RESOLUTION GRANTING AN EXCEPTION TO THE VILLAGE ONE SPECIFIC PLAN TO ALLOW CONSTRUCTION BY WESTURF NURSERY AT 1612 CLAUS ROAD, MODESTO, CA 95355 WITHOUT ANNEXING TO THE VILLAGE ONE #2 CFD

WHEREAS, Government Code Section 65450 et. seq. permits cities and counties to adopt specific plans for the systematic implementation of the General Plan and to provide for a greater level of detail in planning sites or areas of special interest or value, and

WHEREAS, on October 16, 1990, the Council, by Resolution No. 90-828A, adopted the Village One Specific Plan, to guide the development of 1,780 acres located in northeast Modesto, and

WHEREAS, the Village One Specific Plan states that no precise plan, final map, final development plan, building permit or other development entitlement for currently unvested property shall be consistent with this Specific Plan until and unless the affected parcel is required to form or annex to the City of Modesto Community Facilities District No. 2004-1 (“Village One #2 CFD”), and

WHEREAS, the Village One Specific Plan does allow the City to defer the requirement to form or annex to the Village One #2 CFD if the project falls into one of two exemption categories:

1) Residential properties of less than ten acres, until there is a land division, addition of any dwelling unit or change of use, or

2) The existing commercial properties in Precise Plan Area No. 2…unless there is a change of use, physical expansion of the existing buildings,
construction of new buildings, or division of property, and

WHEREAS, in September 2011, Westurf Nursery (Applicant) contacted the City to obtain approval to construct a 5,496 square foot retail nursery building expansion at 1612 Claus Road (Parcel), and

WHEREAS, the Applicant’s project did not fall into either of the two exemption categories, staff believed that the project warranted an exception to the implementation policy requiring annexation to Village One #2 CFD for the following reasons:

1) The project did not trigger the need for preparation of a Precise Plan.

2) The existing business was operating on the Parcel before the Parcel was annexed into the City limits.

3) Circumstances had changed since the Village One #2 CFD was formed in 2004. Reprioritization of the projects had occurred and the infrastructure that would be available to the Parcel was intended to be part of a separate and distinct financing mechanism to be developed and implemented in the future, and

WHEREAS, on October 25, 2011, the Council adopted Resolution No. 2011-406, approving an exception to the Village One Specific Plan requiring annexation to CFD Village One #2, and

WHEREAS, in February 2012, the Applicant obtained a second building permit for construction of a 3,200 square foot shade structure on the Parcel and indicated its plans to apply for another building permit to construct an additional canopy in the coming months, and
WHEREAS, staff felt that the determination made in October 2011 also applied to the construction of additional shade structures, and

WHEREAS, on December 4, 2012, the Council adopted Resolution No. 2012-485 again approving an additional exception to the Village One Specific Plan’s requirement for annexation to CFD Village One #2, and

WHEREAS, on May 2015, the Applicant obtained a third building permit for construction of a restroom and expansion of an existing breakroom on the Parcel, and

WHEREAS, on October 13, 2015 the Council adopted Resolution No. 2015-382 also approving an additional annexation exception to the Village One Specific Plan, and

WHEREAS, on June 7, 2017, the Applicant contacted the City to obtain a building permit for the construction of a new 8,000 square foot retail and maintenance building and additional parking on the Parcel, and

WHEREAS, although the Applicant does not specifically meet the Village One Specific Plan deferral criteria, the spirit and the overall intent of the deferral criteria are met by approving an exception to the Village One Specific Plan for the following reasons:

1) The project does not trigger the need for preparation of a Precise Plan.

2) The existing business was operating on the Parcel before the Parcel was annexed into the City limits.

3) Circumstances have changed since the Village One #2 CFD was formed in 2004. Reprioritization of the projects has occurred and the infrastructure needed to serve the Parcel is intended to be part of a separate and distinct financing mechanism to be developed and implemented in the future.
WHEREAS, this Parcel will not utilize any of the infrastructure funded through the existing CFD, and

WHEREAS, when the Parcel changes land uses or divides the land, it will participate in a separate and distinct financing mechanism to be developed and implemented in the future,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that is hereby grants an exception to the Village One Specific Plan to allow construction by Westurf Nursery at 1612 Claus Road, Modesto, CA 95355 without annexing to the Village One #2 CFD.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 26th day of September, 2017, by Councilmember Kenoyer, who moved its adoption, which motion being duly seconded by Councilmember Grewal, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Ah You, Grewal, Kenoyer, Madrigal, Zoslocki, Mayor Brandvold

NOES: Councilmembers: None

ABSENT: Councilmembers: Ridenour

ATTEST:  

SEAL

APPROVED AS TO FORM:

By: ADAM U. LINDGREN, City Attorney
RESOLUTION ACCEPTING THE STATE SYSTEMIC SAFETY ANALYSIS REPORT PROGRAM (SSARP) GRANT IN THE AMOUNT OF $225,000, AND AUTHORIZING THE INTERIM CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE ALL NECESSARY FUNDING AND GRANT DOCUMENTS

WHEREAS, in February, 2016 the State of California released guidelines for the Systemic Safety Analysis Report Program (SSARP), and

WHEREAS, the guidelines were developed in consultation with the California Local Highway Safety Improvement Program (HSIP) Advisory Committee, and

WHEREAS, the SSARP program represents a proactive approach focusing on evaluating roadway networks using a defined set of criteria to identify potential improvements to increase pedestrian and bicycle safety, and

WHEREAS, in March, 2016, staff submitted an application to the State of California, Department of Transportation requesting SSARP funds in the amount of $225,000 with a Local match of $25,000 for Preliminary Engineering (PE), and

WHEREAS, on May 18, 2016, the State of California notified the City of Modesto that the application submitted for the SSARP funds was selected to receive funding, and

WHEREAS, the SSARP received 79 applications of which the City’s project was one of 27 applications to receive funding, and

WHEREAS, on July 5, 2017, the City Council by Resolution No. 2017-269 approved the use of $25,000 in Measure L funds to be used as match funds for the City’s project,
NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby accepts the State Systemic Safety Analysis Report Program (SSARP) grant in the amount of $225,000.

BE IT FURTHER RESOLVED that the Interim City Manager, or his designee, is hereby authorized to execute all necessary funding and grant documents.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 26th day of September, 2017, by Councilmember Kenoyer, who moved its adoption, which motion being duly seconded by Councilmember Ridenour, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Ah You, Grewal, Kenoyer, Madrigal, Ridenour, Zoslocki, Mayor Brandvold

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: [Signature]

STEFANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: [Signature]

ADAM U. LINDGREN, City Attorney
MODESTO CITY COUNCIL
RESOLUTION NO. 2017-360

RESOLUTION AMENDING THE FISCAL YEAR 2017/18 CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET, PROJECT #100990 IN THE AMOUNT OF $225,000 FOR THE SYSTEMIC SAFETY ANALYSIS REPORT PROGRAM (SSARP) GRANT

WHEREAS, in February, 2016 the State of California released guidelines for the Systemic Safety Analysis Report Program (SSARP), and

WHEREAS, the guidelines were developed in consultation with the California Local Highway Safety Improvement Program (HSIP) Advisory Committee, and

WHEREAS, the SSARP program represents a proactive approach focusing on evaluating roadway networks using a defined set of criteria to identify potential improvements to increase pedestrian and bicycle safety, and

WHEREAS, in March, 2016, staff submitted an application to the State of California, Department of Transportation requesting SSARP funds in the amount of $225,000 with a Local match of $25,000 for Preliminary Engineering (PE), and

WHEREAS, on May 18, 2016, the State of California notified the City of Modesto that the application submitted for the SSARP funds was selected to receive funding, and

WHEREAS, the SSARP received 79 applications of which the City’s project was one of 27 applications to receive funding, and

WHEREAS, on July 5, 2017, the City Council by Resolution No. 2017-269 approved the use of $25,000 in Measure L funds to be used as match funds for the City’s project,
NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves amending the Fiscal Year 2017/18 Capital Improvement Program (CIP) budget, project #100990 in the amount of $225,000 for the State Systemic Safety Analysis Report Program (SSARP) grant.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 26th day of September, 2017, by Councilmember Kenoyer, who moved its adoption, which motion being duly seconded by Councilmember Ridenour, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Ah You, Grewal, Kenoyer, Madrigal, Ridenour, Zoslocki, Mayor Brandvold

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: [Signature]

STEPHANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: [Signature]

ADAM U. LINDGREN, City Attorney
MODESTO CITY COUNCIL
RESOLUTION NO. 2017-361

RESOLUTION ACCEPTING THE PUBLIC IMPROVEMENTS FOR HEALTH CARE WAY AND DALE ROAD, LOCATED JUST NORTH AND EAST OF THE KAISER HOSPITAL ON DALE ROAD, AUTHORIZING THE CITY CLERK TO FILE A NOTICE OF COMPLETION WITH THE STANISLAUS COUNTY RECORDER’S OFFICE, AND TO RELEASE SECURITIES UPON EXPIRATION OF STATUTORY PERIODS

WHEREAS, A.E. (BUZ) CARRADE as Subdivider ("SUBDIVIDER") and Joann Irene Bledsoe, a married woman her sole and separate property, and Carl R. Fischer Jr. and Sandy Fisher, aka Sandra Ficher, as trustees of The Carl R. Fischer, Jr, and Sandy Fincher Revocable Trust utd (Under Declaration of Trust) dated September 25, 2000 ("OWNER") as owner of a tract of land consisting of 2.79 acres, lying in the City of Modesto, County of Stanislaus, commonly known as KIERNAN BUSINESS PARK EAST PHASE 2-HEALTHCARE WAY ("SUBDIVISION"), and

WHEREAS, a tentative map of said SUBDIVISION was approved by the City Planning Commission on September 14, 2015 per Planning Commission Resolution No. 2015-21, and

WHEREAS, the final subdivision map and subdivision agreement for said SUBDIVISION were approved by City Council on May 24, 2016 per City Council Resolution No. 2016-207, and

WHEREAS, the subdivision agreement required certain improvements be made along Dale Road and Health Care Way ("PUBLIC IMPROVEMENTS"), and

WHEREAS, said PUBLIC IMPROVEMENTS, have been completed to the satisfaction of the Utilities Department, and
WHEREAS, the Construction Administration Office of the Utilities Department has verified that all required PUBLIC IMPROVEMENTS for this project have been satisfactorily completed and all inspection fees have paid, and

WHEREAS, the Community Facilities District #2016-1, Kiernan Business Park East #2 will assume maintenance responsibilities of the storm drainage, landscaping and irrigation along Health Care Way and the east side of Dale Road, and

WHEREAS, the City of Modesto will assume maintenance responsibilities of the street and remaining utilities and infrastructure upon acceptance of the PUBLIC IMPROVEMENTS, and

WHEREAS, pursuant to the Subdivision Agreement, SUBDIVIDER has filed a Faithful Performance Letter of Credit in the amount of $2,157,313.07, a Payment Letter of Credit in the amount of $1,078,656.54 and a Warranty Bond in the amount of $215,731.31, and

WHEREAS, the Utilities Director, in a memorandum to Council, indicates that all work required by the Subdivision Agreement has been completed to the satisfaction of the Utilities Department, and

WHEREAS, the Utilities Director has indicated that it would be in order for the City Council to accept said PUBLIC IMPROVEMENTS as complete, authorize the City Clerk to file a Notice of Completion, and to release the securities upon expiration of the statutory periods.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that:
1. The said PUBLIC IMPROVEMENTS are hereby accepted, and the City Clerk is hereby authorized to file a Notice of Completion with Stanislaus County Recorder’s Office.

2. The City Clerk is hereby authorized to release the Faithful Performance Letter of Credit in the amount of $2,157,313.07, upon recordation of the Notice of Completion.

3. The City Clerk is hereby authorized to release the Payment Letter of Credit in the amount of $1,078,656.54, 60 days after recordation of the Notice of Completion if no claim is made thereon.

4. The City Clerk is hereby authorized to release the Warranty Bond in the amount of $215,731.31 one year and one day after the effective date of this resolution, provided no claim is made thereon.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 26th day of September, 2017, by Councilmember Kenoyer, who moved its adoption, which motion being duly seconded by Councilmember Ridenour, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Ah You, Kenoyer, Madrigal, Ridenour, Zoslocki

NOES: Councilmembers: None

ABSENT: Councilmembers: Grewal, Mayor Brandvold

ATTEST: [Signature]

(Seal)

APPROVED AS TO FORM:

By: [Signature]

ADAM U. LINDGREN, City Attorney
RESOLUTION APPROVING THE PLANS AND SPECIFICATIONS FOR THE AWARD OF THE SANDERS AND FREEDOM NEIGHBORHOOD PARKS RENOVATION PROJECT, ACCEPTING THE BID, AWARDED A CONSTRUCTION CONTRACT TO DOCON, INC. OF MODESTO, CA, IN THE AMOUNT OF $397,101, AND AUTHORIZING THE INTERIM CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE THE CONTRACT

WHEREAS, plans and specifications have been prepared for the Sanders and Freedom Neighborhood Parks Renovation Project that will remove and replace the existing rubber play surfacing and selected play equipment; basketball court restriping at Sanders Park and replacement of lighted steel bollards at Freedom Park, and

WHEREAS, the one bid received for the Sanders and Freedom Neighborhood Parks Renovation Project was publicly opened at 11:00 a.m. on May 16, 2017, and later tabulated by the Parks Planning and Development Division for the consideration of the Council, and

WHEREAS, DOCON, Inc. of Modesto, California was the sole and apparent low bidder at 22.2% above the engineer’s estimate, and

WHEREAS, City staff and the Interim City Manager recommend that the bid of $397,101 received from DOCON, Inc. be accepted as the lowest responsible and responsive bidder in conformance with Modesto Municipal Code section 8-3.403 and Modesto Charter Section 1307 and that the contract to be awarded will include all the bid alternate items.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves the Plans and Specifications for the Sanders and Freedom
Neighborhood Parks Renovation Project, accepts the bid and awards the construction contract to DOCON, Inc., of Modesto, CA, in the amount of $397,101.

BE IT FURTHER RESOLVED that the Interim City Manager, or his designee, is hereby authorized to execute the contract for the Sanders and Freedom Neighborhood Parks Renovation Project in a form approved by the City Attorney.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 26th day of September, 2017, by Councilmember Kenoyer, who moved its adoption, which motion being duly seconded by Councilmember Grewal, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Ah You, Grewal, Kenoyer, Madrigal, Zoslocki, Mayor Brandvold

NOES: Councilmembers: None

ABSENT: Councilmembers: Ridenour

ATTEST:  

STEFANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: ADAM U. LINDGREN, City Attorney
MODESTO CITY COUNCIL
RESOLUTION NO. 2017-363

RESOLUTION AUTHORIZING THE INTERIM CITY MANAGER, OR HIS DESIGNEE, TO AMEND THE FISCAL YEAR 2017/2018 CAPITAL IMPROVEMENT PROGRAM BUDGET IN AN AMOUNT NOT TO EXCEED $182,623 FOR PROJECT #100892 SANDERS AND FREEDOM NEIGHBORHOOD PARKS RENOVATION PROJECT TO BUDGET EXPENDITURES, AS OUTLINED IN ATTACHMENT A, TO FULLY FUND THE RENOVATION OF SANDERS AND FREEDOM NEIGHBORHOOD PARKS

WHEREAS, the renovation of Sanders and Freedom Neighborhood Parks will benefit Modesto residents and the maintenance of these two parks will add equitable longevity to the recreational opportunities in the community, and

WHEREAS, certain budgetary transactions are necessary in the amount of $182,623, in order to fully fund construction, contingency, construction administration, design support during construction and City staff support for the Sanders and Freedom Neighborhood Parks Project.

WHEREAS, the City Council shall consider amending the 2017/2018 Capital Improvement Program Budget in an amount not to exceed $182,623 as outlined in Attachment A, which is incorporated by reference herein and attached hereto.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it is hereby authorizing the Interim City Manager, or her designee, to amend the Fiscal Year 2017/2018 Capital Improvement Program Budget for Project #100892 Sanders and Freedom Neighborhood Parks Renovation Project in an amount not to exceed $182,623.
BE IT FURTHER RESOLVED that the Interim City Manager, or her designee, is hereby authorized to budget expenditures as outlined in Attachment A to fully fund the renovation of Sanders and Freedom Neighborhood Parks.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 26th day of September, 2017, by Councilmember Kenoyer, who moved its adoption, which motion being duly seconded by Councilmember Grewal, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Ah You, Grewal, Kenoyer, Madrigal, Zoslocki, Mayor Brandvold

NOES: Councilmembers: None

ABSENT: Councilmembers: Ridenour

ATTEST: 

SEAL

APPROVED AS TO FORM:

By: ADAM U. LINDGREN, City Attorney
## Attachment A

**Budget Adjustment for Capital Improvement Project 100892**  
*(Sanders & Freedom Park Renovation)*

**Fund 3290 – Playground Improvements – Parks CIP Projects:**

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<th>Expenses</th>
<th>Increase/Decrease</th>
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<tbody>
<tr>
<td>3290-14999-100892 – Construction Admin</td>
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<tr>
<td>3290-14999-100892 – Construction</td>
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<td>3290-14999-100892 – Contingency - CIP</td>
<td>$6,183</td>
</tr>
<tr>
<td>3290-14999-100892 – Eng/Design/Admin</td>
<td>$15,413</td>
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RESOLUTION ACCEPTING THE 2018 SELECTIVE TRAFFIC ENFORCEMENT PROGRAM GRANT IN THE AMOUNT OF $430,000 FROM THE OFFICE OF TRAFFIC SAFETY TO INCREASE ENFORCEMENT FOR SPEED, DUI, AND OTHER SPECIAL TRAFFIC ENFORCEMENT OPERATIONS; AND AUTHORIZING THE INTERIM CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE THE NECESSARY DOCUMENTS

WHEREAS, the City of Modesto Police Department desires to undertake a certain project designated as the Selective Traffic Enforcement Program (STEP) grant from the Office of Traffic Safety (OTS), and

WHEREAS, the Police Department was awarded a grant in the sum of $430,000 from OTS, and

WHEREAS, acceptance of said $430,000 grant will increase enforcement for speed, DUI, and other special traffic enforcement operations, while also reducing collisions with speed, DUI, and special operations, and

WHEREAS, OTS will pay overtime for officers, training, and equipment to assist in traffic studies and other traffic related enforcement equipment, and

WHEREAS, the term of this grant will be from October 1, 2017, through September 30, 2018,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby accepts the Selective Traffic Enforcement Program Grant in the amount of approximately $430,000 from the Office of Traffic Safety to increase enforcement for speed, DUI, and other special traffic enforcement operations.

