceled Bonds. Whenever in this Indenture provision is made for the surrender of any Bonds which have been paid or canceled pursuant to the provisions of this Indenture, the Trustee shall cancel and dispose of such Bonds in accordance with its then-customary procedures and upon Request of the Authority furnish to the Authority a certificate of such disposal.

SECTION 10.11. Funds and Accounts. Any fund or account required by this Indenture to be established and maintained by the Authority or the Trustee may be established and maintained in the accounting records of the Authority or the Trustee, as the case may be, either as a fund or an account, and may, for the purpose of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account. All such records with respect to all such funds and accounts held by the Authority shall at all times be maintained in accordance with generally accepted accounting principles and all such records with respect to all such funds and accounts held by the Trustee shall be at all times maintained in accordance with corporate trust industry practices; in each case with due regard for the protection of the security of the Bonds and the rights of every Owner thereof.

SECTION 10.12. Payment on Business Days. Whenever in this Indenture any amount is required to be paid on a day that is not a Business Day, such payment shall be required to be made, without accruing additional interest thereby, on the Business Day immediately following such day.

SECTION 10.13. Notices. All notices, requests and other communications provided for hereunder shall be in electronic, telephonic or written form and shall be given to the party to whom sent, addressed to it, at its address or other address or telephone, number telecopier as such party may hereafter specify for the purpose by notice to the other parties set forth below. Each such notice, request or communication shall be effective (i) if given by telephone, telecopier or other electronic means, when such communication is transmitted to the address specified below and any appropriate answerback or confirmation is received, (ii) if given by certified or registered mail, return receipt requested, on the date of receipt appearing on the return postal receipt for notices given by certified or registered mail, (iii) if given by hand delivery, when delivered at the address specified below:

If to the Authority:	Selma Public Financing Authority c/o City of Selma 1710 Tucker Street
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Selma, California 93662
Attention: Executive Director

If to the City: City of Selma
1710 Tucker Street
Selma, California 93662
Attention: City Manager

If to the Trustee: U.S. Bank Trust Company, National Association
333 South Hope Street, Suite 2525
Los Angeles, California 90071
Attention: Global Corporate Trust

The Authority and the Trustee may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 10.14. Unclaimed Moneys. Anything in this Indenture to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of any of the Bonds that remain unclaimed for two years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee at such date, or for two years after the date of deposit of such moneys if deposited with the Trustee after said date when such Bonds become due and payable, shall be repaid by the Trustee to the Authority (without liability for interest), as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the Authority for the payment of such Bonds; *provided, however*, that before being required to make any such payment to the Authority, the Trustee shall, at the written request and expense of the Authority, cause to be mailed to the Owners, at their respective addresses appearing on the Registration Books, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall not be less than 30 days after the date of mailing of such notice, the balance of such moneys then unclaimed will be returned to the Authority.

SECTION 10.15. Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State of California.

SECTION 10.16. Execution in Counterparts. This Indenture may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same agreement. The exchange of copies of this Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture and signature pages for all purposes.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be signed by their respective officers, all as of the day and year first above written.

SELMA PUBLIC FINANCING AUTHORITY

By _____
Executive Director

ATTEST:

By _____
Secretary

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By _____
Authorized Officer

EXHIBIT A

[FORM OF BOND]

THIS BOND MAY NOT BE REGISTERED IN THE NAME OF, OR TRANSFERRED TO, ANY PERSON EXCEPT AN APPROVED BUYER WHO HAS EXECUTED AND DELIVERED A PURCHASER LETTER OF REPRESENTATIONS IN ACCORDANCE WITH THE INDENTURE (DEFINED HEREIN)

No. _____

\$ _____

**SELMA PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS, 2024 SERIES A
(WASTEWATER INFRASTRUCTURE PROJECTS)**

RATE OF INTEREST:

MATURITY DATE:

DATED DATE:

CUSIP:

_____%

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The SELMA PUBLIC FINANCING AUTHORITY, a joint powers authority organized and existing under the laws of the State of California (the “Authority”), for value received, hereby promises to pay (but only out of the Revenues, as defined in the Indenture hereinafter referred to, and certain other moneys) to the Registered Owner identified above or registered assigns (the “Registered Owner”), on the Maturity Date identified above or any earlier redemption date, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Rate of Interest identified above in like money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before an Interest Payment Date and after the fifteenth calendar day of the month preceding such Interest Payment Date, in which case it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to [____], 2024, in which event it shall bear interest from the Dated Date identified above; provided, however, that if, at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest hereon has previously been paid or made available for payment), payable semiannually on February 1 and August 1 in each year, commencing August 1, 2024 (the “Interest Payment Dates”) until payment of such Principal Amount in full. The Principal Amount hereof is payable by check or wire upon presentation hereof upon maturity or earlier redemption at the designated corporate trust office (the “Trust Office”) of U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). Interest hereon is payable by check of the Trustee mailed by first class mail on each Interest Payment Date to the Registered Owner hereof at the address of the Registered Owner as it appears on the registration books of the Trustee as of the fifteenth calendar day of the month preceding such Interest Payment

Date (except that in the case of a Registered Owner of at least \$1,000,000 in aggregate principal amount of Outstanding Bonds, such payment may, at such Registered Owner's option, be made by wire transfer of immediately available funds in accordance with written instructions provided by such Registered Owner prior to the fifteenth calendar day of the month preceding such Interest Payment Date).

So long as all of the Bond is owned by the Original Purchaser or a single Owner (i) the Trustee shall pay principal of and interest and redemption premium on the Bond when due by wire transfer in immediately available funds to the Owner in accordance with wire transfer instructions on file with the Trustee as shall be filed by the Owner with the Trustee from time to time; provided, if the date for payment is not a Business Day, then such payment shall be made on the Business Day immediately preceding said payment date, (ii) payments of principal on the Bond, including sinking fund redemption, shall be made without the requirement for presentation or surrender of the Bond by the Owner; provided, however, that the Owner shall present, or surrender the Bonds prior to the final payment, payable at maturity, redemption, or otherwise, to the Trust Office of the Trustee, and (iii) the Trustee shall not be required to give notice to the Owner of the sinking fund redemption.

This Bond is one of a duly authorized issue of bonds of the Authority designated the "Selma Public Financing Authority Lease Revenue Bonds, 2024 Series A (Wastewater Infrastructure Projects)" (the "Bonds"), in an aggregate principal amount of \$[Par Amount] issued under an Indenture, dated as of February 1, 2024 (the "Indenture"), by and between the Authority and the Trustee. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights thereunder of the owners of the Bonds, of the nature and extent of the Revenues (as that term is defined in the Indenture), of the rights, duties and immunities of the Trustee and of the rights and obligations of the Authority thereunder; and all of the terms of the Indenture are hereby incorporated herein and constitute a contract between the Authority and the Registered Owner hereof, and to all of the provisions of which Indenture the Registered Owner hereof, by acceptance hereof, assents and agrees.

The Bonds are authorized to be issued pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4, Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Act"). The Bonds are special obligations of the Authority and, as and to the extent set forth in the Indenture, are payable solely from and secured by a first lien on and pledge of the Revenues as provided in the Indenture. All of the Bonds are equally secured by a pledge of, and charge and lien upon, all of the Revenues, and the Revenues constitute a trust fund for the security and payment of the principal of and interest on the Bonds. The full faith and credit of the Authority are not pledged for the payment of the principal of or interest or premium (if any) on the Bonds. The Bonds are not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the Authority or any of its income or receipts, except the Revenues and such other moneys and securities as provided in the Indenture.

The Bonds have been issued for the purpose of financing certain capital facilities for the City. The Authority and the City have entered into a Lease Agreement, dated as of February 1, 2024 (the "Lease"), under which the City is obligated to pay amounts which are anticipated to be sufficient to enable the Authority to pay the principal of and interest on the Bonds.

The Bonds are subject to redemption prior to their maturity as provided in the Indenture.

The Bonds are subject to redemption prior to their respective maturity dates, upon notice as provided in the Indenture, as a whole or in part on any date, from prepayments of Base Rental Payments made by the City pursuant to the Lease from funds received by the City due to a taking of the Leased Property or any portion thereof under the power of eminent domain or from insurance proceeds received by the City due to damage to or destruction of the Leased Property or any portion thereof, under the circumstances and upon the conditions and terms prescribed in the Indenture and in the Lease. Redemption of Bonds pursuant to this paragraph shall be made at a redemption price equal to the sum of the principal of the Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption, without premium.

The Bonds may be issued in denominations of \$5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, this Bond may be exchanged at the Trust Office of the Trustee for a like aggregate principal amount, interest rate and maturity of fully registered Bonds of other authorized denominations.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Trust Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond or Bonds, of Authorized Denomination or Denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor. The Authority and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary. The Trustee shall not be required to register the transfer or exchange of any Bond during the period in which the Trustee is selecting Bonds for redemption or any Bond selected for redemption.

The Indenture and the rights and obligations of the Authority and of the owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided, that no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Authority to pay the principal, interest or premiums at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee, all as more fully set forth in the Indenture.

It is hereby certified that all things, conditions and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of California and by the Act (as such term is defined on the reverse side hereof) and the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution or statutes of the State of California or by the Act.

This Bond shall not be entitled to any benefit under the Indenture (as such term is defined on the reverse side hereof), or become valid or obligatory for any purpose, until the certificate of authentication hereon shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Authority has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signatures of its Interim Executive Director and Secretary as of the Dated Date identified above.

SELMA PUBLIC FINANCING AUTHORITY

By _____
Executive Director

ATTEST:

Secretary

TRUSTEE’S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture and registered on the Bond Registration Books.

Dated: _____, 20__

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee

By _____
Authorized Signatory

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____
_____, whose tax identification number is _____, the within-
mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) _____
_____ attorney to transfer the same
on the books of the Trustee with full power of substitution in the premises.

Dated:

Signature guaranteed:

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

NOTICE: Signature must be guaranteed by a member of an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or other similar program.

EXHIBIT B

FORM OF COSTS OF ISSUANCE REQUISITION

REQUISITION NO. __

with reference to

Selma Public Financing Authority
Lease Revenue Bonds, 2024 Series A
(Wastewater Infrastructure Projects)

I. The Selma Public Financing Authority (the “Authority”) hereby requests U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), pursuant to that certain Indenture, dated as of February 1, 2024 (the “Indenture”), by and between the Authority and the Trustee, under the terms of which the Authority has issued its Lease Revenue Bonds, 2024 Series A (Wastewater Infrastructure Projects), to pay from the moneys in the 2024A Costs of Issuance Fund established pursuant to the Indenture, the amounts shown on Schedule I attached hereto to the parties indicated in Schedule I.

II. The payees, the purposes for which the costs have been incurred, and the amount of the disbursements requested are itemized on Schedule I hereto.

III. Each obligation mentioned in Schedule I hereto has been properly incurred and is a proper charge against the 2024A Costs of Issuance Fund. None of the items for which payment is requested has been reimbursed previously from the 2024A Costs of Issuance Fund.

IV. With respect to this requested disbursement, the undersigned (i) certifies that it has reviewed any wire instructions set forth in such written disbursement direction to confirm such wire instructions are accurate, (ii) agrees to indemnify and hold harmless the Trustee from and against any and all claim, demand, loss, liability, tax or expense sustained, including but not limited to attorneys’ fees and expenses and fees and expenses resulting directly or indirectly as a result of making the disbursement requested, and (iii) agrees that it will not seek recourse from the Trustee as a result of losses incurred by the undersigned for making the disbursement in accordance with this disbursement direction.

Dated: _____, 20__

SELMA PUBLIC FINANCING AUTHORITY

By _____
Title: _____

EXHIBIT C

FORM OF 2024A PROJECT FUND REQUISITION

Requisition of the City
(2024A Project Fund)
(Section 3.05 of the Indenture)

U.S. Bank Trust Company, National Association
Attention: Global Corporate Trust

Request No.: P-___ (to be sequentially numbered)

<u>Project Component</u>	<u>Amount of This Draw</u>	<u>Aggregate Amount Draws Including This Draw</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(Continue on Additional Sheet if Necessary)

Name and Address of party to whom payment is to be made:

Purpose for which the obligation was incurred:

The undersigned (the “City”) hereby certifies that (i) each such cost or expense constitutes a proper charge against the Project Fund for services rendered, and has not been the subject of any other payment request filed with you; and (ii) if the payment is to be made to the City for amounts that it has paid or will pay to third parties, then the City has either made payment or will make payment within three Business Days of receipt of moneys requisitioned hereunder and that the aggregate number of Business Days during this calendar year during which it has held such amounts before making payment does not exceed twenty.

With respect to this requested disbursement, the undersigned (i) certifies that it has reviewed any wire instructions set forth in such written disbursement direction to confirm such wire instructions are accurate, (ii) agrees to indemnify and hold harmless the Trustee from and against any and all claim, demand, loss, liability, tax or expense sustained, including but not limited to attorneys’ fees and expenses and fees and expenses resulting directly or indirectly as a result of making the disbursement requested, and (iii) agrees that it will not seek recourse from the Trustee as a result of losses incurred by the undersigned for making the disbursement in accordance with this disbursement direction.

Date: _____, 20__

CITY OF SELMA

By: _____
Title: _____

EXHIBIT D

FORM OF NET PROCEEDS REQUISITION

REQUISITION NO. __ (to be numbered sequentially)

with reference to

Selma Public Financing Authority
Lease Revenue Bonds, 2024 Series A
(Wastewater Infrastructure Projects)

I. The Selma Public Financing Authority (the “Authority”) hereby requests U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), pursuant to that certain Indenture, dated as of February 1, 2024 (the “Indenture”), by and between the Authority and the Trustee, under the terms of which the Authority has issued its Lease Revenue Bonds, 2024 Series A (Wastewater Infrastructure Projects), to pay from the moneys in the 2024A Insurance and Condemnation Fund established pursuant to the Indenture, the amounts shown on Schedule I attached hereto to the parties indicated in Schedule I.

II. The payees, the purposes for which the costs have been incurred, and the amount of the disbursements requested are itemized on Schedule I hereto.

III. Each obligation mentioned in Schedule I hereto has been properly incurred and is a proper charge against the 2024A Insurance and Condemnation Fund. None of the items for which payment is requested has been reimbursed previously from the 2024A Insurance and Condemnation Fund.

IV. There has not been filed with or served upon the City or the Authority a stop notice or any other notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the money payable to the person[s] named on Schedule I hereto which has not been released or will not be released simultaneously with the payment of such obligation, other than liens accruing by mere operation of law.

V. With respect to this requested disbursement, the undersigned (i) certifies that it has reviewed any wire instructions set forth in such written disbursement direction to confirm such wire instructions are accurate, (ii) agrees to indemnify and hold harmless the Trustee from and against any and all claim, demand, loss, liability, tax or expense sustained, including but not limited to attorneys’ fees and expenses and fees and expenses resulting directly or indirectly as a result of making the disbursement requested, and (iii) agrees that it will not seek recourse from the Trustee as a result of losses incurred by the undersigned for making the disbursement in accordance with this disbursement direction.

Dated: _____, 20__

SELMA PUBLIC FINANCING AUTHORITY

By _____

Title: _____

EXHIBIT E

**FORM OF WRITTEN CERTIFICATE OF
SUBSTANTIAL PROJECT COMPLETION**

[Trustee]

Attention: _____

with reference to

Selma Public Financing Authority
Lease Revenue Bonds, 2024 Series A
(Wastewater Infrastructure Projects)

Re: Substantial Completion of the Project

In accordance with the terms of an Indenture, dated as of February 1, 2024 (the “Indenture”), by and between the Selma Public Financing Authority (the “Authority”), and U.S. Bank Trust Company, National Association, as trustee, you are hereby notified that the Project is substantially completed, with all Project Costs paid or provision made for their payment. Capitalized terms used herein shall have the meanings assigned in the Indenture.

Dated: _____, 20__

SELMA PUBLIC FINANCING AUTHORITY

By _____
Title: _____

EXHIBIT F

FORM OF LETTER OF REPRESENTATIONS

[Capital One Public Funding, LLC, Melville, New York]/[Approved Buyer] (“*Buyer*”) hereby certifies as follows with regard to the \$[PAR AMOUNT] Selma Public Financing Authority Lease Revenue Bonds, 2024 Series A (Wastewater Infrastructure Projects) (the “*Bonds*”), dated June 1, 2022, issued by the Selma Public Financing Authority (the “*Authority*”) and payable from rental payments to be made by the City of Selma (the “*City*”):

1. Buyer has full power and authority to carry on its business as now conducted, deliver this Letter of Representations and make the representations and certifications contained herein.

2. Buyer is a lender that regularly extends credit to state and local governments by making loans and acquiring repayment obligations that are evidenced by obligations such as the Bonds; has knowledge and experience in financial and business matters that make it capable of evaluating the Authority, the City, the Bonds and the risks associated with the extension of credit evidenced by the Bonds; has the ability to bear the economic risk of extending the credit evidenced by the Bonds; and is a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933. Buyer is not acting as a broker, dealer, municipal securities underwriter, municipal advisor or fiduciary in connection with its extension of credit evidenced by the Bonds.

3. Buyer has conducted its own investigation of the financial condition of the Authority and the City, of the purpose for which the Bonds is being issued, and of the security for the payment of the principal of and interest on the Bonds and has obtained such information regarding the Bonds and the Authority and the City and their operations, financial condition, and financial prospects as Buyer deems necessary to make an informed lending decision with respect to its extension of credit evidenced by the Bonds.

4. Buyer extending credit to the Authority evidenced by the Bonds and is acquiring the interests in the Bonds as a vehicle for making a commercial loan for its own loan account and with the present intention of holding the Bonds to maturity or earlier prepayment, provided that Buyer retains the right at any time to dispose of the Bonds or any interest therein or portion thereof, but agrees that any such sale, transfer or distribution by Buyer shall be made in accordance with applicable law and the provisions of the Bonds and related documents only to a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933. Any transfer in violation of this Paragraph 4 or the Indenture shall be null and void.

5. Buyer acknowledges that (a) the Bonds (i) has not been registered under the Securities Act of 1933, as amended, (ii) has not been registered or otherwise qualified for sale under the securities laws of any state, and (iii) will not be listed on any securities exchange and (b) there is no established market for the Bonds and that none is likely to develop. Buyer understands and acknowledges that (a) its extension of credit evidenced by the Bonds is not intended to be subject to the requirements of Rule 15c2-12 promulgated under the Securities

Exchange Act of 1934, as amended, and (b) in connection with Buyer's extension of credit evidenced by the Bonds, neither the Authority nor the City has prepared or caused to be prepared, any official statement, private placement memorandum or other offering document.

6. Buyer is acting solely for its own loan account and not as a fiduciary for the Authority or the City or in the capacity of broker, dealer, placement agent, municipal securities underwriter, municipal advisor, or fiduciary. Buyer has not provided, and will not provide, financial, legal (including securities law), tax, accounting, or other advice to or on behalf of the Authority or the City (including to any municipal advisor or any placement agent engaged by the Authority or the City) with respect to the structuring, issuance, sale, or delivery of the Bonds. Buyer has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934, as amended, to the Authority or the City with respect to the transactions relating to the structuring, issuance, sale, or delivery of the Bonds and the discussions, undertakings, and procedures leading thereto. Each of the Authority, the City, its municipal advisor, and its placement agent has sought and shall seek and obtain financial, legal (including securities law), tax, accounting, and other advice (including as it relates to structure, timing, terms, and similar matters and compliance with legal requirements applicable to such parties) with respect to the Bonds from its own financial, legal, tax, and other advisors (and not from the undersigned or its affiliates) to the extent that the Authority or the City, its municipal advisor, or its placement agent desires to, should, or needs to obtain such advice. Buyer expresses no view regarding the legal sufficiency of its representations for purposes of compliance with any legal requirements applicable to any other party, including but not limited to the Authority's or the City's municipal advisor or placement agent, or the correctness of any legal interpretation made by counsel to any other party, including but not limited to counsel to the Authority's or the City's municipal advisor or placement agent, with respect to any such matters. The transactions between the Authority, the City and Buyer are arm's-length, commercial transactions in which Buyer is acting and has acted solely as a principal and for its own interest, and Buyer has not made recommendations to the Authority or the City with respect to the transactions relating to the Bonds.

7. Neither the Placement Agent, Trustee nor Bond Counsel, its members, its governing body, or any of its employees, counsel or agents will have any responsibility to the Buyer for the accuracy or completeness of information obtained by the Buyer from any source regarding the Issuer or its financial conditions or regarding the Bonds, the provision for payment thereof, or the sufficiency of any security therefor. The Buyer acknowledges that, as between the Buyer and all of such parties, the Buyer has assumed responsibility for obtaining such other information and making such review as the Buyer deemed necessary or desirable in connection with its decision to extend credit through purchase of the Bonds.

IN WITNESS WHEREOF, [____], has caused this Letter of Representations to be executed by its officer thereunto duly authorized, all as of the day and year first above written.

[____]

By: _____

Name: _____

Title: _____



February 2, 2024

Jeff Land
Jeffrey.Land@opco.com

Subject: City of Selma, California
 Lease Purchase Agreement (the “Loan”)

Dear Jeff:

This Term Sheet is presented in connection with our discussions regarding the above-referenced potential Loan transaction. Capital One Public Funding, LLC (“COPF”) is very interested in working with City of Selma, California (“Borrower”) and are pleased to present the following summary terms:

Structure	Ground lease/leaseback transaction among Borrower (as ground lessor under the ground lease and lessee under the lease), a third-party nonprofit (as ground lessee and lessor under the lease), and COPF (as assignee).
Estimated Amount	Phase 1: \$8,000,000
Use of Proceeds	Installation of trunk lines.
Security Provisions / Repayment Sources	Standard California abatement lease on real property acceptable to COPF.
Loan Rate*	4.93%
Payments	Payments of principal due annually and interest due semi-annually. The Loan will be payable in installments on the dates and in the amounts set forth on the payment schedule identifying payment dates, principal, interest and total payment due, which shall be attached to the loan.
Avg Life / Final	Approximately level annual debt service; final maturity 25 years.
Call Provisions	Callable in whole beginning in year 8 at 102%, then in year 9 at 101%, then in year 10 and thereafter at par on any date with 30 days notice. <i>Partial prepayment at par at any time is permitted</i> as noted below.**
Tax Status	Tax-exempt
Real Estate Requirements	<p>COPF shall require:</p> <ul style="list-style-type: none"> ● standard representations from the Borrower regarding the absence of any adverse environmental conditions; and ● a title search indicating that free and clear title to the ground-leased property rests with the Borrower. <p>COPF shall not require an appraisal, Phase I, or survey. Title insurance (including a survey) shall only be required in the event of a title deficiency.</p>

*The Loan Rate is subject to change as described below.

**Partial prepayment is allowed throughout the life of the Loan with 30 days notice: (i) from proceeds other than refunding sources; (ii) not more than four times prior to maturity or prepayment in whole; (iii) up to a total of 40% of the original principal balance; (iv) at par plus accrued interest to date of redemption; and (v) provided that any such prepayment is applied to outstanding Loan principal in inverse order of rental payment date.



Interest Rate Assumptions

The above-quoted interest rate is based upon the assumptions set forth above regarding average life and final maturity. Any changes from the assumptions may require an adjustment to the quoted rate. The rate may also be subject to change if the contemplated Loan is not closed by April 4, 2024. COPF shall lock the rate when the Borrower provides a final debt service schedule and firm closing date.

Documentation

Loan documentation shall be prepared by qualified bond counsel subject to review by COPF and its counsel. Borrower shall provide, at its expense, an opinion of legal counsel (acceptable to COPF) attesting to the legal, valid, and binding nature of the transaction and the tax-exempt nature of the interest component of the Loan payments. Upon selection of COPF, the Borrower shall provide COPF the draft authorizing document for its review and comment.

