



(ACT) – ACTION NEEDED  
(INF) – INFORMATION ONLY  
(DIS) – DISCRETIONARY

## **A G E N D A**

REGULAR MEETING OF THE CITY COUNCIL,  
NEEDLES PUBLIC UTILITY AUTHORITY  
CITY OF NEEDLES, CALIFORNIA  
**TUESDAY, NOVEMBER 12, 2019**  
COUNCIL EXECUTIVE SESSION – **5:30 P.M.**  
CITY COUNCIL MEETING – **6:00 P.M.**  
CITY COUNCIL CHAMBERS  
1111 BAILEY AVENUE, NEEDLES

Councilmember Hazlewood will be participating in this meeting via teleconference call  
from Oak Tree Inn, 1706 N Park Drive, Winslow, AZ 86047  
The public will be given an opportunity to address the legislative body directly  
from this teleconference location

**THE 5:00 P.M. PORTION OF THE CITY COUNCIL MEETING WILL BE RECESSED  
BY THE CITY CLERK TO 5:30 P.M.**

CALL TO ORDER  
ROLL CALL

PUBLIC COMMENTS PERTAINING TO THE EXECUTIVE SESSION ITEM (A three-minute time limit per  
person has been established.)

### **RECESS TO EXECUTIVE SESSION**

- a) Conference with labor negotiator pursuant to California Government Code §54957.6 – Personnel  
– Agency Representative City Manager Rick Daniels – Employee Organizations: Needles  
Unclassified Employees Association (NUEA) and Teamsters Local 1932
- b) Conference with legal Counsel regarding potential litigation pursuant to Government Code Section  
54956.9(d)(1)(2) and/or (3) related to November 3, 2019 letter from legal counsel to Joseph Ford  
Brochheuser regarding a dispute over ownership of the Bud Farmacy

### **EXECUTIVE SESSION – Report by City Attorney**

CALL TO ORDER  
ROLL CALL  
INVOCATION  
PLEDGE OF ALLEGIANCE  
APPROVAL OF AGENDA  
CONFLICT OF INTEREST  
CORRESPONDENCE  
INTRODUCTIONS  
CITY ATTORNEY      Parliamentary procedures

**As a courtesy to those in attendance, we would ask that cell phones be turned off or set in their silent mode. Thank you.**

**PRESENTATION**

- 1) California Rifle and Pistol Association 2019 "Fierce About Freedom Award" (INF)

**RECESS CITY COUNCIL MEETING AND CONVENE A JOINT MEETING WITH THE NEEDLES PUBLIC UTILITY AUTHORITY**

CALL TO ORDER (Roll Call previously taken)

PUBLIC COMMENTS PERTAINING TO THE NPUA / COUNCIL ITEMS (A three minute time limit per person has been established.)

**PRESENTATION**

(a ten minute time limit per presentation has been established by Municipal Code Section 2-18)

- 2) NPUA / COUNCIL: Presentation by Stephen Noel, R.G., Matrix New World Southwest Groundwater, on the Phase 1 Well Siting Investigation and acceptance of the October 28, 2019 Southwest Groundwater Phase 1 "Well Siting Investigation" Report (ACT)

**NPUA / COUNCIL CONSENT CALENDAR:** All matters listed on the Consent Calendar are considered to be routine and will be enacted by one motion in the form listed. The Mayor/President or any member of the City Council/NPUA may pull an item from the Consent Calendar for discussion. Prior to Council/NPUA action, a member of the public may address the City Council/NPUA on matters scheduled on the Consent Calendar. A three-minute time limit per person applies. **Recommended Action:** Approve Items 3 through 6 on the Consent Calendar by affirmative roll call vote. (ACT)

- 3) NPUA: Approve the minutes of January 8, January 22, October 8, 2019
- 4) NPUA / COUNCIL: Authorize the Mayor to execute Amendment No. 2 to Contract No. 06-XX-30-W0452 between the City of Needles, Bureau of Reclamation and Metropolitan Water District dated October 15, 2019, for delivery of Lower Colorado Water Supply Project water
- 5) NPUA / CONCIL: Ratify the City Manager's authorization to utilize wastewater capital funds to complete the Broadway and Wastewater Treatment Plant Manhole Rehabilitation projects at a cost not to exceed \$9,940
- 6) NPUA / COUNCIL: Authorize the use of Electric Asset Replacement funds to complete the Vista Pole Changeout program at an estimated cost of \$50,000 per alley and a total cost not to exceed \$250,000

**End of Consent Calendar**

**REGULAR ITEMS:**

- 7) NPUA / COUNCIL: Award bid to Stantec Consulting Services to complete the 2019-2020 Comprehensive Electric, Water and Wastewater Utility Cost of Service Ratemaking Study at a cost not to exceed \$53,750 (electric - \$10,334; water - \$10,334; and wastewater - \$33,082) and appoint members to a Board of Public Utilities established 2019-2020 Ratemaking Ad Hoc Committee (ACT)

**ADJOURN THE JOINT NPUA MEETING AND RECONVENE CITY COUNCIL MEETING**

**PUBLIC APPEARANCE** – Persons wishing to address the City Council on subjects other than those scheduled are requested to do so at this time. When addressing the Council, please come to the podium and give your name and address for the record. In order to conduct a timely meeting, a three-minute time limit per person has been established by Municipal Code Section 2-18. Amendments to the California Government Code Section 54950 prohibits the City Council from taking action on a specific item until it appears on the agenda.

## **PUBLIC HEARINGS**

- 8) Public hearing noticed to consider all evidence and testimony for or against adoption of the City of Needles 2013-2021 General Plan Mid-Cycle Update to the 5th Cycle Housing Element
  - Staff Report
  - PowerPoint Presentation
  - Council Questions of Staff
  - Mayor to open the public hearing
  - Public Comment
  - Mayor to close the public hearing
  - Council Discussion / Deliberation
  - Resolution No. 2019-75 adopting the 2013-2021 General Plan Mid-Cycle Update to the 5th Cycle Housing Element (ACT)
- 9) Public hearing noticed to consider all evidence and testimony for or against amending Section 13-33(d) of the Needles Municipal Code to erect a stop sign at the northeast corner of North K Street and Front Street (continued from October 22, 2019)
  - Staff Report
  - PowerPoint Presentation
  - Council Questions of Staff
  - Mayor to open the public hearing
  - Public Comment
  - Mayor to close the public hearing
  - Council Discussion / Deliberation
  - Ordinance No. 625-AC amending Section 13-33(d) of the Needles Municipal Code to erect a stop sign at the northeast corner of North K Street and Front Street (1st reading – post) (ACT)

**CONSENT CALENDAR:** All matters listed on the Consent Calendar are considered to be routine and will be enacted by one motion in the form listed. The Mayor or any member of the City Council may pull an item from the Consent Calendar for discussion. Prior to Council action, a member of the public may address the City Council on matters scheduled on the Consent Calendar. A three-minute time limit per person applies. **Recommended Action:** Approve Items 10 through 16 on the Consent Calendar by affirmative roll call vote. (ACT)

- 10) Approve the warrants register through November 12, 2019
- 11) Approve the minutes of January 8, January 22, October 8 and October 22, 2019
- 12) Declare additional miscellaneous equipment as surplus and authorize staff to advertise for bids and to award the bid to the highest bidder
- 13) Waive the reading and adopt Resolution No. 2019- 76 amending Resolution No. 2017-51 approving a lease extension with Tri-State Alano Club for the building at 801 Third Street
- 14) Approve an Administrative Support Clerk Job Description in the City Clerk Department to be added to the Authorized Positions List in the 2019-2020-budget
- 15) Approve the Agreement with H Street Patient Care for a Temporary Certificate of Occupancy for the building located at 101 W Spikes Road, APN 0650-431-10-0000

- 16) Award of contract to Michael P. Burger, MBA, CGMA, CPA to perform Tax Field Audit(s) for two cultivation facilities and one Lessee for a total cost not to exceed \$16,000

**End of Consent Calendar**

**REGULAR ITEMS**

- 17) Waive the reading and adopt Resolution Nos. 2019-71 (amending Resolution No. 2018-55 cultivation Suite A), Resolution No. 2019-72 (amending Resolution No. 2018-57 distribution Suite B) and Resolution No. 2019-73 (amending Resolution No. 2018-56 manufacturing Suite C) approving an extension of time for a conditional use permit (CUP) issued for marijuana cultivation, distribution and manufacturing facilities located at 1100 E. Broadway, APN 0186-224-02 that expired on September 25, 2019 (ACT)
- 18) Policy direction on adding an additional dispensary, prescribing a method for choosing, and the number of cannabis lounges(s) to allow (ACT)
- 19) Gate Way Signage at the Entrances and Exits of the City of Needles (ACT)
- 20) Employee Appreciation Holiday Event budget (ACT)
- 21) Consideration of canceling the Tuesday, November 26 and Thursday, December 26 council meetings due to the holidays (ACT)

**CITY ATTORNEYS REPORT**

**CITY MANAGERS REPORT**

**COUNCIL REQUESTS**

Councilmember Gudmundson  
Councilmember Terral  
Councilmember Hazlewood  
Vice Mayor Paget  
Councilmember Belt  
Councilmember Longacre  
Mayor Williams

**ADJOURNMENT**

**INTERNET ACCESS TO CITY COUNCIL AGENDAS AND STAFF REPORT MATERIAL  
IS AVAILABLE PRIOR TO CITY COUNCIL MEETINGS AT**

<http://www.cityofneedles.com>

Posted: November 8, 2019

SB 343-DOCUMENTS RELATED TO OPEN SESSION AGENDAS -- Any public record, relating to an open session agenda item, that is distributed within 72 hours prior to the meeting is available for public inspection at the City Clerk's Office, 817 Third Street, Needles, CA 92363.

In compliance with the American with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (760) 326-2113 ext 145. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-104 ADA Title II).

I hereby certify, under penalty of perjury under the laws of the State of California that the foregoing Agenda was posted at the front entrance of City Hall not less than 72 hours prior to the meeting.

Dated this 8th day of November 2019.

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Dale Jones, CMC, City Clerk





## City of Needles, California Request for Council Action

☐ CITY COUNCIL      ☒ NPUA      ☐ BOARD OF PUBLIC UTILITIES  
☒ Regular      ☐ Special

**Meeting Date:** November 12, 2019

**Title:** Professional Services for General Hydrology Services- Well Siting Investigation

**Background:** In an effort to have sustainable water infrastructure staff completed an invitation for sealed bids for professional services for general hydrology in October 2018. In December 2018 an award was provided to Southwest Groundwater to complete task 1, "selection of potential well sites (well sittings) not to exceed \$25,000.

Enclosed is the final report identifying potential well sites of Non-restricted and restricted Tributary Groundwater within the Colorado River Flood Plan, incorporate a review groundwater quality and sites where high capacity sites could be located.

The following step is to present a cost estimate to complete phase 2, "engineering review of potential sites (piping, disposal of water, utilities), the completion of a pilot well and the well design". Staff expects to have the cost estimate completed in November.

The Board of Public Utilities approved the recommended action on 11/5/19.

**Fiscal Impact:** As of October 15, 2019 \$17,891 has been expended for phase 1, not to exceed \$25,000.

**Recommended Action:** **Accept** the October 28, 2019 Southwest Groundwater Phase 1, "Well Siting Investigation".

**Submitted By:** Rainie Torrance

**City Management Review:** Rick

**Date:** 11/5/19

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 2



**MATRIX**NEWORLD  
Southwest Groundwater

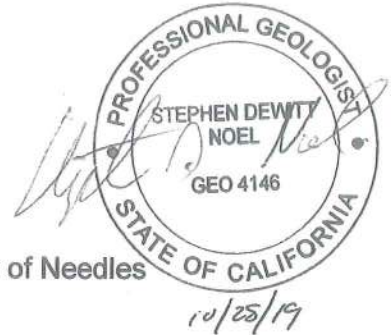
**TECHNICAL MEMORANDUM**

**October 28, 2019**

**To:** Rainie Torrance, City of Needles  
Frank Valenzuela, Acting Utilities Services Chief Operator, City of Needles

**From:** Stephen D. Noel, R.G., Matrix New World Engineering

**Subject:** Professional Services for General Hydrology, City of Needles, California  
Task 1 – Wells  
1.a Well Siting Investigation



Matrix New World Engineering, Land Surveying and Landscape Architecture, PC (Matrix) has prepared the following Draft Technical Memorandum (TM) presenting our hydrogeologic findings and preliminary locations for new production wells for the City of Needles (City), California. The proposed production wells consist of two types. Wells pumping Non-restricted Tributary Groundwater above the Colorado River Accounting Surface as determined by the United States Geological Survey (USGS), and wells pumping groundwater in hydrologic contact with the Colorado River and subject to federal restrictions.