BE IT FURTHER RESOLVED that the Interim City Manager, or his designee, is hereby authorized to execute the necessary award documents.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 26th day of September, 2017, by Councilmember Kenoyer, who moved its adoption, which motion being duly seconded by Councilmember Ridenour, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Ah You, Grewal, Kenoyer, Madrigal, Ridenour, Zoslocki, Mayor Brandvold

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: [Signature]

APPROVED AS TO FORM:

By: [Signature]

ADAM U. LINDGREN, City Attorney
MODESTO CITY COUNCIL
RESOLUTION NO. 2017-365

RESOLUTION AMENDING THE FISCAL YEAR 2017-18 OPERATING AND
MULTI-YEAR BUDGET TO APPROPRIATE REVENUE AND EXPENSES IN
THE AMOUNT OF $430,000 RELATED TO THE SELECTIVE TRAFFIC
ENFORCEMENT PROGRAM GRANT TO INCREASE ENFORCEMENT FOR
SPEED, DUI, AND OTHER SPECIAL TRAFFIC ENFORCEMENT
OPERATIONS

WHEREAS, the Police Department acquired a grant award in the amount of
approximately $430,000 from the Office of Traffic Safety (OTS) to increase enforcement
for speed, DUI, and other special traffic enforcement operations, and

WHEREAS, the grant will pay overtime for officers for special enforcement
operations, DUI saturation patrols, and other traffic related enforcement supplies, and

WHEREAS, there is no local match required for this grant, and

WHEREAS, the term of this grant will be from October 1, 2017, through
September 30, 2018,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto
that the Fiscal Year 2017/2018 Operating and Multi-Year Budget is hereby adjusted as
indicated on budget adjustment attached.

BE IT FURTHER RESOLVED that the Interim City Manager, or his designee, is
hereby authorized to take the necessary steps to implement the provisions of this
resolution.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 26th day of September, 2017, by Councilmember Kenoyer, who moved its adoption, which motion being duly seconded by Councilmember Ridenour, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Ah You, Grewal, Kenoyer, Madrigal, Ridenour, Zoslocki, Mayor Brandvold

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: [Signature]

(SEAL)

APPROVED AS TO FORM:

By: [Signature] ADAM U. LINDGRE, City Attorney

STEPHANIE LOPEZ, City Clerk
Exhibit A

Project Name: 2018 OTS Selective Traffic Enforcement Program (STEP)
Project Fund: 1342 – Grants – Police

The Multi-Year 2017/2018 Operating Budget will be amended as follows:

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<thead>
<tr>
<th>Revenues</th>
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<th>Description</th>
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<table>
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<tr>
<th>Expenses</th>
<th>Increase/(Decrease)</th>
<th>Description</th>
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<tbody>
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<td>Tools &amp; Field Supplies &lt; $5,000</td>
</tr>
<tr>
<td></td>
<td>$430,000</td>
<td></td>
</tr>
</tbody>
</table>
RESOLUTION ACCEPTING THE SUPPLEMENTAL PAYMENT OF THE LOCAL TRANSPORTATION FUND (LTF) FOR FISCAL YEAR 2015/16 FROM THE STANISLAUS COUNCIL OF GOVERNMENTS (STANCOG) IN THE AMOUNT OF $697,061 TO OFFSET THE SHORTFALL IN STATE TRANSIT ASSISTANCE FUNDS (STA)

WHEREAS, the greatest portion of the City’s funding for the Transit Service Program is made available under the Transportation Development Act (TDA), which includes Local Transportation Fund (LTF) funds and State Transit Assistance (STA) funds, and

WHEREAS, the City has prepared its TDA claim for Fiscal Year 2015-16 pursuant to these sections of the California Public Utilities Code (PUC), and

WHEREAS, the City did not receive the estimated STA funds in 2015-2016, and

WHEREAS, the Stanislaus Council of Governments (StanCOG) approved the payment of $697,061 in LTF to cover the difference of estimated and actual STA funds received, and

WHEREAS, Council action is required in order for the City to accept these funds.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby accepts the payment of LTF funds for Fiscal Year 2015/16 from StanCOG in the amount of $697,061.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 26th day of September, 2017, by Councilmember Kenoyer, who moved its adoption, which motion being duly seconded by Councilmember Ridenour, was upon roll call carried and the resolution adopted by the following vote:

AYES: Council members: Ah You, Grewal, Kenoyer, Madrigal, Ridenour, Zoslocki, Mayor Brandvold

NOES: Council members: None

ABSENT: Council members: None

ATTEST: [Signature]

APPROVED AS TO FORM:

By: [Signature]

ADAM U. LINDGREN, City Attorney
MODESTO CITY COUNCIL
RESOLUTION NO. 2017-367

RESOLUTION APPROVING AN AGREEMENT WITH O’DELL ENGINEERING, INC., MODESTO, CA, FOR DESIGN SERVICES FOR THE MODESTO AMTRAK NORTH PARKING LOT PROJECT, IN AN AMOUNT NOT TO EXCEED $57,600 FOR THE IDENTIFIED SCOPE OF SERVICES, AND AUTHORIZING THE INTERIM CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE THE AGREEMENT

WHEREAS, The San Joaquin Joint Power's Association (SJJPA) contracts and provides funds for the operation and capital improvements of the San Joaquin Rail Service, which is the passenger rail service operated by Amtrak providing rail service in the San Joaquin Valley and eastern parts of the Bay Area, and

WHEREAS, The San Joaquin Rail Service includes passenger train service within the City of Modesto, through the Modesto Station and relies on land-side infrastructure within the City, including the Amtrak station building, parking and the surrounding road infrastructure to provide service, and

WHEREAS, The SJJPA has proposed to improve existing rail service by optimizing scheduling and implementing various improvements including additional parking to accommodate early morning travel from Fresno to Sacramento and Fresno to the Bay Area as part of a new service, which is anticipated to commence in Fiscal Year 2017/2018 to Sacramento and in Fiscal Year 2018/2019 to the Bay Area, and

WHEREAS, The City and the SJJPA have joined together to secure funding to expand the north portion of the Modesto Amtrak Station in hopes of increasing ridership with the new service. In addition, the City will use local funds to construct a temporary lot on the south side of the Modesto Amtrak Station, and
WHEREAS, City staff is recommending the use of a consultant to increase project delivery efficiencies, and

WHEREAS, on September 13, 2016, by Resolution 2016-356, Council approved a prequalified list of local consultants for Civil Engineering Services for Capital Improvement Program (CIP) projects, and

WHEREAS, in accordance with City Administrative Directive 3.1, Selection Procedures for Professional Consultants Who Provide Architectural & Engineering Services for Capital Projects, Utilities staff issued a Request for Proposal (RFP) to prequalified local firms for Civil Engineering Services for the Modesto Amtrak North Parking Lot Project, and

WHEREAS, on July 28, 2017, two proposals were received and reviewed by a selection committee that consisted of the City’s Public Works Department and Utilities Engineering Design Division staff, and

WHEREAS, the selection committee determined that O’Dell Engineering, Inc. (O’Dell) was responsive and qualified to provide engineering design services for the Modesto North Parking Lot, and

WHEREAS, the scope of services to be provided under the agreement includes: 1) Project management and meetings; 2) City coordination; 3) Perform field topographic survey; 4) Provide analysis of the existing storm drain system and provide hydraulic calculations; and 5) Prepare the construction documents (plans and specifications), and

WHEREAS, in accordance with Modesto Municipal Code 8-3.204(a) Exceptions to Formal Bidding Requirements, this agreement is for professional services and, therefore, exempt from the bid requirement, and
WHEREAS, staff still proceeded through an RFP process pursuant to Administrative Directive 3.1, and

WHEREAS, staff recommends approval of the agreement with O’Dell Engineering for Engineering Design services for the Modesto North Parking Lot Project.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves an Agreement with O’Dell Engineering, Inc., Modesto, CA, for Design Services for the Modesto North Parking Lot Project, in an amount not to exceed $57,600.

BE IT FURTHER RESOLVED that the Interim City Manager, or his designee, is hereby authorized to execute the agreement in a form approved by the City Attorney.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 26th day of September, 2017, by Councilmember Kenoyer, who moved its adoption, which motion being duly seconded by Councilmember Ridenour, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Ah You, Grewal, Kenoyer, Madrigal, Ridenour, Zoslocki, Mayor Brandvold

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: ________________________

STEFANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: ____________________________

ADAM U. LINDGREN, City Attorney
WHEREAS, the Modesto City-County Airport (Airport) is a federally obligated facility and is required to meet Federal Aviation Administration (FAA) standards, including maintaining an updated Airport Layout Plan per FAA Regulation Part 77 - Obstructions to Airspace, and

WHEREAS, the FAA requires that the Airport comply with obstruction standards and identify property(s) that contain obstructions to airspace for potential acquisition, enabling control of obstructions to airspace, mainly trees, and

WHEREAS, other components of the Airport Layout Plan Update project (ALPU) include aviation forecasts, land use planning, new digital Geographic Information System data and an aerial survey to meet new FAA standards for an Electronic Airport Layout Plan, and

WHEREAS, the City solicited qualifications from three consultants to perform the ALPU, and

WHEREAS, all proposals were reviewed by a selection committee, and Stantec Consulting Services, Inc. (Stantec) scored the highest in being able to provide planning services for the duration of the ALPU.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Modesto hereby approves an Agreement with Stantec Consulting Services, Inc., to provide planning services for the ALPU Project, in an amount not to exceed $351,314.
BE IT FURTHER RESOLVED that the Interim City Manager, or his designee, is hereby authorized to execute the Agreement, in a form approved by the City Attorney.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 26th day of September, 2017, by Councilmember Kenoyer, who moved its adoption, which motion being duly seconded by Councilmember Ridenour, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Ah You, Grewal, Kenoyer, Madrigal, Ridenour, Zoslocki, Mayor Brandvold

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: STEPHANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: ADAM U. LINDGREN, City Attorney
MODESTO CITY COUNCIL
RESOLUTION NO. 2017-369

RESOLUTION AUTHORIZING THE CREATION OF AIRPORT CAPITAL IMPROVEMENT PROJECT (ACIP) #100985 FOR THE FEDERAL AVIATION ADMINISTRATION (FAA) GRANT 3-06-0153-041-2017 (AIP 41), AND AMENDING THE FISCAL YEAR 2017-2018 CAPITAL IMPROVEMENT BUDGET TO ESTABLISH A BUDGET IN AN AMOUNT NOT TO EXCEED $351,314 OF WHICH $316,183 IS GRANT FUNDED AND $35,131 IS FUNDED VIA TRANSFER FROM FUND 4330-STANISLAUS COUNTY AIRCRAFT TAX FUND TO CIP 100985

WHEREAS, the City has approved Airport Capital Improvement Plan (ACIP) projects at the Modesto City-County Airport (Airport), and

WHEREAS, the City has accepted a Federal Aviation Administration (FAA) grant offer, AIP 41, to complete ACIP projects at the Airport, and

WHEREAS, Stantec Consulting Services, Inc. (Stantec) has been selected as the consultant to complete the Airport Layout Plan Update (ALPU), and

WHEREAS, certain City administration will be entitled to reimbursement for work performed directly in connection with AIP 41.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves the creation of a project and a budget adjustment for AIP 41 not to exceed $351,314 for the ALPU project.

BE IT FURTHER RESOLVED that the Acting City Finance Director, or her designee, is hereby authorized to execute the budget adjustment and create appropriate revenue and expense accounts for project AIP 41.
The foregoing resolution was introduced at a regular meeting of the Council of
the City of Modesto held on the 26th day of September, 2017, by Councilmember
Kenoyer, who moved its adoption, which motion being duly seconded by
Councilmember Ridenour, was upon roll call carried and the resolution adopted by the
following vote:

AYES Councilmembers: Ah You, Grewal, Kenoyer, Madrigal, Ridenour,
Zoslocki, Mayor Brandvold

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: 

(Seal)

APPROVED AS TO FORM:

By: 

ADAM U. LINDGREN, City Attorney

STEPHANIE LOPEZ, City Clerk
MODESTO CITY COUNCIL
RESOLUTION NO. 2017-370

RESOLUTION AUTHORIZING THE SUBMITTAL OF AN APPLICATION ON BEHALF OF THE STANISLAUS AND TUOLUMNE RIVERS GROUNDWATER BASIN ASSOCIATION GROUNDWATER SUSTAINABILITY AGENCY TO THE CALIFORNIA DEPARTMENT OF WATER RESOURCES, FOR THE 2017 SUSTAINABLE GROUNDWATER PLANNING GRANT PROGRAM, AUTHORIZING THE INTERIM CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE ALL GRANT-RELATED DOCUMENTS AND ENTER INTO AGREEMENTS TO RECEIVE GRANT FUNDS, IF AWARDED, AND AUTHORIZING THE INTERIM CITY MANAGER, OR HIS DESIGNEE, TO BE THE SIGNATORY OF GRANT INVOICE FORMS DURING REQUESTS FOR REIMBURSEMENTS

WHEREAS, the Sustainable Groundwater Management Act (SGMA) requires that a Groundwater Sustainability Agency (GSA) be formed for all groundwater basins designated by the Department of Water Resources (DWR) as high-priority basins, such as the Modesto Subbasin (Basin No. 5-22.02); and

WHEREAS, SGMA directs the preparation of a Groundwater Sustainability Plan (GSP) for each high-priority subbasin, such as the Modesto Subbasin; and

WHEREAS, the County of Stanislaus, the Oakdale Irrigation District, the City of Oakdale, the City of Riverbank, the City of Modesto, the City of Waterford, and the Modesto Irrigation District entered into a Memorandum of Understanding (MOU) to form the Stanislaus and Tuolumne Rivers Groundwater Basin Association GSA (STRGBA GSA) as to the portion of the Modesto Subbasin that lies within the STRGBA GSA’s parties’ combined jurisdiction; and

WHEREAS, the County of Tuolumne (Tuolumne) has formed the Tuolumne Groundwater Sustainability Agency (Tuolumne GSA) as to the portion of the Modesto Subbasin that lies within Tuolumne’s jurisdiction; and
WHEREAS, the combined boundaries of the STRGBA GSA and the Tuolumne GSA cover the entire Modesto Subbasin; and

WHEREAS, DWR is administering the 2017 Sustainable Groundwater Planning Grant Program pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1) under Water Code Section 79700 et seq., which provides grants for the preparation of a GSP; and

WHEREAS, the STRGBA GSA is eligible to apply for a grant under the 2017 Sustainable Groundwater Planning Grant Program and, if awarded, receive grant funding from DWR for the preparation of a GSP for the Modesto Subbasin; and

WHEREAS, the STRGBA GSA has authorized the City of Modesto to enter into contracts on the STRGBA’s behalf; and

WHEREAS, adoption of this resolution does not constitute a “project” under California Environmental Quality Act Guidelines Section 15378(b)(5), including organization and administrative activities of government, because there would be no direct or indirect physical change in the environment.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby authorizes the submittal of an application to the California Department of Water Resources for the 2017 Sustainable Groundwater Planning Grant Program pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Water Code Section 79700 et seq.), to receive a grant for the Groundwater Sustainability Plan for the Modesto Subbasin.

BE IT FURTHER RESOLVED that the Interim City Manager, or his designee, is hereby authorized to execute all grant-related documents and enter into an agreement to
receive the grant funds, if awarded; and authorizing the Interim City Manager to be the signatory of grant invoice forms during requests for reimbursements.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 26th day of September, 2017, by Councilmember Kenoyer, who moved its adoption, which motion being duly seconded by Councilmember Ridenour, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Ah You, Grewal, Kenoyer, Madrigal, Ridenour, Zoslocki, Mayor Brandvold

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: [Signature] STEPHANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: ADAM U. LINDGREN, City Attorney
RESOLUTION APPROVING AN AGREEMENT WITH O’DELL ENGINEERING, INC., MODESTO, CA, FOR ENGINEERING DESIGN SERVICES FOR THE SUTTER TRUNK REHABILITATION PROJECT, IN AN AMOUNT NOT TO EXCEED $392,906 FOR THE IDENTIFIED SCOPE OF SERVICES, PLUS $39,291 FOR ADDITIONAL SERVICES, IF NEEDED, FOR A MAXIMUM TOTAL AMOUNT OF $432,197, AND AUTHORIZING THE INTERIM CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE THE AGREEMENT

WHEREAS, the Sutter Trunk is approximately 13,000 feet long and conveys approximately 3 percent of the City’s total average dry weather flow, and

WHEREAS, the existing capacity of the Sutter Trunk is insufficient to convey existing and build-out peak wet weather flow conditions, and

WHEREAS the section crossing under Highway 99 has experienced severe corrosion, and

WHEREAS, the proposed rehabilitation project will replace approximately 7,000 feet of the trunk line, as well as rehabilitate the existing section crossing under Highway 99, and

WHEREAS, in accordance with Modesto Municipal Code 8-3.204(a) Exceptions to Formal Bidding Requirements, this agreement is for professional services and therefore, exempt from the bid requirement, and

WHEREAS, however, staff still went through a RFP process pursuant to Administrative Directive 3.1., and

WHEREAS, staff recommends approval of the agreement with O’Dell Engineering for engineering design services for the Sutter Trunk Rehabilitation Project,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves an Agreement with O’Dell Engineering, Inc., Modesto, CA, for
design services for the Sutter Trunk Rehabilitation Project, in an amount not to exceed $392,906 for the identified scope of services, plus $39,291 for additional services, if needed, for an agreement total of $432,197.