Costs of Issuance

The Borrower shall be responsible for normal borrower costs of issuance including a financial advisor, placement agent, CDIAAC fees and bond counsel. No fees will be due to COPF, which shall be responsible for the costs of its own legal review.

Phase 2

Assuming that this financing and the resulting project are successful, subsequent adequate and acceptable collateral are pledged and the Borrower's overall financial condition remains acceptable, COPF is also interested in financing Phase 2, potentially up to an additional \$8 million for a maximum exposure of \$16 million.

Audited Financial Statements

Upon request, as soon as available, the Borrower shall send COPF a copy of its audited financial statements as of the end of the fiscal year.

Municipal Advisor Rules

This term sheet is provided to the Borrower pursuant to and in reliance upon the "bank exemption" provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 seq.

Role of Capital One Public Funding, LLC

The Borrower acknowledges and agrees that: (i) the information contained in this term sheet is for discussion purposes only and sets forth certain proposed terms and conditions of an arm's-length commercial transaction between the Borrower and COPF and does not constitute advice, an opinion or a recommendation by COPF; (ii) the Borrower will make its own determination regarding whether to enter into the proposed transaction and the terms thereof, and will consult with and rely on the advice of its own financial, accounting, tax, legal and other advisors; (iii) COPF is acting solely for its own account in connection with the proposed transaction, and is not acting as a municipal advisor, financial advisor, agent or fiduciary to the Borrower or any other person or entity (including to any financial advisor or placement agent engaged by the Borrower) and the Borrower, its financial advisor and placement agent are free to retain the services of such advisors (including as it relates to structure, timing, terms and similar matters and compliance with legal requirements applicable to such parties) as it deems necessary or appropriate; (iv) COPF has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the Borrower with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto; (v) neither COPF nor any of its affiliates is acting as a broker, dealer, underwriter or placement agent with respect to the transactions contemplated hereby; (vi) the only obligations COPF has to the Borrower with respect to the transaction contemplated hereby expressly are set forth in this term sheet; and (vii) COPF is not recommending that the Borrower take an action with respect to the transaction contemplated by this term sheet. Before taking any action with respect to the Loan, the Borrower should discuss the information contained herein with the Borrower's own legal, accounting, tax, financial and other advisors, as it deems appropriate. If the Borrower would like a municipal advisor in this



transaction that has legal fiduciary duties to it, Borrower is free to engage a municipal advisor to serve in that capacity.

Other Information

To the extent that updated financial and other credit materials have not already been provided to COPF or are not available through public resources, COPF may require and request reasonable and customary information relevant to the Borrower's credit quality and the source(s) of repayment.

Confidentiality

The information contained herein is strictly confidential and is intended for review by the parties, their advisors and legal counsel only and may not be disclosed to any other person or entity, except as required by law or otherwise consented to by COPF.

Closing

This term sheet shall expire if not accepted by the Borrower by February 6, 2024. Once accepted, this term sheet shall expire if the transaction has not closed by April 4, 2024, unless extended by COPF at its sole discretion.

Subject to Final Credit and Documentation Approval

This is not a commitment; rather, the funding of the Loan will occur only after, among other things, (i) COPF's final internal committee approval, and (ii) COPF and the Borrower, and their respective counsels, are fully satisfied with the terms of the Loan documents and all of the terms and conditions contained herein and in the Loan documents have been met. Any obligation of COPF to provide financing or otherwise shall arise only upon the execution of final Loan documents signed by authorized signatories of COPF and not from statements (oral or written) made during the course of discussions among the parties (whether or not prior to or after the date hereof).

Should the above-stated terms be acceptable to you, a formal decision through COPF's internal credit process will be pursued as quickly as possible.

Thank you for the opportunity to offer this term sheet. Should you have any questions, please do not hesitate to contact me at (505) 400-0860 or jeffrey.sharp@capitalone.com.

Sincerely,

Jeffrey D. Sharp
Senior Vice President / Director of Business Development
Capital One Public Funding, LLC

cc: Jonathan Lewis, Capital One Public Funding, LLC
Brenda Barnes, Capital One Public Funding, LLC

ACCEPTED BY: City of Selma, California

By

Name

Title

PLACEMENT AGENT AGREEMENT

[] 1, 2024

City of Selma
1710 Tucker St.
Selma, CA 93662

Selma Public Financing Authority
1710 Tucker St.
Selma, CA 93662

Attention: Fernando Santillan, City Manager and Executive Director of the Authority

The undersigned, Oppenheimer & Co. Inc. (the “Placement Agent”), offers to enter into the following agreement (this “Agreement”) with the City of Selma (the “City”) and the Selma Public Financing Authority (the “Authority”), which, upon acceptance by the City and the Authority, will be binding upon the City, the Authority and the Placement Agent.

Each of the City and the Authority acknowledges and agrees that (i) the placement of the 2024 Bonds (hereinafter defined) pursuant to this Placement Agent Agreement is an arm’s-length commercial transaction between the City, the Authority and the Placement Agent, (ii) in connection therewith and with the discussion, undertakings and procedures leading up to the consummation of such transaction, the Placement Agent is not acting as a fiduciary of or a financial advisor to the City or the Authority, (iii) the Placement Agent has not assumed an advisory or fiduciary responsibility in favor of the City or the Authority with respect to (a) the offering of the 2024 Bonds or the process leading thereto (whether or not the Placement Agent has advised or is currently advising the City or the Authority on other matters) or (b) any other obligation to the City or the Authority except the 2024 Bonds expressly set forth in this Placement Agent Agreement, and (iv) the City and the Authority have consulted with its own legal and other professional advisors to the extent it deemed appropriate in connection with the offering of the 2024 Bonds.

The Lease Agreement, dated as of [] 1, 2024 (the “2024 Lease Agreement”), is by and between the City and the Authority. Pursuant to an Assignment Agreement, dated as of [] 1, 2024, the Authority will assign to U.S. Bank Trust Company, National Association, as trustee, its right to receive lease payments made by the City under the 2024 Lease Agreement and certain rights and remedies of the Authority thereunder (other than certain retained rights).

Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Placement Agent, the City and the Authority hereby agree as follows:

1. Appointment of Placement Agent; Placement of Obligations; Closing.

(a) The City hereby appoints the Placement Agent to act, and the Placement Agent hereby agrees to act, as the exclusive placement agent for the City in connection with the private sale of the 2024 Bonds to Capital One Public Funding (the “Purchaser”), and the Placement Agent hereby accepts such appointment. As compensation for its services hereunder, the Placement Agent shall

charge a fee not in excess of \$[_____]. The fee to the Placement Agent will be contingent upon the issuance of the 2024 Bonds. At the closing of any such sale, the City shall pay or cause to be paid such fee to the Placement Agent by wire transfer or immediately available funds. The above fee does not include any services the Placement Agent may render in the future to the City or the Authority with respect to any offering or placement of municipal securities other than the 2024 Bonds.

(b) The City understands that the Placement Agent will be acting as the agent of the City in the sale of the 2024 Bonds and agrees that, in connection therewith, the Placement Agent will use its “best efforts” to place the 2024 Bonds. The Placement Agent agrees that, in furtherance of its obligations hereunder, it shall provide substantially accurate and complete information to potential purchasers of the 2024 Bonds to the extent that it is able.

(c) The City expressly agrees that nothing in this Agreement evidences or creates any expressed or implied commitment by the Placement Agent to purchase or place the 2024 Bonds.

(d) On the closing date, the City will cause to be delivered (a) a final approving opinion of Norton Rose Fulbright US LLP, as Bond Counsel to the City (“Bond Counsel”), dated the closing date, addressed to or with a reliance letter to the Purchaser, in a form acceptable to the Purchaser, to the effect that the 2024 Bonds constitute valid and legally binding obligations of the Authority payable from and secured as set forth in the Indenture of Trust related to the 2024 Bonds (b) one or more certificates in form and tenor satisfactory to the Placement Agent evidencing the proper execution and delivery of the 2024 Bonds and receipt of payment therefor, including statements of the Authority, dated as of the date of such delivery, to the effect that there is no litigation pending or, to the knowledge of the signer or signers thereof, threatened relating to the issuance, sale and delivery of the 2024 Bonds, (c) a letter or certificate of the Purchaser, addressed to the Placement Agent, in form and content acceptable to the Placement Agent.

2. Reliance. The City recognizes that, in providing services under this Agreement, the Placement Agent will rely upon and assume the accuracy and completeness of the financial, accounting, tax and other information discussed with or reviewed by the Placement Agent for such purpose, and the Placement Agent does not assume responsibility for the accuracy and completeness thereof. The Placement Agent will have no obligation to conduct any independent evaluation or appraisal of the assets or the liabilities of the City or any other party or to advise or opine on related solvency issues. Nothing in this Agreement is intended to confer upon any other person (including creditors, employees or other constituencies of the City of the Authority) any rights or remedies hereunder or by reason hereof.

3. Termination. The Placement Agent’s authorization to carry out its duties hereunder may be terminated by the City, the Authority or the Placement Agent at any time with or without cause, effective upon receipt of written notice to that effect by the other party. Notwithstanding the foregoing, in the event the City or the Authority terminates this Agreement and within twelve (12) months after the Authority sells the 2024 Bonds to an investor identified by the Placement Agent prior to such termination, the amounts payable under Section 1(a) shall be immediately due and payable to the Placement Agent by the City.

4. Notices. Any notice or other communication to be given to any of the parties to this Agreement may be given by delivering the same in writing as follows: to the City at 1710 Tucker Street, Selma, CA 93662, Attention: City Manager, to the Authority at 1710 Tucker Street, Selma, CA

93662, Attention: Executive Director and to the Placement Agent at 135 Main Street, Suite 1700, San Francisco, California 94105, Attention: Municipal Capital Markets Group.

5. Survival of Representations, Warranties and Agreements. This Agreement is made solely for the benefit of the City, the Authority and the Placement Agent, and no other person shall acquire or have any right hereunder or by virtue hereof. All of the representations, warranties and agreements of the City and the Authority contained in this Agreement shall remain operative and in full force and effect regardless of delivery of any payment for the 2024 Bonds.

6. Counterparts. The Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

7. Effectiveness. This Agreement shall become effective upon the execution of the acceptance hereof by duly authorized signatory of the City and the Authority, which acceptance hereof shall be indicated on the signature page hereof, and shall be valid and enforceable as of the time of such acceptance. This Agreement may be executed by facsimile transmission and in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Very truly yours,

OPPENHEIMER & CO. INC.

By: _____
Managing Director

CITY OF SELMA

By: _____
City Manager

SELMA PUBLIC FINANCING AUTHORITY

By: _____
Executive Director

**CITY MANAGER’S/STAFF’S REPORT
COUNCIL MEETING DATE:**

February 5, 2024

ITEM NO: 2.

SUBJECT: Consideration of a Resolution awarding contract to HPS Mechanical, Inc. for the Clarkson Lift Station Improvement Project

BACKGROUND: During a Special Council Meeting held on February 9, 2022, Council directed staff to allocate American Rescue Plan Act (“ARPA”) Funds for the improvements to the Clarkson Lift Station. The Clarkson Lift Station is located approximately 3.5 miles south of the city limits on McCall Avenue. The existing Lift Station currently sends sanitary sewer from a gravity main to the Selma – Kingsburg – Fowler Sanitation District (“SKF”) facility east of McCall Avenue and north of Clarkson Avenue. The Clarkson Lift Station Improvement Project (“Project”) includes the expansion of the existing Clarkson Lift Station site to include upgrading the existing pumps, a new wet well with additional pumps, site improvements, electrical enclosure, effluent vault, and discharge piping.

On November 2, 2023 the City held a public bid opening for the Project. On December 4, 2023, the Council rejected all bids for the Project through Resolution 2023-109R. On January 18, 2023, the City held a public bid opening for the re-bid of the Project. The Engineer’s Estimate for the Project was \$2,500,000.00. The City received and opened bids from five contractors. The amounts of the bids were as follows:

Contractor	Total Bid
Yanez Construction	\$2,187,286.00
Sierra Construction and Excavation, Inc.	\$2,431,380.00
HPS Mechanical, Inc.	\$2,631,300.00
SW Construction, Inc.	\$2,673,062.00
Dawson-Mauldin, LLC	\$3,244,900.00
Engineer’s Estimate	\$2,500,000.00

The proposal from Yanez Construction was determined to be non-responsive due to the lack of an acceptable Proposal Guarantee. Section 1.4 of the General Provisions of the Project Specifications requires a proposal guarantee in the form of a cashier’s check, certified check, or bidder’s bond.

Sierra Construction and Excavation, Inc. (“Sierra”) submitted a bid for the public bid opening on November 2, 2023. Following the bid opening, Staff received written notice that the bid provided by Sierra included a clerical error and requested that their bid be removed from consideration. According to the California Public Contract Code section 5105, a bidder who claims a mistake or who forfeits his or her bid security shall be prohibited from participating in further bidding on the project on which the mistake was claimed or security forfeited. Since Sierra claimed a mistake on the November 2, 2023 bid proposal, they are disqualified from consideration of the bid submitted on January 18, 2024.

DISCUSSION: Staff has reviewed the bid from HPS Mechanical, Inc. for completeness and determined that it is the lowest responsive and responsible bid and as such, Staff recommends that they be awarded the contract.

FISCAL IMPACT:

The estimated cost for the construction phase of the project is \$3,286,300, as detailed below:

- Construction..... \$2,631,300.00
- Construction Contingency \$260,000.00
- Construction Management/Inspection/Testing/Admin \$395,000.00

The funding for this project will be the American Rescue Plan Act (“ARPA”) funds available to the City. The current balance of ARPA fund is \$3,767,583.33.

RECOMMENDATION: Approve Resolution awarding construction contract to HPS Mechanical, Inc. for the Clarkson Lift Station Improvement Project in the amount of \$2,631,300.00; approving a 10% construction contingency for potential change orders in the amount of \$260,000.00 for this project; and authorize the City Manager to sign contract documents on behalf of the City.

_____/s/_____
David Horn
City Engineer

Date

02/01/2024

_____/s/_____
Jerome Keene
Deputy City Manager

Date

02/01/2024

_____/s/_____
Fernando Santillan
City Manager

Date

02/01/2024

RESOLUTION NO. 2024-__

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF SELMA, CALIFORNIA AWARDED CONTRACT FOR
CLARKSON LIFT STATION IMPROVEMENT PROJECT**

WHEREAS, The City Council designated the Clarkson Lift Station Improvement Project (“Project”) to utilize American Rescue Plan Act (“ARPA”) funds; and,

WHEREAS, the plans and specifications for the Project were prepared by AM Consulting Engineers, Inc., and approved by the Selma – Kingsburg – Fowler Sanitation District; and,

WHEREAS, the project has been advertised and bids have been received on the project; and,

WHEREAS, the bids were opened on Thursday, January 18, 2024;

WHEREAS, Staff analyzed all bids received and determined the bid from HPS Mechanical, Inc. to be the lowest responsive and responsible base bid;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Selma hereby finds, determines, and declares the following:

1. The above recitals are true and correct;
2. The contract for the Clarkson Lift Station Improvement Project is awarded to HPS Mechanical, Inc., at a cost of \$2,631,300.00;
3. Approve a 10% Construction Contingency in the amount of \$260,000.00;
4. Authorize the City Manager to execute contract documents.
5. **Severability.** The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.
6. **Effective Date.** That the City Clerk shall certify to the adoption of this Resolution and that the same shall be in full force and effect.

The foregoing Resolution was approved and adopted at a regular meeting of the City Council of the City of Selma held on the 5th day of February, 2024 by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSTAIN:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:

Scott Robertson
Mayor

ATTEST:

Reyna Rivera
City Clerk

**CITY MANAGER’S/STAFF’S REPORT
COUNCIL MEETING DATE:**

February 05, 2024

ITEM NO: 3.

SUBJECT: Consideration of the Adoption of the Downtown BID Management Plan and Downtown Logo

BACKGROUND: The Downtown BID has completed its annual review of the management plan and is suggesting minor adjustments, including language clarification and additional guidelines, to ensure the ongoing smooth operation of the district.

The BID recognizes that a downtown logo serves as a visual identity that fosters community pride, attracts visitors, and promotes a cohesive image, contributing to the overall economic and cultural vitality of the city center. After 5 rounds of revisions the Downtown BID has prepared a logo for recommendation to the City Council.

DISCUSSION: The edits to the Downtown BID Management Plan include the addition of a social media policy, and addition of a governance excerpt that clarifies staggered appointments of board members, attendance policy, and the election of roles such as chair, vice chair, secretary treasurer and social media liaison.

FISCAL IMPACT: N/A

RECOMMENDATION: The City Council has the option to either accept the BID Management Plan as it is presented, make additional recommendations, or give further direction to the board. Similarly, the City Council can choose to adopt the Logo as it is, offer recommendations, or provide direction to the BID Board for a new version of a downtown logo.

_____/s/_____
Alicia Aguirre, Economic Development Manager

2/5/24
Date

_____/s/_____
Jerome Keene, Deputy City Manager

2/5/24
Date

_____/s/_____
Fernando Santillan, City Manager

2/5/24
Date

Attachments:

1. BID Management Plan
2. BID Proposed Logo

Attachment 1.

Management District Plan
for the ~~creation of the~~
Downtown Selma Business Improvement District

Contents

Summary of the Management District Plan	1
Why Create the Downtown Selma BID?	2
Improvement and Activity Plan.....	3
Establishment Process	
BID Boundaries	
Operations Work	
Program Plan	
Budget	
Assessments.....	4
Assessment Methodology	
Calculation of Assessments Assessment	
Adjustments	
Governance	5

Prepared for the
City of Selma and the Downtown Selma BID Steering Committee
by AMI Concepts

SUMMARY

The proposed Downtown Selma Business Improvement District (BID) will be an assessment district that conveys special benefits to the businesses located within the district boundaries. As described in this plan, it is proposed that the BID will provide marketing and improvements above and beyond those provided by the City of Selma. This approach has been used successfully in downtowns throughout California and the nation, helping to improve the business mix, promote walkability and increase sales.

Location

The district will encompass the core of the downtown area bounded approximately by McCall Ave, 3rd St, W Front St and Arrants St. A map is included to provide details.

Services and Activities

The goal of the BID is to create an economically vital Downtown. The district will finance marketing and improvements to attract residents and visitors while stabilizing and improving the Downtown environment and experience. All businesses within the district will receive benefits.

Method of Financing

The district will be funded by a levy of assessments upon businesses that benefit from services and activities within the district. Additionally, allocations from other funding sources, such as but not limited to City Council, will contribute to the district's financial support.

Budget

Total district assessment budget for its ~~first~~ second year of operations is \$25,000 (estimate).

Cost

Annual assessments are based upon an allocation of program costs. Annual maximum assessment for the first year of the district is 100% of business license fees. Businesses within the district that don't require a business license will pay fee of \$100.

City Services

The City of Selma has established and documented the base level of preexisting City services and has evidenced its intention to continue to deliver and/or pay for these services if a BID is formed. The BID will not replace any pre-existing general City services.

District Governance

The BID Advisory Board will be appointed by the Selma City Council. The Board shall consist of nine ~~seven (97)~~ members approved annually by a majority vote of the Selma City Council. Prospective Board members will complete applications prior to the Downtown BID annual review. The BID Advisory Board will make recommendations and monitor service delivery.

District Creation

The Downtown Selma BID district ~~will be~~ was formed by the Selma City Council upon request by the Downtown Selma BID Workgroup pursuant Ord. 2022-6, 10-17-2022. Included in this first ordinance will be the Management District Plan with a budget and assessment rates.

Duration

The BID remains in place once approved unless it is disestablished. However, annual Council actions are required to keep it operable. Those include accepting the annual report, appointing the BID Advisory Board, approving the annual budget, and approving assessments.

WHY CREATE THE DOWNTOWN SELMA BID?

What is a BID?

A Business Improvement District (BID) is created to energize a business district through a public private partnership that is a catalyst for revitalization. The district can provide activities, such as marketing, maintenance, and image enhancement, that are in addition to those provided by local government. BIDs provide services that improve the overall viability of business districts resulting in increased sales.

Why Downtown Selma?

- *Create a vibrant Downtown* Downtown Selma faces similar challenges to other small downtowns in the Central Valley. The BID is viewed as a proactive step to create immediate impact through marketing and other improvements.
- *Attract New Businesses and Customers to Downtown* The Downtown area has shops and restaurants, but would benefit from increasing the ratio of retail/restaurant businesses to service businesses, creating a more walkable Downtown. This would set the stage for attracting more customers, both Selma residents and visitors. Working in concert with the City of Selma, the BID will provide supplemental resources to improve Downtown's image to these markets
- *Enhance Sales and Occupancies* BIDs are acknowledged as a critical ingredient in downtown revitalization and are proven to work by funding services that enhance the economic viability of a business district. Success is measured by higher sales and targeted occupancy rates.
- *Private Sector Control* An Advisory Board consisting of downtown business owners will govern the BID. Annual BID workplans and budgets will be developed by the Advisory Board, ensuring that the BID will be directly accountable to those who pay an assessment.

IMPROVEMENT AND ACTIVITY PLAN

[Establishment Process](#)

In the spring of 2020, the City of Selma sought grants to fund a feasibility study to explore a Downtown Selma BID. The consulting firm of AMI Concepts was retained by the City to guide the process. Key steps of the process included:

- *BID Steering Committee* To guide the consultant team and test BID concepts, a group of business owners was formed. A roster of the BID Steering Committee is provided in the Appendix.
- *Business Owner Engagement* Working with business owners, the consultant held an Open House and conducted a survey in May 2021, then held a series of meetings during the summer of 2021. Priorities that emerged:
 - Increase sales and walkability
 - Improve the business mix to include more retail and restaurant businesses
 - Confirm BID services as supplemental to, and not in replacement of, City services
 - Focus on marketing and improvements
- *City Base Level of Services* A letter was provided by the Community Development Director identifying current relevant city services and an intention to continue these services throughout the life of the BID.

Downtown Selma
Business Improvement District (BID)

- *Plan Review & Final Plan* The draft BID Management District Plan and budget were reviewed by the BID Steering Committee and individual business owners. Business owners were invited to an Open House in September 2021 to review the plan. Input from this meeting, plus with Steering Committee members, led to the completion of the final plan.

[In October 2022, the City Council adopted an ordinance establishing the Downtown Business Improvement District \(Ord. 2022-6, 10-17-2022\).](#)

Bid Boundaries

The [proposed](#) BID district ~~will~~ [encompasses](#) the core of the Downtown area. A detailed map of the proposed district boundary is provided here.



[Work Program Operations](#)

- *An Inviting, Attractive and Economically Vital Downtown*

Downtown Selma
Business Improvement District (BID)

To respond to stakeholder priorities and guiding principles for a Downtown Selma BID, [the management plan outlines key objectives and guideline principles for district-wide services.](#)~~the BID Steering Committee reviewed several scenarios for providing district-wide services.~~

~~Objectives in developing the scenarios included:~~

~~Implement~~ ~~Deploy~~ a program that will make a visible, tangible and lasting impact.

- Ensure that BID-funded services are supplemental to, and do not replace, existing City services.
- Provide flexibility in the modeling of the program so that the BID can make adjustments as market conditions change.

- *Marketing*

Marketing strategies and programming to create an appealing and vibrant Downtown Selma will be developed as part of the overall program. Efforts will be made to encourage both locals and visitors to explore Downtown Selma. Traditional and non-traditional marketing activities and products will be explored including an interactive website, electronic communication tools and printed materials.

- *Improvements*

Attention will be made to address physical improvements. These may include pressure washing sidewalks and alleys along with curb painting, above and beyond what is currently done by the City. These efforts will improve walkability within the Downtown.