A regional location map of the study area is presented as Figure 1. Further refinement of the study area including the flood plain of the Colorado River where pumped groundwater is restricted and the piedmont slopes where pumped groundwater may be Non-restricted Tributary Groundwater depending on the groundwater surface elevation and the USGS Accounting Surface elevation (Figure 2).

**1.0 - OBJECTIVES AND BACKGROUND**

The objectives of this Well Siting Investigation for the City are to:

- 1) Identify well sites where wells would pump Non-restricted Tributary Groundwater outside the Colorado River Flood Plain (Piedmont Slopes) and meet Primary and Secondary Maximum Contaminate Limits (MCL).
- 2) Identify well sites where high capacity (approximately 2,000 – 2,500 gallons per minute [gpm]) production wells would pump Restricted Groundwater associated with the Colorado River Flood Plain and meet Primary and Secondary MCL's with emphasis on having manganese concentrations below the Secondary MCL of 0.05 milligrams per liter (mg/L).



## **2.0 - COLORADO RIVER ACCOUNTING SURFACE, NEEDLES, CALIFORNIA**

The Colorado River Accounting Surface (Figures 2 and 3) in and around the City was developed in the 1990's by the USGS in cooperation with the Bureau of Reclamation (BOR) to identify wells outside the flood plain of the lower Colorado River that yield water that would be replaced by Colorado River water. This method was needed to identify which wells require an entitlement for diversion of water from the Colorado River and need to be included in accounting for consumptive use of Colorado River water as outlined in the Consolidated Decree of the United States Supreme Court in *Arizona v. California* (Wiele, S.M, et al., 2009).

The Colorado River Accounting Surface presented in Figure 3 was provided to Matrix by Mr. Jeremy Dodds, Water Accounting and Verification Group, Boulder Colorado Operations Office, Bureau of Reclamation (BOR) personal communication, April 23, 2019 as the most recent USGS well inventory Accounting Surface as of March 2019.

## **3.0 - HYDROGEOLOGIC DATA**

### **3.1 - Needles Basin Aquifer**

The City of Needles is bound to the east by the Colorado River and to the west by the piedmont slopes of the Sacramento Mountains (Figures 1 and 2). In the Needles area, the geologic units that are important in the evaluation of the local groundwater resources are the piedmont slopes comprised of older alluvium overlying the fanglomerates, and the younger alluvium (flood plain) of the Colorado River and its tributaries (Figure 2). The two alluviums are a heterogenous mixture of gravel, sand, silt, and clay, and are treated as a composite aquifer because of the hydraulic conductivity between the deposits. Groundwater in the Colorado River younger alluvium in the Needles area occurs under water-table conditions (Metzger and Loeltz, 1973) and is regulated.

Sources of groundwater recharge in the Needles area are principally the Colorado River, irrigation return flow, runoff from precipitation events along washes, and underflow from bordering areas to the west along major ephemeral streams (Metzger and Loeltz, 1973). Non-water bearing bedrock outcrops are located west of Needles forming the western edge of the Needles groundwater basin.

Based on the results of two pumping tests conducted in 1963 and reported by Metzger and Loeltz (1973), in the Needles area aquifer transmissivity values of the younger alluvium were calculated using constant rate test recovery measurements to be 600,000 gallons per day per foot (gpd/ft) and 450,000 gpd/ft for wells 9N/23E-20F1 (City Well #5) and 32-K1 (City Well #12) respectively. Subsequent calculated specific capacity values at these wells are 220 gallons per minute per foot of drawdown (gpm/ft) and 47 gpm/ft respectively.

There were no Piedmont Slopes aquifer test data available for review.

### 3.2 - Wells

Matrix researched the State (California Natural Resources Agency, Needles Well Data Source) and City records for well construction and production information. The State records generally provided the following information on local Needles area wells (Attachment 1).

- Well Owner
- Planned Use
- Well Location
- Drilling Method
- Date Well Completed
- Well Construction
  - Total Depth
  - Casing Diameter
  - Static Water Level
  - Perforation Interval
- Well Production
- Water Quality

Review of the state records indicate many of the wells were constructed for domestic use with limited production and water quality information, and recent updates are typically not available. Further research into the State database provides Geologic Logs (the lithology of the aquifer material penetrated by the well) on some but not all domestic wells, but unfortunately not for the larger production wells including the City Wells. A subset of the larger City database for wells with more of a complete construction record is presented in Attachment 2.

The City operates four (4) wells to meet their potable and non-potable demands. These wells are identified as City Wells #8, #11, #12, and #15 (Figure 3). Previous numbered City Wells are no longer in service or do not meet City production and water quality requirements. BOR wells with static water levels and groundwater surface elevations are also presented in Figures 3, 4, and 5 and summarized on Table 1. The BOR well numbers are internal numbers established by the BOR and correspond to the wells presented in Table 1 and not any of the City Wells. A summary of the conditions of the City Wells is presented in Chart 1.



<b>CHART 1</b>		
<b>SUMMARY OF PERTINENT CITY WELL PRODUCTION INFORMATION</b>		
<b>City Well Number</b>	<b>General Comments</b>	<b>Manganese (Mn) Concentrations*</b>
<b>Operational Wells</b>		
15	Primary City Well, Stainless Steel Casing, Q = 2,200 gpm.	Meets Mn Secondary MCL
12	Pumps only to golf course, former back-up to #15, Q = 2,000 gpm, has sand separator.	Exceeds Mn Secondary MCL. Cannot be used in the City system
11	Current back-up to Well #15 only with permission from state, sanding problems.	Exceeds Mn Secondary MCL. Cannot be used in the City system
8	Low production at 120 to 140 gpm, breaks suction, had collapse casing and now has liner.	Exceeds Mn Secondary MCL. Cannot be used in the City system
<b>Non-operational Wells</b>		
14	Located 13 miles north of City, Artesian aquifer, Q = 300 gpm at 700 feet.	
13	Located north of existing water system, high TDS.	
10	Abandoned.	
6 and 7	High nitrate, abandoned.	

\*Additional groundwater quality data in Chart 3

### 3.3 - Groundwater Surface

Recent groundwater surface elevation data in the study area are limited. The most comprehensive groundwater surface contour map is presented on Figure 4 (Metzger, et al. 1973). Review of this map shows primarily the groundwater surface associated with the Colorado River flood plain based on 1962 – 1969 elevations. The groundwater surface beneath the piedmont slopes is not presented due to lack of data but may be interpolated based on those contours that appear not to be completed but show a generalized pattern of wrapping back around to the west similar to contours 464, 462, and 460 feet above sea level.

Review of the groundwater surface elevation map indicates groundwater is flowing from the Colorado River west into the younger alluvium aquifer (Colorado River Recharge) and groundwater is flowing east from the higher piedmont surface (runoff from precipitation events and underflow from the bordering areas) and then flowing south southeast paralleling the Colorado River.

USGS groundwater surface elevation data from local wells are presented in Table 1. These data represent the most recent inventory of depth to groundwater in and around the City as collected by the USGS (Dodds, personal Communication, 2019) and are plotted on Figure 5.

### 3.4 - Well Production

Wells with higher capacity production rates are summarized on Chart 2, based on review of the available State database and information provided by City staff. These wells represent production from the younger alluvium which is considered regulated Colorado River water. As noted in Chart 2, City production wells exceed 2,000 gpm with the exception of City Well #8 which has a reported pumping rate of 900 gpm and a current rate of 120 gpm due to sanding issues. This initial reduced production may be the result of a shallower total well depth.

<b>CHART 2</b> <b>SUMMARY OF RELATED WELL PRODUCTION INFORMATION, CITY OF NEEDLES</b>								
Location	Year Drilled	Total Depth (ft)	Casing Diameter (ins)	Perforated Interval (ft-ft)	SWL (date) (ft)	Pumping Rate (gpm)	Drawdown (ft)	Specific Capacity (gpm/ft)
9N/23E 32K1 Needles Well 5*	1960	360	16	150-360	50.1 4/6/61	2250	18	125
Needles Well 8**		120				900 120 now		22.5
Needles Well 11**	1993	285				2000		50.0
9N//23E-29F1 Needles Well 12**	1993	291				2000		50.0
Needles Well 15**	2012	295				2200		55.0
Needles Well 15***					21.1	2117	21.9	96
S09N223E29**** Industrial	6-1990	100	14	50-100	14	2000		
S09N23E30**** PWS Denaero Subdivision	4/1967	98	20	38-82	13	3000		
S09N23E30**** PWS, Bush St. North K St.	5/1968	98	20	50-85	17	2300		
S09N23E30**** PWS, Bush, Vine, K St, Market	12/1989	300	20	60-260	25	2500		

\* Source: Metzger and Loeltz, 1973

\*\* Source: City of Needles, 2018. Specific capacity estimated based on a drawdown of 40 feet (City estimate).

\*\*\* Based on May 23, 2019 field measurements by City staff.

\*\*\*\* California Natural Resources Agency, Needles Well Data Source

As a follow-up to our meeting with City staff on May 22, 2019, Mr. Valenzuela, acting Utility Services Water Department Chief Operator, measured the current pumping rate (Q) at 2,117 gpm, static water level (swl) of 21.1 feet, and a pumping water level (pwl) of 43 feet at City Well #15 on May 23, 2019. The resultant 2019 specific capacity (SC) value was calculated to be 96 gpm/ft. Where:

$$\begin{aligned}
 SC &= \text{Pumping Rate/Drawdown} = Q/s \\
 SC &= 2,117 \text{ gpm} / (43 \text{ ft} - 21.1 \text{ ft}) \\
 SC &= 96 \text{ gpm/ft}
 \end{aligned}$$



This specific capacity value is consistent with the earlier reported values (Section 3.1) in similar aquifer materials of the younger alluvium.

The 2012 specific capacity at Well No. #15 was estimated by Matrix to be 55 gpm/ft based on a non-measured City staff estimated drawdown of 40 feet. If the drawdown was more in line with the measured 2019 drawdown of 21.9 ft., the 2012 specific capacity would be 100 gpm/ft which equivalent to the 2019 value.

### **3.5 - Groundwater Quality**

Matrix researched State (California Natural Resources Agency, Needles Well Data Source), USGS, and City records for groundwater quality data. The state water quality data were primarily related towards monitor wells associated with specific contamination (underground fuel tanks) while the City was able to provide limited data regarding base water quality of their wells. USGS data of total dissolved solids (TDS) and major cations and anions of selected wells primarily completed in the younger alluvium are presented in Figure 6 (Metzger and Loeltz, 1973). These data represent 1973 concentrations with the exception of the three wells recently analyzed in June 2019 by the City.

Review of the USGS data (Figure 6) indicates that the TDS concentrations in the younger alluvium along the Colorado River range from 711 milligrams per liter (mg/L) to 2,060 mg/L. City Wells #8 and #15 and private wells in the immediate area have reported total dissolved solids (TDS) concentrations ranging from 770 mg/L to 1,160 mg/L including City Well #5 (9N23E-29F1) and City Well #12 (9N/23E-32K1). Correlation between TDS concentrations and well perforation intervals was not conducted due to lack of well construction information in the State records.

As a follow-up to our May 22, 2019 meeting and in support of collecting additional water quality data for wells not associated with the younger alluvium of the Colorado River, Mr. Valenzuela collected water samples from three (3) wells identified as 4469 Bourbon Street, Needles Airport Well, and 77 Zoe Lane (Figure 6). The Needles Airport well may be the same well the USGS has measured in the past and identified in Table 1 as BOR well #6. The well identified as 77 Zoe Lane may be BOR well #10, #11, or #12.

The 4469 Bourbon Street sample is believed to represent the groundwater quality of the younger alluvium while the other two samples potentially represent tributary groundwater quality outside of the younger alluvium. A summary of available groundwater quality data is presented in Chart 3.