BE IT FURTHER RESOLVED that the Interim City Manager, or his designee, is hereby authorized to execute the agreement in a form approved by the City Attorney.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 26th day of September, 2017, by Councilmember Kenoyer, who moved its adoption, which motion being duly seconded by Councilmember Ridenour, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Ah You, Grewal, Kenoyer, Madrigal, Ridenour, Zoslocki, Mayor Brandvold

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: 

SEAL

APPROVED AS TO FORM:

By: 

ADAM U. LINDGREN, City Attorney
MODESTO CITY COUNCIL
RESOLUTION NO. 2017-372

RESOLUTION APPROVING A SOLE SOURCE PURCHASE OF A MEMBRANE AND CASSETTE REPLACEMENT EQUIPMENT FOR THE PHASE 1A TERTIARY TREATMENT PLANT FROM ZENON ENVIRONMENTAL CORPORATION, PART OF GENERAL ELECTRIC WATER & PROCESS TECHNOLOGIES OF OAKVILLE, ONTARIO CANADA, AND AUTHORIZING THE PURCHASING MANAGER, OR HER DESIGNEE, TO ISSUE A PURCHASE ORDER FOR A TOTAL COST NOT TO EXCEED $1,144,814

WHEREAS, the Phase 1A Project was completed in 2010, and

WHEREAS, it provides tertiary treatment, which allows year-round discharge capacity to the river by eliminating the seasonal and dilution constraints, and

WHEREAS, an integral part of the Phase 1A process is the membrane bioreactor (MBR) filtration system that helps produce a high quality tertiary effluent (final treated wastewater product) that meets the discharge permit requirements, and

WHEREAS, operations and maintenance staff have traced recent effluent issues to the deterioration of the cartridges in the MBR tanks, and

WHEREAS, the consequence of deficient membranes is an effluent with increased solids or high turbidity, which will cause the effluent to fail the City’s National Pollutant Discharge Elimination System permit requirements, and

WHEREAS, high turbidity will cause the effluent to fail the discharge permit requirements, and

WHEREAS, General Electric (GE) is the manufacturer of Zenon's MBR filtration system, and the Phase 1 tanks were designed to configure only GE's cassettes and membranes, and
WHEREAS, on February 26, 2008, by Resolution No. 2008-140, Council authorized the purchase of membrane equipment as a sole source from Zenon Environmental Corporation at a total cost of $4,532,484, and

WHEREAS, GE Water & Process Technologies is the exclusive manufacturer for Zenon membrane equipment, which are used to operate the City’s tertiary treatment, and

WHEREAS, over the last few years, Zenon has upgraded the membrane system to save on energy costs, as well as for ease of installation and maintenance. Attachment A contains the quotation and list of equipment, and

WHEREAS, attachment A contains the quotation and list of equipment, the cost of the equipment and onsite technical advisory support by GE representatives, and

WHEREAS, the manufacturer is providing the city with a 10 year warranty (2 year full replacement, additional 8 years prorated).

WHEREAS, Modesto Municipal Code Section 8-3.203 generally requires all purchases, which meet or exceed $50,000 for material, equipment or contractual services to be formally bid. However, there are exceptions to the rule set forth in the Modesto Municipal Code. One exception, MMC8-3.204(b), states where as the purchasing agencies’ requirements can be met solely by a single article or process: the sole source procurement for a membrane system replacement from Zenon Environmental Corporation, part of General Electric Water & Process Technologies (Zenon) of Oakville, Ontario, Canada, conforms to the Modesto Municipal Code.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby authorizes the sole source procurement membrane system replacement for the Phase 1A Tertiary Treatment Plant with Zenon
BE IT FURTHER RESOLVED that the Purchasing Manager, or her designee, is hereby authorized to issue a purchase order for a total cost not to exceed $1,144,814.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 26th day of September, 2017, by Councilmember Kenoyer, who moved its adoption, which motion being duly seconded by Councilmember Ridenour, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Ah You, Grewal, Kenoyer, Madrigal, Ridenour, Zoslocki, Mayor Brandvold

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: STEPHANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: ADAM U. LINDGREN, City Attorney
# Membrane Replacement & Upgrade Proposal

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<tr>
<th>To:</th>
<th>City of Modesto, California referred to here as Modesto or Buyer</th>
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<tbody>
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<td>Date:</td>
<td>September 7, 2017</td>
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<tr>
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<td>Attention:</td>
<td>Monte Hamilton</td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:mhamilton@modestogov.com">mhamilton@modestogov.com</a></td>
</tr>
<tr>
<td>Plant Address:</td>
<td>7007 Jennings Road, Modesto, CA 95358 USA</td>
</tr>
<tr>
<td>Telephone No.:</td>
<td>209 342 4512</td>
</tr>
<tr>
<td>From:</td>
<td>Jason Diamond, Regional Lifecycle Manager</td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:jason.diamond@ge.com">jason.diamond@ge.com</a></td>
</tr>
<tr>
<td>Telephone No.:</td>
<td>905 465 3030 x3273</td>
</tr>
<tr>
<td>Cell No.:</td>
<td>905 399 7055</td>
</tr>
<tr>
<td>Fax No.:</td>
<td>905 465 3050</td>
</tr>
<tr>
<td>Cc:</td>
<td>Dean Boode (The Coombs Hopkins Company)</td>
</tr>
<tr>
<td>Subject:</td>
<td>Membrane Replacement (Full Plant): 528 x ZW500D 370ft² Modules + 12 x ZW500D 48M LEAPmbr Cassettes</td>
</tr>
<tr>
<td>Proposal No.:</td>
<td>186238-2</td>
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<tr>
<td>Original Project No.:</td>
<td>500475</td>
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</table>

**Plant Data:**
- Jennings Road (Modesto) Wastewater Treatment Plant, Municipal Tertiary Wastewater Treatment Facility.
- ZW500D 340ft² WW, 4 Trains, Each Train Consists of 2 x 48/48M Cassettes + 1 x 46/48M Cassette total of 142 Modules/Train. Substantial Completion Date: May 24, 2010.
GE Water & Process Technologies

Digital Leadership

GE is the world's Digital Industrial Company, transforming industry with software-defined machines and solutions that are connected, responsive and predictive. GE is organized around a global exchange of knowledge, the "GE Store," through which each business shares and accesses the same technology, markets, structure and intellect. Each invention further fuels innovation and application across our industrial sectors. With people, services, technology and scale, GE delivers better outcomes for customers by speaking the language of industry. 
NYSE: GE www.ge.com

Proposal Provisions

This proposal has been issued based on the information provided by the customer and on information currently available to GE Water & Process Technologies at the time of proposal issuance. Any changes or discrepancies in site conditions, including but not limited to changes in system influent water characteristics, changes in Environmental Health and Safety (EH&S) conditions, changes in the reissued State/Provincial Disposal System Permit, changes in Buyer financial standing, Buyer requirements, or any other relevant change or discrepancy in the factual basis upon which this proposal was created may lead to changes in the offering, including but not limited to changes in pricing, guarantees, quoted specifications, or terms and conditions.

Confidential and Proprietary Information

© GE All rights reserved. This proposal contains proprietary information and is the property of GE Water & Process Technologies (GEWPT). No assignments, either implied or expressed, of intellectual property rights, data, know how, trade secrets or licenses of use thereof are given. All information is provided exclusively to the addressee and agents of the addressee for the purposes of evaluation and is not to be reproduced or divulged to other parties, nor used for manufacture or other means, without the express written consent of GEWPT. The acceptance of this document will be construed as an acceptance of the foregoing.

Trademarks

The following are trademarks of General Electric Company and may be registered in one or more countries:

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1 Introduction

GE Water & Process Technologies is pleased to present this proposal at the request of City of Modesto, California for wastewater membrane modules to replace and upgrade the full plant at the Jennings Road (Modesto) Wastewater Treatment Plant (WWTP).

GE has provided for membrane replacement, new cassette frames and LEAPmbr aeration upgrade in this proposal.

GE is a proven leader in delivering tangible value to our clients over the life of the plant. Our measure of success is how well we deliver solutions that help our clients meet their critical business objectives.

Through long-acquired membrane experience, GE has clearly distinguished itself from other membrane manufacturers. A mature service culture and deep technical expertise are at the ready to serve and support Modesto through this next membrane lifecycle.

2 Scope – GE

2.1 Membrane Modules
Supply 528 x Zeeweed 500D 370ft² wastewater membrane modules.

2.2 Cassette Frames
Supply 12 x 500D 48M Cassette Frames.

2.3 Hardware
Supply associated hardware as follows:
- 50 x spare #118 EPDM permeate spigot o-rings;
- 10 x spare ZW500D element end cap keys;
- 3 x blank module header sets;
- 5 x sets of belts and pulleys for resheaving membrane aeration blowers to achieve reduced LEAPmbr aeration flow requirements (installation by Modesto).
- Eye bolt kit for turning the cassettes upright prior to installation.

2.4 Off-site Support

Controls
Provide system controls programming adjustments as required for the new membranes including adjustment of set points for permeate and air flow.

Documentation
The base level of documentation updates will include a report containing:
GE Water & Process Technologies

- programmer's table of code changes (change description recorded by tag with one distinct marker bit per change)
- field/hand markups of relevant electrical and P&ID drawings.

The report should be filed in the O&M Manual as interim documentation.

Due to the very high cost of comprehensive updating of plant documentation with each system upgrade, GE recommends planning a complete documentation update every 1-4 years to coincide with a selected system upgrade.

GE will be pleased to develop a Documentation Update price quotation on request which may include some or all of the following scope according to its relevance:

- O&M Manual - Provide a fully updated version of the Operation & Maintenance Manual that indicates the changes made with this membrane replacement upgrade.
- P&IDs - Update the Process (Piping) & Instrumentation Drawings and reissue electronically.
- Electrical Drawings - Update the electrical drawings and reissue electronically.
- Controls Documents - Update Control Narrative (CNI), Controls Logic Sequence Chart (CLSC, also known as CSC) and the Operation Sequence Chart (OSC).

Project Management
Provide planning and off-site assistance during the membrane replacement project.

2.5 Warranty
ZeeWeed Membrane Modules are supplied with a 10-year Membrane Replacement Seller’s Warranty (2 Years Full + 8 Years Prorated) against manufacturing defects. For details of the warranty coverage on the membrane modules supplied, please see Section 11.

2.6 Delivery
- Packaging - factory installed into the cassette frames, bagged and crated, ready for ocean shipment.
- DDP - Delivery will be by standard ocean/ground on the basis of DDP Jennings Road (Modesto) WWTP, 7007 Jennings Road, Modesto, CA, USA or other named place of destination; Incoterms 2010. DDP = Delivery Duty Paid. Partial shipments will be acceptable unless otherwise specified. Where delivery cannot be accepted at this destination, Modesto shall specify an alternate, equivalent destination without delay.

Due to varying origins and availability, non-membrane items included in this proposal may be shipped separately from the membranes. Should separate shipments be required, where possible, GE will strive to provide these items on or before the delivery of the membranes.

- Origin - Delivery of ZeeWeed membranes originates from the GE Water & Process Technologies, ZENON Membrane Products (ZEM), Bláthy Ottó u 4, Oroszlány, 2840 Hungary facility.
- Title & Risk - Title and risk of loss or damage to membrane modules, cassette frames and crating shall pass to Modesto upon delivery at the named place of destination.
GE Water & Process Technologies

- **Export Documents** - All ZeeWeed membrane module shipments into the USA require clearance documentation from the EPA. GE will prepare and provide the required EPA documentation to the Carrier.

- **MPF** - Merchandise Processing Fee is a fee assessed for formal custom entries based on 0.35% of the invoice value, with a minimum of USD $25 per formal entry and a maximum of USD $485. On the basis of DDP terms, this fee will be paid by GE within the quoted price.

- **Taxes and Duty** - Any new duty imposed after the date of this proposal is the responsibility of Modesto. All applicable Local, State, or Federal taxes are the responsibility of Modesto.

- **Temperature** - UF membranes cannot be allowed to freeze or overheat and may require temperature-controlled freight and handling according to the season and the planned routing. If required, the price of temperature control will be included within the firm quote on freight by GE.

- **Unloading** - may require one of or a combination of a loading dock, extended forks and an experienced fork lift driver at delivery destination. Please consult with GE at the time of Purchase Order preparation on this.

### Shipping Crate Information (estimated)

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<tr>
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<td>ZWS00D 48M LEAPmbr Cassette with Membranes</td>
<td>L=110 x W=89 x H=83</td>
<td>3,990</td>
</tr>
</tbody>
</table>

- **Availability** - Delivery of membrane modules and cassettes is typically 10 - 20 weeks after receipt of order. Definitive Membrane Module and LEAPmbr upgrade cassette refurbishment kit availability will not be confirmed until a Purchase Order is received from Modesto and acknowledgement of a Purchase Order is issued by GE.

### 2.7 On-Site Technical Advisory Services

The proposal includes a provision for Technical Advisory Services during installation and commissioning process to Modesto’s staff by 2 GE Field Service Representatives on site for 6 working days of 8 hours per day. GE strongly recommends that Modesto consider having at least one experienced person on site during this period.

The following activities would be executed and completed jointly by GE personnel and plant staff:

- Remove existing membranes/cassettes;
- Install new membranes/cassettes;
- Upload required revisions to the PLC program with adjusted set-points;
- Perform bubble test where applicable to test membrane integrity and review Trans Membrane Pressure (TMP) on the installed membranes and compare to expected values for new membranes.

**Operating Responsibility** - Modesto retains control of the work site and retains final responsibility for the installation and commissioning process.
GE will perform the services specified in the scope section of this document, but GE will not operate the system. For the purposes of this agreement, the term “operate the system” shall mean to run or control the functioning of the equipment or to otherwise conduct or manage the affairs of any aspect of water or wastewater treatment or other functions at Modesto’s site, and shall include functions such as providing operators or laborers to adjust or control water treatment (“WT”) equipment, wastewater treatment (“WWT”) equipment or sludge management facilities (“SWF”), providing program oversight or directing on-site or contract operators/laborers to adjust or control WWT or SMF, providing personnel responsible for or providing oversight of water treatment residual quality, wastewater effluent quality, sludge quality, waste characterization, or waste disposal activities, or providing personnel with continual or daily operational responsibilities with respect to water or wastewater treatment, influent or effluent compliance monitoring, process monitoring, government reporting or notification, or permit compliance.

Waiting Time - Any overtime or waiting times required due to unforeseen site events outside the control of GE will be invoiced according to the prevailing GE Service Labor Rates Sheet, available on request.

GE Duties for On Site Services

- GE will coordinate its work under this agreement in a reasonable manner with the operating staff of the facility.
- GE will maintain public liability and property damage insurance covering all operations undertaken by GE and its sub-contractors with a minimum limit of $5,000,000 inclusive for any one accident or occurrence. If for any reason additional insurance coverage (e.g. General Construction/Erection All Risk, General Liability) is required above and beyond GE’s standard insurance terms for on-site commissioning supervision, Modesto must inform GE in writing 60 days prior to work commencement at site. Modesto will be billed for all additional insurance costs and processing fees.
- GE will maintain Workers Compensation and Employers’ Liability coverage as per statutory requirements.

3 Introduction to LEAPmbr Aeration Upgrade

GE Water & Process Technologies is pleased to present this proposal at the request of the City of Modesto, California to upgrade the existing cassettes to LEAPmbr aeration technology at the Jennings Road (Modesto) Wastewater Treatment Plant.

3.1 Features & Advantages

LEAPmbr aeration technology is GE’s innovative technology advancement for wastewater treatment, addressing our customers’ key challenges and providing the low energy and advanced performance solution demanded by the global wastewater treatment and reuse market.
GE Water & Process Technologies

The LEAPmbr aeration technology offers the following advantages:

- Larger air bubble size which increases shear along membrane surface, reducing fouling and thus lengthening cleaning intervals.
- Continuous air flow at significantly lower flow rates.
- Simplified aeration system controls, as air is delivered on a continuous basis, which eliminates the need for high frequency cycling of cyclic aeration valves.
- Energy consumption savings related to reduced membrane blower loads.
- Savings related to the elimination of maintenance costs for high-frequency cyclic aeration valves.

LEAPmbr aeration technology operates at two discrete airflows, LEAP-Lo and LEAP-Hi, based on the plant operating conditions. Under average daily flow (ADF) conditions where most plants operate the majority of the time, the membrane cassettes will operate under the LEAP-Lo airflow condition. Under flow conditions greater than ADF, where the membranes are operated at a higher flux, the airflow rate increases to the LEAP-Hi condition. The modulation between Lo and Hi airflow conditions is automatically managed by the control code through the FCV/VFD for each blower or through the number of blowers in operation.

Additional information regarding GE's LEAPmbr aeration technology can be found in Attachment A.