- *Business Development and Market Research*

Business recruitment efforts will seek to increase the mix of retail/restaurant businesses in collaboration with the City of Selma Economic Development Department. In addition, compilation of periodic market reports will guide the direction of business development.

- *Management and Reserve*

Fund management will be performed by the City of Selma in accordance with the budgets and activities approved by the BID Advisory Board. Monthly reports will be provided by the City. There will be no charge for this service. A reserve fund of 5% is budgeted to provide a contingency for unforeseen program needs and to provide a cushion for assessment delinquencies.

[Social Media Policy](#)

[The social media strategy for the Downtown Business Improvement District \(BID\) encompasses several key principles aimed at fostering community engagement, promoting a unified downtown identity, and supporting economic development. Notably, businesses that have paid their BID dues receive priority in content sharing on official BID social media channels, ensuring active and supportive members receive due recognition. The BID commits to maintaining a consistent theme and messaging across platforms, contributing to a cohesive downtown identity. Additionally, the strategy includes active promotion of downtown events, spotlighting products and services offered by local businesses, and emphasizing inclusivity and diversity in content. Encouraging collaboration among businesses through cross-promotion and adhering to legal and privacy guidelines are integral components. Regular monitoring and evaluation of social media analytics will inform adjustments to optimize engagement, while active feedback and community engagement will contribute to a vibrant and supportive downtown community.](#)

[Plan Budget](#)

Downtown Selma
Business Improvement District (BID)

The total improvement and activity plan budget is projected to be \$25,000. The initial budget allocation is summarized here.

ACTIVITY	AMOUNT	PERCENTAGE
Marketing and Improvements	\$18,750	75%
Business Development and Market Research	\$5,000	20%
Contingency	\$1,250	5%
TOTALS	\$25,000	100%

Final budget allocation decisions will be subject to the annual budget process of the BID Advisory Board. Other monies received for the benefit of the BID will not be included in this budget and can be spent as budgeted separately by the Advisory Board.

ASSESSMENT

Assessment Methodology

The primary BID assessment methodology is a common BID structure assessing businesses whereby business license fees are used as the basis. In addition, businesses not subject to business license fees will be assessed a \$100 flat fee. A factor of each fee is assessed annually, as determined by the BID Advisory Board. All businesses within the district are subject to assessment with one exception.

Assessment Exceptions

A business recently established in the district is exempt from the levy of assessments for a period not to exceed one year from the date the business commenced operating in the district.

Calculation of Assessments

The preceding methodology is applied to a database that has been constructed by the City of Selma working with the BID Steering Committee. It consists of all businesses within the BID district.

Assessment Adjustments

- *Annual Assessment Factor*
An annual assessment factor will be determined by the BID Advisory Board. This factor will not exceed the initial assessment factor of 100% of both types of fees. Fees include business license fees and those assessed of businesses within the district that are not subject to business licenses.
- *Budget Process*
A balanced budget approach is utilized to develop each annual budget within the constraints of the assessment rates. Any annual budget surplus or deficit is tracked. Prior year surpluses may be used as necessary, based on the allocations described in the Management District Plan.
- *Time and Manner for Collecting Assessments*
As provided by state law, the City of Selma will bill the assessments in conjunction with the annual business license statement, or separately in the case of businesses that are not required

Downtown Selma
Business Improvement District (BID)

to have City business licenses. Existing laws for enforcement and appeal of business license fees will apply to BID assessments.

- *Disestablishment*
State law provides for the disestablishment of a BID pursuant to an annual review process. Each year that the BID is in existence, there will be a 30-day period during which the business owners will have the opportunity to request disestablishment of the District. This 30-day period begins each year on the anniversary day that the district was first established by City Council. Within that 30-day period, if a written petition is submitted by the business owners who pay more than 50 percent (50%) of the assessments levied, the BID may be disestablished. The City Council will hold a public hearing on disestablishing the PBID prior to doing so.
- *Issuance of Bonds*
No bonds or other bonded debt are to be issued to finance activities and services envisioned in the Management District Plan.

GOVERNANCE

BID Advisory Board

Selma City Council will appoint the BID Advisory Board as part of the district formation process, and annually thereafter during the review process. The BID Advisory Board shall consist of ~~seven~~nine (97) members who represent a business within the BID district. They are selected from available applicants and represent a broad mix of business types.

The BID Advisory Board meets monthly. Meetings shall be held the first and third Wednesday of the month at 5:30 PM. Meeting times can be changed by the commission by resolution. Terms will be for one year. Terms should be staggered to avoid complete turnover of the Board. Meetings are open to the public. It will hold district-wide meetings as needed for input on services and operations, including an annual nomination meeting for the BID Advisory Board.

Appointments to the BID Advisory Board are staggered according to the following schedule:

<u>January</u>	<u>4 Appointments</u>
<u>May</u>	<u>3 Appointments</u>
<u>October</u>	<u>2 Appointments</u>

If any appointee commission member absents himself or herself from three (3) regular meetings consecutively from the last regular meeting he or she attended, the position becomes vacant and shall be filled as any other vacancy. (Ord. 818, 9-2-80)

The BID Advisory Board, shall elect a chairman and vice chairman from among its own members, each of whom shall serve for one year and until his or her successor is elected and qualified. The chairman shall preside at all meetings and exercise all the usual rights, duties and prerogatives of the head of any similar organization. The vice chairman shall perform the duties of the chairman in the absence or disability of the chairman. Vacancies created by any cause shall be filled for the unexpired term by a new election by the commission. (Ord. 867, 6-1-84)

The BID Advisory Board shall elect a secretary, treasurer, and social media liaison from its members. Each shall serve a term of one year or until their successor is elected and qualified. The secretary is

Downtown Selma
Business Improvement District (BID)

[responsible for maintaining records and documentation, the treasurer is responsible for financial matters, and the social media liaison is responsible for overseeing the BID's social media presence.](#)

BID Advisory Board will recommend budgets, services, and Advisory Board members. It will monitor service delivery and provide oversight of the district. The Advisory Board oversight will:

- Review monthly reports from the City of Selma
- Leverage BID funds with resources, programs and capabilities provided by other agencies and organizations in Selma
- Eliminate the potential for duplication of enhanced services and activities
- Ensure that Downtown Selma is represented by a unified voice, thereby maximizing Downtown's influence in policies and civic affairs.

Pursuant to State of California law, the BID Advisory Board will be subject to disclosure and notification guidelines set by the Ralph M. Brown Act and California Public Records Act.



About the Logo

Downtown Selma

Introducing the Downtown Selma logo—a visual representation designed to encapsulate the distinctive essence of downtown Selma, featuring the iconic high street and showcasing the unique architecture that defines the area. This versatile logo will be prominently featured across various marketing collateral and Downtown BID communications. Embodying a sense of belonging, the Downtown BID Brand conveys the message that you and your businesses belong in the heart of Selma.

ITEM NO: 4.

SUBJECT: Downtown Strategic Plan Update

BACKGROUND: In November, staff held a kick-off meeting with Raimi and Associates. Internally, coordination took place to provide background information essential for the infrastructure analysis, market analysis, and SWOT analysis for downtown.

Stakeholder meetings and interviews by Raimi and Associates commenced during the week of January 22nd. An in-person workshop with the Downtown BID included an introductory presentation outlining the plan's purpose, its alignment with initiatives, and its connection to other city-wide projects like the rebrand and zoning ordinance update. Information on the plan's lifespan and details about the Cherette process were shared.

The following day, Raimi and AMI Concepts organized an open house in the Arts Center Lobby. During a four-hour window, group interviews with downtown property owners and business owners were scheduled, and walk-ins were accommodated for those with questions and input. Raimi will continue interviews via phone calls.

To ensure the downtown strategic plan is informed by those who use the downtown, opportunities for broader community input will be provided during the charrette process. A charrette studio will be open to the public for two days, allowing community members and stakeholders to participate at their convenience, concluding with a public presentation. While the exact date for the charrette is yet to be determined, a public announcement is anticipated in March/April.

The Strategic Plan will include the following components:

- Background and Context Setting, on the Plan development process and Downtown Selma
- Challenges, Constraints, and Opportunities, detailed description of the physical and economic challenges and constraints that hinder the revitalization of Downtown Selma, combined with a description of the major assets and opportunities.
- Placemaking strategies, such as gateway treatments, street reconfigurations, public plazas, shade canopy, misting stations, art installations, or visual connections from the freeway to downtown.
- Branding/Marketing Strategies for marketing to freeway travelers.
- Economic Strategies, insights from the Market and Retail Analysis will inform recommendations that reflect trends that have emerged over the past decade and the projected future vision of the downtown coincident with the creation of the Downtown Selma Business Improvement District.
- BID capacity and utilization, the goal will be to identify tenant types and market segments that are well suited for the Downtown area and identify ways to use BID revenue in strategic and catalytic ways to foster new investment.
- Implementation Measures, actionable measures to implement the recommendations and strategies including needs for environmental/CEQA clearance for specific projects.

FISCAL IMPACT: This project is fully funded by a \$150,000.00 TOD (Transit-Oriented Development) Grant from the Fresno COG.

RECOMMENDATION: This is an information-only item.

_____/s/_____
Alicia Aguirre
Economic Development Manager

2/1/24
Date

_____/s/_____
Jerome Keene
Deputy City Manager

2/1/24
Date

_____/s/_____
Fernando Santillan
City Manager

2/1/24
Date

**CITY MANAGER'S/STAFF'S REPORT
COUNCIL MEETING DATE:**

February 5, 2024

ITEM NO: 5.

SUBJECT: Discussion regarding Café Lights along High Street in Downtown Selma

BACKGROUND: Approximately five years ago downtown businesses helped install Café Lights (string electrical lights) utilizing the electrical plugs at the top of the decorative street lights. The Café Lights were supported by the existing mature trees.

In 2023, the City completed a Community Development Block Grant (CDBG) Project to improve the accessibility of the sidewalks within the downtown area. A portion of the project required the trees to be removed to eliminate the impact to the sidewalks causing compliance issues. Prior to the contractor removing the trees, Public Works staff removed and salvaged the Café Lights.

The Economic Development Director is working with a consultant to develop a Downtown Strategic Plan to provide a plan to establish design guidelines for improvements. Stakeholder meetings and charrettes are planned to get input and ideas from the community.

DISCUSSION: Re-installing the salvaged Café Lights was considered by Public Works and Engineering. Without the intermediate support from the trees between the streetlights, the amount of stress placed on the decorative poles would create a safety issue if a fixture would break and fall to the sidewalk.

A concept of new poles within the downtown area was prepared by Engineering Staff. Due to the separation and height required for compliance with applicable regulations and standards, the size of the poles and foundations required to support lighting would need to be engineered. This option, long with proposed tree types to be replanted, is being discussed during the Downtown Strategic Plan stakeholder meetings and conceptual design conversations.

To improve the amount of light provided by the existing decorative streetlights, Public Works Staff will be removing the existing bulbs and installing conversion kits for new LED bulbs that can be adjusted for additional lumen. Similar replacements have been completed on Tucker Street to verify the amount of additional light. It is anticipated that the installation of the replacement LED bulbs along High Street will be completed the week of February 5, 2024.

FISCAL IMPACT: Conversion kits and new LED lights cost approximately \$800 per kit. With approximately 14 lights located on High Street, the total cost is approximately to replace the bulbs is approximately \$11,200. Funding for the bulb replacement is provided through the Street Maintenance Fund.

RECOMMENDATION: Information item only.

_____/s/_____
David Horn, PE, PLS
City Engineer

_____02/01/2024_____
Date

_____/s/_____
Jerome Keene, AICP
Deputy City Manager

_____02/01/2024_____
Date

**CITY MANAGER’S/STAFF’S REPORT
REGULAR CITY COUNCIL MEETING DATE:**

February 5, 2024

ITEM NO: 6.

SUBJECT: Consideration of an appointment to Consolidated Mosquito Abatement District Board of Trustees

DISCUSSION: The Consolidated Mosquito Abatement District has notified the City of Selma that our representative’s term on the Board of Trustees will expire on December 31, 2023. Mr. Pete Esraelian has served on the board for 38 years and has advised that he will not seek reappointment.

The California Health and Safety Code §§ 2022 and 2024 describe the following qualifications and terms of office for board members:

- 1) Each person appointed by a city council to be a member of a board of trustees shall be a voter in that city and a resident of that portion of the city that is within the district.
- 2) It is the intent of the Legislature that persons appointed to boards of trustees have experience, training and education in fields that will assist in the governance of the district.
- 3) The trustees shall represent the interests of the public as a whole and not solely the interest of the board of supervisors or the city council that appointed them.
- 4) The term of office for a member of the board of trustees shall be for a term of two or four years, at the discretion of the appointing authority. Terms of office commence at noon on the first Monday in January.

Regular meetings of the Board of Trustees of the Consolidated Mosquito Abatement District are held on the third Monday of each month at 1:00 p.m.

During the January 16, 2024 Selma City Council meeting, Mr. Charles Smith stepped forward and requested that Council consider appointing him as the trustee to represent the City of Selma as a member of the District’s Board.

RECOMMENDATION: Consider appointment for a two or four year term on the Consolidated Mosquito Abatement District Board of Trustees.

_____/s/_____
Reyna Rivera, City Clerk

_____/01/26/2024_____
Date

_____/s/_____
Fernando Santillan, City Manager

_____/01/26/2024_____
Date



Consolidated Mosquito Abatement District

13151 E. INDUSTRIAL DR
MAIL: P.O. BOX 784
PARLIER, CALIFORNIA 93648
(559) 896-1085
www.mosquitobuzz.net

December 22, 2023

Fernando Santillan, City Manager
City of Selma
1710 Tucker St., Selma, CA
Selma, CA 93662

Dear Mr. Santillan:

The current appointed term of Mr. Pete Esraelian as the trustee from the City of Selma on the Consolidated Mosquito Abatement District Board of Trustees will expire on December 31, 2023. Mr. Esraelian has served on the Board for 38 years, representing the City of Selma, and has decided not to seek reappointment as a trustee. Mr. Esraelian's exceptional service to our community has left an indelible mark on the District. Throughout his tenure, Mr. Esraelian has consistently demonstrated an unwavering commitment to public health and the well-being of residents. His dedication to public service has set a commendable standard for community involvement and civic responsibility. We thank him for his dedicated service. His presence on the Board will truly be missed, and we wish him well.

The City Council is responsible for appointing a trustee to represent the City of Selma as a member of the District's Board.

The California Health and Safety Code §§ 2022 and 2024 describe the qualifications and terms of office for board members: Each person appointed by a city council to be a member of a board of trustees shall be a voter in that city and a resident of that portion of the city that is within the district. It is the intent of the Legislature that persons appointed to boards of trustees have experience, training, and education in fields that will assist in the governance of the district. The trustees shall represent the interests of the public as a whole and not solely the interest of the city council that appointed them. The term of office for a member of the board of trustees shall be for a term of two or four years, at the discretion of the appointing authority. Terms of office commence at noon on the first Monday in January. Regular meetings of the Board of Trustees of the Consolidated Mosquito Abatement District are held on the third Monday of each month at 1:00 pm.

The District's Board of Trustees respectfully requests a certified copy of the City Council's action on this matter.

Sincerely,

Jodi Holeman
District Manager

cc: Pete Esraelian

Charles W. Smith

January 12, 2024

Fernando Santillan, Manager
City of Selma
1710 Tucker Street
Selma, CA 93662

RE: Filling vacancy of Selma representative on Board of Consolidated Mosquito Abatement District

Dear Manager Santillan:

I am writing this letter in order to let you know that I am interested in serving as the representative from Selma on the Board of Trustees (Board) of the Consolidated Mosquito Abatement District (District).

It has been 38 years since Pete Esraelian was appointed Trustee from Selma, and Mr. Esraelian has expressed his intention to forego serving another term in this position.

As a retired employee of the District, I have known Mr. Esraelian the entire time he has served on the Board. Mr. Esraelian has done an excellent job and I hope, with approval from the City Council, to continue to serve Selma as well as the entire District in this capacity.

I was hired as District Field Supervisor in December 1982 following seven years as a full-time employee of the Orange County Mosquito and Vector Control District. I was promoted to District Entomologist following the retirement of my predecessor several years into my employment with the District.

Throughout the 33 years and four months I worked for the District, I became familiar with all District programs, including surveillance, identification and control of all mosquito species within the District, laws and regulations pertaining to mosquito control programs, training of employees, and public outreach and related educational programs performed by the District.

I thoroughly enjoyed my 40-year career in public health mosquito control, and I would be honored and privileged to continue to serve the residents within the District in a new capacity as a Board member from Selma. Please give this matter your every consideration, and let me know if you would like additional information about my experience and background.

Thank you very much.

Sincerely,

Charles W. Smith, Retired Entomologist
Consolidated Mosquito Abatement District

cc: Scott Robertson, Sarah Guerra

**CITY MANAGER'S/STAFF'S REPORT
COUNCIL MEETING DATE:**

February 5, 2024

ITEM NO: 7.

SUBJECT: Public Hearing and Second Reading – Ordinance Amending Title II, Chapter 2 of the Selma Municipal Code Pertaining to the Selma Personnel System

BACKGROUND: On January 16, 2024, the City Council introduced an ordinance that updates the Selma Municipal Code to adopt the draft Personnel Rules and Regulations. The current Personnel Rules and Regulations were approved by City Council in August 1982. Personnel Rules and Regulations are typically updated every three to five years.

DISCUSSION: The purpose of the Personnel Rules and Regulations is to establish policies and procedures to provide the City of Selma with a structured and consistent practice of personnel management. City staff determined that a complete overhaul of the Personnel Rules and Regulations document would be beneficial to the City of Selma and staff rather than an attempting to simply update the existing document.

City staff diligently worked on the attached draft Personnel Rules and Regulations to ensure compliance with current Federal and State labor laws. The final draft was presented to all bargaining units for review and comments and no edits were requested for consideration.

Title II, Chapter 2 of the current Selma Municipal Code contains all elements that are within the draft Personnel Rules and Regulations. As a result, a change to the current Municipal Code is required in order to adopt the proposed Personnel Rules and Regulations.

The following is recommended to be added:

Title 2 - Chapter 2 – Personnel System

2-2-1: Personnel System Rules and Regulations:

The City Council hereby adopts by reference a revised set of rules and regulations superseding that of resolution 1803 and any amendments, but provided that all memoranda of understanding approved by minute order of the City Council since July 2019, remain in effect until superseded by a later order, budget adoption or resolution.

2-2-2: Compensation Plan

The City Council hereby adopts by reference a complete compensation plan; said plan being attached to the resolution codified by the City Clerk.

The following is recommended to be deleted:

Chapter 2 – Personnel System

2-2-1: Adoption of Personnel System

2-2-2: Personnel Officer

2-2-3: Personnel Commission

- 2-2-4: Duties of the Personnel Commission
- 2-2-5: Competitive Service
- 2-2-6: Adoption and Amendment of Rules
- 2-2-7: Appointments
- 2-2-8: Probationary Period
- 2-2-9: Status of Present Employees
- 2-2-10: Applicability of Rules to Certain Exempt Positions
- 2-2-11: Demotion, Dismissal, Reduction in Pay, Suspension
- 2-2-12: Right of Appeal
- 2-2-13: Layoff and Reemployment
- 2-2-14: Political Activity
- 2-2-15: Discrimination
- 2-2-16: Right to Contract for Special Services
- 2-2-17: Appropriation of Funds

FISCAL IMPACT: There is no fiscal impact.

RECOMMENDATION Approve the second reading and adoption of the ordinance removing and amending Title II, Chapter 2 of the Selma Municipal Code.

_____/s/_____
 Janie Venegas
 Administrative Services Director

_____/2024_____
 Date

_____/s/_____
 Fernando Santillan
 City Manager

_____/2024_____
 Date

ORDINANCE NO. 2024 – ____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SELMA,
CALIFORNIA, AMENDING TITLE II, CHAPTER 2, SECTION X OF THE SELMA
MUNICIPAL CODE**

The City Council of the City of Selma does ordain as follows:

SECTION 1. Chapter 2 of Title 2 of the Municipal Code is hereby amended to read as follows:

Title 2 - Chapter 2 – Personnel System

2-2-1: Personnel System Rules and Regulations:

The City Council hereby adopts by reference a revised set of rules and regulations superseding that of resolution 1803 and any amendments, but provided that all memoranda of understanding approved by minute order of the City Council since July 2019, remain in effect until superseded by a later order, budget adoption or resolution.

2-2-2: Compensation Plan

The City Council hereby adopts by reference a complete compensation plan; said plan being attached to the resolution codified by the City Clerk.

SECTION 2. Severance Clause.

The City Council declares that each provision of this ordinance is severable and independent of every other provision. If any portion of this ordinance is held invalid, the City Council declares that it would have adopted the remaining provisions of this ordinance irrespective of the portion held in valid, and further declares its express intent that the remaining provisions of this ordinance should remain in effect after the invalid portion has been eliminated.

SECTION 3. This Ordinance shall take effect 30 days after its adoption.