City of Needles Wells 15, 8, 11, and 12 source water quality laboratory sampling results from 20106 and 2019, and available data from abandoned wells are presented in Attachment 3.



**CHART 3**  
**SUMMARY OF RELATED GROUNDWATER QUALITY WELL INFORMATION, CITY OF NEEDLES**

Location	Total Depth (ft)	Total Dissolved Solids (mg/L)	Fluoride (mg/L)	Nitrate as N (mg/L)	Iron (mg/L)	Arsenic (mg/L)	Manganese (mg/L)
9N/23E 32K1 Needles Well 5*	360	1,190*	2.0				
Needles Well 8**	120						Exceeds Secondary MCL of 0.050 mg/L
Needles Well 8, 11/15/16	120	780	ND	ND	0.72	ND	0.158
Needles Well 8, 4/9/19	120	1000		ND	0.560	0.0033	0.180
Needles Well 10**						0.0029	
Needles Well 11**	285						Exceeds Secondary MCL of 0.50 mg/L
Needles Well 11, 11/15/16	285	1100	1.9	ND	ND	ND	0.054
Needles Well 11, 4/9/19	285	1100		ND	ND	0.0076	0.120
9N/23E-29F1 Needles Well 12**	291	1040*					Exceeds Secondary MCL of 0.050 mg/L
Needles Well 12, 11/15/16	291	1600	1.3	1.4	ND	ND	0.63
Needles Well 12, 4/2/19	291	1700			ND	ND	0.510
Needles Well 15**	295	670	0.52	ND	ND	0.0029	Less than Secondary MCL of 0.050 mg/L
Needles Well 15, 11/15/16	295			ND			
Needles Well 15, 4/2/19	295	600		ND	ND	ND	0.026
Needles Well #7**	Abandoned			Exceeded Primary MCL			
Needles Well #8**	Abandoned			Exceeded Primary MCL (?)			
4469 Bourbon Street***		630	0.41	0.85	ND	0.0036	ND
Needles Airport Well***		350	1.4	4.9	ND	0.0054	ND
77 Zoe Lane***		600	1.2	ND	ND	ND	0.044
North Shore RV Park**** 3408 Needles Highway		640	0.39	ND			
Rainbo Beach Resort**** 3520 Needles Highway		770	1.1	0.87			

\*Source: Metzger and Loeltz, 1973.

\*\*Source: City of Needles staff, 2018. City Wells #7 and #8 are in the vicinity of Well #15.

\*\*\* Source: Mr. Frank Valenzuela, City of Needles, sampled, June 6, 2019. Western Environmental Testing Laboratories (Attachment 3 – Laboratory Results).

\*\*\*\*Source: Mr. Frank Valenzuela, City of Needles, sampled wells on August 27, 2019. Western Environmental Testing Laboratory (Attachment 3)

ND –. Not Detected or less than the Reporting Limit.

Results highlighted in Yellow sampled on 11/15/2016 and 4/2019 as required by the State of California (Attachment 4).

Review of the available water quality data indicates that the manganese problem observed in the City Wells is primarily associated with wells perforated in the younger alluvium of the Colorado River, while wells completed in the older alluvium, further away from the river are less likely to have manganese secondary MCL exceedances (for example Airport Well, Figure 6). City Well #15 is completed in the younger alluvium and has a measured manganese concentration of 0.026 mg/L which is less than the Secondary MCL of 0.050 mg/L.

There does appear to be a trend in increasing manganese concentrations for current City Wells #8 and #11 from 2016 to 2019 (Chart 3), while City Well #12 has a slight decrease during that same time frame. City Well #15 was not tested for manganese in 2016.

TDS concentrations in the 600 mg/L to 1,200 mg/L tend to be associated with Colorado River water. At the City production wells, the TDS concentrations appear to be relatively consistent from 2016 to 2019 (Chart 3).

There is insufficient water quality data to contour properly the major analytes including TDS, Nitrate as N, and Manganese.

#### **4.0 - NEW WELLS SITING**

The City of Needles has a critical interest, due to water quality restrictions (principally manganese exceeding the Secondary MCL), to improve the production and pumped water quality from wells diverting regulated groundwater from the younger alluvium along the Colorado River as well as to identify “new” groundwater supplies that may be developed and not be subjected to the Colorado River Accounting Surface restrictions (Tributary Water).

##### **4.1 - Restricted Groundwater**

Groundwater in the younger alluvial aquifer beneath the flood plain is considered to be Colorado River water and water pumped from wells on the flood plain is presumed to be river water and is accounted for as Colorado River water (Wiele, S.M, et al., 2009). The Colorado River flood plain in Needles is limited to an area along the western side of the Colorado River (Figure 2) extending west in some areas to the Interstate Highway. City Wells No's 8, 11, 12, and 15 are considered to be pumping accountable Colorado River water.

##### **4.2 - Non-restricted Tributary Groundwater**

Matrix identified five (5) potential areas outside the Colorado River flood plain to develop Tributary water (Figure 7). These areas were ranked from best opportunity (1) to least opportunity (5) based primarily on the upgradient tributary area. These areas were submitted to Mr. Jeremy Dodds with the BOR for review and assessment of their relationship with the Colorado River Accounting Surface. On April 23, 2019 Mr. Dodds provided Accounting Surface contours (Figure 3) depicting the groundwater accounting surface in and around Needles based on the most recent USGS well inventory data available as of March 2019 (Table 1).

Matrix was able to identify areas within the City of Needles where Tributary water would be expected to be encountered based on review of accounting surface and groundwater elevations



(Figure 8). These areas would be where the groundwater surface elevation would be sufficiently higher than the accounting surface elevation to allow for pumping water levels (drawdown) to maintain a higher pumping water level elevation versus the Accounting Surface elevation.

## **5.0 - RECOMMENDED POTENTIAL NEW WELL LOCATIONS**

Matrix has identified areas to further investigate specific well locations for the Non-restricted Tributary Groundwater wells (Figure 8). If available, testing and sampling of neighboring wells is recommended to be conducted at the Non-restricted Tributary Groundwater sites because of the limited availability of specific data in the vicinity of the well sites.

Development of wells that will pump Restricted Groundwater is limited to the high transmissive younger alluvium along the Colorado River where high capacity Wells can be located. The issue for the Restricted Groundwater wells is water quality and exploratory test wells would be required to identify the groundwater quality prior to constructing a production well.

### **5.1 - New Well Site(s) - Non-restricted Tributary Water**

Potential Non-restricted Tributary well locations have been identified based on the estimated elevation difference between the regional groundwater surface elevation over the Colorado River Accounting Water Surface elevation resulting in the potential availability of tributary water that is not federally restricted Colorado River water as determined by the USGS. Areas identified are in the southern portion of the City as noted in Figure 8. In the northern portion of the City the Accounting Surface is higher in elevation than the reported groundwater surface. In the central portion of the City (Areas 4 and 5, Figure 7), there are no groundwater surface elevations to compare versus the Accounting Surface. Specific well sites will need to be identified based on water quality, location to the distribution system, and land ownership.

City staff sampled two wells on May 24, 2019 in the southern end of the City identified as the Needles Airport well (which may also be BOR Well #6) and 77 Zoe Lane well (which may be BOR wells #10, #11, or #12) that met Primary and Secondary Standards for the analytes tested including manganese (Chart 3, Figure 6). The potential developable aquifer thickness of a well in and around the Airport well would be approximately 35 feet (BOR #6 water surface elevation of 496.77 ft above mean sea level [amsl] versus the Accounting Surface of 461.5 ft amsl).

Where:

Groundwater Surface Elevation = 496.77 ft amsl

Accounting Surface Elevation = 461.5 ft, amsl (estimated)

Thickness of Saturated Aquifer of Tributary Groundwater =  $(496.77 - 461.5) = 35$  feet

The groundwater surface at the Airport Well needs to be verified since the available water level was measured in 2001.

The potential of developing a Non-restricted Tributary well near 77 Zoe Lane is more problematic since the estimated groundwater surface would be in the 452 ft to 459 ft range versus the Accounting Surface elevation of 462 ft. Again, the groundwater surface in and around 77 Zoe Lane will need to be verified since the current water levels in the area were measured in 2001.

The thickness of saturated aquifer of Tributary Groundwater in the area around BOR wells #7, #8, and #9 is significant where:

Groundwater Surface Elevation at BOR Wells #8 and #9 = 659.3 ft amsl

Accounting Surface Elevation = 462.5 ft, amsl (estimated)

Thickness of Saturated Aquifer of Tributary Groundwater =  $(659.3 - 462.5) = 196.8$  feet

The groundwater surface at BOR wells #8 and #9 needs to be confirmed as well as groundwater quality. BOR well #7 appears to an outlier having a groundwater elevation of 746.38 ft amsl and was not considered representative of the local groundwater conditions by BOR (Table 1 footnotes).

## **5.2 – New Well Site(s) - Restricted Groundwater**

Following the review of the local hydrogeologic conditions, well production and quality, and location to the City water distribution system, Matrix proposes that new well sites designed to pump Restricted Groundwater be located on City property in and around City Well #15 or off City Well #15 property to the north. Well #8 located south of Well #15 has a reported exceedance of manganese which may be a result of a shallower well completion depth of 120 feet versus Well # 15 which has a reported well depth of 295 feet. City Wells # 11 and #12 located further to the south that pump Restricted Groundwater have exceedances of the Secondary MCL for manganese.

Additional potential well sites are presented in Chart 4. Pilot borehole testing and zonal groundwater quality sampling are recommended to confirm groundwater quality at any of these proposed sites.



<b>CHART 4</b> <b>POTENTIAL FUTURE WELL LOCATIONS</b> <b>REGULATED COLORADO RIVER WATER</b>		
<b>Potential New Well Locations</b>	<b>Pros</b>	<b>Cons</b>
Immediately north of I Street and the Well #15 City property. Then extending further north within the floodplain.	Increases the distance from known high manganese wells, including Well #15 (below standard) and Well #8 (above standard). Potential area of high production and low manganese to the north. Potentially good proximity to City utilities within the first ½ mile north per City Water Distribution Map.	No specific water quality data in the proposed area. Land ownership. Further the distance north of I Street, increase in pipeline costs and potential supporting utilities including power.
North end of City property incorporating Well #15.	Property currently owned by the City. Supporting utilities in close proximity. Anticipated water production and quality similar to Well #15. As a back-up well, new well would not be operating if Well #15 is operating limiting impacts on the aquifer and groundwater flow direction.	Well #15 has reported manganese concentrations (less than standard) and new well may draw poor quality water towards Well #15 from the Well #8 area.
Far north end of City within the vicinity of the Bourbon Street well along the Colorado River floodplain in Township 9 North.	Large area to provide available well site property. Bourbon Street well met water quality standards (Figure 6).	Large area to investigate. Proximity to city water system. The farther to the north, increase in pipeline costs.
City properties associated with the younger alluvium along the Colorado river approximately 0.25 miles north or south of City Wells #11 and #12.	Near City utilities.	May require well redesign to reduce manganese and sand production. Difficult to predict future quality even if well design limits manganese concentrations initially.

#### 5.2.1 - New Well Pumping Impact on Well #15

To further evaluate the impact of installing a new well near Well #15 on City property, the drawdown associated with a new well was estimated based on recently collected specific capacity data at Well #15 by City staff on May 23, 2019. Review of these data indicate that the pumping impact of a new production well would be dependent on the distance between the two wells resulting in a viable second well location in the area. The estimated impact calculation is presented below.

The pumping impact of a new well near Well #15 was estimated based on the empirical relationship where the transmissivity (T) of the aquifer equals the specific capacity times a constant for unconfined aquifers of 1500 (Driscoll, 1986). Based on this relationship, the transmissivity of the younger alluvium in the immediate vicinity of the Well #15 is:

$$T = SC * 1500$$

$$T = 96 \text{ gpm/ft} * 1500$$

$$T = 144,000 \text{ gallons per day per foot of drawdown (gpd/ft)}$$

This transmissivity value is the same order of magnitude as the reported transmissivity values at City Wells #5 and #12 (Table 2 and Section 3.1) based on aquifer testing.