3.2 Operational Savings

Energy Savings

Upgrading to LEAPmbr aeration will allow the membrane system to operate with lower air flows and corresponding lower plant energy consumption than the current membrane system aeration. With its reduced blower output, LEAPmbr aeration can typically provide a 30% reduction in blower energy use under normal operation and up to a 50% reduction depending on the system configuration when all cassettes have been upgraded. GE has estimated that the power consumption savings will be **106,000 KWH/year for the Modesto WWTP.** This is a preliminary estimation. GE will conduct a detailed analysis of the power requirements during final proposal submission, if necessary.

Cyclic Valve Savings

For new plants, only one air header and one automated valve is required per train. However, to minimize changes to the Modesto plant, existing air headers in the membrane tanks and the cyclic valves will be utilized. If preferred, one of the air headers can be made available for removal and salvage with minor cassette modifications.

Following conversion, there is no further requirement for the high frequency operation of the cyclic valves. The valves will operate as actuated isolation valves and only close when the train is not in production (i.e. OFF, shutdown, cleaning steps or in standby) and the PLC program will be modified to operate the cyclic valves as normal open/closed isolation valves (i.e. - they will no longer cycle during normal operation).
GE Water & Process Technologies

In addition to the reduced valve wear and maintenance, re-purposing of the cyclic valves also eliminates the following potential problems related to cyclic valve failures:

- Train shut downs,
- Higher blower energy consumption,
- Compressor operation, energy consumption and wear and tear,
- The cost and inconvenience of repair and maintenance call-ins, and
- Adverse effects of cyclic valve failures on membranes.

3.3 Implementation

Upgrading to LEAPmbr aeration requires careful planning and implementation. To avoid technical challenges related to converting the plant one train at a time with lengthy intervening delays, GE recommends retrofitting all 4 trains in one stage. The retrofit is expected to take 6 days with 3-4 people working 8-10 hours per day. GE's price includes 2 GE FSR for supervision, replacement of cassettes and operation confirmation and assumes 1-2 staff from Modesto will be available to assist for the full duration of the retrofit. GE strongly recommends that at least one person assisting with the retrofit be proficient at working with PVC pipe, fittings and glue.

During installation, trains or portions of trains will be shut down for extended periods of time which may affect the Jennings Road (Modesto) WWTP water treatment capacity. After the Purchase Order is acknowledged, GE's Project Manager for the installation will consult with Modesto to jointly develop the installation plan and work schedule with due regard for equipment delivery to the plant and plant preparation.

3.4 Blowers

For the purposes of this proposal and based on an initial review, the range of blower turndown capacity has been assumed to be adequate for this upgrade. Further review of the blower capacities with the blower supplier will be required.

Resheaving parts have been included in the price and will be supplied by GE. GE can assist with the mechanical installation of the blower sheaves but any and all electrical adjustments required to meet new air flows will be the responsibility of Modesto or their 3rd party designee. GE will determine the modified air flow requirements for the new plant configuration with LEAPmbr aeration.
4 ZeeWeed Configuration

<table>
<thead>
<tr>
<th>Configuration Data</th>
<th>Existing Plant Configuration</th>
<th>Proposed After Replacement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Trains, Plant</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Number of Trains As Configured</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Total Number of Cassettes Frames per Train</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Number of Fully Populated Cassette Frames per Train</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>(48/48M)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Partially Populated (Flex) Cassette Frames per Train</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total Cassette Frames in the Plant</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Type of ZeeWeed Membrane</td>
<td>500D</td>
<td>500D</td>
</tr>
<tr>
<td>Module Surface Area, ft²</td>
<td>340</td>
<td>370</td>
</tr>
<tr>
<td>Maximum Number of Modules per Cassette</td>
<td>48</td>
<td>48</td>
</tr>
<tr>
<td>Installed Number of Modules per Flex Cassette</td>
<td>46</td>
<td>36</td>
</tr>
<tr>
<td>Total Module Count, Train</td>
<td>142</td>
<td>132</td>
</tr>
<tr>
<td>Total Surface Area in Operation, ft², Train</td>
<td>48,280</td>
<td>48,840</td>
</tr>
<tr>
<td>Total Module Count, Plant</td>
<td>568</td>
<td>528</td>
</tr>
<tr>
<td>Total Surface Area in Operation, ft², Plant</td>
<td>193,120</td>
<td>195,360</td>
</tr>
<tr>
<td>% Surface Area Increase from Existing, Plant</td>
<td>-</td>
<td>1.2%</td>
</tr>
<tr>
<td>% Spare Space Increase Based on Module Count, Plant</td>
<td>-</td>
<td>7.0%</td>
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</table>

5 Price

<table>
<thead>
<tr>
<th>Qty</th>
<th>Item</th>
<th>Part No.</th>
<th>Unit Price</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>528</td>
<td>ZeeWeed Membrane Modules under GMRP Replacement - ZW500D 370 ft² WW</td>
<td>3111047</td>
<td>1,189.72</td>
<td>628,172</td>
</tr>
<tr>
<td>1</td>
<td>10 Year [Z+8] Prorated Membrane Replacement Warranty</td>
<td></td>
<td></td>
<td>8,105</td>
</tr>
<tr>
<td>12</td>
<td>ZeeWeed Cassette Frames - ZW500D: 48 Module LEAP Cassette Std: 316L SS</td>
<td>3134796</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>ZeeWeed Cassette Hardware per Section 2.3</td>
<td></td>
<td></td>
<td>405,185</td>
</tr>
<tr>
<td>1</td>
<td>Off-Site Service Support Hours per Section 2.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Freight &amp; Freight Insurance DDP Plant Site, INCO Terms 2010. Includes Brokerage at Canada US Border - Flat Fee, US EPA Documentation Flat Fee and US MPP Fee -0.3464% - Merchandise Processing Fee</td>
<td>3095534</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>1</td>
<td>On-Site Technical Advisory Support per Section 2.7</td>
<td></td>
<td></td>
<td>22,245</td>
</tr>
<tr>
<td>1</td>
<td>CA State Sales Tax (7.625%)</td>
<td></td>
<td></td>
<td>81,107</td>
</tr>
<tr>
<td></td>
<td>All Figures are in USD. Please make Purchase Order to ZENON Environmental Corporation.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

All Figures in USD. Please make Purchase Order to ZENON Environmental Corporation.

Total: 1,144,814

Please note that values are calculated using rounded values. Minor variances may occur.
Invoicing Schedule

<table>
<thead>
<tr>
<th>Description</th>
<th>% of total invoice</th>
</tr>
</thead>
<tbody>
<tr>
<td>An invoice will be issued upon acceptance by GE of customer Purchase Order.</td>
<td>30%</td>
</tr>
<tr>
<td>Percent calculation based on full scope of the Purchase Order. Shipment of membranes is contingent on receipt of this initial milestone payment.</td>
<td></td>
</tr>
<tr>
<td>An invoice will be issued when membrane module shipping documents are supplied to the Carrier.</td>
<td>60%</td>
</tr>
<tr>
<td>A final invoice will be issued upon completion of installation, or 30 days after delivery if GE is not providing Onsite Technical Installation Support.</td>
<td>10%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

Pricing Notes

Pricing is conditional on the following critical operating assumptions:

- The use of Modesto's on-site crane for 100% of cassette maneuvering requirements including removal, positioning of cassettes and re-installation.
- GE will collaborate with Modesto in advance of the on-site assistance visit to determine the most suitable workspace location to perform the activity. If activity is to be conducted outdoors, Modesto will provide environmental relief and protection to the workers (i.e. shade tents).
- Proper and sufficient drainage exists in the workspace area or elsewhere to accept runoff as each cassette is hosed down prior to and/or during activity.

Each of the operating assumptions listed above are subject to careful review by Modesto to confirm their feasibility.

Contractual Basis for Membrane Replacement Price

The base price of replacement ZW-500D 340ft² membrane modules for this project is $985 US per module.

GE will guarantee this price until May 23, 2020 (conclusion of warranty replacement) subject to adjustment for inflation (PPI All Commodities, Not Seasonally Adjusted according to US Bureau of Labor Statistics) or a maximum equivalent price per gallon of treatment capacity in the event that the module area/permeability etc. changes such that the same amount of feed water can be treated with fewer modules of the next generation design.

GMRP price escalation – calculation of the PPI begins on February 26, 2008 (signed contract agreement date) and will expire on May 23, 2020.

Membrane replacement prices are quoted FOB point of delivery (shipping charges covered by seller). Membrane replacement prices are quoted without taxes.
Adjusted Membranes Replacement Price to AUG 2017

<table>
<thead>
<tr>
<th>Description</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractually Guaranteed Membrane Replacement Price</td>
<td>$985.00</td>
</tr>
<tr>
<td>Initial CPI Value - Feb 2008</td>
<td>169.60</td>
</tr>
<tr>
<td>Forecasted CPI Value - Aug 2017</td>
<td>188.24</td>
</tr>
<tr>
<td>CPI Factor</td>
<td>10.99%</td>
</tr>
<tr>
<td>Surface Area Adjustment Factor (340ft² vs. 370ft²)</td>
<td>8.82%</td>
</tr>
<tr>
<td>Adjusted Membrane Replacement Price for this proposal</td>
<td>$1,189.72</td>
</tr>
</tbody>
</table>

This price is subject to further inflation adjustment through to the date of actual shipment of the replacement modules.

6 Scope - Modesto

6.1 Installation Preparation

- Receive, off-load, handle and provide temperature controlled storage of the equipment and materials required for Seller to perform the duties outlined in the Seller's Scope of Supply.
- Membrane must be stored in a sheltered area, protected from freezing, direct sunlight or extreme heat, and sealed as shipped until ready for use. Storage should be in a dark, dry, level area at a temperature of 5-30°C (41-86°F). Membranes have a shelf life of 1 year before requiring re-preservation and should not be stored longer than necessary prior to installation. Modesto is responsible for risk of loss of Seller's parts while in storage at the customer's plant.
- Inspect, evaluate and make repairs as required for the membrane tanks, mounting brackets, hoses and all connections prior to GE arriving at site.
- Provide all access structures (such as scaffolding) and mechanical lifting equipment including cranes, forklifts and scissor lifts.
- Assure availability of a copy of the Operating Manual, all Process and Instrumentation Drawings, and all Electrical Drawings on site and accessible for reference.
- Maintain adequate insurance coverage for the risks of fire, theft, vandalism, floods and personal injury to authorized or unauthorized visitors.

6.2 Installation

- Provide 1 or more plant personnel to work continuously with the GE Service Representatives during installation and commissioning of the modules for the full duration of the site visit.
- Modesto will afford Seller's personnel free access and egress of the facility for all authorized work. Modesto will provide reasonable access to workshop facilities with standard workshop tools and equipment as is necessary to meet any repair and maintenance requirements of the system during installation.
- Provide adequate illumination and emergency lighting for all areas in which the Seller will be executing the scope of supply. Provide all site utilities such as raw water,
instrument quality air, potable water and power required for operation of the proposed equipment included in this scope of supply. Assure that adequate quantities of membrane cleaning and neutralizing chemicals are on hand for wash procedures including sodium hypochlorite, sodium bisulphite, citric acid and sodium hydroxide. Supply telephone/fax/modem access while Seller's staff members are on-site.

Provide assistance to remove cassettes from the system as required.

Provide assistance to clean (if required) each cassette as it is removed from the system.

Provide assistance to return new cassettes to the system.

Dispose of all retired membrane modules and cassette components.

Dispose of shipping and packaging materials unless specifically requested not to do so by GE.

At the end of the site visit, prior to departure of the GE Service Representative, Modesto will sign a Work Order that describes the hours on site and the Technical Advisory Services provided.

7 Solution Design Notes

7.1 Permits

Regulatory Requirements
Modesto is responsible to review and report to the permit granting agency on the impact of any of the proposed changes on the regulatory permit. GE will provide the necessary manufacturer's technical support on regulatory issues.

Utilization
GE understands that these modules are required as replacements for currently installed modules.

These modules are offered on the basis that the membrane modules will not be used to provide expanded flow beyond the current plant flow rating. GE makes no guarantees, implied or otherwise as to the performance of these modules in any other capacity than as replacement membranes.

Replacing the current ZW500D 340ft² modules with ZW500D 370ft² modules matches the current membrane surface area in each train (48,280ft² vs. 48,840ft²) and leaves additional spare space (10 membrane slots per train) for future module placement that could be used for flux remediation or for plant expansion subject to a review of the limitations of other equipment and hydraulic capacities.

7.2 Maintenance Notes for Replacement Membranes

At the time of any full plant membrane replacement, it is recommended to evaluate the appropriate timing of repairs or replacement of the following ancillary system components:

- Is it the right time to address any tank coating repairs which may be required?
Are any of the aeration or permeate connection hoses, clamps, camlocks, camlock seals and couplings due for replacement?

Preferred Flow

Preferential flows can create a risk of over-fluxing of new modules when they are installed in the same train with older modules. The mixing of old and new modules in the same cassette also makes management of slack adjustment more difficult. GE recommends that Modesto plan membrane module replacement on a complete cassette and complete train basis wherever possible to achieve both optimal performance and best value from the new membrane modules. In this case, by replacing all membrane modules in the plant, this risk has been neutralized.

Membrane Slack

GE's membranes are supplied and shipped with an initial factory fiber slack designed to optimize membrane air scouring during operation as well as accommodate a degree of shrinkage. Membranes shrink in length early in their lifecycle when exposed to higher temperature water. The rate of shrinkage slows with age. With the installation of new membranes, the requirements for slack adjustment start a new cycle.

Due to the wide variety of operating environments in which our products can be utilized, it is difficult to generally predict the rate of shrinkage. If membranes operate in a condition of insufficient slack for an extended period of time, irreversible damage to the fiber-urethane bond may occur. Please refer below to the recommended inspection frequencies based on your plant's membrane tank operating temperature. Visual inspections should begin during the membrane installation and be repeated over time on the same cassette. Digital pictures will allow for comparative analysis of the fiber slack over time.

<table>
<thead>
<tr>
<th>Maximum Operating Temperature</th>
<th>Recommended Slack Inspection Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-24 °C / 32-76 °F</td>
<td>Every 2 years</td>
</tr>
<tr>
<td>25-30 °C / 77-86 °F</td>
<td>Once Per Year</td>
</tr>
<tr>
<td>&gt;30 °C / &gt; 86 °F</td>
<td>Twice Per Year</td>
</tr>
</tbody>
</table>

Bubble Test Pressure

The bubble test pressure for the purchased membranes is 2 psi horizontally and 3 psi vertically.

7.3 Technical

Pacing, Staging

Replacing membranes and upgrading to LEAPmbr aeration requires careful planning of the stages of implementation.

Hoses & Fittings

GE has assumed for this proposal that the current aeration and permeate cassette connections for the ZWS00D cassettes do not need replacing at this time. If this is not so, please advise GE and request that they be added to this proposal.

Production Interruption

During installation of the ZeeWeed cassettes, trains may be shut down for extended periods of time which will affect Modesto treatment capacity. After the Purchase Order is acknowledged, GE's Project Manager for the installation will consult with Modesto to jointly develop the
installation plan and work schedule with due regard for membrane delivery to the plant and plant preparation.

8 Health & Safety

Modesto

- Modesto will identify and inform Seller's personnel of any site specific hazards present in the workplace that could impact the delivery of Seller's scope of supply and agrees to work with Seller to remove, monitor, and control the hazards to a practical level.

- Modesto will provide training to Seller's personnel on all site specific and standard company operating procedures and practices for performing work on site. Such training programs may include, but are not limited to, general Environmental Health & Safety (EHS), HAZOP, fire protection, drug testing, incident notice, site conduct, standard first aid, chemical receiving, electrical safety, etc. Modesto will provide a certificate of training for Seller's personnel. This program will be fully documented, training materials will be provided, and attendance list will be kept.

- If any type of lifting devices will be used on site, Modesto will provide proof of its maintenance, inspection and certification documentation upon request and will assist the GE Service Representative to complete a safety inspection checklist.

- Where confined space entry may be required, Modesto will provide early notice and will collaborate with GE in planning adequate staffing and in advising the local fire/rescue department as required.

- No time or cost provision has been made for preparations such as safety record clearances, drug testing, insurance confirmations or pre-job-training in excess of 1 hour. Prior to finalizing the Purchase Order and the work schedule, Modesto will advise GE of any pre-job or pre-mobilization requirements. Where these requirements exceed 1 hour, this time will be charged to Modesto at rates set out in the prevailing GE Labor Rate Sheet.

- Where certain short duration activities require two people for safety and the GE Service representative is alone at site, Modesto will cooperate as required to assure that correct safety precautions are taken.

- Modesto is responsible for the following environmental provisions:
  - Environmental use and discharge permits for all chemicals at Modesto's facility either listed in this document or proposed for use at a later date;
  - Any special permits required for Seller's or Modesto's employees to perform work related to the water treatment system at the facility;
  - All site testing, including soil, ground and surface water, air emissions, etc.;
  - Disposal of all solid and liquid waste from the Seller's System including waste materials generated during construction, start up and operation.

- Modesto is responsible for provision of health and safety facilities to Seller's Field Service Representatives to the same extent that they are provided to Modesto's own employees, including provision of:
GE Water & Process Technologies

- Eyewash and safety showers in the water treatment area;
- Chemical spill response;
- Security and fire protection systems per local codes;

GE

- All work on site will be performed in accordance with applicable law and will be performed reasonably, in a clean and safe manner. The GE Service Representative will abide by the more stringent of the applicable health, safety and environmental policies and procedures of either Modesto or GE.
- GE will provide all applicable safety training required by GE policies or by state or national health and safety regulations. The GE Service Representative will have undergone Workplace Hazardous Material Information System (WHMIS) training and will come equipped with necessary Personal Protective Equipment (PPE).
- Emergencies - In emergencies affecting the safety of persons, work or property at the site and adjacent thereto, GE will act, without previous instructions from Modesto, as the situation warrants. GE will notify Modesto immediately thereafter.