SECTION 4. The City Clerk is hereby directed to cause a summary of this Ordinance to be published by one insertion in a newspaper of general circulation in the community at least five (5) days prior to adoption and again (15) days after its adoption. If a summary of the ordinance is published, then the City Clerk shall cause a certified copy of the full text of the proposed ordinance to be posted in the office of the City Clerk at least five (5) days prior to the Council meeting at which the ordinance is adopted, and again after the meeting at which the ordinance is adopted. The summary shall be approved by the City Attorney.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Selma held on the 16th day of January 2024 and was passed and adopted at a regular meeting of the City Council held on the 5th day of February 2024 by the following vote:

PASSED, APPROVED, AND ADOPTED this 5th day of February 2024, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

ATTEST:

Scott Robertson
Mayor

Reyna Rivera
City Clerk

CITY OF SELMA

PERSONNEL RULES AND REGULATIONS



Effective: Month 2024

DRAFT

TABLE OF CONTENTS

Contents

1. PURPOSE 8

 1.1 Personnel Policy 8

 1.2 Equal Employment Opportunity 8

 1.3 Powers of the City Manager 9

 1.4 Department Rules and Regulations..... 9

 1.5 Application of Personnel Rules..... 9

 1.6 Adoption of Personnel Rules 10

 1.7 Amendment and Revision of Personnel Rules..... 10

 1.8 Conflict of Personnel Rules 10

 1.9 Rights of Management..... 10

 1.10 Violation of Personnel Rules 10

2. DEFINITION OF TERMS 10

 2.1 Actual hours worked..... 10

 2.2 Advancement 10

 2.3 Allocation..... 11

 2.4 Applicant..... 11

 2.5 Appointment 11

 2.6 At Will Status 11

 2.7 Base Salary 11

 2.8 Candidate..... 11

 2.9 Certification 11

 2.10 Certified Employee Organization 11

 2.11 Class or Classification..... 11

 2.12 Class Series..... 11

 2.13 Classification Plan 11

 2.14 Compensation 11

 2.15 Compensatory time off 12

 2.16 Competitive Service..... 12

 2.17 Competitive Examination 12

 2.18 Continuous Examination..... 12

 2.19 Continuous Service..... 12

 2.20 Days 12

2.21	Demotion	12
2.22	Department.....	12
2.23	Department Head	12
2.24	Dismissal.....	12
2.25	Domestic Partner	12
2.26	Elective Office	12
2.27	Eligible Candidate.....	12
2.28	Employment Date	13
2.29	Employment List.....	13
2.30	Employment Status.....	13
2.31	Examination	13
2.32	Executive Management	13
2.33	FLSA	13
2.34	FLSA Exempt.....	13
2.35	FLSA Non-Exempt.....	13
2.36	Grievance.....	13
2.37	Incumbent	13
2.38	Layoff	13
2.39	Limited Service.....	13
2.40	Limited Term Position	14
2.41	Open Examination	14
2.42	Overtime Work	14
2.43	Part-Time Position	14
2.44	Pay Range	14
2.45	Permanent Appointment or Permanent Status	14
2.46	Position	14
2.47	Probationary Appointment.....	14
2.48	Probationary Period	14
2.49	Promotional Appointment.....	14
2.50	Promotional Examination	14
2.51	Provisional Appointment	15
2.52	Provisional Employee.....	15
2.53	Qualifying Family Member.....	15
2.54	Reclassification.....	15
2.55	Recognized Employee Organization.....	15
2.56	Re-employment.....	15

2.57	Regular Employee	15
2.58	Regular Position.....	15
2.59	Rehire.....	15
2.60	Reinstatement.....	15
2.61	Resignation	15
2.62	Safety Sensitive.....	15
2.63	Salary Basis	16
2.64	Salary Evaluation Date	16
2.65	Seniority in City Service.....	16
2.66	Seasonal Position	16
2.67	Selection Procedure	16
2.68	Separation	16
2.69	Service Anniversary Date.....	16
2.70	Step Advancement	16
2.71	Step Advancement Date.....	16
2.72	Student Position	16
2.73	Suspension	17
2.74	Temporary Position.....	17
2.75	Termination.....	17
2.76	Transfer.....	17
2.77	Vacancy	17
2.78	Y-Rated.....	17
3.	POSITION CLASSIFICATION	17
3.1	Classification Plan	17
3.2	Positions.....	18
3.3	Emergency or Temporary Positions.....	18
3.4	Classification Review	19
4.	COMPENSATION PLAN.....	19
4.1	Compensation Plan Establishment.....	19
4.2	Compensation Plan Administration	20
4.3	Errors in Compensation	23
5.	EMPLOYMENT	23
5.1	Residence Requirements	23
5.2	Age	23
5.3	Recruitment	23
5.4	Application	24

5.5	Selection Process.....	24
5.6	Ineligibility or Disqualification.....	24
5.7	Categories of Appointment.....	25
5.8	Reappointment.....	25
5.9	Continued Employment.....	25
5.10	Employee Performance Reports.....	25
5.11	Transfer.....	25
5.12	Promotion.....	26
5.13	Demotion.....	26
5.14	Suspension.....	26
5.15	Salary Reduction.....	26
5.16	Reinstatement.....	26
6.	OUTSIDE EMPLOYMENT AND USE OF CITY PROPERTY.....	26
6.1	Prohibited Activity.....	26
6.2	Outside Employment.....	26
6.3	Authorization of Outside Employment.....	27
6.4	Violations and Penalties.....	27
7.	DISCIPLINARY ACTION.....	27
7.1	Authority to Discipline.....	27
7.2	Grounds for Disciplinary Action.....	28
7.3	Types of Discipline.....	29
7.4	Procedures for Disciplinary Action.....	30
8.	DISCIPLINARY APPEAL PROCESS.....	31
8.1	Employee’s Right to Representation During Appeal Process.....	31
8.2	Appeal Process (for discipline greater than 5 days suspension or equivalent reduction in pay).....	31
9.	GRIEVANCE PROCEDURE FOR NON-DISCIPLINARY MATTERS.....	32
9.1	Definition of “Grievance”.....	32
9.2	Eligibility to File a Grievance.....	32
9.3	Exclusion from the Grievance Procedure.....	32
9.4	Group Grievances.....	33
9.5	Procedure.....	33
9.6	Representation.....	34
9.7	Waiver of Steps or Time Limits.....	35
9.8	Waiver of Grievance.....	35
9.9	No Interruption of Work.....	35

9.10	No Retaliation	35
10.	LAYOFF, DISPLACEMENT AND REEMPLOYMENT	35
10.1	Notice.....	35
10.2	Layoff Order Determination	35
10.3	Bumping	36
10.4	Layoff List Preparation Procedure.....	36
10.5	Separations.....	36
10.6	Reemployment from Lay-off.....	37
11.	WORK WEEK AND ATTENDANCE	37
11.1	Work Week.....	37
11.2	Attendance	37
11.3	Meals and Rest Periods.....	38
11.4	Timekeeping	38
12.	VACATION AND HOLIDAYS.....	38
12.1	Vacation Accrual	38
12.2	Use of Vacation	39
12.3	Effect of Sick Leave On Vacation Leave.....	39
12.4	Compensation for City Work During Vacation Prohibited.....	39
12.5	Restricted Use At Resignation.....	39
12.6	Vacation Pay-Out Upon Termination	39
12.7	Holidays.....	39
13.	SICK LEAVE	40
13.1	Eligibility	40
13.2	Accrual.....	41
13.3	Accumulation.....	41
13.4	Prohibited Activity.....	41
13.5	Use.....	41
13.6	Holidays within Sick Leave	41
13.7	Deduction of Sick Leave	41
13.8	Verification of Sick Leave Usage.....	42
13.9	Workers' Compensation.....	42
13.10	Coordination of Benefits.....	43
13.11	Depletion of Sick Leave, Compensatory Time and Vacation Benefits.....	44
13.12	Catastrophic Leave Program.....	44
14	OTHER LEAVES OF ABSENCE	44
14.1	Leave of Absence of Without Pay.....	44

14.2	Absence without Leave	44
14.3	Leave of Absence: Death Outside of Immediate Family	44
14.4	Employee’s Time Off To Vote.....	45
14.5	Jury Duty: Leave of Absence	45
14.6	Subpoenas: Leave of Absence.....	45
14.7	Leave for Attendance at Industrial Accident Commission Hearing or Related Physical Examination	45
14.8	Management Leave	45
14.9	Status of Employee on Authorized Leave of Absence Without Pay.....	45
14.10	Administrative Leave.....	46
14.11	Bereavement Leave.....	46
14.12	Family and Medical Leave (FMLA/CFRA).....	46
14.13	Military Leave	46
14.14	Military Spouse Leave.....	47
14.15	Paid Family Leave (PFL).....	47
14.16	Pregnancy Disability Leave (PDL).....	47
15	TUITION REIMBURSEMENT.....	47
16	EMPLOYER - EMPLOYEE RELATIONS	47
16.2	Definitions	47
16.2	Designation of Municipal Employee Relations Officer.....	49
16.3	Employee Rights.....	49
16.4	City Rights	49
16.5	Meet and Confer in Good Faith - Scope.....	50
16.6	Incorporation into a Memorandum of Understanding.....	50
16.7	Compliance with Federal and State Laws.....	50
16.8	Advance Notice	50
16.9	Petition for Recognition	51
16.10	The Petition.....	52
16.11	Municipal Employee Relations Officer	52
16.12	Response to Petition.....	52
16.13	Notice.....	52
16.14	Elections	52
16.15	Certification	52
16.16	Election Procedures	53
16.17	Bargaining Unit Modifications	54
16.18	Denying the Request.....	55

16.19 Timing 56
16.20 Unit Disputes Involving Professional Employees..... 56
16.21 Rights and Responsibilities 56
16.22 Impasse Resolution Procedures 57
16.23 Agency Shop..... 58
16.24 Miscellaneous Provisions..... 58
17 MISCELLANEOUS..... 58

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CITY OF SELMA

PERSONNEL RULES

1. PURPOSE

In order to establish a uniform procedure for dealing with personnel matters, the personnel system set forth in these Rules and Regulations (hereinafter “Rules”) is hereby adopted. These Rules supersede any prior rules and regulations and may be changed only upon approval of the City Council.

Where an applicable memorandum of understanding between the City of Selma (hereinafter “City”) and a recognized employee organization contains provisions that are inconsistent with any of these Rules, the language contained in the Memorandum of Understanding shall govern.

The City Council authorizes the City Manager to implement administrative policies that shall be supplemental to these Rules.

Each employee shall be given a copy of these Rules and is responsible for reading and complying with these Rules.

These Rules may be amended from time to time. However, in order to be effective, the amendment must be in writing and approved by resolution of the City Council. Whenever such amendments affect the wages, hours or other terms or conditions of employment, they shall be subject to the meet and confer process as required by law.

In the event of an emergency, any part or all of these Rules may be suspended by order of the City Manager and such suspension shall remain in effect until the City Manager’s order is withdrawn.

1.1 Personnel Policy

In accepting employment with the City each employee agrees to be governed by and to comply with ordinances, these Rules, the Administrative Policy and Procedures Manual, the rules, regulations and directives of the department in which employed, and the memorandum of understanding in effect between the City and the appropriate employee organization.

1.2 Equal Employment Opportunity

It is the policy of the City of Selma to provide equal opportunity in employment for all persons to prohibit discrimination in employment. This policy of equal employment opportunity applies to and must be an integral part of every aspect of personnel policy and practice in the employment, development, advancement, and treatment of employees to the extent permitted by law.

1.2.1 This Equal Employment Opportunity policy applies to all applicants, officers, volunteers, and employees without exception.

1.2.2 The City shall not discriminate against qualified employees or applicants for employment on the basis of actual or perceived race, color, religion, gender, national origin, ancestry, citizenship, age, marital status, physical disability, mental disability, medical condition, sexual orientation, or any other basis protected by law, or on the basis of a perception that an individual is associated with a person who has, or is perceived to have, any of these characteristics. The City shall afford equal employment opportunity to all qualified applicants or employees with respect to

compensation and all terms and conditions of employment, including hiring, training, promotion, transfer, discipline, and termination.

- 1.2.3 Employees who believe they have experienced denial of equal employment opportunity or discrimination are encouraged to report this experience immediately to their supervisor or the Human Resources Director/Manager. The City shall promptly investigate the report under the Discrimination Complaints Procedure.

1.3 **Powers of the City Manager**

- 1.3.1 The City Manager is designated as the Personnel Officer within these guidelines. Whenever the term "Personnel Officer" is used in these Rules, it shall include the City Manager or any person designated by him/her to carry out any function required by these Rules. When any officer or employee other than the City Manager is assigned a duty or responsibility under these Rules, such assignment is subject to the direction and control of the City Manager and the City Manager shall have the right to perform such duty or responsibility or to assign it to any other officer or employee.
- 1.3.2 Subject to Chapter 2 of the City of Selma Municipal Code, the City Manager has the power and authority to:
 - 1.3.2.1 Establish, when not in conflict with these Rules, such other policies, procedures, rules and regulations necessary for the control and supervision of the affairs of the City;
 - 1.3.2.2 Appoint and remove all Department Heads, officers and employees of the City, except those officers appointed by the Council;
 - 1.3.2.3 Approve all proposed appointments and removals of subordinate employees by all officers and Department Heads;
 - 1.3.2.4 Transfer, promote, demote, reemploy, reinstate, discipline, layoff, reduce in salary, suspend, or dismiss City employees, except for those officers appointed by the City Council.
- 1.3.3. The Personnel Officer shall interpret, apply, administer and enforce the provisions of these Rules, any ordinances or resolutions relating to personnel matters, the employer-employee relations resolution, the memoranda of understanding, and any other pertinent regulations, directives and policies which relate to the City's personnel system.
- 1.3.4 The Personnel Officer may delegate to the Human Resources Director/Manager any of the powers and duties conferred upon him/her under these or other City rules, regulations, resolutions or ordinances. The Human Resources Director/Manager, or his/her designee, shall be responsible for administration of these Personnel Rules.

1.4 **Department Rules and Regulations**

Department Heads may develop, implement and revise as necessary any departmental policies, procedures, rules and regulations pertaining to unique operational requirements and their effect upon departmental personnel as are needed for the full performance of duties and responsibilities and which are not contrary to these Rules.

1.5 **Application of Personnel Rules**

The provisions of these Rules shall apply to all offices, positions and employees in the Competitive Service of the City, except the following positions and except as otherwise indicated within a specific provision of these Rules:

- 1.5.1 Elected officials;
- 1.5.2 Members of appointed boards, commissions and committees;
- 1.5.3 Persons engaged under contract to render professional, scientific, technical or expert services for a definite period of time;
- 1.5.4 Volunteer personnel who receive no regular compensation from the City;
- 1.5.5 Where a particular rule or article expressly states it does not apply to certain employees and/or positions, or applies only to certain employees and/or positions.

1.6 **Adoption of Personnel Rules**

The Personnel Rules shall be established by resolution adopted by the City Council.

1.7 **Amendment and Revision of Personnel Rules**

Proposed amendments to/or revisions of the Personnel Rules shall be submitted for approval to the City Council in writing by the City Manager.

1.8 **Conflict of Personnel Rules**

In the event that one or more provisions of these Rules contradict provisions included in memorandum of understanding currently in effect between the City and a formally recognized employee organization, the terms of the memorandum of understanding shall prevail. If there is a conflict between these Rules and a federal or state law, that law prevails. If there is a conflict between these Rules and an administrative regulation, these Rules prevail.

1.9 **Rights of Management**

The adoption of these Rules shall not be deemed a waiver or surrender of any management prerogative in relation to the organization or the necessity of any department or position.

1.10 **Violation of Personnel Rules**

Each employee is responsible to comply with these Rules and any amendments hereto. Violation of the provisions of these Rules shall be grounds for disciplinary action, up to and including dismissal. See Section 7 regarding Disciplinary Action.

2. DEFINITION OF TERMS

All words and terms used in these Rules and in any other resolution, ordinance, or administrative procedures dealing with personnel policies or procedures shall be defined as they are normally and generally defined in the field of personnel administration. For the purpose of convenience, however, the words and terms most commonly used are defined as follows:

2.1 **Actual hours worked**

All hours in which the employee actually performed work and does not include any paid or unpaid leave time, including but not limited to vacation and sick leave.

2.2 **Advancement**

A salary increase of one or more steps within the limits of the pay range established

for a class.

2.3 **Allocation**

The official assignment of an individual position to its appropriate class in accordance with the duties performed and the authority and responsibilities exercised.

2.4 **Applicant**

Any person who has made application for a position.

2.5 **Appointment**

Employment of a person in a position

2.6 **At Will Status**

The status of an employee who serves at the pleasure of the City Manager, who retains the authority to terminate any such employee at any time with or without cause. An “at will” employee has no right of appeal of discipline or termination.

2.7 **Base Salary**

The salary range and step established in the Compensation Plan, exclusive of any overtime, shift-differential, incentive or other excludable pay an employee may receive.

2.8 **Candidate**

Any person who has been accepted for participation in an examination.

2.9 **Certification**

The submittal to a Department Head of a listing of eligible candidates from an appropriate employment list, or names of those on a reinstatement or re-employment list.

2.10 **Certified Employee Organization**

An employee organization that has been certified by the City of Selma as representing the majority of the eligible employees in an appropriately designated employee representation unit and shall be considered to represent all the employees of that unit.

2.11 **Class or Classification**

A group of positions sufficiently and substantially similar in duties, authority, responsibilities, and minimum qualifications for employment to permit combining them under a single title and the application of common standards of selection and compensation.

2.12 **Class Series**

Two or more classification levels which have similar duties and responsibilities, but are distinguished from each other by degree of difficulty or level of responsibility.

2.13 **Classification Plan**

The designation by resolution of the City Council of a title for each classification together with the specifications for each classification as prepared and maintained by the Human Resources Director/Manager.

2.14 **Compensation**

The salary, wage, allowances, and all other forms of valuable consideration earned by or paid to any employee because of said service in any position, but does not include any allowances authorized and incurred as incidents to employment.

2.15 **Compensatory time off**

Paid time off from work in lieu of overtime pay.

2.16 **Competitive Service**

All positions in the City service, except for the following positions, which are within the non-Competitive Service: Elective Offices, the City Manager, Deputy City Manager, City Attorney, and all Heads of Departments.

2.17 **Competitive Examination**

One or more selection procedures used to assess the relative qualifications of a group of applicants or candidates.

2.18 **Continuous Examination**

A competitive examination or a particular class which is designed to be either open or promotional, or both; and the examination consists of the same or comparable tests of fitness which may be administered periodically; and as a result of which names of eligible candidates may be added to an existing employment list for the duration of such list.

2.19 **Continuous Service**

Employment without interruption, and includes approved leaves of absence to serve in the armed forces of the United States, as provided by Section 395 of the Military and Veterans Code, as amended.

2.20 **Days**

Calendar days unless otherwise noted.

2.21 **Demotion**

The voluntary or involuntary movement of an employee from one class to another class having a lower maximum rate of pay.

2.22 **Department**

An organizational unit with responsibility for carrying out a function under the supervision of a Department Head.

2.23 **Department Head**

The head of an established office or department having supervision of such department and office.

2.24 **Dismissal**

The involuntary separation of an employee from the City service.

2.25 **Domestic Partner**

“Domestic partner” as defined in California Family Code Section 297.

2.26 **Elective Office**

All positions in the Exempt Service held by elected officials.

2.27 **Eligible Candidate**

A person who has earned a place on an employment list established by competitive examination.

2.28 **Employment Date**

For retirement, sick leave and other benefit purposes, the effective date of an employee's initial appointment to a full-time or permanent part-time position within the Competitive Service.

2.29 **Employment List**

A list of names of persons who may be considered for employment with the City under specific conditions. Such lists may be designated as either a re-employment, reinstatement, promotion, or open employment list.

2.30 **Employment Status**

The type of an employee's appointment, such as regular, probationary, or limited service.

2.31 **Examination**

The selection procedures used to measure the knowledge, skills and abilities of the persons applying for positions within the Competitive Service.

2.32 **Executive Management**

The group of employees comprised of the City Manager, Deputy City Manager and all Department Heads.

2.33 **FLSA**

The Fair Labor Standards Act.

2.34 **FLSA Exempt**

All employees who meet one or more of the duties test exemptions from overtime under the FLSA (e.g. executive, administrative, professional) and who are paid on a salary basis. FLSA exempt employees are not eligible for overtime compensation.

2.35 **FLSA Non-Exempt**

Employees who are eligible for FLSA overtime compensation.

2.36 **Grievance**

Defined in Section 13 of these Rules.

2.37 **Incumbent**

A person legally occupying a position in the City Service.

2.38 **Layoff**

The termination of an employee from City service for reasons of economy, efficiency, reorganization or other non-disciplinary reason.

2.39 **Limited Service**

Those types of positions which do not provide full-time employment throughout a fiscal year. The kinds of positions assigned to the Limited Service include temporary, part-time, student, and seasonal positions. Appointment to such positions are noncompetitive and incumbents do not acquire status in the class to which assigned by virtue of such employment. Limited service positions are "at

will” and may be terminated with or without cause and without right of appeal.

2.40 **Limited Term Position**

A position in the competitive or non-Competitive Service which is created for a limited term or for projects funded entirely.

2.41 **Open Examination**

A competitive examination for a particular class in which applications are invited from all qualified persons, regardless of whether or not they are employed by the City.

2.42 **Overtime Work**

All actual hours worked by a non-exempt employee in excess of forty (40) hours in the employee’s designated workweek, except as otherwise designated by an applicable MOU, as otherwise designated for employees on an approved flexible work schedule, or as designated under the FLSA.

2.43 **Part-Time Position**

A type of limited service position to which a person is employed in a regularly budgeted position who works less than full-time.

2.44 **Pay Range**

A series of base salary steps to which a class may be assigned.

2.45 **Permanent Appointment or Permanent Status**

The type of status granted an employee who has successfully completed an official probationary period for a particular class and in a regular position in the Competitive Service.

2.46 **Position**

A combination of duties and responsibilities assigned to a single employee and performed on either a full-time or a part-time basis. A position may be occupied or vacant.

2.47 **Probationary Appointment**

The initial appointment of an employee into a position that begins a probationary period.

2.48 **Probationary Period**

The final stage of the recruitment, examination and selection process where a new or promoted employee is required to demonstrate satisfactory or better performance of the position’s duties. During this period, the employee may be dismissed at any time without cause and without right of appeal or hearing.

2.49 **Promotional Appointment**

The advancement of an employee from a position in one classification to a position in another classification having a higher maximum salary range.

2.50 **Promotional Examination**

A competitive examination of a particular class, which is only available to current employees who meet the qualifications for the class or are otherwise permitted to take such an examination.

2.51 **Provisional Appointment**

Appointment of a person possessing the minimum qualifications last established for a particular class other than eligibility by examination and who has been appointed to a position in that class in the absence of available eligible candidates.

2.52 **Provisional Employee**

An employee appointed to fill a position vacancy for a limited time period when no valid eligibility list exists for that position. Provisional employees are “at will,” and their appointment may be terminated at any time with or without cause and without right of appeal.

2.53 **Qualifying Family Member**

Qualifying family members are spouse, registered domestic partner, child, stepchild, parent, sibling, grandparent, grandchild, or parent-in-law.

2.54 **Reclassification**

The permanent reassignment of a position to another classification due to the material change of the job duties of a position.

2.55 **Recognized Employee Organization**

An employee organization that has been formally acknowledged by the City as the employee organization that represents the employees in an appropriate representation unit.

2.56 **Re-employment**

The reappointment of a former employee (from a layoff re-employment list) who had a permanent appointment with the City at the time of layoff.

2.57 **Regular Employee**

The employment of a person in an authorized full-time position following successful completion of a probationary period in an authorized full-time position in the Competitive Service.

2.58 **Regular Position**

A full-time position in the Competitive Service which is established without any limitation as to time.

2.59 **Rehire**

The reappointment of a former employee who does not have re-employment or reinstatement rights at the time of returning to the payroll.

2.60 **Reinstatement**

The probationary appointment of an employee after the employee who resigned in good standing from a permanent regular position or the return of an employee from a non-disciplinary demotion to a position which the employee held not more than one year previously. In either case, reinstatement must occur not more than one (1) year from the date of separation. Such reinstatement may be done so without further competitive examination.

2.61 **Resignation**

The voluntary separation of an employee from City employment.

2.62 **Safety Sensitive**

A position or duty of a position that the City has designated as “safety sensitive” for purposes of implementing its Drug and Alcohol policy.

2.63 **Salary Basis**

Compensation in a predetermined amount that is not reduced, regardless of the quality or quantity of work actually performed, except as required by the City’s principles of public accountability, for partial-day absences or as otherwise set forth in the FLSA.

2.64 **Salary Evaluation Date**

The date on which a probationary or regular employee’s performance is evaluated and the date upon which the employee is eligible, based on job performance for a prescribed period, for a merit salary increase within the established salary range.

2.65 **Seniority in City Service**

Seniority in City service is based on the employee’s number of continuous years in City measured from the employee’s original hire date. Seniority in classification is based on the number of continuous years of service in the present or higher classification.

2.66 **Seasonal Position**

A position of limited service status, which is recurrent and does not provide full time employment. Seasonal employees are “at will” and may be terminated at any time with or without cause and without right of appeal.

2.67 **Selection Procedure**

The process by which employment decisions are made, including but not limited to application screening, written tests, oral interviews, performance tests, background investigations, assessments of physical or mental condition, and probation periods.

2.68 **Separation**

The voluntary or involuntary termination of employment from City service. Separation may include death, dismissal, layoff, resignation, retirement, or work completion.

2.69 **Service Anniversary Date**

The original date of hire as a full-time employee for purposes of accruing benefits and determining years of service with the City.

2.70 **Step Advancement**

The merit-based increase of an employee’s salary to a higher salary level within the established salary range for the employee’s classification.

2.71 **Step Advancement Date**

The effective date of an employee’s merit-based salary increase.

2.72 **Student Position**

A type of limited service position to which an employee who is also a student pursuing a course of study may be employed part-time during an academic school year and full-time during school vacations and holidays. Employees holding such positions are “at will” and may be terminated at any time with or without cause

and without right of appeal.

2.73 **Suspension**

The temporary separation without pay of an employee from the Competitive Service for disciplinary purposes.

2.74 **Temporary Position**

A type of limited service position to which a person is appointed on a temporary basis and which is not an authorized regular position or a regular position for a limited period of time, either full-time or part time. Temporary employment that is limited to not more than 999 hours in any fiscal year. This time period includes all time spent in one or more positions.