Once the aquifer transmissivity has been estimated the impact of pumping from a new well at the existing City Well #15 property can be estimated using THWELLS v4.01 multi-Theis analysis software (van der Heijde, 1996). THWELLS calculates the drawdown of the piezometric head due to the combined effect of multiple discharge wells in a confined, leaky-confined, or unconfined aquifer. The calculations for total drawdown are based on the Theis equation for non-equilibrium flow in an isotropic, homogeneous aquifer (Theis, 1935). Using the unconfined aquifer option, the calculated drawdown at the well was corrected using the method described by Jacob (1946).

The aquifer characteristics used in the well impact analysis were based on aquifer data at Well #15 where the saturated aquifer thickness is 274 feet (well total depth of 295 ft – swl of 21 ft), the estimated aquifer transmissivity is 144,000 gpd/ft and the aquifer specific yield is estimated to be 0.10. A recharge boundary of the Colorado River was not considered resulting in a more conservative long-term impact. A summary of pumping impacts based on a pumping rate of 2,000 gpm is presented in Chart 5.

<b>CHART 5</b> <b>DISTANCE VERSUS TIME - PUMPING IMPACT</b> <b>NEW WELL PUMPING IMPACT ON CITY WELL #15</b>				
<b>Distance from New Pumping Well (feet)</b>	<b>Projected Drawdown at Well #15</b> <b>New Well Pumping 2,000 gpm</b> <b>(feet)</b>			
	<b>1 year</b>	<b>5 years</b>	<b>10 years</b>	<b>25 years</b>
10	23.3	26.6	27.8	29.4
50	18.2	21.0	22.2	23.7
100	15.8	18.6	19.8	21.3
150	14.5	17.2	18.4	19.9
200	13.5	16.2	17.4	19.0
250	12.5	15.6	16.6	18.2

As noted in Chart 5, the pumping impact of a new high capacity Well on the City property ranges from 12.5 feet of drawdown impact after 1-year of constant 24-hours per day pumping at a distance of 250 feet to 29.4 feet of drawdown impact after 25 years at a distance of 10 feet. A more realistic impact analysis would be where the new well is approximately 100 to 150 feet from Well #15 resulting in an impact range of 14.5 feet and 21.3 feet at years 1 and 25 respectively. These projected impacts are negligible since recharge from the Colorado River is not considered in this impact analysis which will reduce the pumping impacts.



The potential of drawing potential high manganese water towards Well #15 from the Well #8 area would be less if the new well was pumping and Well #15 was not (Under back-up conditions). As a new back-up well, that potential would be minimal. However, Well #15 does have measurable manganese concentrations less than the Secondary standard, but it is not known if the manganese concentrations are currently increasing, decreasing, or maintain a constant concentration. As a result, it may be more prudent to site a new well further north of the Well #15 property.

### **5.3 - Potential Wells Sites Preferences**

The pros and cons of potential well sites are summarized in Chart 4.

#### **5.3.1 - New Well Site - Non-restricted Tributary Water**

Well sites are prioritized based on the saturated aquifer thickness above the Accounting Surface and well specific data. Test wells to confirm specific conditions would be required.

- In and around BOR Wells #8 and #9 (Figure 8).
- Needles Airport area (Figure 6 and 8).
- In and around BOR Wells #2, #3, and #5 (Figure 8)
- Sites in Areas of Interest 1 and 3 (Figure 7).

#### **5.3.2 - New Well Site - Restricted Groundwater**

Well sites are prioritized based on location of the highly transmissive younger alluvium located immediately west of the Colorado River (floodplain) and where existing groundwater quality data are potable and manganese is less than 0.05 mg/L. Test borings and additional sampling of existing wells to confirm groundwater quality would be recommended for all potential sites.

- Immediately north of I Street and Well #15 City property. Then extending further north within the floodplain.
- Far north end of City within the vicinity of the Bourbon Street well along the Colorado River floodplain in Township 9 North (Figure 6).

### **5.4 – Further Refinement of Potential Wells Sites**

Based on the areas identified as having potential to locate future wells (Figure 9), Matrix has enlarged those areas in a series of Focus Area Maps (Figures 10 through 16) outlining City owned property (as provided to Matrix), topography, and available water quality data points. Focus Area 1 addresses Non-restricted Tributary Water, while Focus Areas 2 through 6 address the development of Restricted Groundwater.

As previously noted, the water quality data points are not sufficient to contour but do provide important information, where available, of the local groundwater quality. A correlation between water quality and the wells perforation intervals has not been able to be made as well. As a result, reported groundwater quality represents the entire perforated interval of the well.

For any and all well sites, Matrix recommends that the well's pilot borehole be tested for:

- aquifer lithology (logged),
- geophysically logged (lithology detail),
- zonal water quality, and
- zonal aquifer hydraulic conductivity

in order to determine 1) if a production well will be completed at that site and 2) if borehole is completed as a production well, the final casing perforation size, gravel pack gradation, perforation interval, total depth, and casing dimensions.

#### **5.4.1 - New Well Site - Non-restricted Tributary Water**

There is no City owned property in Focus Area 1 (Figure 10).

Water quality data in the Non-restricted Tributary Focus Area 1 is extremely limited to data collected at the Airport well. Based on that information, a well in the vicinity of the Airport well may be expected to have similar water quality. That estimate would have to be supported by the pilot hole testing.

#### **5.4.2 - New Well Site – Restricted Groundwater**

Moving from north to south in the more populated portions of the City along the west side of the Colorado river, six (6) focus areas have been highlighted. These areas are limited to the Colorado River floodplain which is highlighted on each Focus Area Figure. In general, the floodplain extends from the west bank of the river to a distance east of Interstate 40.

##### **Focus Area 2**

There is limited City owned property in Focus Area 2 (Figure 11). Review of available water quality indicates that the TDS concentrations range from 640 mg/L to 770 mg/L, and where tested both fluoride and nitrate meet drinking water standards. Manganese concentration data are not available in the available data sets.

##### **Focus Area 3**

There is limited City owned property in Focus Area 3 (Figure 12) and no well information regarding production and water quality other than some limited domestic wells. Sampling the domestic wells would be helpful with respect to providing water quality data.

##### **Focus Area 4**

There is limited City owned property in Focus Area 4 (Figure 13) that does not include existing City wells, but there are many lots in the area that could be purchased. Operating City wells in Focus Area 4 include Wells #15, 8, and 11.

Potential new wells north of Well #15 will require the purchase of private land.



### **Focus Area 5**

There is significantly more City owned property in Focus Area 5 (Figure 14). Operating City well #12 is located in the area with limited water quality data but has confirmed exceedances in manganese. Potential well sites to the south and west may be a better area to investigate where the area would be up-gradient to side gradient on known contamination.

### **Focus Area 6**

There are several City owned properties in Focus Area 6 (Figure 15). There are no operating City wells in the area and no water quality data sources. Potential well sites would be City property along the western end of the Colorado River floodplain.

### **Focus Area 7**

There are several City owned properties in Focus Area 7 (Figure 16). There are no operating City wells in the area and no water quality data sources. Similar to Area 6, potential well sites would be City property along the western end of the Colorado River floodplain.

## **6.0 - REFERENCES**

- Bureau of Reclamation. Mr. Jeremy Dodds, Water Accounting and Verification Group, Boulder Colorado Operations Office, Bureau of Reclamation. personal communication. April 23, 2019.
- Driscoll, F.G. 1986. Groundwater and Wells (2<sup>nd</sup> edition). Johnson Filtration Systems, Inc. St. Paul Minnesota.
- Jacob, C.E. 1946. Drawdown Test to Determine Effective Radius of Artesian Well. In: Proceed. of Am. Soc. Civil Eng., Vol. 79, No. 5. ASCE, New York, New York.
- Metzger, D.G. and Loeltz, O.J. 1973. Geohydrology of the Needles Area, Arizona, California, and Nevada. Water Resources of Lower Colorado River – Salton Sea Area. Geological Survey Professional paper 486-J.
- Theis, C.V. 1935. The relation between lowering of the piezometric surface and the rate and duration of discharge of a well using ground-water storage. Am. Geophysical Union Trans., 16th Ann. Mtg., pt 2, pp 519 - 524.
- van der Heijde, 1996. THWELLS, Flow in Confined or Unconfined Aquifer with Multiple Wells. Released by International Ground-water Modeling Center, May 1996, v. 4.01.
- Wiele, S.M, Leake, S.A., Owen-Joyce, S. J., and McGuire, E.H. Update of the Accounting Surface Along the Lower Colorado River: Scientific Investigations Report 2008-5113).

## FIGURES

- 1) Regional Location Map
- 2) City of Needles Colorado River Floodplain, Piedmont Slope on Accounting Surface
- 3) Accounting Water Surface
- 4) Groundwater Surface Map (1962-1969)
- 5) USGS Recent Groundwater Static Water Levels (Source: Table 1)
- 6) Groundwater Quality Map (1973)
- 7) Areas of Interest, Measured Groundwater Accounting Surface
- 8) Non-Colorado Water Areas and Focus Areas
- 9) Focus Area Overview
- 10) Focus Area 1
- 11) Focus Area 2
- 12) Focus Area 3
- 13) Focus Area 4
- 14) Focus Area 5
- 15) Focus Area 6
- 16) Focus Area 7

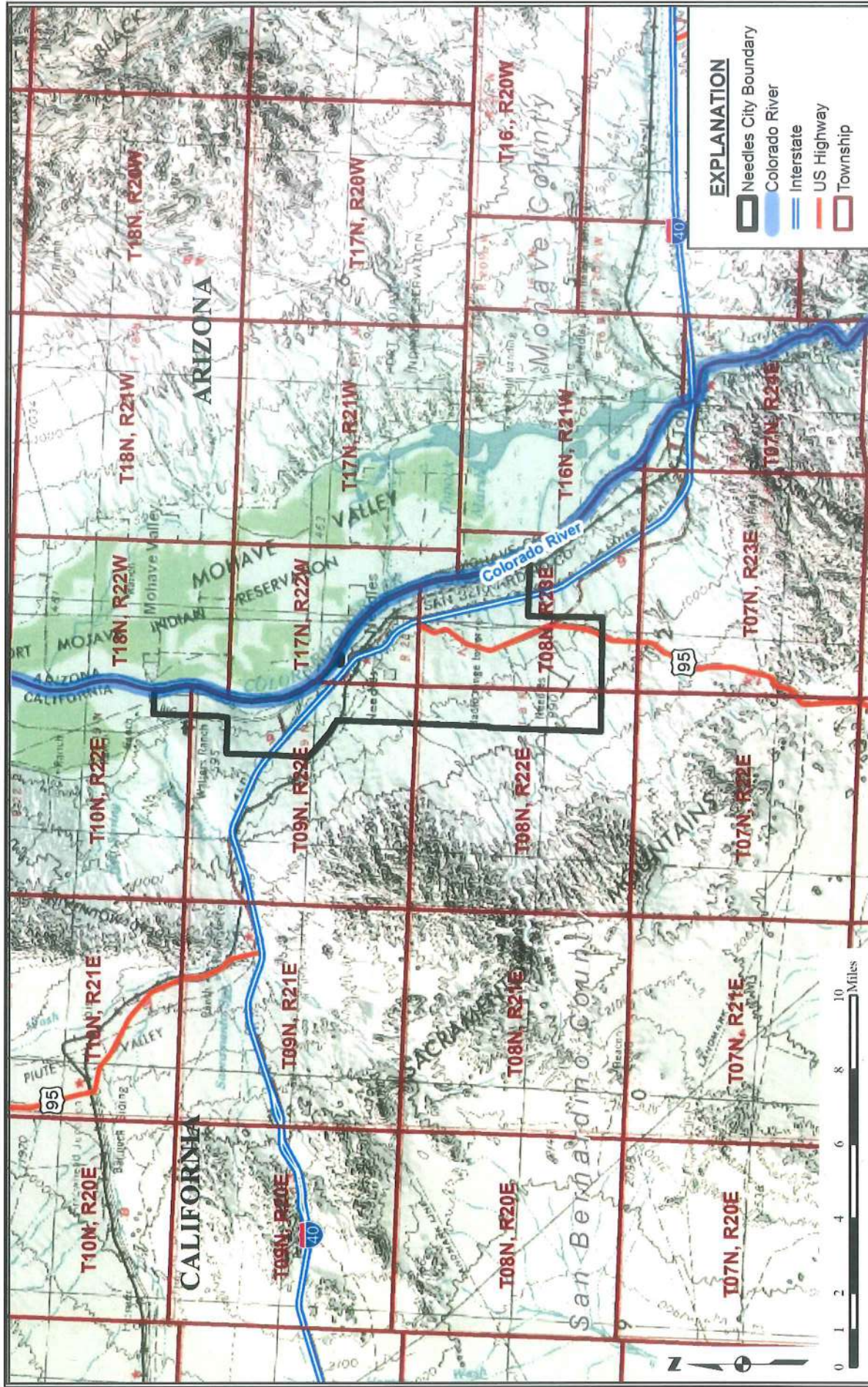
## TABLES

- 1 USGS Well Inventory Data
- 2 Aquifer Test Results, Wells 12 and 15. Metzger et al. 1973.