9 Quality at GE – The Vision

We are driven by a passion for delivering on every commitment. We are dedicated to providing our customers the highest quality offerings with unparalleled customer service and responsiveness. We are committed to working through any problem in an open and honest manner—always with unyielding integrity.

Quality Policy

At GE Water, we are committed to:

- Passionately driving customer satisfaction and loyalty by partnering with customers to help achieve their success.
- Delivering results with a sustained global compliance culture.
- Continually improving everything we do.
- Empowering our employees to engage and own Quality.

We will accomplish this by building on our strong foundation of Quality and raising the bar to the next level of success. By operationalizing Quality and engaging everyone on our team, we will create a culture where our customers, suppliers and employees feel the difference.
10 Terms and Conditions of Sale

A - Specific Terms and Conditions of Sale

1 Legal Entity for Contracting

ZENON Environmental Corporation is the name of the legal entity providing services and is an affiliate of GE Water & Process Technologies. Purchase Orders and Checks should be made out using the name ZENON Environmental Corporation.

Please advise us if this GE entity is not set up in your purchasing system as a vendor and you do have another GE entity set up. We are keen to make the purchase process as convenient as possible for Modesto.

Short Form: Where a short reference is required in this document, for convenience, we are called simply GE.

2 Payment Terms

On approved credit, payment terms are Net 30 Days from customer receipt of invoice. Please see the Invoicing Schedule in Section 5, Price.

3 Proposal Validity

Prices quoted and proposal terms are valid up to thirty (30) days after the date of issue of this proposal unless confirmed with a Purchase Order.

4 Bonds

Performance or Payment Bonds are not included in the price. These bonds can be purchased on request but will be at an additional cost.

5 Flight Booking

Prices quoted for installation which include airfare are either based on timely confirmation of a visit schedule or based on receipt of a Purchase Order in time to book any flights seven days in advance. Additional airfare charges related to late arrival of a Purchase Order will be extra and billed through to Modesto without mark-up.

6 Warranty on Programming

GE warrants that the PLC program will conform to the specifications in the relevant sections of the CLSC and OSC (revised for the project) and will be free from defects in workmanship when operated at all times in accordance with GE's written instructions. If any defects are found and reported by Modesto within a period not exceeding twelve (12) months beyond the completion of the site acceptance test, GE will make modifications to the PLC code as deemed necessary. Any changes requested by Modesto after this period will be at the customer's expense.

7 Purchase Order Guidelines

Please ensure that your Purchase Order has covered the following points. This will ensure accurate and prompt order entry, product delivery, invoicing and accounts receivables processing and will prevent administrative delays for all parties.

- Legal Entity - Please be sure your Purchase Order is issued in the name of the specific GE legal entity issuing this proposal cited above. We will be glad to work with your Purchasing department to set this entity up as an approved Supplier/Vendor. Please advise us if this GE entity is not set up in your purchasing system as a vendor and you do have another GE entity set up.

- Hard Copy - Our strong preference is to receive a hard copy of your Purchase Order rather than a PO number alone.

- Proposal Number and Date - Please reference the 6 digit Proposal Number and the Proposal Date which are found in the footer of each page.

- Price - State the total price you are accepting for this order.

- Taxes - Provide any required tax exemption certificates.

- Ship-To Address - Please clearly define the plant site address or delivery location and the Receiver's email & telephone. Please specify receiving hours and any special off-loading requirements.
B – General Terms and Conditions of Sale

**Note to Purchasing Agent:** The following are GE’s standard set of commercial terms & conditions, written for moderate value transactions to allow an efficient and rapid provision of services and ports. Where Master Corporate Agreement Terms or previously negotiated Terms have been agreed with GE these may be brought forward by either party and applied by mutual consent. If one or the other of these 2 Terms sets is not immediately acceptable to Modesto, please anticipate a typical 6-10 week cycle of mutual review to build agreement on changes.

1. **Exclusive Terms and Conditions.** Together with any other terms the Parties agree to in writing, these General Terms and Conditions – together with the last proposal in order of time issued by the Seller – form the exclusive terms ("Agreement") whereby Buyer agrees to purchase, and Seller agrees to sell products and equipment (jointly "Equipment") and to provide advice, instruction and other services in connection with the sale of that Equipment ("Services"). If Buyer sends to Seller other terms and conditions to which Seller may not respond, including but not limited to those contained in Buyer’s purchase order, such shall not apply. This Agreement may only be revised by a change order approved in writing by both Parties. All terms not defined herein shall be defined in Seller’s proposal.

2. **Equipment and Services.** The Equipment to be delivered and the Services to be provided shall be as set out in this Agreement. Unloading, handling, storage, installation, and operation of Buyer’s systems or the Equipment are the responsibility of Buyer. Buyer shall not require or permit Seller’s personnel to operate Buyer’s systems or the Equipment at Buyer’s site.

3. **Prices and Payment.** Buyer shall pay Seller for the Equipment and Services in accordance with the payment schedule (as set forth in Seller’s proposal or, if applicable, in any special conditions agreed to in writing by the Parties). Unless otherwise specified in writing, payment is due net thirty (30) days from the date of Seller’s invoice. Seller may require a Letter of Credit or other payment guarantee, in which case the stated amount of the guarantee will be adjusted by Buyer in the event of any currency-based adjustment to prices or payment amounts per the Payment Schedule, and Buyer shall deliver the adjusted guarantee within five (5) days of request by Seller. Buyer agrees to reimburse Seller for collection costs, including 2% (two percent) interest per month (not to exceed the maximum amount permitted by applicable law), should Buyer fail to timely pay. Buyer shall have no rights to make any deduction, retention, withholding or setoff relating to any payments due under this Agreement.

4. **Taxes and Duties.** Seller shall be responsible for all corporate taxes measured by net income due to performance of or payment for work under this Agreement ("Seller Taxes"). Buyer shall be responsible for all taxes, duties, fees, or other charges of any nature (including, but not limited to, consumption, gross receipts, import, property, sales, stamp, turnover, use, or value-added taxes, and all items of withholding, deficiency, penalty, addition to tax, interest, or assessment related thereto, imposed by any governmental authority on Buyer or Seller or its subcontractors) in relation to the Agreement or the performance of or payment for work under the Agreement other than Seller Taxes ("Buyer Taxes"). The Agreement prices do not include the amount of any Buyer Taxes. If Buyer deducts or withholds Buyer Taxes, Buyer shall pay additional amounts so that Seller receives the full Agreement price without reduction for Buyer Taxes. Buyer shall provide Seller, within one month of payment, official receipts from the applicable governmental authority for deducted or withheld taxes. Buyer shall furnish Seller with evidence of tax exemption acceptable to taxing authorities if applicable, prior to execution of the Agreement by both Parties or issuance by the Seller of the order acceptance. Buyer’s failure to provide evidence of exemption at time of order will relieve Seller of any obligation to refund taxes paid by Seller.

5. **Delivery, Title, Risk of Loss.** Unless otherwise specified in this Agreement, Seller shall deliver all Equipment to Buyer FCA (Incoterms 2010) Seller’s facility. The time for delivery of the Equipment to Buyer shall be specified in this Agreement. Seller’s sole liability for any delay in delivery of the Equipment shall be as expressly set out in this Agreement. The place of delivery specified herein shall be firm and fixed, provided that Buyer may notify Seller no later than forty-five (45) days prior to the scheduled shipment date of the Equipment of an alternate point of delivery, Buyer shall compensate Seller for any additional cost in implementing the change. If any part of the Equipment cannot be delivered when ready due to any cause not attributable to Buyer, Seller shall designate a climate-controlled storage location, and Seller shall ship such Equipment to storage. Title and risk of loss shall thereupon pass to Buyer, and amounts payable to Seller upon delivery or shipment shall be paid by Buyer along with...
expenses incurred by Seller. Services provided herein shall be charged at the rate prevailing at the time of actual use and Buyer shall pay any increase, and Buyer shall pay directly all costs for storage and subsequent transportation. Failure by Buyer to take delivery of the Equipment shall be a material breach of this Agreement.

Title and risk of loss to the Equipment shall be transferred from Seller to Buyer at the point of delivery upon handover in accordance with this Agreement. Title and risk of loss to the Services shall pass as they are performed.

6. Warranties and Remedies. Seller warrants that Equipment shall be delivered free from defects in material, workmanship and title and that Services shall be performed in a competent, diligent manner in accordance with any mutually agreed specifications. Seller’s warranty does not cover the results of improper handling, storage, installation, commissioning, operation or maintenance of the Equipment by Buyer or third parties, repairs or alterations made by Buyer without Seller’s written consent, influent water which does not comply with agreed parameters, or fair wear and tear.

Unless otherwise expressly provided in this Agreement, the foregoing warranties are valid for:

a. chemicals and Services, for six (6) months from their date of delivery or the provision of Services;
b. consumables, including filters and membranes (other than membranes for process treatment), twelve (12) months from their date of delivery;
c. membranes for process treatment, ninety (90) days from their date of delivery;
d. Equipment other than chemicals and consumables, the earlier of, fifteen (15) months from delivery or shipment to storage, or twelve (12) months from start-up/first use;
e. software, ninety (90) days from the date of receipt;
f. Equipment not manufactured by Seller, the warranty shall be the manufacturer’s transferable warranty only;

Any claim for breach of these warranties must be promptly notified in writing, and Buyer shall make the defective item available to the Seller, or the claim will be void. Seller’s sole responsibility and Buyer’s exclusive remedy arising out of or relating to the Equipment or Services or any breach of these warranties is limited to repair at Seller’s facility or at Seller’s option replace at Seller’s facility the defective item of Equipment, and re-perform defective Services. In performance of its obligations hereunder, Seller will not control the actual operation of either Buyer’s systems or the Equipment at the Buyer’s site.

Warranty repair, replacement or re-performance by Seller shall not extend or renew the applicable warranty period.

The warranties and remedies are conditioned upon (a) proper unloading, handling, storage, installation, use, operation, and maintenance of the Equipment and Buyer’s facility and all related system in accordance with Seller’s instructions and, in the absence, generally accepted industry practice, (b) Buyer keeping accurate and complete records of operation and maintenance during the warranty period and providing Seller access to those records, and (c) modification or repair of Equipment or Services only as authorized by Seller in writing. Failure to meet any such conditions renders the warranty null and void.

The Buyer will be entitled to assign to a subsequent owner of the Equipment the warranties of the Seller under this Agreement, provided that a prior written notification is sent to the Seller and the assignment agreement contains terms and conditions which provide the Seller with the protections of the warranties and limitations on liability contained in the Agreement. Subject to Buyer’s compliance with the foregoing requirement, such warranty rights are expressly assignable by the Buyer to a subsequent owner of the Equipment. Except as provided herein, Buyer is not entitled to extend or transfer this warranty to any other party. The warranties and remedies set forth in this article are in lieu of and exclude all other warranties and remedies, statutory, express or implied, including any warranty of merchantability or of fitness for a particular purpose.

Unless otherwise expressly stipulated in this Agreement, Seller gives no warranty or guarantee as to process results or performance of the Equipment, including but not limited to product quality, flow, production, capacity, membrane life, chemical consumption, regulatory compliance or energy consumption.

7. General Indemnity. Seller shall indemnify and hold harmless Buyer from claims for physical damage to third party property or injury to persons, including death, to the extent caused by the negligence of Seller or its officers, agents, employees, and/or assigns while engaged in activities under this Agreement. Buyer shall likewise indemnify and hold harmless Seller from claims for physical damage to third party property or injury to persons, including death, to the extent caused by the negligence of the Buyer, its officers, agents, employees, and/or assigns. In the event such
12. Emergencies. If the safety of Seller's personnel is threatened or likely to be threatened by circumstances outside the reasonable control of Seller, including but not limited to war, armed conflict, civil unrest, riots, terrorism, kidnapping, presence of or exposure to hazardous materials, unsafe working conditions, or by the threat of such circumstances or a lack of adequate protections against such circumstances, Seller shall be entitled to take all necessary steps to ensure the security and safety of its personnel including the evacuation of personnel until such
circumstances no longer apply. Any such occurrence shall be considered an excusable delay event. Buyer shall reasonably assist in the event of any such evacuation.

13. **Confidentiality, Intellectual Property.** Both Parties agree to keep confidential the other Party's proprietary non-public information, if any, which may be acquired in connection with this Agreement. Buyer will not, without Seller's advance written consent, subject Equipment to testing, analysis, or any type of reverse engineering. Seller retains all intellectual property rights including copyright which it has in all drawings and data or other deliverables (including the Equipment) supplied or developed under this Agreement. Buyer agrees that it will not file patent applications on the Equipment or any development or enhancement of the Equipment, or of processes and methods of using the Equipment, without Seller's express prior written permission. Buyer further agrees that in any event any such patents will not be asserted against Seller or its other buyers based upon purchase and use of such Equipment. Seller grants to Buyer a non-exclusive, non-terminable, royalty free license to use the intellectual property embodied in Equipment delivered to and paid for by the Buyer, as well as any drawings, design or data delivered to and paid for by the Buyer, for the purposes of owning, financing, using, operating and maintaining the relevant Equipment at Buyer's site. Such license may only be assigned to a subsequent owner of the Equipment or to any operations and maintenance subcontractor. Such license does not extend to the re-creation of the Equipment or the manufacture of spares or consumables by Buyer or third parties.

Any software Seller owns and provides pursuant to this Agreement shall remain Seller's property. Seller provides to Buyer a limited, non-exclusive and terminable royalty free project-specific license to such software for the use, operation or maintenance at Buyer's site of any Equipment purchased hereunder to which the software is a necessary component. Buyer agrees not to copy, sub-license, translate, transfer, reverse engineer, or decode the software.

Seller shall indemnify and hold harmless Buyer from any rightful claim of any third party that any Equipment or Service infringe a patent in effect in the USA, or country of delivery (provided there is a corresponding patent issued by the USA), or USA copyright or copyright registered in the country of delivery. If the Buyer notifies the Seller promptly of the receipt of any such claim, does not take any position adverse to the Seller regarding such claim and gives the Seller information, assistance and exclusive authority to settle and defend the claim, the Seller shall, at its own expense and choice, either (i) settle or defend the claim and pay all damages and costs awarded in it against the Buyer, or (ii) procure for the Buyer the right to continue using the Equipment or Service, or (iii) modify or replace the Equipment or Service so that it becomes non-infringing, or (iv) remove the infringing Equipment and refund the price. The above paragraph shall not apply to any misuse of Equipment or Equipment which is manufactured to the Buyer's design, or to alleged infringement arising from the combination, operation, or use of any Equipment or Services with other equipment or services when such combination is part of any allegedly infringing subject matter. The foregoing list of sub-sections (i), (ii), (iii), and (iv) and related terms state the entire liability of the Seller for intellectual property infringement by any Equipment or Service.

14. **Limitations on Liability.** Notwithstanding anything else contained in this Agreement, to the maximum extent permitted by law, and regardless of whether a claim is based in contract (including warranty or indemnity), extra-contractual liability, tort (including negligence or strict liability), statute, equity or any other legal theory:

a. **THE TOTAL LIABILITY OF THE SELLER AND OF ITS INSURER FOR ALL CLAIMS ARISING OUT OF OR RELATING TO THE PERFORMANCE OR BREACH OF THIS AGREEMENT OR USE OF ANY EQUIPMENT OR SERVICES SHALL NOT EXCEED THE TOTAL PRICE PAID BY BUYER UNDER THIS AGREEMENT OR (IN THE CASE OF AN AGREEMENT FOR SERVICES WITH A TERM OF MORE THAN ONE YEAR) THE ANNUAL PRICE PAYABLE BY BUYER UNDER THIS AGREEMENT;**

b. **IN NO EVENT SHALL SELLER BE LIABLE FOR ANY LOSS OF PROFIT OR REVENUES, LOSS OF PRODUCTION, LOSS OF USE OF EQUIPMENT OR SERVICES OR ANY ASSOCIATED EQUIPMENT, INTERRUPTION OF BUSINESS, COST OF CAPITAL, COST OF REPLACEMENT WATER OR POWER, DOWNTIME COSTS, INCREASED OPERATING COSTS, CLAIMS OF BUYER'S CUSTOMERS FOR SUCH DAMAGES, OR FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, INDIRECT, PUNITIVE OR EXEMPLARY DAMAGES;**

c. **SELLER'S LIABILITY SHALL END UPON EXPIRATION OF THE APPLICABLE WARRANTY PERIOD, PROVIDED THAT BUYER MAY CONTINUE TO ENFORCE A CLAIM FOR WHICH IT HAS GIVEN NOTICE PRIOR TO THAT DATE BY COMMENCING AN ACTION OR ARBITRATION, AS APPLICABLE UNDER THIS AGREEMENT, BEFORE EXPIRATION OF ANY STATUTE OF LIMITATIONS OR OTHER LEGAL TIME LIMITATION BUT IN NO EVENT — TO THE EXTENT PERMITTED BY APPLICABLE LAW — LATER THAN FIVE (5) MONTHS AFTER EXPIRATION OF SUCH WARRANTY PERIOD.**
GE
Water & Process Technologies

For the purposes of this article, "Seller" shall mean Seller, its affiliates, subcontractors and suppliers of any tier, and their respective agents and employees, individually or collectively. If Buyer is supplying Seller's Equipment or Services to a third party, Buyer shall require the third party to agree to be bound by this article. If Buyer does not obtain this agreement for Seller's benefit for any reason, Buyer shall indemnify and hold Seller harmless from all liability arising out of claims made by the third party in excess of the limitations and exclusion of this article.