2.75 **Termination**

Involuntary separation of an employee from City service.

2.76 **Transfer**

The reassignment of an employee from one position to another position in the same classification or another classification having the same maximum salary range, involving the performance of basically similar duties, and requiring substantially the same minimum qualifications.

2.77 **Vacancy**

A duly created position which is not occupied and for which monies have been appropriated.

2.78 **Y-Rated**

Employee's existing salary is frozen until adjustments to the employee's salary cause it to fall within a new salary range.

3. POSITION CLASSIFICATION

3.1 **Classification Plan**

The City Council, upon recommendation of the Personnel Officer, shall create and adjust classes of positions in the City service. These classes shall be known as the "Classification Plan."

3.1.2 *Implementation of the Classification Plan*

The Personnel Officer shall recommend a Classification Plan for all classifications in the Competitive Service that includes but is not limited to the following for each classification:

- The classification title;
- A description of typical duties and responsibilities;
- A statement of the desirable training, experience and other qualifications of applicants for the classification;
- Whether the classification or any of its duties are safety-sensitive.
- Whether the classification is FLSA exempt

The Personnel Officer shall ensure that all positions within the same classification are substantially similar with respect to duties, authority, decision-making, character of work, and schedules of compensation.

3.1.3 *Interpretation of Class Specifications*

The class specifications are descriptive, explanatory, and not restrictive. They are intended to indicate the kinds of positions allocated to the various classes and should not be construed as limiting the assignment of duties and responsibilities to any position. The use of a particular expression or an illustration as to duties should not be interpreted to exclude others not mentioned that are of similar kind of level of responsibility. The specification for each class should be considered in its entirety and in relation to other classes in the Classification Plan. Consideration should be given to the general duties, specific tasks, responsibilities, qualifications desired, and relation to other positions, as affording together a picture of the kind of employment the class is designed to embrace.

3.1.4 *Periodic Updates*

From time to time the Personnel Officer shall review the Classification Plan to ensure that it is accurate and make amendments to reclassify, add positions or classifications, or make other changes as necessary or appropriate.

3.1.5 *Adoption by City Council*

The Classification Plan shall become effective only upon adoption by resolution of the City Council. Upon adoption, the Classification Plan shall take immediate effect unless otherwise specified.

3.1.6 *Amendments*

The classification or position descriptions may be abolished or amended from time to time by City Council action when deemed in the best interest of the City service. In addition, new classification or position descriptions may be added to the City's Classification Plan. If new positions are added to the City services, such positions shall be allocated to an appropriate class by the Personnel Officer.

3.1.7 *Assignment of Classifications to Bargaining Units*

Assignment or reassignment of classifications to employee units of representation shall be at the sole discretion of the Personnel Officer and in accordance with the Employer-Employee Relations Rule.

3.2 **Positions**

In accordance with these Rules, any position may be assigned, reallocated or transferred to a different class by the Personnel Officer, in consultation with the affected Department Head, whenever there is a need of such action because of change in duties or responsibilities of the position. All positions shall be included in the same class if:

3.2.1 They are sufficiently similar in respect to duties and responsibilities so that the same descriptive title may be used; and

3.2.2 Substantially the same requirements as to education, experience, knowledge, and ability are required of incumbents; and

3.2.3 Substantially the same tests of capacities and fitness may be used in choosing qualified appointees; and

3.2.4 The same pay range or salary rate applies

3.3 **Emergency or Temporary Positions**

Whenever, in the judgment of the Personnel Officer, it is necessary for a department to employ a person or persons on an emergency or temporary basis in a type of position for which there is no classification provided in the Classification Plan, then the City Manager, in consultation with the Department Head(s), may authorize such positions and shall fix the amount of compensation, and may determine the minimum qualifications for such additional employees, and shall limit in advance the period of time the position may be allowed up to a maximum of 999 hours in a fiscal year.

3.4 **Classification Review**

Review of the classification of a position may occur in the following circumstances:

- One or more new positions are under consideration for possible establishment;
- Due to a change in organization or methods, a major change of the duties or responsibilities of an existing position is made which may require the reallocation of such position;
- A new class is created to which a position may more appropriately be allocated;
- Due to the abolishment or combination of an existing position or class, an amendment to the Classification Plan is required.

The procedure for classification review is as follows:

- 3.4.1 The Department Head shall report the significant facts relating to such possible changes in writing to the Personnel Officer.
- 3.4.2 The Personnel Officer, upon written request of an employee and his/her department head, may undertake an inquiry of the classification of any position.
- 3.4.3 Upon either of the above initiations, the Personnel Officer shall make a study of the assigned duties and responsibilities of any such position and the qualifications required, and of the relationships of such positions to other classes of positions in the Classification Plan.
- 3.4.4 Based on such investigation, the Personnel Officer shall then make a change in the allocation of the position; or reallocate the position to a more appropriate class in the existing Classification Plan; or determine a new class to which the position would be allocated, whichever the Personnel Officer deems is the appropriate action. Whenever a position is reclassified or reallocated, the existing position is to be deleted and a new position created in the class to which the position is to be assigned.

4. COMPENSATION PLAN

4.1 **Compensation Plan Establishment**

The City of Selma is committed to maintaining fiscal integrity and high standards of accountability to the public in the expenditure of funds provided by taxpayers. The City establishes its compensation system in accordance with the principles of public accountability.

The Personnel Officer shall prepare a Compensation Plan that includes the following:

- a. The salary ranges for all classifications in the Competitive Service,

- showing the minimum and maximum rates of pay;
- b. A designation of the position as full-time, part time or temporary;
- c. A designation of the position as paid on an hourly or salary basis.

These rules do not preclude the creation of separate management pay plans that, if adopted by the Council, must be administered in accordance with the procedures adopted for such plan(s) by the City Council.

On a periodic basis, the Personnel Officer may survey benchmark classifications. Survey results shall be considered as one of the pieces of information used as a guideline in establishing or modifying compensation for a particular position or classification.

The Personnel Officer shall also determine whether any modifications are necessary due to recruitment and retention issues, changes to positions or classifications, including changes to exempt or non-exempt status, resulting from his/her periodic review of the Classification Plan.

The City Manager shall submit any modifications to the Compensation Plan to the City Council for adoption.

4.2 **Compensation Plan Administration**

The authorized pay ranges for the respective classes of positions with such amendments as may be adopted by the City Council from time to time by resolution shall be applied as follows:

4.2.1 *Increases Within the Pay Range*

Normally, and as a general rule, upon progress and productivity, employees in the Competitive Service or those occupying an Appointive position shall be considered for a step advancement according to the following general plan:

4.2.1.1 *Steps.* The letters A, B, C, D, E, F, etc. respectively, denote the various salary steps in the pay range.

4.2.1.2 *Step A.* Step "A" shall typically be paid upon initial employment into a six (6) step pay range. If the employee possesses exceptional training or experience, that employee may start at a step B with the approval of the Department Head. Appointments at any step greater than B require prior authorization from the City Manager.

4.2.1.3 *Step Advances.* An employee shall be considered for salary advancement normally, as a general rule, according to the following general plan:

4.2.1.3.1 The letters A, B, C, D, E and F respectively, denote the various steps in the pay range.

4.2.1.3.2 Salary Step A shall be paid upon initial employment and for a period of twelve (12) months.

4.2.1.3.2.1 The supervisor may recommend an advancement to Salary Step B during the six-month evaluation based on completion of six (6) months of employment where the employee has demonstrated exceptional job progress

and steadily increasing productivity. Exceptional will be defined as “exceeds expectation”, “excellent”, or similar rating.

4.2.1.3.3 Salary Step B will be paid upon completion of one year of employment in Salary Range A where the employee has demonstrated satisfactory job progress and normally increasing productivity.

4.2.1.3.3.1 If an employee advanced to Salary Range B at six months of employment, the employee will be eligible to advance to Salary Range C after eighteen (18) months of employment.

4.2.1.3.4 Salary Step C will be paid upon completion of one year of employment in Salary Range B where the employee has demonstrated satisfactory job progress and productivity to the satisfaction of his/her supervisors.

4.2.1.3.5 Salary Step D will be based upon completion of one year of employment in Salary Step C where the employee has demonstrated job progress and productivity to the satisfaction of his/her supervisors.

4.2.1.3.6 Salary Step E will be based upon completion of one year of employment in Salary Step D where the employee has demonstrated job progress and productivity to the satisfaction of his/her supervisors.

4.2.1.3.7 Salary Step F will be based upon completion of one year of employment in Salary Step E where the employee has demonstrated job progress and productivity, which are above the average expected for the class and upon approval of the City Manager.

4.2.1.3.8 If employed at other than Step “A” in a six (6) step pay range for the class, then consideration for advancement to the next salary step will take one year following the date of hire.

All step advances shall be effective the first day of the pay period closest to the step advance date. Additional step advances will be on an annual basis thereafter until the attainment of Step F.

All step advances shall be based on satisfactory performance as shown from the evaluation by the employee’s Supervisor. Denial of step increases shall be based on documented performance evaluations.

Increases of more than one step for superior performance may be provided upon recommendation by the Department Head and approval of the City Manager.

4.2.1.4 *Step at Promotion.* When employees are promoted, they shall normally receive the first step in the salary range for their new position. However, if such step results in a salary increase of less

than 5 percent (5%), they shall receive a minimum 5 percent (5%) increase, provided that in no event shall the new salary be above Step F of the promoted class. The City Manager may authorize an appointment to a position at any higher salary step in the pay range in consultation with the Department Head.

4.2.1.5 *Special Salary Adjustments.* Notwithstanding anything in these Rules to the contrary, in order to correct gross inequities or to reward outstanding achievement and performance, the City Manager may, upon recommendation of the Department Head, adjust the salary step of an incumbent of a particular position to any step within the pay range for the class to which the position is allocated. If a special salary step adjustment is authorized, it shall coincide with the beginning date of a pay period.

4.2.1.6 *Calculation of Service Anniversary Dates and/or Step Advancement Dates.* Service Anniversary dates shall be established as of the effective date of employment into a regular full time position. Step Advancement Dates shall be established as of the effective date of the most recent step advancement, promotion, or reinstatement in the City service, or the effective date of a special salary adjustment as provided in Section 4.2.1.5 of these Rules. Service anniversary dates of those reemployed shall be established as provided by Section 8.2.2 of these Rules. All step advancements shall be effective the first day of the pay period closest to the step advance date.

4.2.1.7 *Applicable Salary Rates Following Pay Range Increases and Decreases.*

4.2.1.7.1 *Same Relative Step.* Where a pay range for a given class is revised upward, the incumbents of positions in classes affected shall have their existing salary adjusted to the same relative step in the new pay range (Step B to Step B, Step C to Step C, etc.) and their next step advancement date shall not be changed.

4.2.1.7.2 *Retention of Salary and "Y" Rates.* When a pay range is adjusted downward, incumbents may, on approval of the City Manager, be assigned a "Y"-rate designation to hold the employee at the current salary rate, without increases, until such time as the salary range for the new classification is the same or exceeds the amount of the "Y"-rating. Any such "Y" rate shall be indicated by a capital "Y" following the salary each time it appears on personnel records or transactions. Said "Y" rate shall be canceled on vacancy of the position.

4.2.1.7.3 *Pay Range Change on Step Advancement Date.* In the event that a pay range change becomes effective on an employee's step advancement date, the employee shall first receive any within-range adjustment to which entitled and then receive the corresponding step adjustment.

4.2.1.7.4 *Pay Range Change on Date of Promotion.* In the event that a pay range change becomes effective on the date an employee is promoted to a higher class, the employee shall first receive any corresponding step adjustment to which entitled in the lower class, and then the next higher step promotional adjustment as provided in Section 8.5.1 of these Rules.

4.3 **Errors in Compensation**

Each employee shall review each of his/her paychecks to ensure the employee was paid correctly. If the employee believes an error or irregularity has occurred, the employee must immediately call it to the attention of his/her supervisor who shall in turn notify the Personnel Officer. The City shall document all errors in compensation and the affected employees shall sign an acknowledgement for any corrections made.

In the event of any underpayment of which the City becomes aware, the employee shall receive any amount due him/her on a future paycheck.

In the event an employee receives an overpayment by the City, the employee shall reimburse the City for the total overpayment and the City may obtain reimbursement by payroll deduction(s). Typically, such repayment shall occur over a schedule equal to the amount of time over which the overpayment occurred; otherwise, a reasonable alternative payback period can be established if the typical schedule presents an undue burden on the employee.

5. EMPLOYMENT

It is the policy of the City of Selma to recruit and select the most qualified individuals for positions in the City's service. Employment is open to qualified men and women regardless of citizenship, except that sworn personnel must comply with the provisions of Government Code Section 1031.5.

5.1 **Residence Requirements**

Employees shall not be required, as a condition of employment, to live within the Selma city limits.

5.2 **Age**

The maximum age limit for all employees shall be that set forth by the California Public Employees' Retirement System. A minimum age of 18 years shall apply to Fire Fighter classifications. A minimum age of 21 years shall apply for sworn police classifications.

5.3 **Recruitment**

Recruitment for qualified applicants will be conducted as necessary in order to ensure that the city will have available applications of interested qualified persons for possible employment. The notices of employment shall be publicized by posting announcements on all official bulletin boards, advertisements in newspapers and magazines, or given to reputable agencies offering the services which will bring response from qualified persons, and by such other methods as the Human Resources Office deems available. Special recruiting shall be conducted, if necessary, to ensure that all segments of the community are aware of the available employment opportunities. The City, however, shall not pay any fee

or service charge for any applicant who is referred to it by an employment agency. Job announcements shall be prepared and specify a title and pay of the class for which the city is recruiting, the nature of the work to be performed, preparation desirable for the performance of the work of the class, the manner of making application, and other pertinent information.

5.4 **Application**

All candidates for employment shall file an application on official city application forms. Application forms shall require information covering training, experience, and other pertinent information, and may include certificates of one or more examining physicians, references, and fingerprinting. All applications must be electronically signed by the person applying.

5.5 **Selection Process**

The technique used in the selection process shall be impartial and will relate to those subjects which, in the opinion of the Personnel Officer, fairly measure the relative capabilities of the persons examined to execute the duties and responsibilities of the class to which they seek to be appointed. Examination shall consist of selection techniques which test fairly those qualifications of candidates such as, but not necessarily limited to, written tests, personal interviews, performance tests, physical agility tests, evaluation of daily work performance, work samples, medical tests, successful completion of prescribed training, or any combination of these or other tests. Each candidate in an examination shall be given written notice of the results thereof, and, if successful, his or her name will appear in final score order on the eligibility list. Selection for appointment shall be made by the appointing department head, with the concurrence of the City Manager, from the eligibility list. An eligibility list shall remain in effect until exhausted or six months, unless extended for a maximum of one year by the Personnel Officer. The appointment shall become effective when a selected applicant commences work.

5.6 **Ineligibility or Disqualification**

The Personnel Officer may reject any application or may withdraw any one from consideration whose appointment will be contrary to the best interests of the city. Reasons for disqualification may include, but shall not be limited to, the following deficiencies:

- a. Does not possess the minimum qualifications required by the position.
- b. Physical or mental disability such as to render the applicant unfit to perform the duties of the position to which appointment is sought.
- c. Addiction to the habitual excessive use of drugs or intoxicating liquor.
- d. The applicant has been convicted of a crime that may have an adverse impact on the applicant's ability to perform the job for which the applicant is applying;
- e. Request by an applicant that his/her name be withdrawn from consideration.
- f. Intentional deception or fraud in making the application.
- g. Failure to reply within a reasonable time, as specified by the Human Resources Office, to communications regarding availability of employment.
- h. Disqualification of unsuitability for employment as specified in any city or

pertinent departmental rules and regulations.

Whenever an application is rejected, notice of such rejection, with a statement of reasons shall be sent to the applicant by the Human Resources Office. Defective applications may be returned to the applicant with notice to amend the same.

5.7 **Categories of Appointment**

Employment in a municipal service is divided into the following categories:

- a. **Probationary Employee:** A newly hired employee during the initial period of employment. All newly hired City employee are on a probationary status which, unless provided otherwise in a bargaining
- b. **Regular Full-Time Employee:** An employee who has successfully completed the initial probationary period, is assigned to a position which is expected to continue for an indefinite duration, and works a shift schedule which totals no less than 2080 hours per year.
- c. **Part-Time Employee:** An employee who is regularly scheduled to work in a single position less than 40 hours per week. All Part-time Employee of the City are At-Will Employees.
- d. **Temporary Employee:** Volunteers and individuals employed through a contracted temporary employment agency with City of Selma placement shall be not entitled to any City of Selma benefits.

5.8 **Reappointment**

With the approval of the Personnel Officer, a regular employee or probationary employee who has completed at least six months of probationary service and who has resigned with a good record may be reinstated within one year of the effective date of resignation to a vacant position in the same or comparable class. Upon reappointment, the employee shall be subject to the probationary period prescribed for that class. No credit for former employment shall be granted in computing salary, vacation, sick leave, or other benefits except on a specific recommendation of the Personnel Officer at time of reappointment.

5.9 **Continued Employment**

The continuation of employment of any employee of the City of Selma is entirely dependent upon satisfactory work performance of the employee and the necessity for the performance of the work and availability of funds.

5.10 **Employee Performance Reports**

A performance report of each regular employee shall be conducted at minimum of six months of employment, at the end of the employee's probationary period and annually thereafter. Additional performance reports may be conducted at the discretion of a direct superior with approval of the department head. The report shall be recorded on a "City of Selma Performance Evaluation" form by the department head or supervisor and forwarded to the Human Resources Office. A Performance Report must accompany any and all recommendations for merit increases.

5.11 **Transfer**

Employees may request a transfer from one department to another within municipal service. However, the employee to be transferred must meet the minimum requirements established for his/her new classification. Employees

requesting transfer shall notify the Human Resources Office of such request. The employee's name shall be placed on a transfer list in the requested classification by date and time of request. Transfers will only be approved when a vacancy exists for a budgeted position within the department to which the employee wishes to transfer to.

5.12 **Promotion**

It is the expressed policy of the City of Selma to encourage the advancement of personnel within the organization; promotional examinations for vacancies will be conducted, as the needs of the city require. Promotional opportunities (available to City employees) will be posted on official bulletin boards selected by the Human Resources Office for a period of no less than five (5) days.

5.13 **Demotion**

An employee may be demoted when his/her performance of required duties falls below standards; for reasons set forth in Section 7; when the need for a position no longer exists; or when the employee requests such demotion. No employee shall be demoted to a position for which he/she does not possess the minimum qualifications. Written notice of a demotion for disciplinary reasons shall be given as provided in Section 7.4

5.14 **Suspension**

An employee may be suspended at any time for reasons set forth in Section 7, or for other just cause. Written notification of suspension shall be given as provided in Section 7.4.

5.15 **Salary Reduction**

An employee may have his/her salary reduced when his/her performance falls below standards, or for reasons set forth in Section 7. The reduced salary may be any step of the employee's current salary range.

5.16 **Reinstatement**

The City Manager may reinstate any suspended employee for good cause and, upon such reinstatement, compensate, in all or in part, such employee for lost time as deemed appropriate by the City Manager.

6. OUTSIDE EMPLOYMENT AND USE OF CITY PROPERTY

6.1 **Prohibited Activity**

Full-time employees are expected to devote full time to assigned duties as a City employee. An employee shall not engage in any employment, activity or enterprise which is inconsistent, incompatible or in conflict with City job duties, functions or responsibilities, nor shall an employee engage in any outside activity which will directly or indirectly contribute to the lessening of effectiveness as a City employee. No employee shall engage in any type of activity relating to an employee organization during such time an employee is on duty, except as expressly provided in these Employer-Employee Relations Rules, Memorandum of Understanding, or by law.

6.2 **Outside Employment**

Employees may not engage in any employment or activities that create a conflict of interest, is unethical, or otherwise interferes with their City employment.

A City employee shall not perform any work, service, or consultation for compensation outside of City employment where any part of his/her efforts will be subject to approval by any officer, employee, board, or commission of the City of Selma, unless approved in the manner prescribed by these Rules.

Employees occupying competitive services positions, who hold or wish to hold jobs outside their normal City employment must make a request to engage in outside employment and submit the request to the Personnel Officer or his/her designee. Department Heads who wish to engage in outside employment shall submit such requests to the Personnel Officer. Outside employment shall not be permitted if it conflicts in any manner with the employee's duties and responsibilities with the City or is prohibited by law.

In making a determination as to whether an activity creates a conflict or ethical question, the Personnel Officer shall consider, among other pertinent factors, whether the activity involves:

- a. Receipt or acceptance by the employee of any money or other consideration from anyone other than the City for the performance of an act that the employee would be required or expected to render in the regular course of City employment;
- b. The performance of an act or work which may later be directly or indirectly subject to the control, inspection, review, audit or enforcement by such employee or other City employees;
- c. Conditions or factors which might, directly or indirectly, lessen the efficiency of the employee in regular City employment or conditions in which there is a substantial danger of injury or illness to the employee;
- d. The use for private gain or advantage of City time, facilities, equipment and supplies, prestige, influence, or information obtained through one's City office or employment. No City-owned facilities, equipment or supplies, including autos, trucks, instruments, tools, supplies, machines, badges, identification cards, or other items which are the property of the City shall be used by an employee for personal or non-City business reasons except upon prior written approval of the City Manager;
- e. The solicitation of future employment with a business or individual doing business with the City over which the employee has some control or influence in the course of performing official duties.

6.3 **Authorization of Outside Employment**

Notice of authorization of outside employment shall be in writing to the employee involved, with a copy placed in the employee's personnel file. Denial of authorization of outside employment determination may be subject to the Grievance Procedure as set forth in Section 9 of these Rules.

6.4 **Violations and Penalties**

Any violation of these provisions regarding outside employment shall constitute grounds for disciplinary action up to and including termination.

7. DISCIPLINARY ACTION

7.1 **Authority to Discipline**

Employees who hold non-probationary appointments, and are not at will, shall not

be disciplined without good cause. At-will and probationary employees are subject to dismissal without cause. For purposes of this section, disciplinary action shall be defined to include one or more of the following: oral reprimands, written reprimands, suspensions, demotions, reductions in pay and dismissal. Oral reprimands may be initiated at the supervisor/division manager level. Disciplinary action more serious than a written reprimand must be initiated at the Department Head level in consultation with the Personnel Officer. The Personnel Officer shall be notified of any contemplated disciplinary action prior to the time it is taken. If in emergency situations or other instances when prior notification is not practicable, the Personnel Officer may be notified as soon as possible subsequent to the time the action is taken.