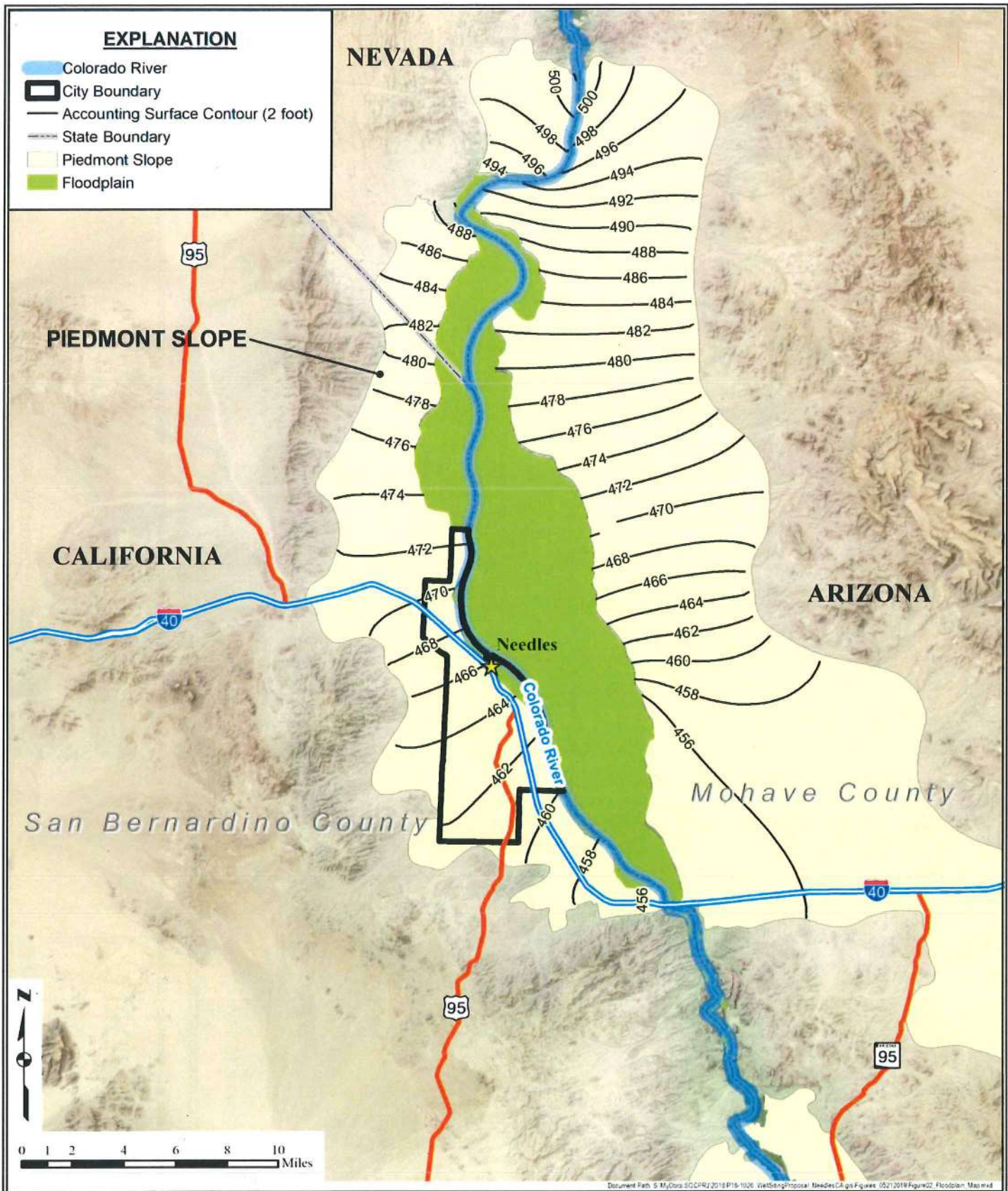
## ATTACHMENTS

- 1 California Natural Resources Agency, Needles Well Data Source
- 2 Subset of Larger City of Needles Well Record
- 3 Groundwater Water Quality Results, Western Environmental Testing laboratory  
Well Locations: 4469 Bourbon Street, 77 Zoe Lane, Airport Well Staff Samples
  - a. 6/20/2019
  - b. 9/4/2019
- 4 City of Needles Source Sample Results for Operating Wells
  - a. 4/2/19
  - b. 6/29/19
  - c. 11/15/19