15. Termination. This Agreement and any performance pursuant to it may be terminated by either Party, and the consequences of such termination shall be as set out in the next paragraph, if the other Party

a. becomes insolvent, makes an assignment for the benefit of its creditors, has a receiver or trustee appointed for the benefit of its creditors, or files for protection from creditors under any bankruptcy or insolvency laws; or

b. fails to make any payment when due or to establish any payment security required by this Agreement, or commits a material breach or defaults in its material obligations under this Agreement, and such default is not cured within thirty (30) days of written notice from the other Party.

Upon the termination of this Agreement by Buyer for cause (i) Seller shall reimburse Buyer the difference between that portion of the Agreement price allocable to the terminated scope and the actual amounts reasonably incurred by Buyer to complete that scope, and (ii) Buyer shall pay to Seller (a) the portion of the Agreement price allocable to Equipment completed, and (b) amounts for Services performed before the effective date of termination. Upon the termination of this Agreement by Seller for cause Buyer shall pay to Seller within thirty (30) days of receipt of invoice the price of all Equipment or Services delivered at the date of termination, plus an amount equal to all costs and expenses incurred in the engineering, sourcing, financing, procurement, manufacture, storage and transportation of the Equipment including materials, work in progress and any cancellation charges assessed against Seller by Seller's suppliers including reasonable overhead and profit on all such costs and expenses. Alternatively, if any schedule of termination payments has been agreed between the Parties, Buyer shall pay to Seller within thirty (30) days of receipt of invoice the amounts set out in that schedule.

Seller shall have the right to suspend performance upon written notice to Buyer in any case where Seller would have the right to terminate the Agreement under this article, without prejudice to Seller's right to terminate this Agreement for cause. Any cost incurred by Seller in accordance with any such suspension (including storage costs) shall be payable by Buyer upon submission of the Seller's invoice(s). Performance of the Seller's obligations shall be extended for a period of time reasonably necessary to overcome the effects of such suspension.

16. Governing Law, Dispute Resolution. This Agreement shall be governed by the substantive laws of the State of California. In the event of a dispute concerning this Agreement, the complaining Party shall notify the other Party in writing thereof. Management level representatives of both Parties shall meet at an agreed location to attempt to resolve the dispute in good faith. Should the dispute not be resolved within thirty (30) days after such notice, the complaining Party shall seek remedies exclusively through arbitration. The seat of arbitration shall be the federal district court closest to the Buyer and the rules of the arbitration will be the Commercial Arbitration Rules of the American Arbitration Association, which are incorporated by reference into this article.

Notwithstanding the foregoing, each Party shall have the right to commence an action or proceeding in a court of competent jurisdiction, subject to the terms of this Agreement, in order to seek and obtain a restraining order or injunction to enforce the confidentiality intellectual property provisions set forth in the first two paragraphs of article 13; nuclear use restrictions set forth in article 17, or to seek interim or conservatory measures not involving monetary damages.

17. No Nuclear Use. Equipment and Services sold by Seller are not intended for use in connection with any nuclear facility or activity, the Buyer warrants that it shall not use or permit others to use the Equipment or Services for such purposes, without the advance written consent of Seller. If, in breach of this, any such use occurs, Seller (and its parent, affiliates, suppliers and subcontractors) disclaims all liability for any nuclear or other damage, injury or contamination, and, in addition to any other rights of Seller, Buyer shall indemnify and hold Seller (and its parent, affiliates, suppliers and subcontractors) harmless against all such liability.

18. Export Control. Seller's obligations are conditioned upon Buyer's compliance with all USA and other applicable trade control laws and regulations. Buyer shall not trans-ship, re-export, divert or direct Equipment (including software and technical data) other than in and to the ultimate country of destination declared by Buyer and specified as the country of ultimate destination on Seller's invoice.
19. **Changes.** Each Party may at any time propose changes in the schedule or scope of Equipment or Services. All changes to the Equipment or Services shall be subject to mutual agreement via a written change order or variation, which shall only become effective once signed by both Parties. The scope, Agreement price, schedule, and other provisions will be equitably adjusted to reflect additional costs or obligations incurred by Seller resulting from a change, after Seller's proposal date, in Buyer's site-specific requirements or procedures, or in industry specifications, codes, standards, applicable laws or regulations. It shall be acceptable and not considered a change if Seller delivers Equipment (including Equipment replacement under warranty) that bears a different, superseding or new part or version number compared to the part or version number listed in the Agreement, provided that in no circumstance shall this affect any other of Seller's obligations including those set forth in article 6.

20. **Conflicts; Survival, Assignment.** If there is any conflict between this Agreement and any written proposal or quotation provided by Seller, then the terms and conditions set forth in this Agreement shall prevail. If any term or condition of this Agreement or any accompanying terms and conditions are held invalid or illegal, then such terms and conditions shall be reformed to be made legal or valid, or deleted, but the remaining terms and conditions shall remain in full force and effect, and this Agreement shall be interpreted and implemented in a manner which best fulfills Parties' intended agreement. Those provisions which by their nature remain applicable after termination shall survive the termination of this Agreement for any reason. Seller may assign or novate its rights and obligations under the Agreement, in whole or in part, to any of its affiliates or may assign any of its accounts receivable under this Agreement to any party without Buyer's consent, and the Buyer hereby agrees, by signing this Agreement, to such assignment and to execute any document that may be necessary to complete Seller's assignment or novation. This Agreement shall not otherwise be assigned by either Party without the other Party's prior written consent, and any assignment without such consent shall be void.

Seller may (i) manufacture and source the Equipment and any part thereof globally in the country or countries of its choosing; and (ii) may subcontract portions of the Services, so long as Seller remains responsible for such.

21. **No Third Party Beneficiary.** Except as specifically set forth in the article entitled "Limitations on Liability" and "No Nuclear Use", this Agreement is not intended to, and does not, give to any person who is not a party to this Agreement any rights to enforce any provisions contained in this Agreement.

22. **Entire Agreement.** This Agreement embodies the entire agreement between Buyer and Seller and supersedes any previous documents, correspondence or agreements between them. No modification, amendment, revision, waiver, or other change shall be binding on either Party unless agreed in writing by the Party's authorized representative. Any oral or written representation, warranty, course of dealing, or trade usage not specified herein shall not be binding on either Party. Each Party agrees that it has not relied on, or been induced by, any representations of the other Party not contained in this Agreement.

Global: NY Law 2013_06
11 Seller’s Warranty - ZeeWeed Membrane Module

10 Year (2+8) Prorated Replacement – Modesto

This schedule sets out the warranty with respect to ZeeWeed Membrane Modules ("Membrane Modules"). No other warranties, expressed or implied are made in connection with the sale of these products, including, without limitation, warranties as to fitness for any particular purpose or use or merchantability of these products. The warranty provided herein will be the exclusive and sole remedy of Buyer, and in no event will the Seller be liable for any special, direct, indirect or consequential damages, including, without limitation, loss of profits. This warranty is not transferable.

1 Product

This warranty applies to only the Membrane Modules supplied under the Contract of Sale. Membrane Module means the fibers and the potted plastic headers. This warranty does not cover air piping to the Membrane Module, permeate piping from the Membrane Module, piping connection fittings, connecting hardware and cassette frames with their associated components including but not limited to spacers, aerator tubes, aerator assemblies, screen, module dummies or module blanks.

Identification: Membrane Modules are shipped by the Seller with a serial number identification which confirms their place in the cohort set of Membrane Modules covered by this Membrane Module warranty.

2 Seller

ZENON Environmental Corporation is the name of the Seller and is the Seller offering this warranty. The Seller may assign this warranty to other GE affiliates.

3 Buyer

Buyer means City of Modesto, California.

4 Project

Project means the 52B membrane modules sold under this proposal number 186238-2.

5 Contract of Sale

Contract of Sale means the sales contract governing the sale of Membrane Module(s) for the Project between Buyer and the Seller or its GE affiliate.

6 Scope of Warranty

The Seller warrants that its Membrane Module(s) will be free of defects due to faulty materials or errors in manufacturing workmanship.

All replacement Membrane Modules will be shipped on the basis of INCOTERMS 2010 FCA GE Manufacturing facility.

All ancillary costs including but not limited to bagging, boxing, crating, freight, freight insurance, applicable taxes, import duties, certifications, brokerage, receiving, forklift services, storage at site, re-attachment hardware, hose/clamp/camlock replacement, crane services, installation, fiber repair materials, glycerin flushing, commissioning and waste disposal are the responsibility of Buyer.

Full Replacement – Full Replacement means that in the case of a valid warranty claim for a Membrane Module failure, Buyer receives a replacement Membrane Module and does not pay for the value of use of the Membrane Module prior to failure.

Prorated Replacement – Prorated Replacement means Buyer pays for actual use of a membrane module from which Buyer has derived value over time. Prorated Replacement allows the Seller to pay reasonable compensation under warranty for any product use not enjoyed by Buyer due to premature failure.

The ratio of Full Replacement to Prorated Replacement in this Warranty is set out in Item 8 of Section 11.
7 Warranty Start Date
For the original membrane modules in a plant, this membrane warranty will start on the earlier of:
   a. The date that installation of the original Membrane Module(s) has been substantially completed, or
   b. Six months from the date of shipment of the original Membrane Module(s) to Buyer.
For replacement or expansion membranes, this membrane warranty will start on the earlier of:
   a. The date of installation, or
   b. 1 month from the date of delivery to site.

8 Warranty Duration
Total Warranty Duration: a total of 120 months composed of a Base Period and an Extended Period.
Base Period with Full Replacement: 24 months
All purchasers of ZeeWeed Membrane Modules are entitled to this Base Period of Full Replacement warranty coverage without purchasing an extended Seller’s Warranty.
Extended Period with Prorated Replacement: a total of 96 months following the Base Period
Replacement Membrane Modules are covered by warranty only to the extent of the warranty of the original Membrane Module which has been replaced. At all events, this warranty shall expire and be of no force or effect 120 months following the Warranty Start Date.

9 Notification of Claim
All claims filed under this warranty shall be made in writing by Buyer within 30 days of identifying a defect.
Buyer shall provide the following information:
   a. A description of the defect giving rise to the claim;
   b. Photographs showing the manufacturing defect;
   c. The serial number(s) of the Membrane Module(s) which is (are) the subject of the warranty claim; and
   d. Operating data and repair history for the life of Membrane Modules which are the subject of a warranty claim.

10 Verification of Claim
After receipt of written notification of a defect, the Seller will promptly undertake such investigations as, in the Seller’s opinion, are necessary to verify whether a defect exists. The Seller reserves the right to require additional data as necessary to validate claims. Buyer may, in the course of these investigations, be requested to return Membrane Module(s) to the Seller for examination. The Seller may also conduct reasonable tests and inspections at Buyer’s plant or premises. If the results of the investigation do not validate the defect claimed, Buyer will reimburse the Seller for all reasonable expenses associated with said investigation, including expenses for all tests, inspections, and associated travel.

11 Satisfaction of Claims
The Seller will have the right to satisfy claims under this warranty in a flexible manner. Such flexibility may include the repair of existing Membrane Modules or changes in operating protocols or Membrane Module replacement or by upgrading failed Membrane Modules with newer Membrane Module(s) that may embody design and efficiency improvements. Buyer consents to the supply of replacement Membrane Modules which may be of a different design than original Membrane Modules.

12 Membrane Module Replacement Price – Prorated Replacement
The base Membrane Module Replacement Price (MMRP) used to calculate the prorated amount to be paid by the Buyer to replace defective Membrane Modules under warranty shall be US$1,200.00 + adjustment for inflation. The inflation adjustment will be calculated according to changes in the Producer Price Index, All Commodities, Not Seasonally Adjusted (Series Id: WPU0000000), as published by the US Bureau of Labor Statistics, for the period from September 6, 2017 through to the latest available PPI Index report.
For Membrane Modules supplied under valid warranty claims, the prorated share that the Buyer will pay is calculated as follows:
Note - This Membrane Module Replacement Price (MMRP) is not applicable for Membrane Modules requested for purchase by Buyer for any non-warranty or other purposes, including but not limited to flux reduction, or plant hydraulic capacity increases. Modules purchased under these or other scenario's will be sold to Buyer by Seller at the list price in effect at the time of order.

13 Operating Information

To maintain the Membrane Module warranty, membrane system operation records from initial start-up date until claim must be maintained by Buyer and made available to the Seller upon request. Records must be provided in sufficient detail to verify uninterrupted compliance with the Seller's Operations and Maintenance Manual prepared by the Seller and supplied to Buyer as part of the Contract. At a minimum, operation data must include information on feed water quality, temperatures, flows, trans-membrane pressures, aeration rates, permeate quality, cleaning intervals, cleaning chemical concentrations, elapsed time since start-up, relevant analytical data and reporting of any screen bypass events.

Buyer shall maintain and share access to a single reference copy in electronic form of a Membrane Module map containing the history of activity by Membrane Module. Buyer shall log its procedures performed related to a Membrane Module including relocation of Membrane Modules, repairs, replacements and any other noteworthy events.

Buyer authorizes the Seller to conduct any reasonable review of operation and maintenance records or to inspect facilities where Membrane Modules are installed, upon reasonable notice to Buyer. Such reviews and/or inspections are intended to also assist the Seller and Buyer in detection of membrane system faults and to optimize the care and operation of the Membrane Modules.

14 Limitation of Warranties

Occurrence of any of the following as reasonably determined by the Seller will void this warranty:

a. A material failure to operate the membrane system in accordance with Seller's Operations and Maintenance Manual supplied to Buyer as part of the Contract, including material failure to adhere to the Seller's specified Membrane Module cleaning procedures and the use of anything other than Seller-approved Membrane Module cleaning agents.

b. Failure to adhere to the preventive maintenance program as presented in the Seller's Operations and Maintenance Manual, in published product manuals and in specifications.

c. Failure to adhere to all transportation and module storage recommendations outlined by Seller.

d. Failure to ensure correct operation and/or functioning of the screening equipment.

e. Introduction of destructive foreign materials into the Membrane Module tanks. Destructive foreign materials may include natural or human-made materials that are introduced into the membrane system influent channel or tanks originating from construction and maintenance activities or from inadequate pretreatment or from aquatic species including clams and snails or from damage to the tank or tank coating. Buyer shall be responsible to maintain correct function of the screen mechanism, to flush accumulated grit from the tank bottom and to flush accumulated foreign materials from the membrane modules.

f. Failure to install and maintain operating data acquisition and electronic data transmission functions at the plant.

g. Physical abuse or misuse, incorrect removal or installation of Membrane Modules by non-Seller personnel including fiber damage caused by operator error in handling of Membrane Modules or cassettes.

h. Unauthorized alteration of any components or parts originally supplied by the Seller.

i. Intentional damage.
15 Return Procedure

In the event that the return of a Membrane Module is required pursuant to this warranty, Buyer will first obtain a Return Goods Authorization (RGA) number from the Seller. Membrane Module(s) shipped to the Seller for warranty examination must be shipped freight prepaid. If Buyer desires temporary replacement Membrane Module(s) to replace those alleged to be defective and returned to the Seller for warranty examination, Buyer shall be responsible for the cost associated with any such replacements until examination of the returned Membrane Modules pursuant to this warranty is complete. Any Membrane Module examined by Seller as part of a warranty claim where the Membrane Module is subsequently found to be performing as warranted or where a Membrane Module failure is not covered under the warranty will be returned to Buyer, freight collect.
12 Signed Agreement

Through the issue of this proposal, GE signals their intent to enter into an Agreement with Modesto. Modesto and GE acknowledge that they have read and understood this Agreement and agree to be bound by the terms and conditions specified in it.

Offered by Legal Entity: ZENON Environmental Corporation, also known as GE or Seller

Accepted by Legal Entity: City of Modesto, California also known as Modesto or Buyer

Authorized Signature By:

Title: ________________________________

Signature: ______________________________

Date: ________________________________

Signature: ______________________________

Purchase Order No: ______________________________

Upon acceptance of this proposal, please forward the following either

• by email with .pdf attachments or • by postal mail or • by fax,

1) this signature page completed to:

2) a hard copy of your purchase order, and

3) any required tax exemption certificates

This agreement comes into force when GE has issued a formal acceptance of Modesto’s Purchase order or formal acceptance of this Modesto signed agreement.

Service.pocentral@ge.com
or
GE Water & Process Technologies
Attention: Contracts Administrator
Please contact Service.pocentral@ge.com for correct address
or
Fax No.: 905 469 2243

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EXHIBIT A
Taking ZeeWeed MBR technology to the next level.
Upgrade your existing ZeeWeed 500d MBR system to LEAPmbr and take advantage of this state of the art technology.
LEAPmbr

What is LEAPmbr?

Our new level of ZeeWeed MBR technology leverages over 20 years of proven MBR experience. GE’s LEAPmbr delivers the most advanced ZeeWeed MBR solution to date to address our customer’s challenges of productivity, footprint, simplicity, reliability and energy savings. At its core, LEAPmbr uses the industry’s most trusted brand, the ZeeWeed S03 membrane, while incorporating significant innovations that take MBR to the next level.

- Increased Productivity: increase your productivity 30% with our world-class S034 membrane.
- Space-Saving Design: Now better use of space with a unique design that guarantees free access above the membrane.
- Simplified Design: Clarity your design by selecting membrane, biofilm, and control and sequencing in a single value resulting in simplified maintenance.
- Lower Capital Cost: Reduce your operating costs with a 20% energy savings.
- Complete Guidance: A new guide on what you need to know about the MBR market.