7.2 **Grounds for Disciplinary Action**

Good cause for disciplinary action exists not only when there has been an improper act or omission by an employee in the employee's official capacity, but when any conduct by an employee brings discredit to the City, affects the employee's ability to perform his or her duties, causes other employees not to be able to perform their duties, or involves any improper use of the employee's position for personal advantage or the advantage of others. Good cause may include non-disciplinary reasons such as, the employee's unwillingness or inability, due to mental or physical disability, to perform the duties of the position for an indefinite period. The type of disciplinary action shall depend on the seriousness of the offense and the relevant employment history of the employee. Causes for disciplinary action against an employee may include, but shall not be limited to, the following:

- 7.2.1 Misstatements or omissions of fact in completion of the employment application or to secure appointment to a position with the City;
- 7.2.2 Breaches of confidentiality, applicable to confidential employees;
- 7.2.3 Failure to comply with the established chain of command or with established protocol, as determined by the City Manager, as it relates to communications with City Council members or other elected officials
- 7.2.4 Furnishing knowingly false information in the course of the employee's duties and responsibilities;
- 7.2.5 Inefficiency, incompetence, carelessness or negligence in the performance of duties;
- 7.2.6 Violation of safety rules;
- 7.2.7 Violation of any of the provisions of these personnel rules and regulations, department rules and regulations, City policies, ordinances or resolutions;
- 7.2.8 Inattention to duty;
- 7.2.9 Tardiness or overstaying lunch periods;
- 7.2.10 Being under the influence of an intoxicating beverage or non-prescription drug or prescription drugs not authorized by the employee's physician, while on duty or on City property;
- 7.2.11 Disobedience to proper authority, refusal or failure to perform assigned work, to comply with a lawful order, or to accept a reasonable and proper assignment from an authorized supervisor;
- 7.2.12 Any violation of the City's Discrimination or Harassment Policies;

- 7.2.13 Unauthorized soliciting on City property;
- 7.2.14 Unauthorized absence without leave; failure to report after leave of absence has expired or after a requested leave of absence has been disapproved, revoked or canceled; or any other unauthorized absence from work;
- 7.2.15 Conviction of a felony, or a misdemeanor involving moral turpitude, or a violation of a federal, state or local law which negatively impacts the employee's ability to perform his/her job or brings discredit to the City. (For purposes of this section, a misdemeanor conviction does not include a conviction based on a plea of nolo contendere);
- 7.2.16 Discourteous or offensive treatment of the public or other employees;
- 7.2.17 Falsifying any City document or record;
- 7.2.18 Misuse of City property; improper or unauthorized use of City equipment or supplies; damage to or negligence in the care and handling of City property;
- 7.2.19 Fighting, assault and/or battery;
- 7.2.20 Working overtime without authorization;
- 7.2.21 Theft or sabotage of City property;
- 7.2.22 Sleeping on the job, except as specifically authorized for twenty-four (24) hour duty personnel;
- 7.2.23 Accepting bribes or kickbacks;
- 7.2.24 Gambling on the job;
- 7.2.25 Engaging in outside employment which conflicts with an employee's responsibilities;
- 7.2.26 Intimidation or interference with the rights of any employee;
- 7.2.27 Outside work or any other activity or conduct which creates a conflict of interest with City work, which causes discredit to the City, negatively impacts the effective performance of City functions or is not compatible with good public service or interests of the City service;
- 7.2.28 Abusive or intemperate language toward or in the presence of others in the work place;
- 7.2.29 Failure to obtain and/or maintain minimum qualifications for a position, including licenses or certificates;
- 7.2.30 Any other conduct of equal gravity to the reasons enumerated above as determined by the City.

7.3 **Types of Discipline**

Any authorized supervisory employee may propose disciplinary action for cause against an employee under their supervision in accordance with the procedures outlined in these Rules. In general, the City shall adhere to the principles of progressive discipline.

- 7.3.1 *Oral Reprimand* - Verbally notifies the employee that his/her performance or behavior must be improved. Supervisors generally give oral warnings when counseling has failed to produce the desired changes. The warning

defines the areas in which improvement is required, sets up goals leading to this improvement, and informs the employee that failure to improve will result in more serious action. Although the supervisor makes a note of the content of the warning or sends a confirming memo to the employee, no record is placed in the employee's permanent personnel file unless subsequent action is necessary. Oral reprimands are not subject to the disciplinary appeal procedure set forth in these Rules (except as provided by law for police officers and firefighters).

- 7.3.2 *Written Reprimand* - Official notification to the employee that there is cause for dissatisfaction with the employee's services and that further disciplinary measures may be taken if said cause is not corrected. Written reprimands should be given in consultation with the Personnel Officer. Written reprimands shall be made a part of the employee's official personnel record and may be considered as pertinent evidence or information in any hearing. Written reprimands are not subject to the disciplinary appeal procedure set forth in these Rules (except as provided by law for police officers and firefighters).
- 7.3.3 *Performance Improvement Plan* – Official document that aims to help employees who are not meeting job performance goals by covering specific areas of performance, identifies skills or training gaps and sets clear expectations for future conduct.
- 7.3.4 *Suspension without pay* - Shall be a temporary separation from City service. Certain suspensions are subject to the disciplinary appeal procedure set forth in these Rules.
- 7.3.5 *Reduction in Step within range as a disciplinary measure* - Is the withdrawal of step advancements granted for merit, efficiency, and length of service. Reduction in pay shall become effective on the effective date of the disciplinary action. Reduction may be made on permanent or temporary basis. Certain reductions of pay are subject to the disciplinary appeal procedure set forth in these Rules.
- 7.3.6 *Demotion without consent* - Shall be a reduction in classification to a classification having a lower maximum salary with reduction in salary as provided in Section 8.2 of these Rules. Demotion without consent may be made to the classification having the lowest maximum salary in the classification series or a classification series comparable to that within which the employee's position is located. Demotion may be made on a permanent or temporary basis. Demotions are subject to the disciplinary appeal procedure set forth in these Rules.
- 7.3.7 *Dismissal* - The termination of an employee from the City service. Dismissals are subject to the disciplinary appeal procedure set forth in these Rules.

7.4 **Procedures for Disciplinary Action**

In the absence of a process in a Memoranda of Understanding, the following provisions shall govern employees:

Written Notice/Pre-Discipline Meeting/Final Action

The City shall issue a written Notice of Discipline, describing the intended discipline, the basis for the discipline, and attaching any documents upon which

the discipline is based. The City shall provide the employee an opportunity to respond to the disciplinary action, either orally or in writing, within 10 calendar days of such written notice of discipline. If the employee chooses to respond orally, the Personnel Officer shall designate a City official who shall convene a meeting to hear the employee's response. If the employee chooses to respond in writing, the written response shall be logged in the employee's personnel file. No further appeal shall be permitted. In the case of a written reprimand, the employee may respond by submitting a written rebuttal to be logged in the employee's personnel file, but no oral response or appeal is permitted.

For discipline that is greater in severity than a suspension of five (5) working days, (or the equivalent reduction in pay) the City shall issue a Notice of Intent to Impose Discipline, describing the intended discipline, the basis for the discipline and attaching any documents upon which the discipline is based. The notice shall state that the employee has a right to respond, either orally or in writing, before discipline is imposed. The City shall set the pre-discipline meeting approximately one (1) week from the date of the notice, unless a different time and date is set by mutual agreement.

For discipline that is greater in severity than a suspension of five (5) working days, (or the equivalent reduction in pay) the Human Resources Director/Manager shall designate a City official who is disinterested in the matter who shall convene a meeting to review the employee's response before imposing discipline. The employee shall be entitled to a representative of his/her choice; provided, however, that the inability of a particular representative to attend the meeting shall not be cause for requiring a continuance of the meeting. At the meeting, the employee shall be provided the opportunity to respond to the charges and to present any new information for consideration by the City.

At some reasonable time, but no longer than thirty (30) calendar days, after the employee has been provided an opportunity to respond to the charges, the City shall issue a final notice of discipline. The notice shall notify the employee of his/her right of appeal.

8. DISCIPLINARY APPEAL PROCESS

8.1 Employee's Right to Representation During Appeal Process

At any step in the disciplinary appeal procedure, the employee concerned may choose to represent himself/herself or may be represented by that certified employee organization which has been recognized by the City for that representation unit to which the employee's classification is assigned, or by legal counsel. The employee concerned shall be personally present at all stages of the disciplinary appeal process unless that employee specifically waives the right in writing.

8.2 Appeal Process (for discipline greater than 5 days suspension or equivalent reduction in pay)

For discipline that is greater in severity than a suspension of five (5) working days (or equivalent reduction in pay), employees shall have the right to appeal from the final notice of discipline. The notice of appeal must be received within seven (7) calendar days from the date of the final notice of discipline, or the right to proceed to the next appeal level under these Rules shall be forfeited and the discipline shall become final.

- 8.2.1 *Hearing Officer Selection* - The appeal shall be heard by an independent hearing officer. The hearing officer shall be selected from among a list of names not to exceed ten (10) names provided by the California State Mediation and Conciliation Service, or from a similar body mutually agreed to between the parties. After a toss of a coin to decide which party shall strike first, the representative of the City and the employee (or the employee's representative) shall alternately strike one name from the list until one name remains and such person shall act as the hearing officer. This procedure shall be followed until there is an available arbitrator.
- 8.2.2 *Costs* - The costs of the hearing officer shall be borne by the City unless the employee's union has brought the appeal on the employee's behalf, in which case the City and the union will share the costs of the hearing officer equally. Either party may request that the hearing be transcribed, and the requesting party shall bear the expense of the transcript and court reporter's fees. If both parties jointly request the transcript, both parties will share equally in the expense of the transcript and court reporter's fees.
- 8.2.3 *Hearing Officer Authority* - The hearing officer shall have the authority to convene the hearing, receive evidence through testimony and documents and make findings of fact and conclusions about the discipline. Within forty-five days (45) of the close of the hearing, the hearing officer shall serve a recommended decision on the City Manager and the employee. The hearing officer's decision must contain detailed findings of fact relating to the disciplinary charges. The decision may include a recommendation regarding outcome, but the final decision regarding discipline rests with the City Manager. After consideration of the hearing officer's recommended decision, the City Manager shall issue a final decision in writing. The City Manager's decision may be reviewed by administrative writ of mandamus within the time frames established by California law.
- 8.2.4 *Waiver of Steps or Time Limits*. Notwithstanding any provision in this section, any time limit or stage of procedure specified in this section may be waived upon consent of all parties involved.

9. GRIEVANCE PROCEDURE FOR NON-DISCIPLINARY MATTERS

In the absence of an applicable Memorandum of Understanding, this grievance procedure shall apply. This procedure is intended to ensure that every reasonable effort will be made to resolve problems as near as possible to the point of origin.

9.1 **Definition of "Grievance"**

Subject to the exclusions listed in this Rule, a grievance is defined as any dispute involving the interpretation, application, or alleged violation of 1) the specific express terms of a current Memorandum of Understanding (MOU), between the City and a recognized employee organization, or 2) a specific express term of these Rules.

9.2 **Eligibility to File a Grievance**

Only full-time employees in regular non-probationary appointments who are adversely affected by an act or omission of the City are eligible to file a grievance.

9.3 **Exclusion from the Grievance Procedure**

The following matters are excluded from the definition of a "grievance":

- 9.3.1 Requests for changes in wages, hours, or working conditions;
- 9.3.2 The content of employee evaluations or performance reviews, except those that result in a loss of benefits to the employee;
- 9.3.3 Challenges to reclassification, layoff, transfer, denial of reinstatement;
- 9.3.4 Challenges to examinations or appointment to positions;
- 9.3.5 Challenges to this grievance procedure.
- 9.3.6 Disciplinary Actions

9.4 **Group Grievances**

In the event more than one employee is directly involved with an issue, they may, at any step in the grievance procedure, name one of their members to carry the grievance through the procedure as a group grievance and be represented by that employee organization which has been recognized by the City for that representation unit to which their classification(s) is/are assigned. In a group grievance, that named employee directly concerned shall be personally present at all stages.

9.5 **Procedure**

It is the City’s intent to deal with and settle complaints and grievances informally and at the nearest practical organizational level and as promptly and fairly as possible.

Whenever feasible, complaints and grievances will be handled during the regularly scheduled working hours of the parties involved.

The grievance procedure shall consist of the following steps:

9.5.1 *Informal Grievance Procedure*

A grievance must be filed within thirty (30) calendar days of the act(s) or omission(s) giving rise to the grievance. Failure to file the grievance within this time period shall result in denial of the grievance as null and void. Within thirty (30) working days of the act(s) or omission(s) giving rise to the grievance, the grievant must discuss the grievance with his/her immediate supervisor, who shall investigate and attempt to resolve the matter. The supervisor shall give the grievant an oral or written reply within ten (10) working days after the discussion. If the grievant is not satisfied with the reply, he/she may proceed to the Formal Grievance Procedure.

9.5.2 *Formal Grievance Procedure*

9.5.2.1 *Level 1 Review*

Any grievance not resolved by the Informal Grievance Procedure, may be submitted in writing by the grievant to his/her supervisor along with a copy to the Human Resources Director/Manager, no later than ten (10) working days after the date of the supervisor’s written reply. A grievance may be submitted directly to the Personnel Officer or, if the grievance started at a level above the supervisor or Department Head, the grievance may be submitted at the higher level. The written grievance must contain the following information:

1. Name of grievant and job title;

2. Department/Section in which grievant works;
3. The specific act or omission that gave rise to the alleged violation, misinterpretation, or misapplication and the date or dates of the alleged act or omission;
4. The specific provision(s) of the Memorandum of Understanding, City Policy or Personnel Rules alleged to have been violated, misinterpreted, or misapplied;
5. A list of the documents, witnesses or other evidence that support the grievance;
6. Desired solution or remedy;
7. Name of the grievant's representative, if any;
8. Signature of the grievant or representative and date signed.

Within ten (10) working days thereafter, the supervisor shall schedule a meeting with the grievant to work at resolving the grievance. The supervisor shall give the grievant a written reply within ten (10) working days after the meeting and shall file a copy with the Personnel Officer. If the grievant is not satisfied with the response, he/she may proceed to Level 2.

13.5.2.2. *Level 2 - Department Head Review*

Any grievance not resolved at Level 1 may be submitted to the Department Head no later than ten (10) working days after the date of the supervisor's written reply. The grievant shall provide the Department Head with a copy of the Level 1 response. Within ten (10) working days thereafter, the Department Head shall schedule a meeting with the grievant to work at resolving the grievance. The Department Head shall give the grievant a written reply within ten (10) working days after the meeting and shall file a copy with the Personnel Officer. If the grievant is not satisfied with the response, he/she may proceed to Level 3.

13.5.2.3. *Level 3 – City Manager Review*

Any grievance not resolved at Level 2 may be submitted to the City Manager no later than ten (10) working days after the date of the Department Head's written reply. The grievant shall provide the City Manager with a copy of the Level 1 and Level 2 responses. Within ten (10) working days after receipt of the grievance and the Level 1 and Level 2 responses, the City Manager or his/her designee, at his/her discretion, may conduct an informal hearing involving the parties to the dispute. The City Manager's decision shall be final and binding.

9.6 **Representation**

The grievant is entitled to representation of his/her choice at any point in the grievance procedure. If the representative is a fellow employee, that employee shall receive time off from his/her work assignment for the time of the grievance meeting or hearing plus reasonable travel time. The grievant must inform the Personnel Officer whether he/she will be represented at any meeting regarding the

grievance, along with the identity of the representative, at least forty-eight (48) hours prior to the grievance meeting.

9.7 **Waiver of Steps or Time Limits**

Notwithstanding any provision in this section, any time limit or level of procedure specified in this section may be waived upon consent of all parties involved.

9.8 **Waiver of Grievance**

Failure by the grievant to appeal his/her grievance to the next level within the specified time limits of this rule shall constitute a waiver of the right to pursue the grievance further, unless the City has granted an extension of time to a definite date. Failure by the City to respond to the grievance within any of the specified time lines shall entitle the grievant to appeal to the next level of review.

Additionally, failure on the part of an employee or his representative to appear for any scheduled meeting without notification may, in the City's discretion, result in the City's denial of the grievance.

9.9 **No Interruption of Work**

During the determination of a grievance herein, the employees involved in pursuing the grievance are required to continue their normal work schedule, unless the Personnel Officer directs otherwise.

9.10 **No Retaliation**

Employees shall not be penalized or retaliated against in any way for using the grievance procedures, or testifying as a witness in a grievance proceeding.

10. LAYOFF, DISPLACEMENT AND REEMPLOYMENT

10.1 **Notice**

Should the City Manager determine that reductions in force are necessary due to lack of work, reorganization or for budgetary/fiscal reasons, layoffs may be directed. In the event of layoffs, the City shall provide affected employees with as much notice as possible.

10.2 **Layoff Order Determination**

In determining the order of layoffs, the following rules shall be followed:

No permanent employee shall be laid-off while there are temporary employees serving in the same or allied class or position in the City service unless that employee has been offered the temporary work. Layoffs shall be made in accordance with California Government code §45100 and the criteria set forth below:

- (a) Layoffs shall be by job classification, according to reverse order of seniority, as defined by total City service. Total City service means as a regular full-time employee.
- (b) The employee to be laid-off may displace the least senior employee in a lateral or lower classification in which he/she previously held permanent status, provided the displaced employee has less total City service.
- (c) An employee may demote or transfer to a vacant position in a classification for which he/she possesses the necessary skills, as determined by the

minimum qualifications and job specifications for the position.

- (d) The name of each laid-off employee shall be entered, in order of seniority, on a Reemployment List for twenty-four (24) months.
- (e) A former employee appointed from a Reemployment List may have restored rights accrued prior to being laid-off, such as sick leave, vacation accrual and credit for years of service. However, such recalled employees shall not be eligible for benefits, such as, but not limited too, vacation and compensation time for which he/she received compensation at the time of, or subsequent to, the date he/she was laid-off.

10.3 **Bumping**

“Bumping” means the displacement of an employee from his/her position by an employee in a higher classification who formerly held the same position and has received notice of layoff.

The laid-off employee must be able to perform the essential job functions of the former position and possess the minimum qualifications of the position as specified by the current job classification specification.

The City shall notify laid-off employees in writing of the position and classification into which he/she may bump, if any. Following such notification, the employee must notify the Personnel Officer in writing of his/her intent to exercise the bumping rights within seven (7) calendar days of the date of the written notice. Failure to provide such notification shall be deemed a waiver of bumping rights by the employee.

Where there is more than one employee in a position available for bumping, the determination of which employee will be bumped, if any, will be based on seniority.

Any displaced employee shall be considered as laid-off for the same reason as the person who displaced them and shall in the same manner be eligible to displace another employee based on the criteria specified above.

10.4 **Layoff List Preparation Procedure**

When a Competitive Service position within a classification is abolished, the following general procedure shall be followed:

- 10.4.1 Limited Service employees will be released before an employee in the same classification with probationary or permanent status.
- 10.4.2 The Personnel Officer shall prepare a layoff list of all those Competitive Service employees (including those who are on Leave of Absence) and vacancies within the classification in which a reduction in the number of positions is to occur.

10.5 **Separations**

All employees who separate from City service, that is, whose employment with the City terminates through separation for cause, layoff, resignation, or retirement must:

- 10.5.1 Return all City property to the Human Resources Office or the immediate supervisor prior to receiving the final paycheck.
- 10.5.2 Clear any existing financial obligations with the City.

10.5.3 If applicable, file a Form 700 with the City Clerk.

In addition, employees who resign or retire shall adhere to the following procedures before they will be deemed to have separated in good standing:

10.5.4 Submit a written notification stating the intent to resign or retire and the proposed effective date to their immediate supervisor.

14.5.4 Provide a minimum notice of two weeks. The City encourages employees who become aware of their pending separation from the City to let the Personnel Officer know as far in advance as possible.

10.6 **Reemployment from Lay-off**

Employees who were laid-off may be reinstated within twenty-four (24) months to their former position, if vacant, or to a vacant position in the same classification, without being subject to the application requirement.

11. WORK WEEK AND ATTENDANCE

Department Heads shall assign daily hours of work (or shifts) for employees within departments, as required to meet operational requirements, or the employees' applicable Memorandum of Understanding. The Department Head may change an employee's work period, week, or hours at any time to meet the requirements of the City. Changes shall be made in accordance with applicable Memorandum of Understanding.

Any foreseeable absence or deviation from regular working hours desired by an employee shall be cleared in advance through the employee's supervisor, and such absences shall be noted on the employee's time sheet.

11.1 **Work Week**

Unless otherwise designated by the Department Head, the work week for City employees on a 5/8 schedule (eight hours a day for five days) shall be from Saturday through Friday; for City employees on a 9/80 schedule (nine hours Monday through Thursday, eight hours alternate Friday, and alternate Fridays closed) shall also be Saturday through Friday. These designated work weeks may be changed only as a result of major changes in operations, payroll procedures or as otherwise necessary in order to deliver services as efficiently and economically as possible. The work week for a 4/10 schedule and a 12 hour schedule will be designated by the Department Head.

11.2 **Attendance**

Employees are expected to report to work as scheduled, on time, and prepared to start work. Employees are also expected to remain at work for their entire work schedule, except when required to leave on authorized City business or some other authorized leave. All departments shall keep daily attendance records of employees, which shall be reported on the employee's timesheet.

Employees who anticipate an absence from all or a portion of their regular work schedule and wish to request a form of accrued leave time or unpaid leave time should follow the procedures provided in these Rules or Memoranda of Understanding for the particular type of leave that they are requesting.

Employees who are unexpectedly unable to report for work as scheduled on any particular day must call their immediate supervisor no later than their scheduled time to begin work for that day, or as otherwise required by the Department. If the

employee’s immediate supervisor is not available, then the employee must notify the Department Head or his/her designee. Employees shall inform their supervisor of the expected duration of any late arrival or absence. Employees who call later than their scheduled time to begin work for their assigned shift shall be deemed to have an unauthorized tardy or absence in violation of this attendance policy. Abuse or misrepresentation of any form of accrued, paid, or unpaid leave time will be grounds for discipline.

Failure on the part of an employee, who is absent without notification or authorization, to return to duty within twenty-four (24) hours after a notice to return to duty has been delivered to their last known telephone number and/or address will constitute an automatic resignation effective as of the last day an employee worked. If, within ten (10) days of said notice, the employee can show good cause for the failure to return to duty, the Personnel Officer may reverse the resignation. In the event that an employee’s absence is deemed an “automatic resignation” in accordance with this Rule, the employee shall have the same right to appeal afforded to employees who are terminated for cause under these Rules. However, an employee’s absence without notification or authorization for twenty-four (24) hours or more shall be deemed just cause for termination.

11.3 Meals and Rest Periods

Employees shall receive a thirty (30) to sixty (60) minute meal period that shall not be compensated, with the exception of safety personnel such as police officers and firefighters. During the meal period, the employee shall be relieved of duties. If the employee is authorized in advance and performs work during the meal period, the employee shall be compensated for such time. Meal periods may not be used to shorten the workday unless the employee obtains express prior approval from his/her supervisor.

Employees shall have a ten (10) minute rest period for each half of their shift, as scheduled by the supervisor. The rest period may be interrupted or cancelled if necessary to complete time-sensitive work and shall be compensated time. The rest periods shall not be combined or used to shorten the workday.

11.4 Timekeeping

All employees must sign and accurately record all hours worked and any leave taken on their timesheets. Employees must immediately report any errors on a timesheet that has already been submitted to their supervisor.

12. VACATION AND HOLIDAYS

12.1 Vacation Accrual

Unless otherwise specified in a Memorandum of Understanding or Council approved resolution, each full-time employee shall accrue vacation at the following rate for continuous service performed in pay status as follows:

Full-Time Employees

Years of Service	Days of Vacation Per Year	Bi-Weekly Accrual	Maximum Accrual
0 – 5 years	12	3.69 hours	192 hours
6 – 10 years	18	5.53 hours	288 hours
11 – 15 years	21	6.46 hours	336 hours
16+ years	24	7.38 hours	384 hours

12.2 **Use of Vacation**

An employee may take vacation leave at any time, subject to approval by the employee's Department Head or his/her designee. Approvals shall be based upon workload, staffing coverage, seniority, timing of the request, and any other work-related factors appropriate for consideration by the Department Head.

12.3 **Effect of Sick Leave On Vacation Leave**

In the event an employee becomes ill during a vacation period, such time shall not be charged as vacation leave if the following conditions are met:

16.3.1. *Employee Sick Leave Requirements.* The employee complies with the same notice requirements as required when the employee is not on leave, including notice to the employee's supervisor no later than the start of the employee's regular work shift. If the employee becomes ill after the start of the work shift, then the employee must promptly provide notice on the same day the illness begins. Sick leave shall only be granted for those days on which notice is given; and

16.3.2 *Return to work requirements.* The employee, upon return to work, submits a doctor's certificate for each day the employee was absent from work.