**MATRIX**NEWORLD  
Southwest Groundwater

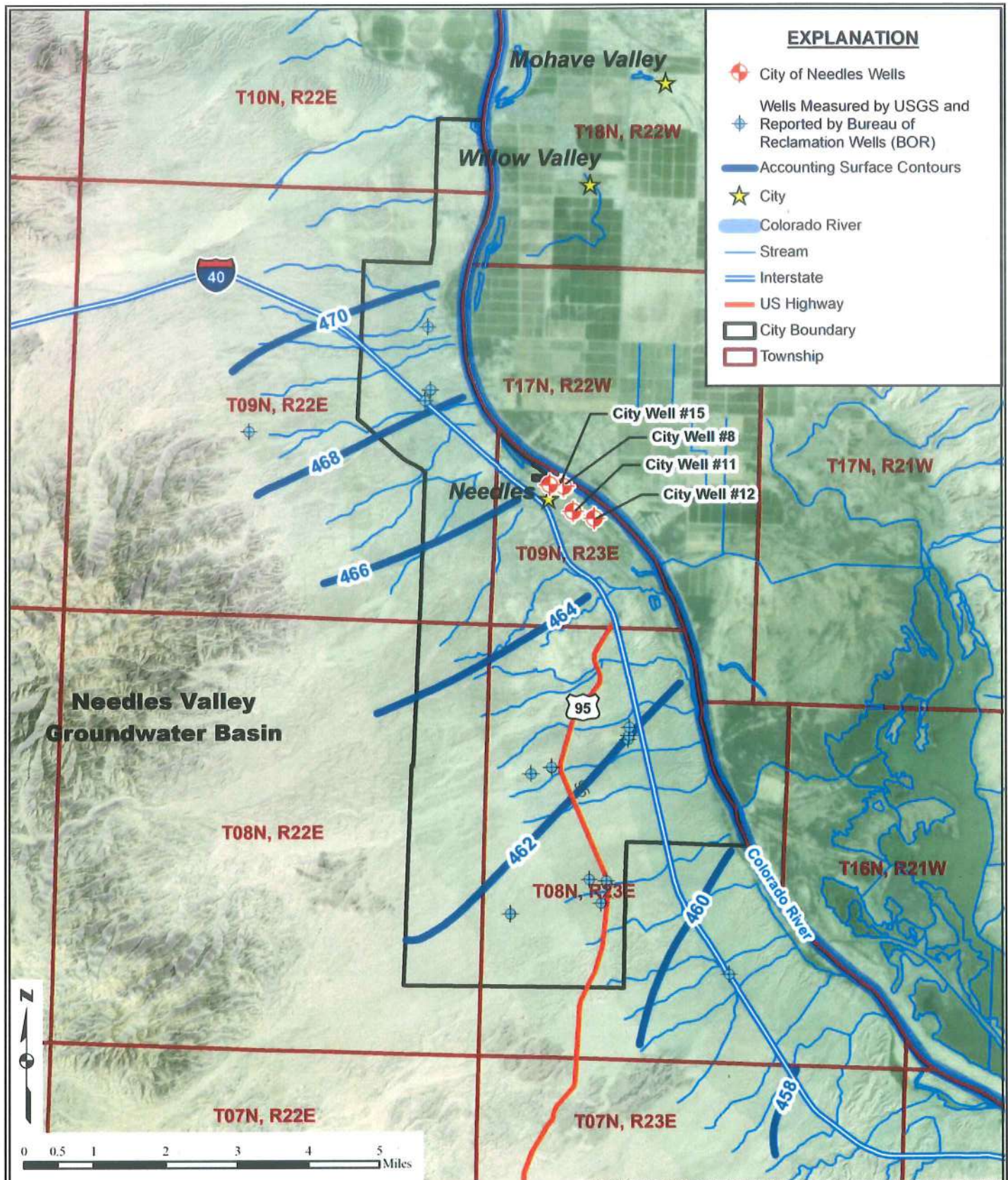
October 28, 2019 Project 18-1026

**CITY OF NEEDLES COLORADO RIVER  
FLOODPLAIN, PIEDMONT SLOPE  
ON ACCOUNTING SURFACE**

Needles, San Bernardino County, California

**Figure  
2**





**MATRIX**NEWORLD  
Southwest Groundwater

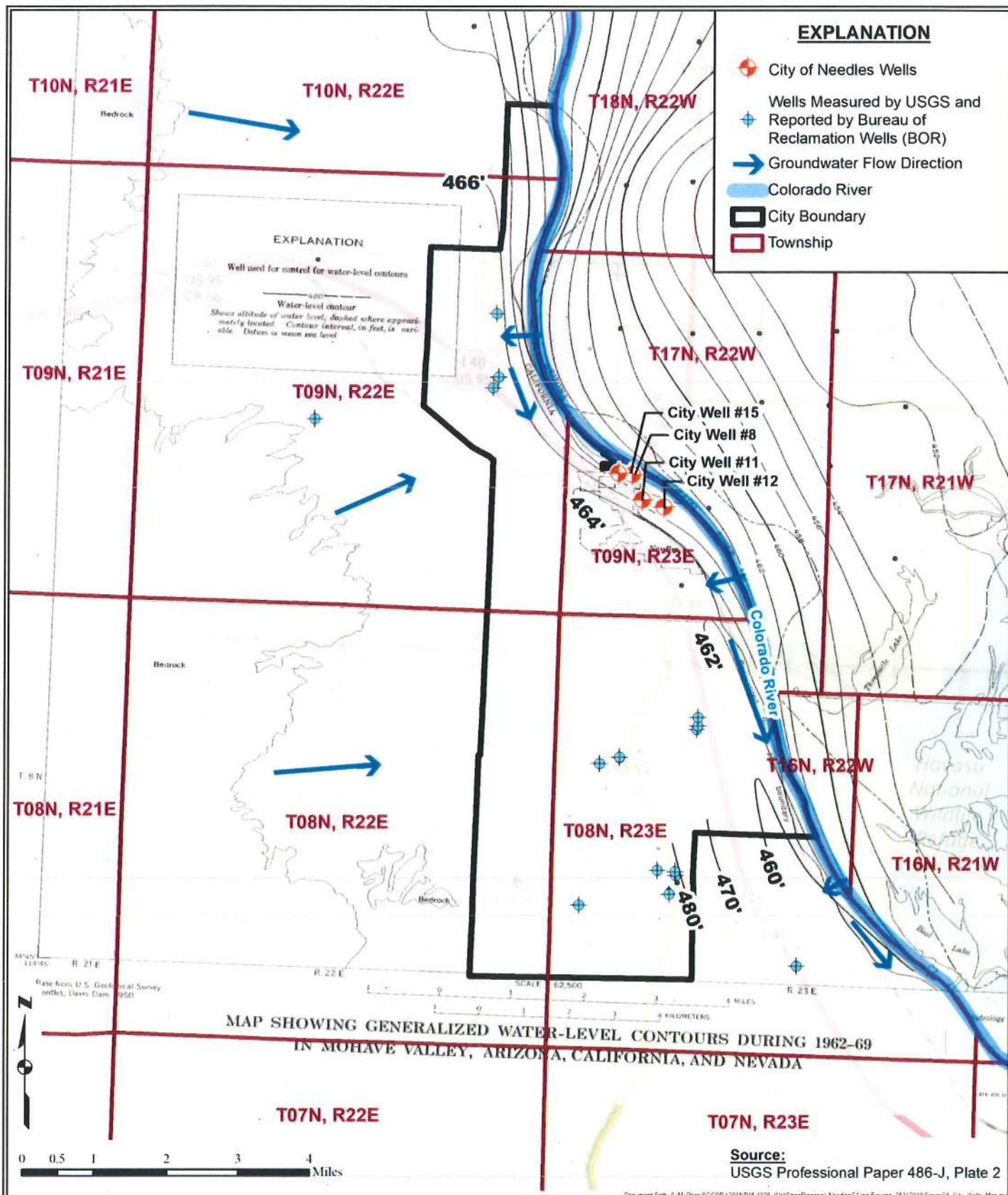
October 28, 2019 Project 18-1026

## ACCOUNTING WATER SURFACE

Needles, San Bernardino County, California

**Figure**  
**3**





**MATRIX**NEWORLD  
Southwest Groundwater

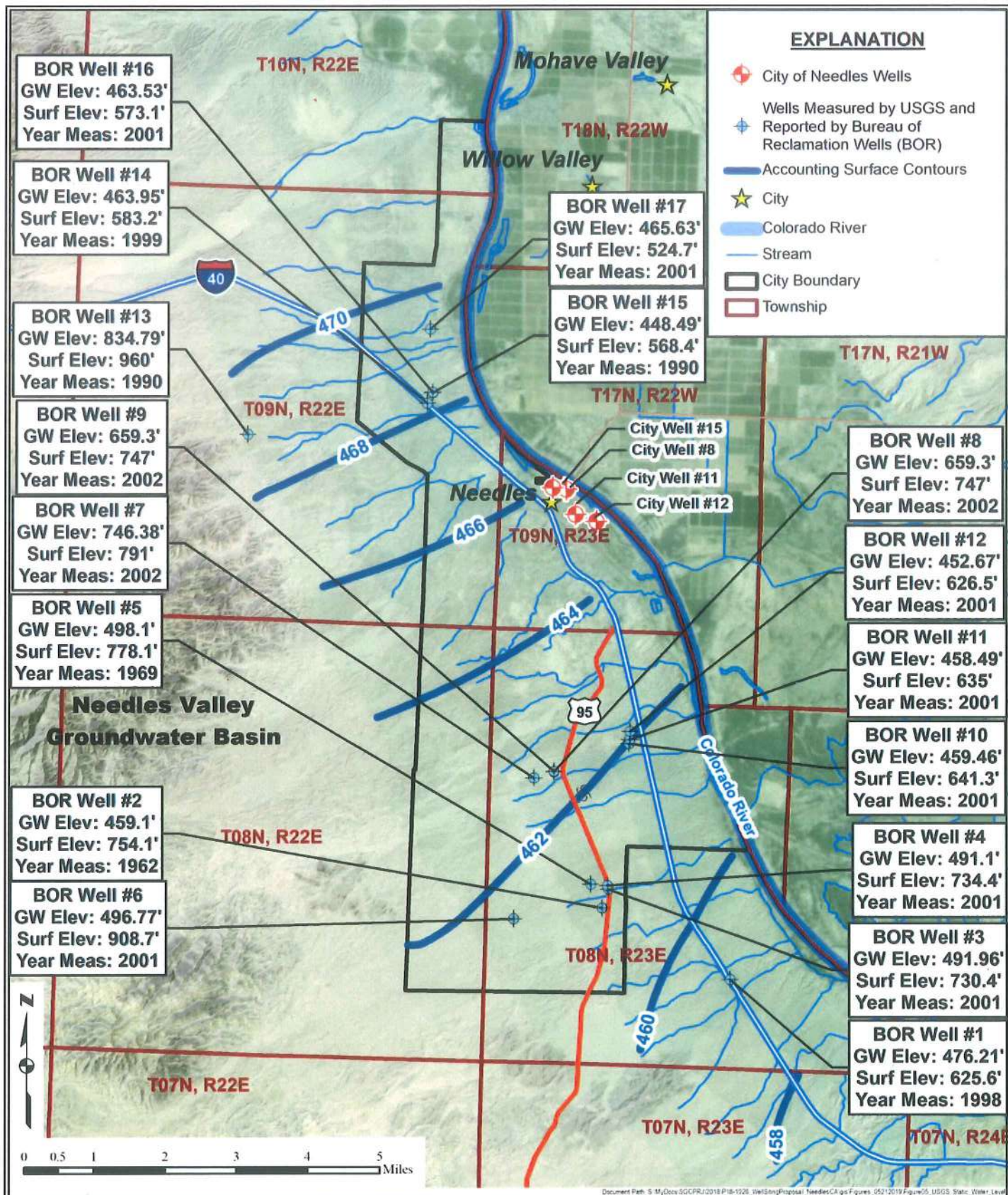
October 28, 2019 Project 18-1026

## GROUNDWATER SURFACE MAP (1962-1969)

Needles, San Bernardino County, California

**Figure**  
**4**





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Southwest Groundwater

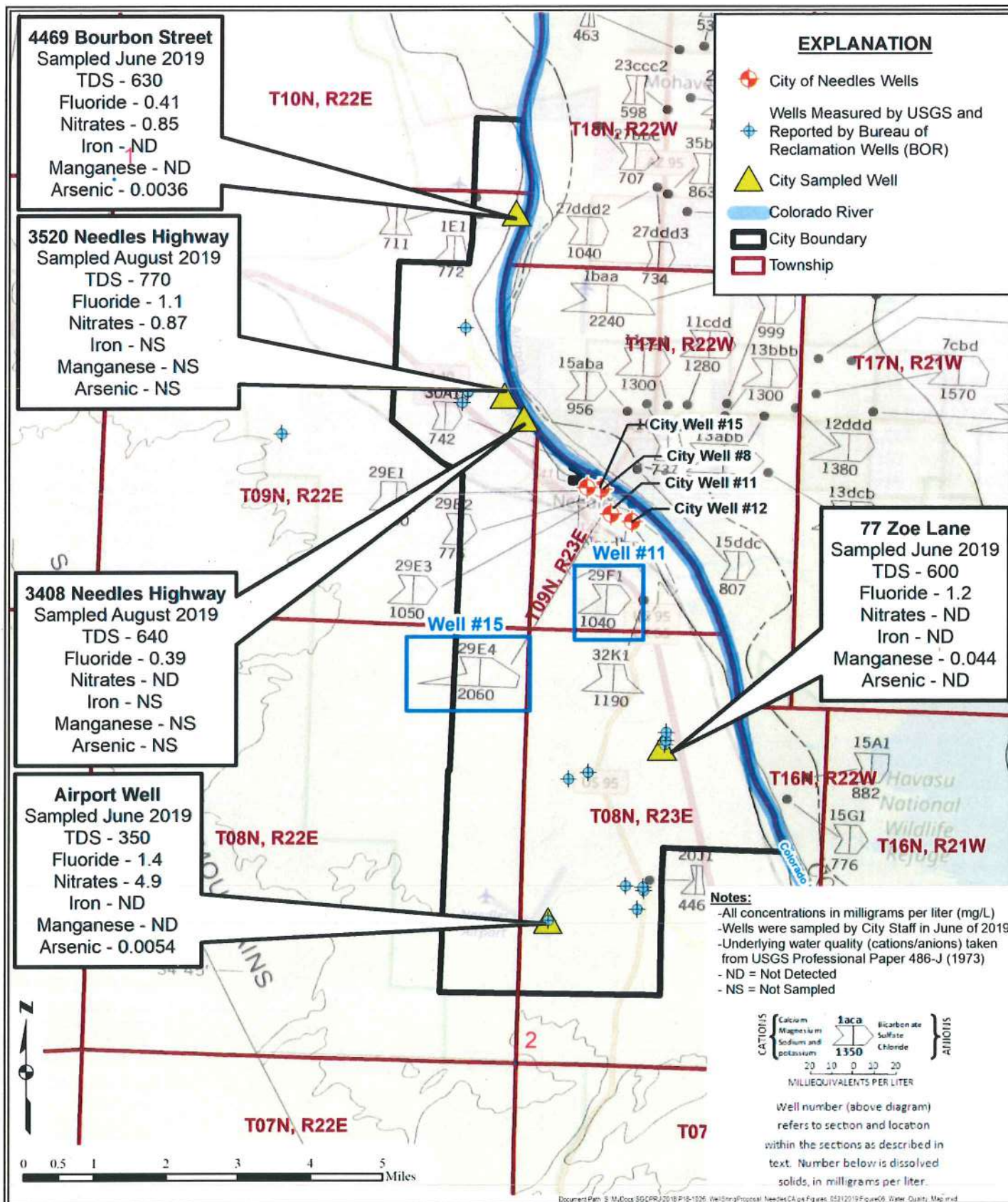
October 28, 2019 Project 18-1026

**USGS RECENT GROUNDWATER  
STATIC WATER LEVELS  
(TABLE 1)**

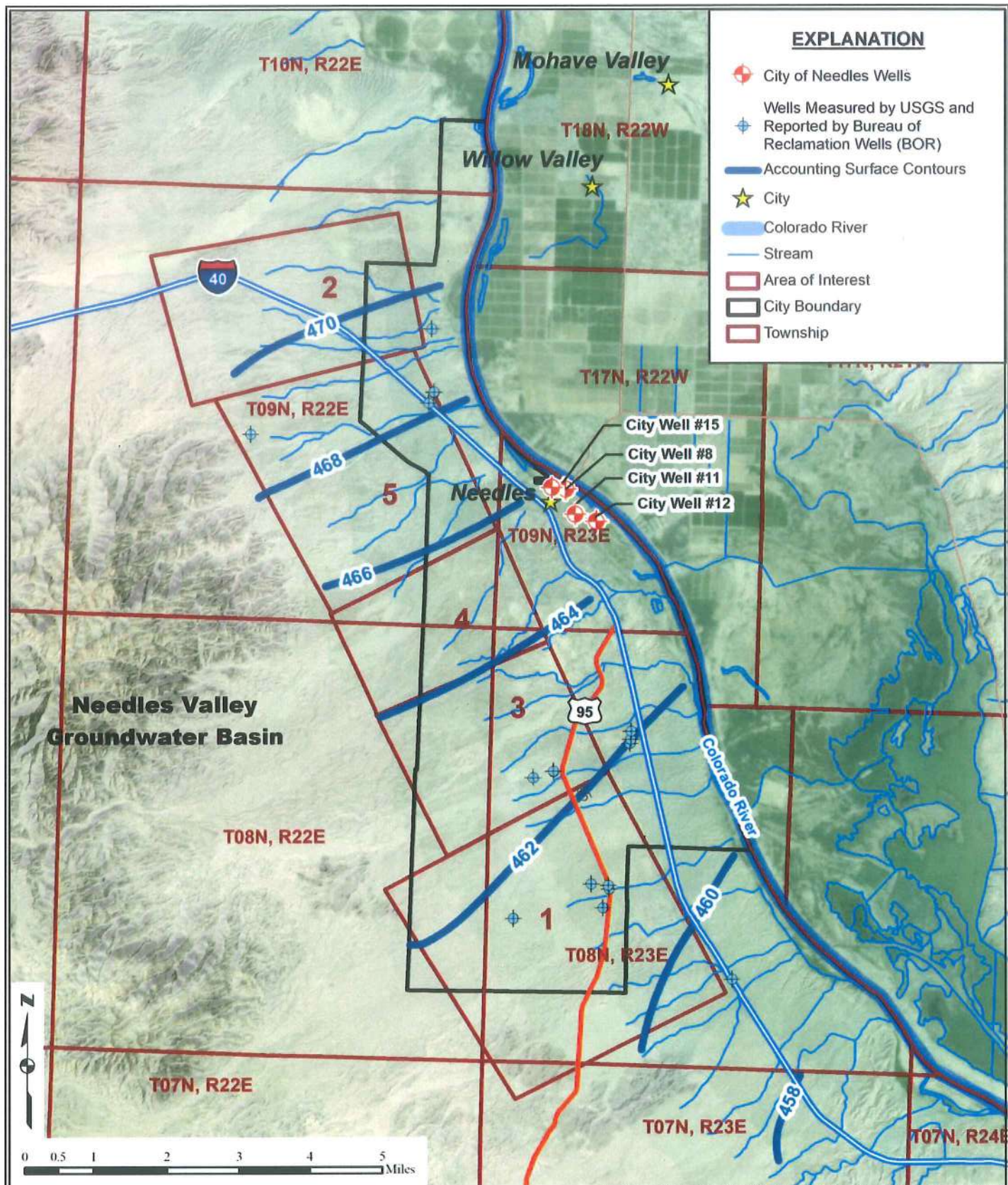
Needles, San Bernardino County, California