Contact:
3776 Dundas Street West
Oakville, ON, L6K 4B2 Canada
Tel. 416 996 4500

Shipment Address:
4634 Serramonte Road
Torrance, CA 90503, USA

* Statement of General Electric Company may be registered in one or more countries. The information herein is subject to change without notice and a price list for general guidance only. The data, charts and graphs are intended to be illustrative, not a guarantee of performance. The data, charts and graphs are intended for example purposes and not to state or imply that the equipment is suitable for use in connection with any document or product. GE and its affiliates are not responsible for the accuracy of the information herein. September 7, 2017

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Modesto – Membrane Replacement & Upgrade – 186238-2

EXHIBIT A
ZeeWeed® LEAP Cassettes

**Cassette Dimensions**

<table>
<thead>
<tr>
<th>Cassette Size</th>
<th>Width (A) (mm)</th>
<th>Length (B) (mm)</th>
<th>Height* (C) (mm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>48M</td>
<td>1,745 (68.7)</td>
<td>2,112 (83.1)</td>
<td>2,561 (100.8)</td>
</tr>
<tr>
<td>16M</td>
<td>738 (29.1)</td>
<td>1,744 (68.7)</td>
<td>2,512 (98.9)</td>
</tr>
<tr>
<td>16M</td>
<td>738 (29.1)</td>
<td>1,744 (68.7)</td>
<td>2,149 (84.6)</td>
</tr>
</tbody>
</table>

* Permeate manifold connection may be higher than the cassette lifting points to a maximum additional height of 44 mm (1.7 in).

**Cassette Tie-Points & Weights**

<table>
<thead>
<tr>
<th>Application</th>
<th>Cassette Size</th>
<th>Max. # of ZW Modules</th>
<th>Min. # of ZW Modules</th>
<th>Permeate Connection</th>
<th>Air Connection</th>
<th>Max Shipping Weight* (kg/ib)</th>
<th>Lifting Weight** (kg/lb)</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEAPmbr</td>
<td>48M</td>
<td>48</td>
<td>24</td>
<td>1 x 6” vert. pipe</td>
<td></td>
<td>1,809 (3,990)</td>
<td>2021 - 4,089 (4,457 - 9,030)</td>
</tr>
<tr>
<td>LEAPmbr</td>
<td>16M</td>
<td>16</td>
<td>8</td>
<td>1 x 4” FNPT half coupling</td>
<td>1 x 3” FNPT half coupling</td>
<td>741 (1,634)</td>
<td>777 - 1,476 (1,713 - 3,254)</td>
</tr>
<tr>
<td>LEAPmbr</td>
<td>16M</td>
<td>16</td>
<td>8</td>
<td>2 x 3” FNPT half coupling</td>
<td></td>
<td>721 (1,600)</td>
<td>767 - 1,749 (1,691 - 2,974)</td>
</tr>
</tbody>
</table>

* Rated with maximum number of modules

** Varies with number of modules and roller accumulation

*** LEAPmbr is for retrofit only, a LEAP™ FNPT permeate version is available as a custom order
LEAPmbr Upgrade Considerations:
The LEAPmbr upgrade is available for existing ZeeWeed MBR systems.

For a successful LEAPmbr upgrade you will need to consider the following:

Separate biology & membrane tanks:
- Systems with separate biology and membrane tanks are eligible for the upgrade.
- Systems with combined biology and membrane tanks are only eligible if the fine bubble diffusers are not located below the membranes.

Membrane tank dimensions:
- The existing membrane tanks must be at least 8 ft.
- The operating depth required is a minimum of 2.37m (7.8 ft) for the shortest LEAPmbr cassette option.

Clearance height to lift cassette safely:
- The LEAPmbr short cassette is 2.2m (7.2 ft) tall. Therefore the minimum clearance needs to be cassette height + hanging arm height.
- The normal sized LEAPmbr cassette is 2.53m (8.3 ft) tall and will require additional clearance.

Permeate pump turn-up & pipe sizing:
- The higher potential productivity with LEAPmbr can increase the flow rate capacity of your system with the same surface area per train. Pumps that can be turned up will allow you to take advantage of this increased capacity.
- Piping that can accommodate the increased flow will allow you to take advantage of the higher capacity.

Type of blower being used & arrangement:
- FD, Centrifugal and Turbo blowers can all be used for LEAPmbr Aeration Technology.
- The blower arrangement will dictate the logistics of the LEAPmbr Aeration Technology upgrade. A dedicated blower per train will generally allow for quicker installation and minimal impact to day to day plant operations. However, a common blower system can provide simpler control to cover LEAP-HI and LEAP-LO flow operating modes.

Blower turn-down:
- The turn-down required by the LEAPmbr upgrade will depend on your current membrane product and the type of blower and blower arrangement you have. For example a 5000 C2 module 10-10 cyclic aeration plant will see an aeration rate reduction of up to 80% moving to the 500D LEAPmbr 16 module cassette.

How can I get more information?
- Get in touch with your Regional Sales or Regional Lifecycle Manager to get more information on LEAPmbr and to discuss your upgrade options.
- Email us at www.ge.com/water and click on "contact us".
RESOLUTION APPROVING THE PLANS AND SPECIFICATIONS FOR THE — GROGAN PARK (TIVOLI) PRODUCTION WELL PROJECT, ACCEPTING THE BID, AND APPROVING A CONTRACT WITH TNT INDUSTRIAL CONTRACTORS, INC., OF SACRAMENTO, CA, IN THE AMOUNT OF $2,027,645, AND AUTHORIZING THE INTERIM CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE THE CONTRACT

WHEREAS, specifications have been prepared for the Grogan Park (Tivoli) Production Well Project, and City staff recommends approval by the City Council, and

WHEREAS, the bids received for the Grogan Park (Tivoli) Production Well Project were opened at 11:00 a.m. on July 25, 2017 for the consideration of the Council, and

WHEREAS, the Director of Utilities has recommended that the bid of $2,027,645 received from TNT Industrial Contractors, Inc., be accepted as the lowest responsible and responsive bid and the contract be awarded to TNT Industrial Contractors, Inc.,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves the specifications for Grogan Park (Tivoli) Production Well Project, accepts the bid of $2,027,645 and awards TNT Industrial Contractors, Inc., of Sacramento, CA, the contract for the Grogan Park (Tivoli) Production Well Project.

BE IT FURTHER RESOLVED that the Interim City Manager, or his designee, is hereby authorized to execute the contract in a form approved by the City Attorney.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 26th day of September, 2017, by Councilmember Kenoyer, who moved its adoption, which motion being duly seconded by Councilmember Grewal, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Ah You, Grewal, Kenoyer, Madrigal, Zoslocki, Mayor Brandvold

NOES: Councilmembers: None

ABSENT: Councilmembers: Ridenour

(SEAL)

ATTEST:  

STEPHANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By:  

ADAM U. LINDGREN, City Attorney
MODESTO CITY COUNCIL
RESOLUTION NO. 2017-374

RESOLUTION AMENDING THE FISCAL YEAR 2017-18 CAPITAL IMPROVEMENT PROGRAM BUDGET IN THE AMOUNT OF $2,157,255 TO BE TRANSFERRED INTO WATER FUND RESERVES FROM 100785-UPP, ENGINEERING DESIGN “TIVOLI AREA- GROGAN PARK WELL” IN ORDER TO CLOSE OUT CIP 100785

WHEREAS, certain budgetary transactions are necessary in the amount of $2,157,255.00 to be transferred into Water Fund Reserves, in order to close out CIP 100785, and

WHEREAS, the Fiscal Year 2017-2018 Capital Improvement Program Budget must be amended as shown in Exhibit A, which is incorporated by reference herein.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves the amendment of the Fiscal Year 2017-2018 Capital Improvement Program Budget as shown in Exhibit A, attached hereto.

BE IT FURTHER RESOLVED that the Interim City Manager, or his designee, is hereby authorized to implement the provisions of this resolution.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 26th day of September, 2017, by Councilmember Kenoyer, who moved its adoption, which motion being duly seconded by Councilmember Grewal, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Ah You, Grewal, Kenoyer, Madrigal, Zoslocki, Mayor Brandvold

NOES: Councilmembers: None

ABSENT: Councilmembers: Ridenour

ATTEST: _______________________

STEFHANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: _______________________

ADAM U. LINDGREN, City Attorney
Exhibit A

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Project Name</th>
<th>Task Number</th>
<th>Task Name</th>
<th>R/T/D BUDGET</th>
<th>R/T/D Commitment</th>
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<th>Task Name</th>
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<td>$ -</td>
<td>$ -</td>
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</tr>
<tr>
<td></td>
<td>Grogan Park Production Well</td>
<td>LA</td>
<td>Land Acquisition</td>
<td>$ -</td>
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Net Difference to Water Fund Reserves $391,473.00

To account for the different phases of this well project, costs associated with the surface improvements will be tracked separately from the subsurface phase that was done under CIP 100785 – UPP.Engineering Design “Tivoli Area – Grogan Park Well”. A separate CIP has been created: 101035 – UPP.Engineering Design – “Grogan Park Production Well” for these surface improvements.

Thus, a budget adjustment is necessary to amend the Fiscal Year 2017-2018 Capital Improvement Program Budget. First, upon City Council approval, $2,157,255 will be returned to Water Fund Reserves from CIP 100785. Second, $2,548,728 from Water Fund Reserves will be used to establish the budget for CIP 101035 to fund construction, contingency, construction administration, City construction forces, and design support during construction. The net effect of which to the Water Fund Reserves will be a decrease of $391,473.
MODESTO CITY COUNCIL
RESOLUTION NO. 2017-375

RESOLUTION AMENDING THE FISCAL YEAR 2017-18 CAPITAL IMPROVEMENT PROGRAM BUDGET IN THE AMOUNT OF $2,548,728 TO BE TRANSFERRED INTO THE PROJECT FROM WATER FUND RESERVES IN ORDER TO FULLY FUND THE CONSTRUCTION, CONTINGENCY, CONSTRUCTION ADMINISTRATION, CITY CONSTRUCTION FORCES, AND DESIGN SUPPORT DURING CONSTRUCTION FOR THE GROGAN PARK PRODUCTION WELL PROJECT

WHEREAS, certain budgetary transactions are necessary in the amount of $2,548,728, in order to fund construction, contingency, construction administration, City construction forces, design support during construction plus City staff support for the Industrial Grogan Park Production Well Project, and

WHEREAS, the Fiscal Year 2017-2018 Capital Improvement Program Budget must be amended as shown in Exhibit A, which is incorporated by reference herein.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves the amendment of the Fiscal Year 2017-2018 Capital Improvement Program Budget as shown in Exhibit A, attached hereto.

BE IT FURTHER RESOLVED that the Interim City Manager, or his designee, is hereby authorized to implement the provisions of this resolution.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 26th day of September, 2017, by Councilmember Kenoyer, who moved its adoption, which motion being duly seconded by Councilmember Grewal, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Ah You, Grewal, Kenoyer, Madrigal, Zoslocki, Mayor Brandvold

NOES: Councilmembers: None

ABSENT: Councilmembers: Ridenour

ATTEST: [Signature]

STEFANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: [Signature]

ADAM U. LINDGREN, City Attorney
To account for the different phases of this well project, costs associated with the surface improvements will be tracked separately from the subsurface phase that was done under CIP 100785 – UPP.Engineering Design “Tivoli Area – Grogan Park Well”. A separate CIP has been created: 101035 – UPP.Engineering Design – “Grogan Park Production Well” for these surface improvements.

Thus, a budget adjustment is necessary to amend the Fiscal Year 2017-2018 Capital Improvement Program Budget. First, upon City Council approval, $2,157,255 will be returned to Water Fund Reserves from CIP 100785. Second, $2,548,728 from Water Fund Reserves will be used to establish the budget for CIP 101035 to fund construction, contingency, construction administration, City construction forces, and design support during construction. The net effect of which to the Water Fund Reserves will be a decrease of $391,473.
RESOLUTION APPROVING AN AGREEMENT WITH TANK INDUSTRY CONSULTANTS, INC., OF INDIANAPOLIS, IN, FOR INSPECTION AND EVALUATION SERVICES FOR THE STEEL WATER STORAGE TANK STRUCTURAL REPAIRS, IN AN AMOUNT NOT TO EXCEED $71,128 FOR THE IDENTIFIED SCOPE OF SERVICES, PLUS $7,113 FOR ADDITIONAL SERVICES (IF NEEDED), FOR A MAXIMUM TOTAL AMOUNT OF $78,241 AND AUTHORIZING THE INTERIM CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE THE AGREEMENT

WHEREAS, the City currently owns and operates nine water storage tanks throughout the water system of Modesto and one water storage tank in the water system of Grayson, and

WHEREAS, recent dive inspections for seven tanks have recently shown signs of rust and or coating issues that require additional inspection and evaluation, and

WHEREAS, this program will perform a thorough inspection of these seven tanks, make recommendations to repair, and/or rehabilitate the tanks to increase their lifespan and to minimize the risk of any potential failures, and

WHEREAS, in accordance with Administrative Directive 3.1, Selection Procedures for Professional Consultants Who Provide Architectural and Engineering Services for Capital Projects, the selection committee evaluated the proposals and determined that Tank Industry Consultants, Inc. to be the most qualified and responsive, and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves an Agreement with Tank Industry Consultants, Inc., Indianapolis, IN, for inspection and evaluation services in an amount not to exceed $71,128, for the
identified scope of services, plus $7,113 for additional services, if needed, for a maximum total amount of $78,241.

BE IT FURTHER RESOLVED that the Interim City Manager, or his designee, is hereby authorized to execute the agreement in a form approved by the City Attorney.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 26th day of September, 2017, by Councilmember Kenoyer, who moved its adoption, which motion being duly seconded by Councilmember Ridenour, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Ah You, Grewal, Kenoyer, Madrigal, Ridenour, Zoslocki, Mayor Brandvold

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: [Signature]

SEAL

APPROVED AS TO FORM:

By: [Signature]

ADAM U. LINDGREN, City Attorney
MODESTO CITY COUNCIL
RESOLUTION NO. 2017-377

RESOLUTION DENYING THE APPEAL OF FELIPE AND JENNIFER CASALDUC AND AFFIRMING THE PLANNING COMMISSION DETERMINATION THAT THE 3,852 SQUARE FOOT, TWO STORY STRUCTURE BEING CONSTRUCTED AT 2260 MABLE AVENUE IS NOT A LEGALLY PERMISSIBLE ACCESSORY STRUCTURE

WHEREAS, on February 10, 2017 the Code Enforcement Division of the Community and Economic Development Department observed the construction of a two-story structure without the required building permits, inspections and approvals by the Building and Safety Division of the Community and Economic Development Department on residential property located at 2260 Mable Avenue within the Existing Very Low Density Residential (EVLDR) land use designation of the Tivoli Specific Plan, and deeming the structure unsafe and a public nuisance, a Notice and Order to stop all work and remove the structure was issued, and

WHEREAS, the property owners, Felipe and Jennifer Casalduc, applied for a building permit for the structure on March 2, 2017, stating that the structure was a 2,264 square foot two-story expansion of an existing 1,568 square foot two-story accessory storage building, comprising a total of 3,382 square feet, and

WHEREAS, Sec. 3.1.2 of the Tivoli Specific Plan states that if a use is not specified in the Specific Plan, the uses allowed in the equivalent zone in the City's Zoning Ordinance, in this case, the R-1 Zone, apply, and

WHEREAS, Section 10-2.102 of the City’s Zoning Code defines Accessory Building, Structure and Use as a building, structure or use that is subordinate to, and the use of which is incidental to, that of the main building structure or use on the same lot, and
WHEREAS, the main building and use on the lot is a 3,199 square foot single-story residence, and

WHEREAS, Section 10-3.201(a) of the City’s Zoning Code provides that accessory uses and buildings customarily incidental to permitted and conditional uses are permitted, and cites examples of residential accessory buildings such as storage sheds and detached carports or garages, and

WHEREAS, by letter dated April 24, 2017 to Felipe Casalduc, the Community and Economic Development Director determined that the structure is not an accessory building as allowed by Section 10-3.201(a) of the City’s Zoning Code because the two-story structure was substantial in size compared to typical residential accessory buildings, and that the structure appeared from its floor plan and configuration to be intended for a non-residential use; said letter also informing Mr. Casalduc of his right to appeal the Director’s decision to the Planning Commission, and

WHEREAS, on May 3, 2017, Felipe and Jennifer Casalduc submitted to the Secretary of the Planning Division an appeal of the Director’s decision, which was followed by a second letter of appeal dated May 11, 2017 by David Rishwain of Rishwain & Rishwain Law on behalf of Felipe and Jennifer Casalduc, and

WHEREAS, a public hearing was held by the Planning Commission on July 3, 2017, in Chambers, 1010 Tenth Street, Modesto, California, at which hearing evidence both oral and documentary was received and considered, and

WHEREAS, at the request of the appellant, the public hearing was continued to the July 17, 2017, Planning Commission meeting, and
WHEREAS, the continued public hearing was held by the Planning Commission on July 17, 2017, in Chambers, 1010 Tenth Street, Modesto, California, at which hearing evidence both oral and documentary was received and considered, and

WHEREAS, at the conclusion of the public hearing on July 17, 2017, the Planning Commission by Resolution Nos. 2017-19 denied the appeal of Felipe and Jennifer Casalduc to a determination by the Community and Economic Director that a structure being constructed at 2260 Mable Avenue is not a legally permissible accessory structure, and

WHEREAS, on July 26, 2017, Felipe and Jennifer Casalduc filed an appeal with the City Clerk of the City of Modesto to the decision of the Planning Commission to deny their appeal of the director’s decision, and

WHEREAS, said appeal was set for a duly noticed public hearing before the City Council to be held on September 12, 2017, in the Tenth Street Place Chambers, located at 1010 Tenth Street, Modesto, California, at which time said public hearing was held, and evidence both oral and documentary was received and considered.