12.4 **Compensation for City Work During Vacation Prohibited**

No person shall be permitted to work for compensation for the City in any capacity, except compensation for mandated court appearance, call back or special duty assignments, during paid vacation time. Exceptions may be made for Reserve Firefighters.

12.5 **Restricted Use At Resignation**

Vacation leave and floating hours shall not be used within an employee's final fourteen (14) calendar days of employment after submission of the employee's notice of resignation or retirement,. Vacation leave shall not be used to extend an employee's final day of employment unless approved by the City Manager.

12.6 **Vacation Pay-Out Upon Termination**

A regular or probationary employee whose employment with the City terminates shall be paid for that part of his/her vacation accumulation that remains unused at the time of termination. Payment for unused vacation shall be made at the rate of pay in effect for such employees at time of termination.

Unless otherwise provided by State Law, when termination is caused by the death of the employee, said pay for unused vacation shall be paid to the beneficiary the employee has designated. Such designation shall be in writing, signed by the employee and filed with the Human Resources Office. In the event an employee has not designated a beneficiary, the payment shall be made to the estate of the employee.

12.7 **Holidays**

12.7.1 *Authorized Holidays.* Every full-time probationary and regular employee shall be entitled to the following paid holidays each calendar year and such other days as may be designated by action of the City Council:

1. January 1 (New Year's Day)
2. The third Monday in January (Martin Luther King Jr. Birthday)

3. The third Monday in February (Presidents' Day)
4. The last Monday in May (Memorial Day)
5. June 19 (Juneteenth)
6. July 4 (Independence Day)
7. The first Monday in September (Labor Day)
8. November 11 (Veteran's Day)
9. The fourth Thursday in November (Thanksgiving Day)
10. The day after Thanksgiving Day
11. December 24 (Christmas Eve)
12. December 25 (Christmas Day)
13. December 31 (New Year's Eve)
14. The employee's date of birth
15. Two (2) days in lieu of September 9 (Admission Day) and the second Monday in October (Columbus Day), subject to the same rules and regulations as annual vacation leave and shall be credited to the employee as of July 1 for the current calendar year. Any new or reappointed employee whose appointment begins after July 1 of any year shall not be credited for the two (2) in-lieu holidays until the following July 1. Any regular employee who is on a non-pay status July 1 shall be credited with the two (2) in-lieu holidays immediately upon returning to a pay status.

Unless otherwise noted, or as specified in an approved and adopted Memorandum of Understanding (MOU), holidays are compensated at the rate of eight (8) hours.

If any of the foregoing holidays fall on Saturday, the preceding Friday shall be observed as a holiday. If any of the foregoing holidays fall on a Sunday, the Monday following shall be observed as a holiday. If any of the foregoing holidays fall on an employee's normal day off, except Saturday or Sunday, they shall be credited to vacation.

12.7.2 *Holidays Falling During Vacation.* When a day designated and observed by the City as a holiday occurs on a day on which an employee is taking vacation, such employee shall not be charged as using vacation for that day. The employee's compensation for that day shall be holiday pay and he/she shall not be paid or charged for vacation, except for the additional hour(s) for those employees on a 9/80, 4/10, or other schedule.

12.7.3 *Employee absent from work immediately preceding a holiday.* Employees who are absent from work on the work day immediately preceding a holiday due to unpaid leave of any form shall not receive reimbursement for the missed holiday.

13. SICK LEAVE

Sick leave shall be requested only in cases of actual personal sickness or disability, medical or dental treatment, or as authorized in Section 13.5. The employee requesting sick leave shall notify his/her supervisor or Department Head prior to the start of the employee's regular work shift. Sick leave with pay shall not be allowed unless the employee has met and complied with the provisions of these Rules and Regulations and his/her Department Head has approved such payment. Accrued and unused sick leave shall not be paid out when the employee separates from City employment.

13.1 Eligibility

Regular, Probationary and Part-Time employees shall be eligible for sick leave

with pay.

13.2 **Accrual**

13.2.1 *Sick Leave Accrual for Non-Twenty-Four (24) Hour Shift Personnel*

Sick leave shall be accrued at a rate of 3.69 hours on a biweekly basis, 26 times per year. This is equivalent to eight (8) hours per calendar month.

No Sick Leave shall accrue when an employee is on unpaid leave. Part-Time/Hourly employees shall be credited with twenty-four (24) hours of paid sick leave at the beginning of each fiscal year. An employee may not use paid sick leave hours before they are available.

13.2.2 *Sick Leave Accrual for Twenty-Four (24) Hour Shift Personnel*

Sick leave shall be accrued at a rate of 11.08 hours on a biweekly basis, 26 times per. This is equivalent to twenty-four (24) hours per calendar month.

13.3 **Accumulation**

Accrued sick leave may be accumulated without limit.

13.4 **Prohibited Activity**

Any employee who is absent from work on a leave as provided in Section 13 or who is absent after requesting such leave shall not engage in work or other activities at any time which would be in conflict with the inability to report for work and to perform the duties assigned.

13.5 **Use**

13.5.2 *Sick Leave.* Sick leave may be requested and used as approved by the Department Head or Personnel Officer. Pay for approved sick leave shall be authorized until the employee's accumulated sick leave hours have been exhausted and at such time the employee shall receive no further pay for sick leave. An employee shall be granted time off chargeable to sick leave for a visit to a doctor or dentist.

13.5.3 *Use of Sick Leave for Family Member.* In cases of illness of a family member, employees are entitled to use up to one-half of the employee's sick leave entitlement for the year or in accordance with respective MOU to attend to the illness of a child, spouse, domestic partner, parent, grandparent, grandchild or sibling, in accordance with state law. Additional family sick leave usage for special circumstances may be granted on a case-by-case basis at the discretion of the Department Head with the concurrence of the Personnel Officer.

13.5.4 *Use of Sick Leave toward Retirement.* An employee may not use sick leave to extend a retirement (either disability or service retirement) or separation date, unless specifically provided for in an applicable Memorandum of Understanding, or as required by law.

13.6 **Holidays within Sick Leave**

When a recognized city holiday falls within an employee's verified use of sick leave for which he/she normally would have been excused from work, that day shall not be charged as a day of sick leave.

13.7 **Deduction of Sick Leave**

Sick leave shall be deducted at the rate of one hour sick leave for each hour absent.

13.8 Verification of Sick Leave Usage

The City reserves the following rights with regard to control and verification of appropriate sick leave usage:

13.8.1 The City may require that any employee who uses more than two (2) consecutive days of leave to provide a physician's certification of the employee's illness.

13.8.2 The City may formally place an employee on "sick leave restriction" whereupon, for a period of time, the employee may subsequently be required to provide a physician's certification of illness for each incidence of sick leave usage, regardless of the amount of time off work.

In determining whether or not to place an employee on "sick leave restriction," the City agrees to consider not only gross usage and so-called "patterns of usage," but also extended illness, major medical problems and incidents of family sick leave.

13.9 Workers' Compensation

13.9.1 Police and Fire Department Sworn Personnel

13.9.1.1 An employee of the Police or Fire Department who is entitled to the benefits of Labor Code Section 4850, who is absent from work by reason of an injury or illness covered by workers compensation with verified medical documentation, shall be allowed up to one (1) year's leave of absence, as required by said section. The employee shall continue to receive his/her regular paycheck as long as he/she remains on pay status; provided, however, that such employee assigns to the city any and all workers compensation payments received by the employee.

13.9.1.2 An employee of the Police or Fire Department who is entitled to the benefits of Labor Code Section 4850, who is absent from work by reason of an injury or illness covered by workers compensation, will continue to accrue sick leave, vacation and holiday benefits as though he/she were not on leave of absence.

13.9.1.3 An employee of the Police or Fire Department who is absent from work by reason of an injury or illness covered by workers' compensation (beyond Labor Code Section 4850), shall continue to accrue sick leave and vacation benefits as though he/she were not on leave of absence, but shall not receive credit for holidays.

13.9.1.4 Whenever such disability of an employee continues for a period beyond one (1) year, the leave of absence may continue until the expiration of his/her accrued sick leave, vacation and previously accrued compensatory time off for overtime and paid days in lieu of holidays, calculated to the nearest one-half (½) day, with compensation at the employee's regular rate of pay.

13.9.1.5 When it appears the employee cannot return to work by the expiration of such allowances, disability retirement shall be requested by the City to become effective at the expiration of

these allowances unless the employee applies for or consents to his/her retirement as of an earlier date, at which time he/she may be compensated for his/her accrued benefits at his/her regular rate of pay.

- 13.9.1.6 No employee of the Police or Fire Department shall be paid any disability indemnity under workers compensation concurrently with wages or salary payments by the city amounting to more than his/her regular rate of pay at any time during his/her leave of absence.

13.9.2 All Other City Employees

An employee, other than Police or Fire Department sworn personnel (entitled to the benefits of Labor Code Section 4850), who is absent from work due to an injury or illness covered by workers compensation shall continue in pay status under the following provisions:

- 13.9.2.1 The employee shall continue to receive his/her regular paycheck as long as he/she remains on pay status; provided, however, that such employee assigns to the city any and all workers' compensation payments received by the employee.
- 13.9.2.2 The employee's accumulated sick leave shall be reduced in an amount corresponding to the percent of the employee's salary being paid by the city.
- 13.9.2.3 Such an employee will continue in pay status and receive his/her regular rate of pay until his/her accumulated sick leave, compensatory time and vacation days have been depleted to the nearest one-half (½) day.
- 13.9.2.4 During the time the employee is in pay status while absent from work by reason of injury or illness covered by workers compensation, he/she shall continue to accrue sick leave and vacation benefits as though he/she were not on leave of absence, but shall not receive credit for holidays.
- 13.9.2.5 Any employee other than Police and Fire Department personnel, who depletes his/her accumulated sick leave, compensatory time, holidays and vacation days to maintain pay status while absent from work by reason of an injury or illness covered by workers compensation shall be removed from pay status and be covered under provisions of Section 13.12.

13.10 Coordination of Benefits

If an employee is on sick leave and is receiving State Disability Insurance (SDI) or temporary Disability payments (including Workers' Compensation payments), the employee may continue to receive full pay from the City by requesting that the maximum weekly disability benefits be supplemented by the use of sick leave benefits. To exercise this option, the employee shall tender his/her SDI payments or temporary disability payments to the City and the City shall then continue to issue paychecks and deduct the value of the difference between those payments and the employee's regular pay from the employee's sick leave accruals.

Part-time and temporary employees are covered by and shall receive the benefits provided by the Workers' Compensation Insurance Plan of the City but shall not

be eligible for any other benefits in this section.

13.11 Depletion of Sick Leave, Compensatory Time and Vacation Benefits

Upon depletion of accumulated sick leave, compensatory time and vacation for any injury or illness and upon the recommendation of the employee's department head, an employee may be placed on medical leave of absence without pay for a period not to exceed sixty (60) days. If the employee is unable to return to work at the end of this period, he/she must request medical leave which shall be subject to approval of the City Manager. If further leave is granted, the employee must notify the city of his/her intent to return to work every thirty (30) days. If further leave is not granted, the employee's service with the city shall be considered terminated. (See also Section 14.11 – Family and Medical Leave (FMLA/CFRA))

13.12 Catastrophic Leave Program

An employee may be eligible to receive donations of paid vacation leave to be included in the employee's sick leave balance if she/he or a qualifying family member has suffered a catastrophic illness or injury which prevents the employee from being able to work. Catastrophic illness or injury is defined as a critical medical condition that is considered to be terminal, a long-term major physical impairment or disability. This program will be administered in accordance with the City's Catastrophic Leave Policy.

14 OTHER LEAVES OF ABSENCE

14.1 Leave of Absence of Without Pay

Leave of absence without pay may be granted in cases of emergency where such absence would not be contrary to the best interests of the city. Such leave is not a right but a privilege. Employees on authorized leave of absence without pay may not extend such leave without the expressed approval of the City Manager. No vacation or sick leave benefits shall be used for illness occurring during such leave.

14.1.1 Approval of Department Head

Leave of absence without pay for one (1) week or less may be granted by the Department Head, depending on the merits of the case. Such leave shall be reported to the Human Resources Office.

14.1.2 Approval of City Manager

Leave of absence without pay in excess of one (1) week's duration may be granted by the City Manager on the merits of the case, but such leave shall not exceed twelve (12) months' duration.

14.2 Absence without Leave

Absence without leave shall be considered to be without pay and reduction in the employee's pay shall be made accordingly. Absence without leave for more than three (3) consecutive days may result in termination of employment.

14.3 Leave of Absence: Death Outside of Immediate Family

Leave without pay may be granted a regular employee by his/her department head in the event of death of family members other than a qualifying family member, , such leave to be granted in accordance with Section 14.1.

14.4 Employee's Time Off To Vote

Time off with pay to vote at any general, special, direct primary or Presidential primary election shall be granted as provided in the State of California Elections Code, and notice that an employee desires such time off shall be given in accordance with the provisions of said code.

14.5 Jury Duty: Leave of Absence

Employees required to report for jury duty shall be granted a leave of absence with pay from their assigned duties until released by the court, provided the employee remits to the city all fees received for such duties, other than mileage or subsistence allowance, within thirty (30) days from the termination of his/her jury duty.

14.6 Subpoenas: Leave of Absence

Regular employees who are subpoenaed to appear as witnesses in a court trial may be granted a leave of absence with pay from their assigned duties until released. The employee shall remit all fees received for such appearances to the city within thirty (30) days from the termination of his/her service. Compensation for mileage or subsistence allowance shall not be considered as a fee and shall be retained by the employee

14.7 Leave for Attendance at Industrial Accident Commission Hearing or Related Physical Examination

Employees who have been injured in the course and scope of their employment with the city and who are required, as a result of such injury, to be absent from duty to take physical examinations required by the city's workers compensation insurer or the Industrial Accident Commission shall be granted leave with pay for such absences only if the employee is in pay status at the time of the scheduled examination or hearing. Applications for such leaves of absence shall be filed in advance with the department head.

14.8 Management Leave

The City Manager may grant management leave to designated employees.

Management leave cannot be accumulated from one fiscal year to the next. Management leave will be credited each July and must be used by the last full pay period the following June. Leave may not be used in July until it is credited to the leave bank and registers on the paycheck. New managers shall receive prorated management leave based upon the number of pay periods remaining in that fiscal year. Management leave has no cash value if not used. Managers leaving city service shall only be entitled to partial year pro-ration based upon the number of pay periods worked in the fiscal year. Managers using more than the prorated management leave will be required to reimburse the city out of the final check. NOTE: If a contract is in place, a contract supersedes this section.

14.9 Status of Employee on Authorized Leave of Absence Without Pay

14.9.1 *Break in Service.* Authorized leave of absence without pay shall not be construed as a break in service, and rights accrued at the time the leave is granted shall be retained by the employee. However, vacation credits, sick leave credits, holidays, health benefits, and retirement benefits, increases in salary, and other similar benefits shall not accrue to a person granted such leave during the period of absence unless otherwise expressly provided for in a Council-approved action. Employees in such status may

be required to pay for all fringe benefits, such as health plan premiums, during the period of their leave without pay.

14.9.2 *Employee Return to Work.* An employee returning after an authorized leave of absence without pay shall retain the same status and shall be placed at the same salary step in the pay range currently in effect for the class as the employee received when the authorized leave of absence without pay commenced. Time spent on such leave without pay shall not count toward service within the pay range and the employee's salary anniversary date shall be set forward a period of time equal to the employee's total absence as adjusted to the beginning of the closest pay period.

14.9.3 *Return from Authorized Leave of Absence without Pay for Military Duty.* Notwithstanding provisions of Section 14.8, 14.11 and 14.12 of these Rules, the applicable sections of the Federal and State military leave laws shall apply in determining benefits for those employees returning from an authorized leave of absence without pay for military duty.

14.10 Administrative Leave

The City, in its discretion, may place an employee on administrative leave with or without pay. Employees on such leave shall be available and are subject to the City's instructions during their normal working hours.

14.11 Bereavement Leave

The City shall allow an employee to be absent from work with pay for a maximum of five (5) for a death which occurs within the State of California. If the death occurs outside the State of California, additional time may be allowed. Bereavement leave is allowable in the case of death of a qualifying family member as defined in Section 2.53 of the Personnel Rules and Regulations.

14.12 Family and Medical Leave (FMLA/CFRA)

In accordance with federal and state laws and regulations, the City shall provide family and medical leave, which is unpaid leave, to eligible employees. "Family and Medical Leave" under this Rule refers to leave pursuant to the Family and Medical Leave Act of 1993 ("FMLA") and the California Family Rights Act ("CFRA"). Employees with any questions or requests for information about family and medical leave should consult the Human Resources Office and the City's FMLA/CFRA Policy.

14.13 Military Leave

14.13.1 *Military Leave With Pay.* Shall be granted in accordance with Federal and State law. An employee entitled to military leave shall give his/her Department Head an opportunity, within the limits of military regulations, to determine when such leave shall be taken. Prior to taking such leave, an employee shall present a copy of his/her military orders to the Department Head. The Department Head shall promptly advise the Human Resources Director/Manager of such military orders. The employee's work schedule may be temporarily changed by the Department Head to accommodate the leave and department workloads, in accordance with applicable law. Benefits shall continue to accrue to the employee to the extent required by law. Employees on military leave

shall be granted promotional opportunities and reinstatement after return from military leave in accordance with applicable law. The City offers employees on military leave the option to continue health benefits.

14.13.2 *Leave Accrual.* As required by law, the City will continue leave accruals during paid military leave and make contributions under retirement plans.

14.14 Military Spouse Leave

In accordance with California Military & Veterans Code section 395.10, eligible spouses and domestic partners of active members of the military are entitled to up to ten (10) days of unpaid leave when their spouse or domestic partner, who is in active military service, is on qualified leave.

14.15 Paid Family Leave (PFL)

Employees who are covered by State Disability Insurance (SDI) are eligible for Paid Family Leave (PFL) benefits while taking care of family member(s). These benefits are paid by the State Employment Development Department.

14.16 Pregnancy Disability Leave (PDL)

Any employee who is disabled because of pregnancy, childbirth, or a related medical condition may be entitled to pregnancy disability leave (PDL). The rules for PDL are contained in the City's Pregnancy Disability Leave Policy

15 TUITION REIMBURSEMENT

Employees are encouraged (but not required) to further their education by taking accredited courses which satisfy any of the following criteria: are related to the employee's present position with the City; related to the employee's potential development with the City; part of a program leading to a degree related to the employee's present position or potential for development; or required to obtain a high school diploma.

An employee who participates in an educational program may be reimbursed for courses taken on the employee's own time and at his/her expense in accordance with their respective Memorandum of Understanding.

16 EMPLOYER - EMPLOYEE RELATIONS

The purpose of this section is to implement the Meyers Milias Brown Act, Government Code Sections 3500 et seq., ("MMBA") by providing orderly procedures for the administration of employer-employee relations between the City and its employee organizations and for resolving disputes regarding wages, hours, and other terms and conditions of employment.

16.2 Definitions

For purposes of this section, the following terms shall have the meanings indicated:

16.2.1 *Appropriate Unit.* A unit established pursuant to Section 16.9.

16.2.2 *City.* The City of Selma, a municipal corporation, and where appropriate herein, "City" refers to the City Council, the governing body of said City or any duly authorized management employee as herein defined.

16.2.3 *Confidential Employee.* An employee who is privy to decisions of City management affecting employer-employee relations.

16.2.4 *Consult or Consultation in Good Faith.* To communicate orally or in

writing for the purpose of presenting and obtaining views or advising of intended actions.

- 16.2.5 *Employee*. Any person regularly employed by the City except those persons appointed directly by the City Council, elected by popular vote or temporary or contract employees.
- 16.2.6 *Employee Organization*. Any organization which includes employees of the City and which has as one of its primary purposes representing such employees in their employment relations with the City.
- 16.2.7 *Employer-Employee Relations*. The relationship between the City and its employees and their employee organization, or when used in a general sense, the relationship between City management and employees or employee organizations.
- 16.2.8 *Impasse*. a) a deadlock in the discussions between an employee organization and the City over any matters which they are required to meet and confer in good faith, or over the scope of such subject matter; or b) any unresolved complaint by an affected employee organization, advanced in good faith, concerning a decision of the Municipal Employee Relations Officer made pursuant to Section 16.5.
- 16.2.9 *Majority Representative*. An employee organization, or its duly authorized representative, that has been granted formal recognition by the Municipal Employee Relations Officer as representing the majority of employees in an appropriate unit.
- 16.2.10 *Management Employee*. Any employee having significant responsibilities for formulating and administering City policies and programs, including but not limited to the City Manager and Department Heads. Any employee having authority to exercise independent judgment to hire, transfer, suspend, lay-off, recall, promote, dismiss, assign, reward, or discipline other employees. The exercise of such authority is not of a merely routine or clerical nature, but requires the use of independent judgment.
- 16.2.11 *Mediation or Conciliation*. The efforts of an impartial third person, or persons, functioning as intermediaries, to assist the parties in reaching a voluntary resolution to an impasse, through interpretation, suggestion and advice. Mediation and conciliation are interchangeable terms.
- 16.2.12 *Meet and Confer in Good Faith*. (Sometimes referred to herein as “meet and confer” or “meeting and conferring”). Performance by duly authorized City representatives and duly authorized representatives of an employee organization (recognized as the majority representative) of their mutual obligation to meet at reasonable times and to confer in good faith regarding matters within the scope of representation, including wages, hours, and other terms and conditions of employment, in an effort to: A) reach agreement on those matters within the authority of such representatives and B) reach agreement on what will be recommended to the City Council on those matters within the decision making authority of the City Council. This does not require either party to agree to a proposal or to make a concession.
- 16.2.13 *Municipal Employee Relations Officer*. The City’s principal representative in all matters of employer-employee relations designated pursuant to

Section 16.2, or his/her duly authorized representative.

16.2.14 *Peace Officer*. As defined in Section 830, California Penal Code.

16.2.15 *Professional Employee*. Employees engaged in work requiring specialized knowledge and skills attained through completion of a recognized course of instruction, including, but not limited to, attorneys, engineers, planners architects, and various types of physical, chemical, and biological scientists.

16.2.16 *Recognized Employee Organizations*. An employee organization which has been acknowledged by the Municipal Employee Relations Officer as an employee organization that represents employees of the City. The rights accompanying recognition are either:

16.1.16.1 *Formal Recognition*. The right to meet and confer in good faith as the majority representative in an appropriate unit; or

16.1.16.2 *Informal Recognition*. The right to consultation in good faith by all recognized employee organizations.

16.1.16.3 *Scope of Representation*. All matters relating to employment conditions and employer-employee relations, including, but not limited to, wages, hours, and other terms and conditions of employment. City Rights (Section 16.4) are excluded from the scope of representation.

16.2 Designation of Municipal Employee Relations Officer

16.2.1 The City Manager or his/her designee shall be the City's Municipal Employee Relations Officer and shall be the City's principal representative in all matters of employer-employee relations, with authority to meet and confer in good faith on matters within the scope of representation including wages, hours and other terms and conditions of employment.

The Municipal Employee Relations Officer is authorized to delegate these duties and responsibilities.

16.3 Employee Rights

Employees of the City shall have the right to form, join and participate in the activities of employee organizations of their own choosing for the purpose of representation on all matters of employer-employee relations including, but not limited to, wages, hours, and other terms and conditions of employment. Employees of the City also shall have the right to refuse to join or participate in the activities of employee organizations and shall have the right to represent themselves individually in their employment relations with the City (except as provided for in California Government Code 3502.5 - Agency Shop). No employee shall be interfered with, intimidated, restrained, coerced or discriminated against by the City or by any employee organization because of his/her exercise of these rights.