**Figure  
5**









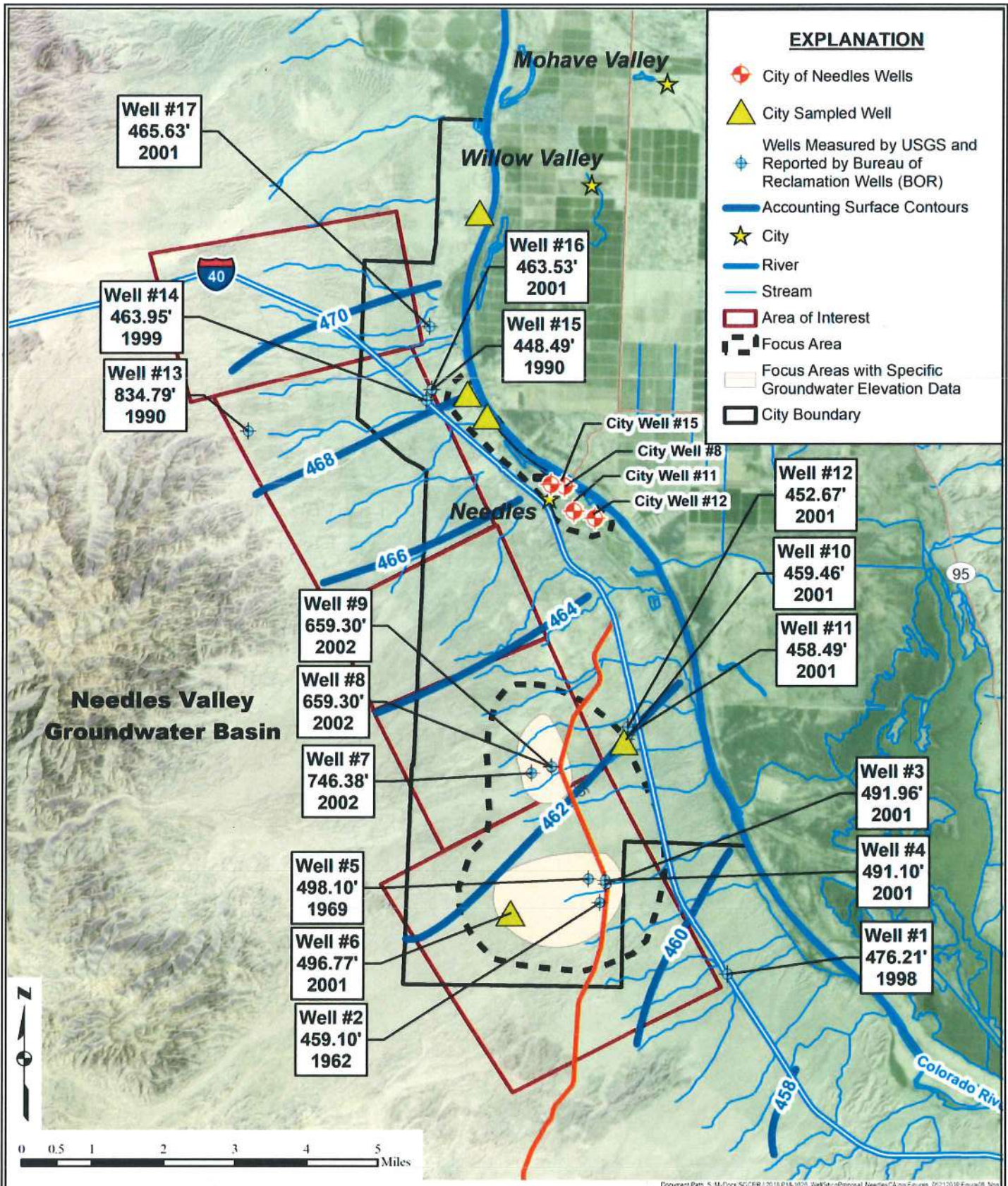
**MATRIX**NEWORLD  
Southwest Groundwater

October 28, 2019 Project 18-1026

**AREAS OF INTEREST,  
MEASURED GROUNDWATER,  
ACCOUNTING WATER SURFACE**  
Needles, San Bernardino County, California

**Figure  
7**





**MATRIX**NEWORLD  
Southwest Groundwater

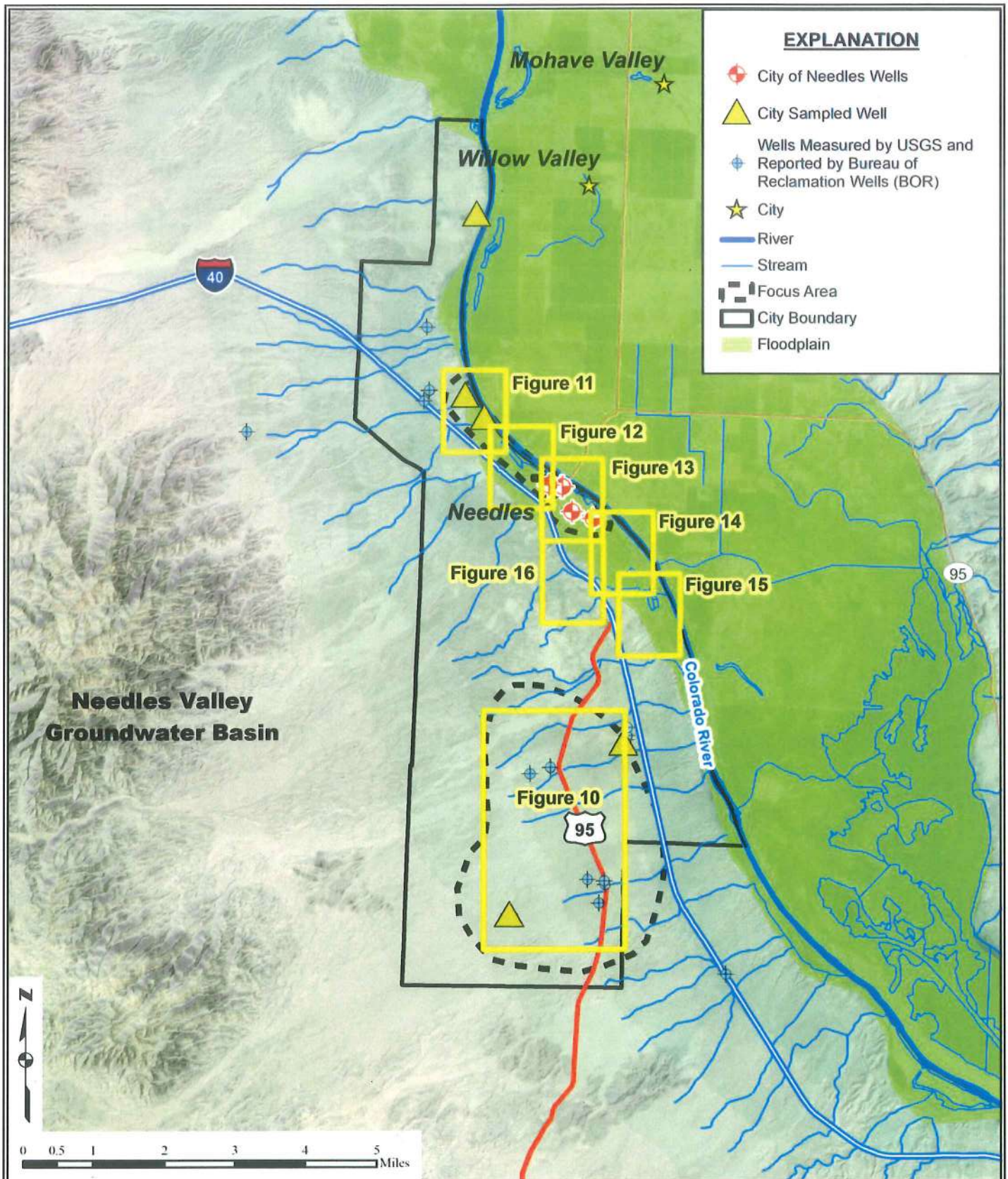
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## NON-COLORADO WATER AREAS AND FOCUS AREAS

Needles, San Bernardino County, California

**Figure**  
**8**





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Southwest Groundwater

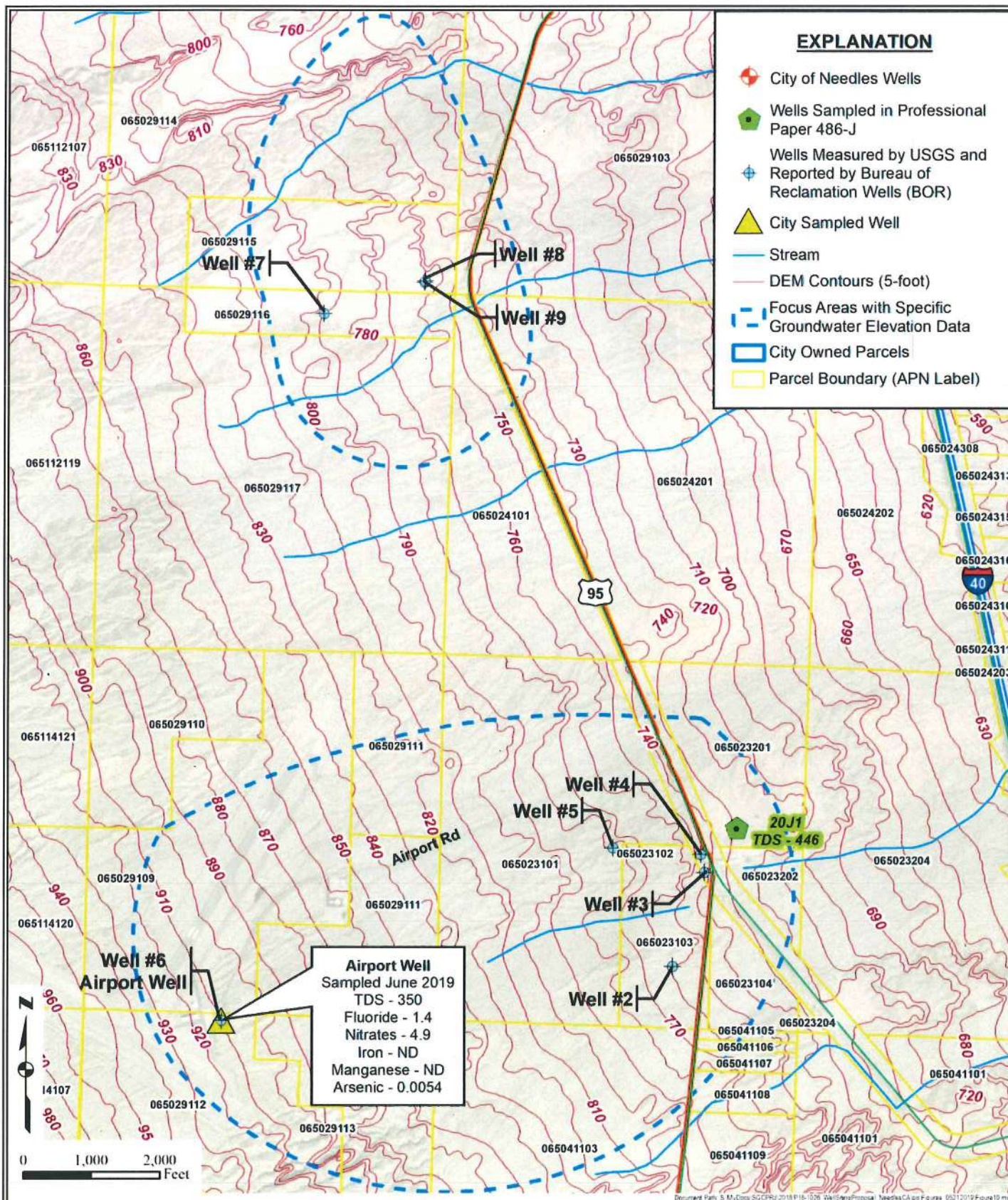
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## FOCUS AREA OVERVIEW