NOW, THEREFORE BE IT RESOLVED by the Council of the City of Modesto that it finds and determines that the 3,832 square foot two-story structure does not meet the definition of an accessory structure, because it is not subordinate and incidental to the dwelling unit, and due to its size, configuration and floor plan, is not a residential accessory structure as allowed by Section 103.201(a) of the City of Modesto Zoning Code, and therefore must be removed.

BE IT FURTHER RESOLVED by the City Council that it finds and determines, based on substantial evidence, the reasons set forth in this Resolution, and testimony in
the administrative record, that the appeal of Felipe and Jennifer Casalduc to the decision of the Planning Commission to deny their appeal to the decision by the Director of Community and Economic Development dated April 24, 2017 is hereby denied, and the decision of the Planning Commission as set forth in its Resolution No. 2017-19 is hereby affirmed.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 26th day of September, 2017, by Councilmember Ridenour, who moved its adoption, which motion being duly seconded by Councilmember Kenoyer, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Ah You, Grewal, Kenoyer, Madrigal, Ridenour, Zoslocki, Mayor Brandvold

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: [Signature]

STEFANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: [Signature]

ADAM U. LINDGREN, City Attorney
MODESTO CITY COUNCIL
RESOLUTION NO. 2017-378

RESOLUTION APPROVING THE CITY OF MODESTO’S CONSOLIDATED ANNUAL PERFORMANCE EVALUATION REPORT FOR PROGRAM YEAR 2016-2017 REFLECTING THE USE OF COMMUNITY DEVELOPMENT BLOCK GRANT, HOME INVESTMENT PARTNERSHIP GRANTS AND EMERGENCY SOLUTIONS GRANT FUNDS; AND AUTHORIZING THE INTERIM CITY MANAGER, OR HIS DESIGNEE, TO SIGN THE REQUIRED DOCUMENTS FOR SUBMITTAL TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) requires entitlement grantees adopt a comprehensive, long-term plan for the use of its HUD funds, and

WHEREAS, the Five-Year Consolidated Plan, also referred to as the Strategic Plan, analyzes the City’s housing and community development needs, with a priority focus on low- and moderate-income individuals, households, and neighborhoods, and describes long-term strategies for meeting those needs, and

WHEREAS, HUD also requires entitlement grantees to submit a Consolidated Annual Performance Evaluation Report (CAPER) to HUD, and

WHEREAS, a CAPER describes how the City used its Community Development Block Grant, HOME Investment Partnerships, and Emergency Solutions Grant funds in a particular fiscal year to address the needs and priorities established in the Consolidated Plan, and

WHEREAS, a notice informing the public of the availability of the Program Year 2016-2017 CAPER, and the start of the public comment period, was published in the Modesto Bee on September 10, 2017 and Vida Del Valle on September 13, 2017, and
WHEREAS, the minimum 15-day public review comment period will closed on September 26, 2017, and

WHEREAS, the Citizens’ Housing and Community Development Committee (CH&CDC) considered the proposed CAPER at its September 14, 2017 meeting, and recommended forwarding it to the Council for approval, and

WHEREAS, a duly noticed public hearing was held by the City Council on September 26, 2017 at 5:30 p.m., in the Tenth Street Place Chambers, located at 1010 Tenth Street, and

WHEREAS, any comments received during the 15-day public review period or during the City Council meeting will be incorporated into the final CAPER.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby authorizes approval of the 2016-2017 Consolidated Annual Performance Evaluation Report for the use of Community Development Block Grant, HOME Investment Partnerships Grant, and Emergency Solutions Grant funds, and

BE IT FURTHER RESOLVED that the Interim City Manager, or his designee, is hereby authorized to sign any required certifications and documents for submittal to the U.S. Department of Housing and Urban Development.
The foregoing resolution was introduced at a regular meeting of the Council of
the City of Modesto held on the 26th day of September, 2017, by Councilmember
Kenoyer, who moved its adoption, which motion being duly seconded by
Councilmember Zoslocki, was upon roll call carried and the resolution adopted by the
following vote:

AYES: Councilmembers: Ah You, Grewal, Kenoyer, Madrigal, Ridenour,
Zoslocki, Mayor Brandvold

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: STEPHANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: ADAM U. LINDGREN, City Attorney

[Signature]
RESOLUTION APPROVING THE SUBMITTAL OF A GRANT APPLICATION TO THE FEDERAL TRANSIT ADMINISTRATION (FTA) REQUESTING $5,172,318 IN FTA SECTION 5307 FUNDS AND AUTHORIZING THE INTERIM CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE AND FILE THE ANNUAL CERTIFICATIONS AND ASSURANCES, AND ALL OTHER NECESSARY DOCUMENTS WITH THE FTA

WHEREAS, the Federal Transit Administration (FTA) has been delegated authority to award federal financial assistance for transportation related projects, and

WHEREAS, the City of Modesto has provided all annual certifications and assurances required by the FTA to be eligible for funding under 49 U.S.C Section 5307, and

WHEREAS, the projects for the City of Modesto shown in the Program of Projects (POP), which is attached hereto, are eligible to receive federally reimbursable expenses from Section 5307 funds, and

WHEREAS, the projects shown in the attached POP are included in the 2017 Federal Transportation Improvement Program (FTIP) adopted by the Stanislaus Council of Governments (StanCOG), and

WHEREAS, Modesto is eligible to use federally approved Transportation Development Funds, formerly known as “State Toll Credits”, in lieu of a local match, and

WHEREAS, these Section 5307 funds will be used for preventative maintenance, to fund the capital cost of contracting for Stanislaus County, and for employee education and training, bus stop shelters, and maintenance to the downtown Transit Center.
NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves the submittal of an application to the FTA for $5,172,318 in Section 5307 funds.

BE IT FURTHER RESOLVED that the Interim City Manager, or his designee, is hereby authorized to execute and file the annual certifications and assurances and other documents the FTA requires for awarding a federal assistance grant.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 26th day of September, 2017, by Councilmember Madrigal, who moved its adoption, which motion being duly seconded by Councilmember Zoslocki, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Ah You, Grewal, Kenoyer, Madrigal, Ridenour, Zoslocki, Mayor Brandvold

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: 

SEAL

APPROVED AS TO FORM:

By: ADAM U. LINDGREN, City Attorney
# 2016-2017 Federal Transit Administration

## FTA Section 5307 Program of Projects

**FTA Fund Availability**

5307 Apportionment for 2016/17 $5,172,318

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<th>City of Modesto Projects</th>
<th>Total</th>
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<td>Transit Center Improvements/Maintenance</td>
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**Total** $9,346,374 $4,174,056 $5,172,318
Attachment A

2016-2017 Federal Transit Administration

FTA Section 5307 Program of Projects

FTA Fund Availability

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<thead>
<tr>
<th>Project Description</th>
<th>Total</th>
<th>Local</th>
<th>FEDERAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construct Bus Stop Shelters</td>
<td>$100,000</td>
<td>$0</td>
<td>$100,000</td>
</tr>
<tr>
<td>Capital Cost of Contracting for Stanislaus County</td>
<td>$6,138,317</td>
<td>$4,174,056</td>
<td>$1,964,261</td>
</tr>
<tr>
<td>Preventative Maintenance</td>
<td>$2,988,057</td>
<td>$0</td>
<td>$2,988,057</td>
</tr>
<tr>
<td>Employee Education and Training</td>
<td>$20,000</td>
<td>$0</td>
<td>$20,000</td>
</tr>
<tr>
<td>Transit Center Improvements/Maintenance</td>
<td>$100,000</td>
<td>$0</td>
<td>$100,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$9,346,374</td>
<td>$4,174,056</td>
<td>$5,172,318</td>
</tr>
</tbody>
</table>

5307 Apportionment for 2016/17 $5,172,318
RESOLUTION APPROVING IMPLEMENTATION OF MODIFICATIONS TO VARIOUS EXISTING MODESTO AREA EXPRESS (MAX) ROUTE SCHEDULES EFFECTIVE FEBRUARY 1, 2018, AND AUTHORIZING THE TRANSIT MANAGER TO IMPLEMENT THE IMPROVEMENTS

WHEREAS, to make the MAX system more efficient and productive, Transit staff recommends modifications to the schedules for various MAX routes, and

WHEREAS, on June 14, 2017 the Healthy Economy Committee reviewed these route and fare changes and recommended forwarding it to Council for approval, and

WHEREAS, Transit staff held four public meetings to discuss these route and fare changes, and made modifications to the initial plan based on input received.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby approves modifications to various existing route schedules effective February 1, 2018 as described in Attachment C.

BE IT FURTHER RESOLVED, that the Transit Manager is hereby authorized to implement the improvements.
The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 26th day of September, 2017, by Councilmember Madrigal, who moved its adoption, which motion being duly seconded by Councilmember Kenoyer, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Ah You, Grewal, Kenoyer, Madrigal, Ridenour, Zoslocki, Mayor Brandvold

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: 

(SEAL)

APPROVED AS TO FORM:

By: ADAM U. LINDGREN, City Attorney
<table>
<thead>
<tr>
<th>Route</th>
<th>Weekday Hours</th>
<th>Saturday Hours</th>
<th>Sunday Hours</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NEW</td>
<td>EXISTING</td>
<td>NEW</td>
<td>EXISTING</td>
</tr>
<tr>
<td>21</td>
<td>41.25</td>
<td>27.5</td>
<td>11.5</td>
<td>11.5</td>
</tr>
<tr>
<td></td>
<td>Combined with Route 26 and 43, Extended run time to 45 minutes to improve OTP, Retained 15 minute frequency on this route, reduced to hourly service on Sunday</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>42.75</td>
<td>42.75</td>
<td>36</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>Combined with Route 27, Added Saturday and Sunday service, Adjusted timing and run time to improve OTP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>39</td>
<td>27</td>
<td>28.5</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Streamlined due to poor performance, and service being provided on Routes 22, 23, 25, 32, and 37.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>11</td>
<td>20.25</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Extended run time to 2.5 hours to improve OTP, Added the Amtrak station on every trip, Aligned route map to the same every day</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>70</td>
<td>61.75</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>Combined with Route 21 and 43 to make the routes easier to understand, Extended run time to 45 minutes to improve OTP, Retained 30 minute frequency on this route, Adjusted Sunday schedule by 15 minutes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>20.25</td>
<td>13.5</td>
<td>18</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Adjusted the stop timing slightly</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>0</td>
<td>13</td>
<td>0</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Removed route, area covered by Route 23</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>11</td>
<td>25.5</td>
<td>0</td>
<td>5.5</td>
</tr>
<tr>
<td></td>
<td>Reduced to hourly weekday service, Consolidated with Route 31</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>28</td>
<td>27.25</td>
<td>23</td>
<td>23.5</td>
</tr>
<tr>
<td></td>
<td>Adjusted time timing slightly</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>36</td>
<td>33.75</td>
<td>24</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>Adjusted the stop timing slightly</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31</td>
<td>40.5</td>
<td>31.5</td>
<td>34.5</td>
<td>17.25</td>
</tr>
<tr>
<td></td>
<td>Combined with Route 20 to improve service along Felandale, Retained 30 minute frequency on weekdays, Increased Saturday frequency to 30 minutes, Removed the 6:00 AM trip from the mall due to low ridership</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>32</td>
<td>33.75</td>
<td>28</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Adjusted the stop timing slightly, and only do Mable Loop</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>33</td>
<td>19.5</td>
<td>12.75</td>
<td>16.5</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Extended run time to 45 minutes to improve OTP, Increased Saturday frequency to 30 minutes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>34</td>
<td>0</td>
<td>18</td>
<td>0</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Eliminated route, service being provided on Routes 22, 23, 24, 25, 32, and 37.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>35</td>
<td>19.75</td>
<td>17.25</td>
<td>22.5</td>
<td>12.5</td>
</tr>
<tr>
<td></td>
<td>Adjusted the stop timing slightly</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>36</td>
<td>22</td>
<td>22</td>
<td>17.5</td>
<td>14.5</td>
</tr>
<tr>
<td></td>
<td>Extended run time to 1.75 hours to improve OTP, removed one early morning trip, adjusted stop timing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>37</td>
<td>14</td>
<td>14</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Adjusted stop timing slightly</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>38</td>
<td>0</td>
<td>5.75</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Route Eliminated, Area already served by Start.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>39</td>
<td>10.5</td>
<td>10.25</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Slight timing change, same time span</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>40</td>
<td>28</td>
<td>27.5</td>
<td>24</td>
<td>23.5</td>
</tr>
<tr>
<td></td>
<td>Adjusted stop timing slightly</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>0</td>
<td>12</td>
<td>0</td>
<td>9.5</td>
</tr>
<tr>
<td></td>
<td>Removed route, area covered by new route 21 and new route 26</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BART</td>
<td>18.5</td>
<td>15</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Added a mid-day trip</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ACE</td>
<td>10.5</td>
<td>10.5</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>No change</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rover</td>
<td>8</td>
<td>8</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>No change</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>518.25</td>
<td>524.75</td>
<td>310</td>
<td>280.75</td>
</tr>
<tr>
<td>FY18 Days</td>
<td>253</td>
<td>253</td>
<td>54</td>
<td>54</td>
</tr>
<tr>
<td>Annual Total</td>
<td>131,117</td>
<td>132,762</td>
<td>16,740</td>
<td>15,161</td>
</tr>
<tr>
<td>Total New</td>
<td>153,473</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Existing</td>
<td>153,460</td>
<td></td>
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</tbody>
</table>
MODESTO CITY COUNCIL
RESOLUTION NO. 2017-381

RESOLUTION ESTABLISHING PASSENGER FARES FOR ALL MODESTO AREA EXPRESS (MAX) AND MODESTO AREA DIAL-A-RIDE (DAR) SERVICES EFFECTIVE FEBRUARY 1, 2018, AND AUTHORIZING THE TRANSIT MANAGER TO IMPLEMENT THE CHANGES

WHEREAS, passenger fares for Modesto Area Express and Modesto Area Dial-A-Ride covered approximately 20% of the expenses to operate these services in Fiscal Year (FY)15/16, and

WHEREAS, passenger fares for Modesto Area Express and Modesto Area Dial-A-Ride will fall below 20% of the expenses to operate these services in FY16/17, and

WHEREAS, a fare increase is needed to meet the 20% minimum mandated by the Transportation Development Act, and

WHEREAS, the fare rates included in this resolution are projected to increase fare revenue in FY 2017/18 and cover approximately 21% of operating costs, and

WHEREAS, Modesto Area Express and Modesto Area Dial-A-Ride fares were last raised on July 6, 2014, and

WHEREAS, on June 14, 2017, the Healthy Economy Committee reviewed and approved the staff recommendation to raise fares, and

WHEREAS, the public had an opportunity to comment on the proposed fare increases at four public meetings held in Modesto.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that the following fares are hereby established for passengers riding on Modesto Area Express and Modesto Area Dial-A-Ride:
**MODESTO AREA EXPRESS**

**Urban Service**

<table>
<thead>
<tr>
<th>Cash Fares (one trip)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular</td>
<td>$2.00</td>
</tr>
<tr>
<td>Student</td>
<td>$1.50</td>
</tr>
<tr>
<td>Senior/Disabled</td>
<td>$1.00</td>
</tr>
<tr>
<td>Day Pass (unlimited trips)</td>
<td>$4.00</td>
</tr>
<tr>
<td>7 Day Pass (unlimited trips for 7 days)</td>
<td>$20.00</td>
</tr>
<tr>
<td>Student Field Trip</td>
<td>$0.50</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>31 Day Passes (unlimited trips)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Pass</td>
<td>$58.00</td>
</tr>
<tr>
<td>Student Pass</td>
<td>$48.00</td>
</tr>
<tr>
<td>Senior/Disabled Pass</td>
<td>$29.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ticket Books (50 Tickets)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular</td>
<td>$100.00</td>
</tr>
<tr>
<td>Student</td>
<td>$75.00</td>
</tr>
<tr>
<td>Senior/Disabled</td>
<td>$50.00</td>
</tr>
</tbody>
</table>

**BART Express Commuter Service**

<table>
<thead>
<tr>
<th>Monthly</th>
<th>$175.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning the 8th of the month</td>
<td>$140.00</td>
</tr>
<tr>
<td>Beginning the 15th of the month</td>
<td>$90.00</td>
</tr>
<tr>
<td>Beginning the 22nd of the month</td>
<td>$50.00</td>
</tr>
<tr>
<td>Half-Month Pass (1st – 15th each mo.)</td>
<td>$90.00</td>
</tr>
<tr>
<td>One-Way</td>
<td>$14.00</td>
</tr>
<tr>
<td>Round-Trip</td>
<td>$16.00</td>
</tr>
</tbody>
</table>

**ACE Express Commuter Service**

| Single Trip (No change proposed) | $3.00 |
| 20 Ride Ticket                  | $42.00 |

**MODESTO AREA DIAL-A-RIDE**

| Cash                           | $3.00 |
| Ticket Book (10 Tickets)       | $30.00 |
BE IT FURTHER RESOLVED that these fares shall go into effect on and after February 1, 2018.

BE IT FURTHER RESOLVED that the Transit Manager is hereby authorized to implement the changes to passenger fares.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 26th day of September, 2017, by Councilmember Madrigal, who moved its adoption, which motion being duly seconded by Councilmember Kenoyer, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Ah You, Grewal, Kenoyer, Madrigal, Ridenour, Zoslocki, Mayor Brandvold

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST: 

STEPHANIE LOPEZ, City Clerk

(SEAL)

APPROVED AS TO FORM:

By: ADAM U. LINDGREN, City Attorney