16.4 City Rights

The rights of the City include, but are not limited to, the exclusive right to determine the mission of its constituent departments, commissions and boards; set standards of service; determine the procedures and standards of selection for employment and promotion; direct its employees; take disciplinary action; relieve

its employees from duty because of lack of work or for other legitimate reasons; maintain the efficiency of governmental operations; determine the methods, means and personnel by which government operations are to be conducted; determine the content of job classifications; take all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work.

16.5 Meet and Confer in Good Faith - Scope

- 16.5.1 The City, through its representatives, shall meet and confer in good faith with representatives of formally recognized employee organizations with majority representation rights regarding matters within the scope of representation including wages, hours and other terms and conditions of employment within the appropriate unit.
- 16.5.2 The City shall not be required to meet and confer in good faith on any subject preempted by Federal or State law nor shall it be required to meet and confer in good faith on Employee or City Rights as defined in Sections 16.3 and 16.4. Proposed amendments to this Rule are excluded from the scope of meeting and conferring.

16.6 Incorporation into a Memorandum of Understanding

When the meeting and conferring process is concluded between the City and a formally recognized employee organization representing a majority of the employees in an appropriate unit, all agreed upon matters shall be incorporated in a written memorandum of understanding signed by the duly authorized City and majority representatives.

As to those matters within the authority of the City Council, the Memorandum of Understanding shall be submitted to the City Council for approval.

16.7 Compliance with Federal and State Laws

The City Council may adopt such Rules and Regulations necessary or convenient to implement the provisions of this Rule and the MMBA.

Nothing in this Section shall be construed to deny any person or employee the rights granted by Federal and State laws and City Code provisions.

The rights, powers and authority of the City Council in all matters, including the right to maintain any legal action, shall not be modified or restricted by this Section.

The provisions of this Section are not intended to conflict with the provisions of the MMBA.

16.8 Advance Notice

Reasonable written notice shall be given to each recognized employee organization affected of any ordinance, rule, resolution or regulation directly relating to matters within the scope of representation proposed to be adopted by the City Council or by any board or commission of the City, and each shall be given the opportunity to meet with the Municipal Employee Relations Officer.

In cases of emergency when the City or any board or commission of the City determines that an ordinance, rule, resolution or regulation must be adopted immediately without prior notice or meeting with a recognized employee organization, the City or the board or commission of the City shall provide such

notice and opportunity to meet at the earliest practicable time following the adoption of such ordinance, rule, resolution or regulation.

16.9 Petition for Recognition

There are two levels of employee organization recognition - formal and informal. The recognition requirements of each are set forth below.

16.9.1 *Formal Recognition – The Right to Meet and Confer in Good Faith as Majority Representative:* An employee organization that seeks formal recognition for purposes of meeting and conferring in good faith as the majority representative of employees in an appropriate unit shall file a petition with the Municipal Employee Relations Officer containing the following information and documentation:

- (1) Name and address of the employee organization.
- (2) Names and titles of its officers.
- (3) Names of employee organization representatives who are authorized to speak on behalf of its members.
- (4) A statement that the employee organization has, as one of its primary purposes, representing employees in their employment relations with the City.
- (5) A statement whether the employee organization is a chapter or local of, or affiliated directly or indirectly in any manner with, a regional or state, or national or international organization, and, if so, the name and address of each such regional, state or international organization.
- (6) Certified copies of the employee organization's constitution and by-laws.
- (7) A designation of those persons, not exceeding two in number, and their addresses, to whom notice sent by regular United States mail will be deemed sufficient notice on the employee organization for any purpose.
- (8) A statement that the employee organization recognizes that the provisions of Section 923 of the California Labor Code are not applicable to City employees.
- (9) A statement that the employee organization has no restriction on membership based on race, color, creed, sex, national origin, disability or medical condition, age, or sexual orientation.
- (10) The job classifications or titles of employees in the unit claimed to be appropriate and the approximate number of member employees therein.
- (11) Authorization cards demonstrating support for the petition, signed by 30% or more of the employees within the bargaining unit, that are dated no later than six (6) months earlier than the date of the petition, and which appear authentic to the party reviewing them who may be the Municipal Employee Relations Officer or a mutually agreed upon disinterested third party.
- (12) A request that the Municipal Employee Relations Officer recognize the employee organization as the majority representative of the employees in the unit claimed to be appropriate for the purpose of meeting and conferring in good faith on all matters within the scope of representation.

16.9.2 *Informal Recognition – The Right to Consult in Good Faith:* An employee organization that seeks recognition for purposes of consultation in good

faith shall file a petition with the Municipal Employee Relations Officer containing the following information and documentation:

- (1) All of the information enumerated in 16.9.1 of this Section.
- (2) A statement that the employee organization has in its possession written proof, dated within six (6) months of the date upon which the petition is filed, to establish that employees have designated the employee organization to represent them in their employment relations with the City. Such written proof shall be submitted for confirmation to the Municipal Employee Relations Officer or to a mutually agreed upon disinterested third party.
- (3) A request that the Municipal Employee Relations Officer recognize the employee organization for the purpose of consultation in good faith.

16.10 The Petition

The petition, including all accompanying documents, shall be verified, under oath, by the Executive Officer and Secretary of the organization that the statements are true.

All changes in such information shall be filed forthwith in like manner.

16.11 Municipal Employee Relations Officer

The Municipal Employee Relations Officer shall grant recognition, in writing, to all employees organizations who have complied with either Section 21.9.1 or 21.9.2 for purposes of consultation in good faith for its members. Employee organizations seeking formal recognition as majority representative must, in addition, establish to the satisfaction of the Municipal Employee Relations Officer that it represents a majority of the employees in the manner prescribed in Section 16.9. No employee may be represented by more than one recognized employee organization for the purposes of this Resolution.

16.12 Response to Petition

Within 30 days after receiving a petition, the Municipal Employee Relations Officer shall determine whether the petition contains the necessary elements demonstrating the requisite showing of interest. If the petition is defective in some respect, the Municipal Employee Relations Officer may reject and return it, with a brief explanation. Alternatively, the Municipal Employee Relations Officer may retain the petition, and permit the petitioner to alleviate the deficiencies promptly.

16.13 Notice

After the Municipal Employee Relations Officer determines that a petition meets the requirements under this Rule, the Officer shall provide notice that a petition has been filed to all employees in the bargaining unit at issue, all recognized employee organizations, and the City Council.

16.14 Elections

Unless otherwise provided by State Law, elections shall be conducted in accordance with the provisions herein.

16.15 Certification

The Municipal Employee Relations Officer shall provide notice of the election outcome to all affected employee organizations and the Council. For certification

petitions, the Council shall certify the prevailing organization, if any, as the exclusive bargaining representative for the bargaining unit(s) at issue.

16.16 Election Procedures

The following procedures are applicable to elections, except as specified herein.

16.16.1 *Third-party Election.* Elections will be conducted by a third party as designated by the Municipal Employee Relations Officer. The Municipal Employee Relations Officer may take reasonable measures, not in conflict with this Rule or applicable law, to ensure the integrity of elections.

16.16.2 *Municipal Employee Relations Officer Discretion.* The Municipal Employee Relations Officer has the discretion to refer the election matter at issue to a neutral agency such as the State Mediation and Conciliation Services (SMCS), or the Public Employee Relations Board (PERB), for handling.

16.16.3 *Supported Petition.* In order for an election to be held, petitions to certify or decertify a recognized bargaining representative, or to rescind an agency shop provision, must be accompanied by cards showing that the petition at issue is supported by thirty percent (30%) or more of the bargaining unit employees.

16.16.4 *Challenges.* Challenges to certification petitions may be initiated by other employee organizations. If the challenging organization meets these requirements, the organization will also be included in the election. The requirements are:

16.16.4.1 *Challenging Organization:* The challenging organization provides the information contained in this Rule.

16.16.4.2 *Percent of Signed Cards.* The challenging organization produces cards demonstrating that at least ten percent (10%) of employees in the bargaining unit subject to the petition support the challenge.

16.16.4.3 *Time Period.* The challenge must be initiated within 30 days after the Municipal Employee Relations Officer gives notice of a petition for certification.

16.16.5 *Authenticity.* The authenticity of cards and signatures shall be verified by a neutral party designated by the Municipal Employee Relations Officer.

16.16.6 *Secret Ballot.* Elections will be conducted by secret ballot. Over fifty percent 50% of the employees in the bargaining unit must participate in the election in order for the election to be certified. Elections will be determined by majority vote of those employees casting votes.

16.16.6.1 *No Representation Choice.* Ballots shall contain the choice of “no representation”.

16.16.6.2 *No Majority Result.* If no representative receives a majority of the votes, the Municipal Employee Relations Officer shall conduct a runoff election between the two (2) choices receiving the most votes.

16.16.7 *Costs.* Except for initial elections regarding certification of an exclusive

bargaining representative, costs of elections shall be borne equally among the City Council and the employee organizations appearing on the ballot, to the extent permitted by law.

- 16.16.8 *Decertification election.* Elections concerning the proposed decertification of an exclusive bargaining representative may be held no sooner than twelve (12) months following the date the Council certified and recognized the bargaining representative as the exclusive bargaining representative for the employee organization(s) at issue. A decertification petition alleging that the incumbent recognized employee organization no longer represents a majority of employees in an established unit may be filed with the Municipal Employee Relations Officer only during the thirty (30) day period commencing one-hundred and twenty (120) days prior to the termination date of an MOU then having been in effect less than three (3) years. For MOUs in effect three (3) years or longer, decertification petitions may be filed during the month of January in every year the MOU is in effect.
- 16.16.9 *Rescinding Agency Shop.* No more than one vote to rescind an agency shop agreement may be taken during the life of a MOU that provides for agency shop.
- 16.16.10 *Granting Recognition.* Notwithstanding the procedures in this Rule, the Council shall grant exclusive recognition to an employee organization based on a signed petition, authorization cards, or union membership cards showing that a majority of the employees in an employee organization determined appropriate by the Municipal Employee Relations Officer desire the representation, unless another labor organization has previously been lawfully recognized as exclusive or majority representative of all or part of the same unit. Exclusive representation shall be determined by a neutral third party selected by the Municipal Employee Relations Officer and the employee organization who shall review the signed petition, authorization cards, or union membership cards to verify the exclusive or majority status of the employee organization. In the event the parties cannot agree on a neutral third party, the parties shall utilize the services of the SMCS. In the event the neutral third party determines, based on a signed petition, authorization cards, or union membership cards, that a second labor organization has the support of at least 30% of the employees in the unit in which recognition is sought, the neutral third party shall order an election to establish which labor organization, if any, has majority status.

16.17 Bargaining Unit Modifications

Bargaining unit modifications may be initiated by the Municipal Employee Relations Officer, by a group of employees, or by a recognized employee representative.

Modifications to existing bargaining units must be supported by some legitimate reason.

- 16.17.1 *Municipal Employee Relations Officer Initiated Unit Modification.* The Municipal Employee Relations Officer may initiate a modification of its unit structure, including the creation of new units, or the reallocation of classifications from one bargaining unit to another bargaining unit. The

Municipal Employee Relations Officer shall provide notice to all affected employee organizations, and to each employee who may be affected by the proposed change. Before implementing any modification or reallocation, the Municipal Employee Relations Officer shall provide the opportunity to meet and confer (or consult), to the extent required by law, with affected, recognized employee representatives.

- 16.17.2 *Employee and Union Initiated Modifications.* An employee, group of employees, or a recognized employee organization may request that a unit be modified, or that one or more classifications be reallocated to a new or existing bargaining unit. The Municipal Employee Relations Officer shall provide notice to all affected employee organizations upon receipt of such a request. The request must be accompanied by authorization cards, dated no later than 6 months earlier than the request, showing that at least 40% of the employees in the new proposed unit, or 30% of the employees in the classification(s) proposed to be reallocated to another bargaining unit, support the request.

16.18 Denying the Request

The Municipal Employee Relations Officer may exercise discretion to deny the request in the event the criteria listed in section 16.9 of this Rule indicates to the Municipal Employee Relations Officer that the modification or reallocation is inappropriate. The Municipal Employee Relations Officer shall provide written notice of the rejection to all recognized employee representatives promptly after such determination.

- 16.18.1 *Consistent Modifications.* If the Municipal Employee Relations Officer determines that the modification or reallocation is consistent with the criteria listed, the Municipal Employee Relations Officer shall further process the request. If the Municipal Employee Relations Officer determines that a new unit or reallocation is appropriate, the Municipal Employee Relations Officer shall provide notice to all recognized employee representatives. If no protest is filed within 30 days, the Municipal Employee Relations Officer shall promptly reassign affected classifications to the new unit, or reallocate the classifications to an existing bargaining unit. In the event of an assignment to a newly created bargaining unit, the Municipal Employee Relations Officer shall also notify the employees of their rights under this Rule, including the right to select a representative of their choice for the purpose of meeting and conferring regarding wages, hours and working conditions under the MMBA.
- 16.18.2 *Protests.* Within 30 days of notice regarding the Municipal Employee Relations Officer's determination to modify a bargaining unit, or reallocate classifications, an affected recognized employee representative may submit a protest to the Municipal Employee Relations Officer's office.

The protest must include the following in order to be considered.

- 16.18.2.1.1 *Data.* The name, address, e-mail address, and telephone number of the protesting representative.

- 16.18.2.2 *Facts.* The facts and arguments supporting the protest.

16.18.2.3 *Resolution.* The proposed resolution.

16.18.3 *Response.* Upon receipt of a protest, the Municipal Employee Relations Officer shall meet and confer to the extent required by law. If there is no resolution, the dispute shall be submitted to the SMCS for mediation. If the SMCS is unable to achieve a resolution, the matter shall be referred to the Municipal Employee Relations Officer for final written decision and notice to all affected parties. After issuing a decision, the Municipal Employee Relations Officer may reassign or reallocate the classifications at issue.

16.19 Timing

Unless required by law, unit modifications or reallocations may not be initiated sooner than 12 months following the date of City Council adoptions of any memorandum of understanding which covers the classifications proposed to be reallocated or moved from the bargaining unit.

16.20 Unit Disputes Involving Professional Employees

In the event of a dispute on the appropriateness of a unit of representation for professional employees, upon request of any of the parties, the dispute shall be submitted to the SMCS for mediation or for recommendation for resolving the dispute. Professional employees, for the purposes of this section, mean employees engaged in work requiring specialized knowledge and skills attained through completion of a recognized course of instruction, including, but not limited to, attorneys, physicians, registered nurses, engineers, architects, teachers, and the various types of physical, chemical, and biological scientists.

16.21 Rights and Responsibilities

16.21.1 *Meet and Confer.* An exclusive bargaining representative shall have the right to meet and confer in good faith with authorized City representatives regarding wages, hours, and working conditions within the scope of representation. If an agreement is reached, the parties shall jointly prepare a written MOU, which shall not be binding, and present it to the Council. If the Council adopts the written MOU, it shall become binding on the parties. The City is under no obligation to meet and confer with an employee organization unless it has been certified as a recognized employee representative.

16.21.2 *Current Information.* Recognized employee representatives have the responsibility to inform the Municipal Employee Relations Officer, in writing, of any changes in the information specified in section 21.9 of this Rule, and the Council may rely on its information on file for purposes of notice under this resolution and the MMBA.

16.21.3 *Release Time.* During the period of meet and confer regarding a memoranda of understanding, recognized employee representatives shall be entitled to a reasonable number of representatives who may receive paid release time during the period when formal negotiations are occurring at the table. The precise number shall be subject to the parties' discussions and the Municipal Employee Relations Officer's approval at the outset of negotiations. Employee representatives shall cooperate with the Municipal Employee Relations Officer on a reasonable schedule, and the

employees released for negotiations shall notify their supervisors, obtain their consent (which shall not be unreasonably withheld) and ensure that the dates scheduled for negotiations do not adversely affect City operations. Paid release time may not be authorized for activities such as soliciting membership, internal union elections, campaigning for office or other political activity, organizing efforts, or for any other purpose not authorized by this Rule or an MOU.

16.21.4 *City Resources.* Use of City resources, and use of City Council facilities, including without limitation; stationery, computers, mail, e-mail, copy machines, and fax machines, for Union business is prohibited.

16.21.5 *Dues and Other Authorized Payroll Deductions.* Recognized employee representatives may sponsor payroll deduction programs for membership dues, charitable causes, and benefit premiums and contributions. In order to participate, each affected employee must submit a written authorization on a form prescribed by the Municipal Employee Relations Officer.

Deductions shall comply with City administrative procedures.

16.21.6 *Appeals.* An employee or labor organization aggrieved by any adverse action taken pursuant to this Employee-Employer Relations Rule may submit an appeal to the Municipal Employee Relations Officer. The Municipal Employee Relations Officer may adopt reasonable procedures, after appropriate meet and consult, to resolve such appeals. To be considered, an appeal must be filed within 30 days of when the aggrieved party knew or should have known of the alleged violation. Failure to file an appeal within the 30 day time limit shall constitute a waiver of any challenge to the action at issue. Appeals must contain specific allegations that the employer violated a specific provision of this Rule or applied the Rule in a manner that violates an applicable law. Appeals must be submitted and appeal procedures exhausted before resorting to any other forum, so that the underlying facts may be gathered, an appropriate record may be created, and the Municipal Employee Relations Officer is provided a reasonable opportunity to correct or remedy complaints. No other grievance or appeal process may be used to address issues covered by this Rule.

16.22 Impasse Resolution Procedures

16.22.1 *Impasse Meeting.* If impasse is reached during negotiations concerning an MOU, either party may declare an impasse by submitting a written letter formally declaring an impasse. The declaration of impasse must contain all of the following elements:

16.22.1.1 *Tentative Agreements.* A list of all tentative agreements, if any.

16.22.1.2 *Disputed Issues.* A list of all disputed issues.

16.22.1.3 *Last and Final Offer.* For each disputed issue, the declarant's last and final offer. The party against whom the impasse is declared shall submit a formal response within 7-working days of notice of impasse, and shall meet within 7-working days thereafter.

16.22.2 *Mediation.* Upon and after impasse, either party may request that the

dispute be submitted to mediation, and the other party must participate in good faith upon request, or submit a letter within 7-working days of the request specifically declining to participate in mediation. The costs of mediation shall be borne equally. Mediation shall be conducted by a mediator supplied by the SMCS, or by some other mutually agreed upon mediator. Mediation shall be confidential. The mediator shall not make public recommendations or issue any decision concerning the issues. If no agreement is reached after an opportunity for mediation, the matter may be referred to the City Council for final determination.

16.22.3 *Miscellaneous.* The impasse resolution section shall not apply to economic disputes involving employees governed by different impasse resolution procedures imposed by lawful statute. This impasse resolution section shall only cover bargaining impasses regarding comprehensive memoranda of understanding (MOUs), and it does not cover day-to-day issues subject to meet and confer/meet and consult; or Council actions that may be subject to meet and confer/meet and consult requirements.

16.23 Agency Shop

If made, agency shop arrangements must accord with all requirements of California Government Code section 3502.5.

16.24 Miscellaneous Provisions

16.24.1 *Savings and Separability.* This Rule is intended to comply with all applicable state and federal laws, and it should be interpreted and applied to harmonize with all such law, reserving the broadest legal measure of authority to the Council. In the event a court of competent jurisdiction determines that some provision is inconsistent with applicable and binding law, then that provision shall be severed and all remaining portions of the Rule shall continue in full force and effect. Upon request by the Municipal Employee Relations Officer, a recognized bargaining representative will meet and consult promptly in an effort to resolve any amendments that are necessary or advisable in light of changes to existing law, or interpretations of the law that impact this Rule.

17 MISCELLANEOUS

These rules and regulations shall only become effective when they are adopted by the City Council. Upon adoption they shall supersede any and all City-wide and/or departmental personnel management policies, rules, regulations, and procedures previously adopted, except those adopted by order of a department manager which are not in conflict with these Rules.

Any and all provisions contained in a Memorandum of Understanding (MOU) in effect at the time of adoption of these Rules, and which may be in conflict with the provisions of these Rules, shall remain in effect and supersede these Rules until such time as the conflicting provisions of the MOU may be modified, through the meet and confer process, to conform to these Rules. No existing MOU shall be modified, and no new MOU shall be entered into, which would establish provisions that would be in conflict with these Rules unless expressly identified by the City Manager and recommended to the City Council for review and approval.

These Rules do not create a “contract” of employment between the City and any employee. Public employment is statutory, not contractual.

If any part of these Rules is determined to be unconstitutional or illegal, such part shall be severed from these rules and the remaining Rules shall be given full force and effect. The City shall comply with changes in state and federal law, and shall amend these Rules as necessary for consistency. The term “City” as used in these rules refers to the City of Selma. Responsibilities and rights of the City under these rules are exercised by the City Manager, and may be delegated by the Manager in his/her discretion.

DRAFT

OFFICIAL AD PROOF

This is the proof of your ad scheduled to run in **Selma Enterprise/Kingsburg Recorder** on the dates indicated below. If changes are needed, please contact us prior to deadline at **(559) 582-0471**.

Notice ID: B7FX5Bn10rupICFjkUB | **Proof Updated: Jan. 18, 2024 at 11:05am PST**
 Notice Name: 2024-1 Personnel Ordinance | Publisher ID: 296664

See Proof on Next Page

This is not an invoice. Below is an estimated price, and it is subject to change. You will receive an invoice with the final price upon invoice creation by the publisher.

FILER	FILING FOR
Reyna Rivera	Selma Enterprise/Kingsburg
reynar@cityofselma.com	Recorder
(559) 891-2200	

Columns Wide:	1	Ad Class: Legals
Total Column Inches:	9.47	
Number of Lines:	76	

01/24/2024: Legal Notice Notice	130.66
Additional Affidavit Fee	15.00

Subtotal	\$145.66
Tax	\$0.00
Processing Fee	\$19.57
Total	\$165.23

**CITY OF SELMA CITY COUNCIL
ORDINANCE NO. 2024-1
AMENDING CHAPTER 2 OF
TITLE 2 OF THE
SELMA MUNICIPAL CODE
RELATED TO THE PERSONNEL
SYSTEM**

prior to, the public hearing.

Attest: Reyna Rivera, City Clerk
PUBLISH:
January 24, 2024
AD# 296664

**SUMMARY AND NOTICE OF
PUBLIC HEARING**

On January 16, 2024, the Selma City Council introduced Ordinance No. 2024-1 to amend Selma Municipal Code Chapter 2 Title 2 Personnel System Rules and Regulations: which proposed to adopt by reference a revised set of rules and regulations superseding that of Resolution 1803 and any amendments, but provided that all memoranda of understanding approved by minute order of the City Council since July 2019, remain in effect until superseded by a later order, budget adoption or resolution. It also calls for a compensation plan to be adopted by resolution .

NOTICE IS HEREBY GIVEN that the City Council of the City of Selma will hold a public hearing on Monday, February 5, 2024, at 6:00 p.m., or as soon thereafter as the matter may be heard in the Council Chambers of the City Hall, 1710 Tucker Street, Selma, California, to consider the second reading relating to Personnel System. The proposed ordinance adopts by reference a revised set of rules and regulations superseding that of Resolution 1803 and any amendments, but provided that all memoranda of understanding approved by minute order of the City Council since July 2019, remain in effect until superseded by a later order, budget adoption or resolution. It also calls for a compensation plan to be adopted by resolution.

This Ordinance is scheduled to be considered for adoption during the regular Selma City Council meeting on February 5, 2024. A full copy of Ordinance No. 2024-1 and all relevant materials regarding the proposed action are on file in the office of the City Clerk, located at 1710 Tucker Street, Selma, California, and may be reviewed during normal business hours.

If you challenge the nature of the proposed items in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City of Selma at, or