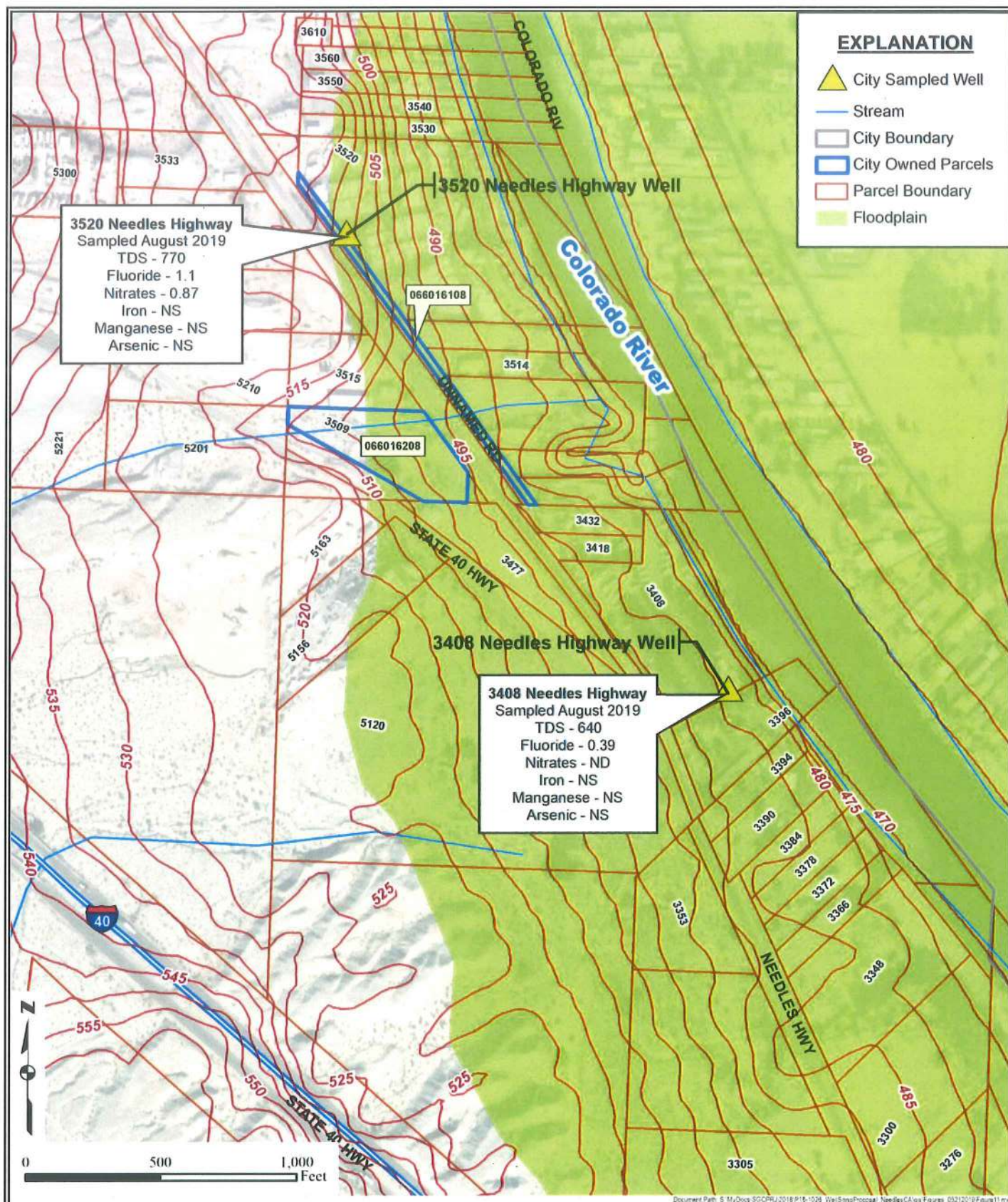
Needles, San Bernardino County, California

**Figure**  
**9**









**MATRIX**NEWORLD  
 Southwest Groundwater

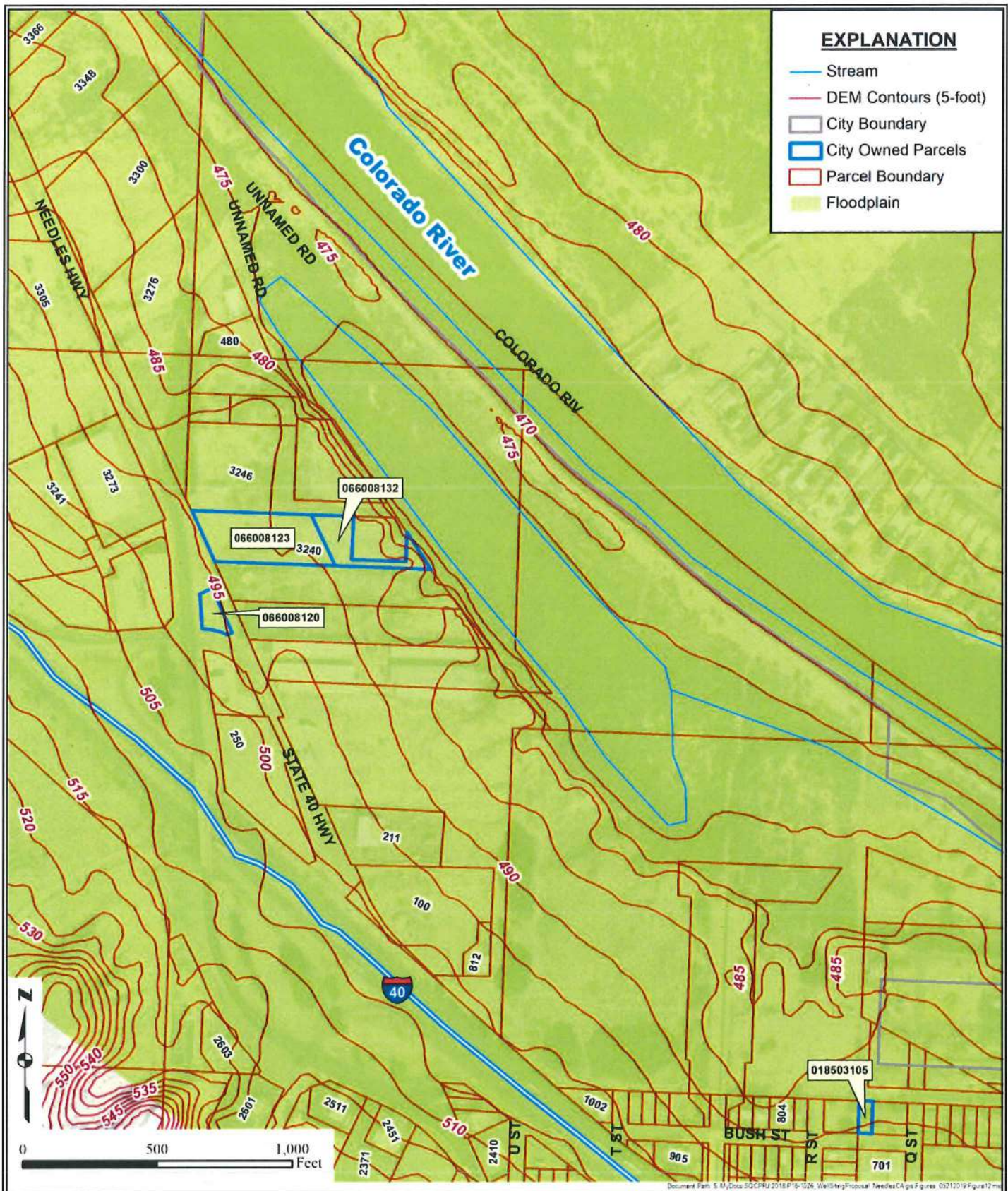
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## FOCUS AREA 2

Needles, San Bernardino County, California

**Figure**  
**11**





**MATRIX**NEWORLD  
Southwest Groundwater

**FOCUS AREA 3**

**Figure  
12**

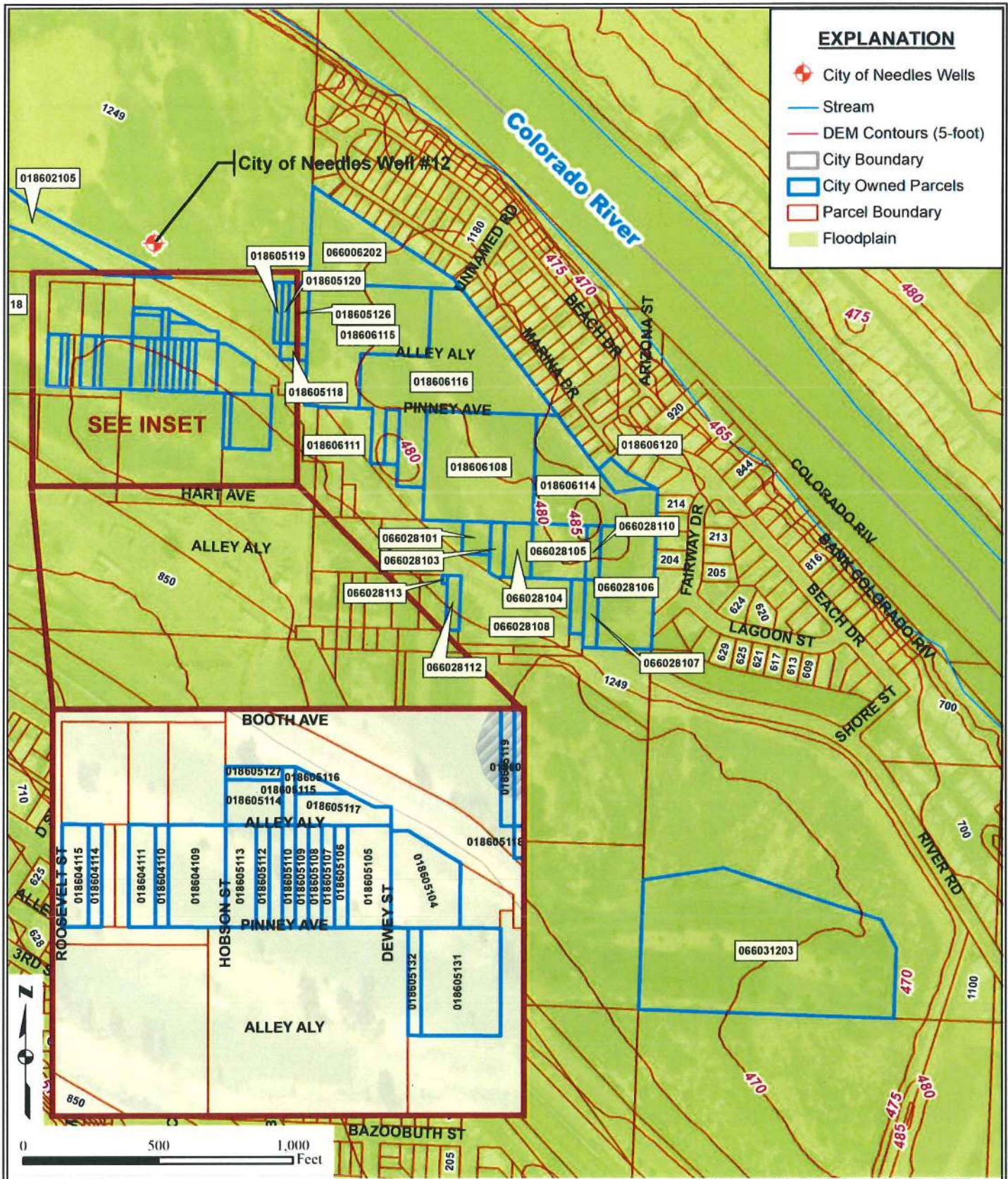
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Needles, San Bernardino County, California









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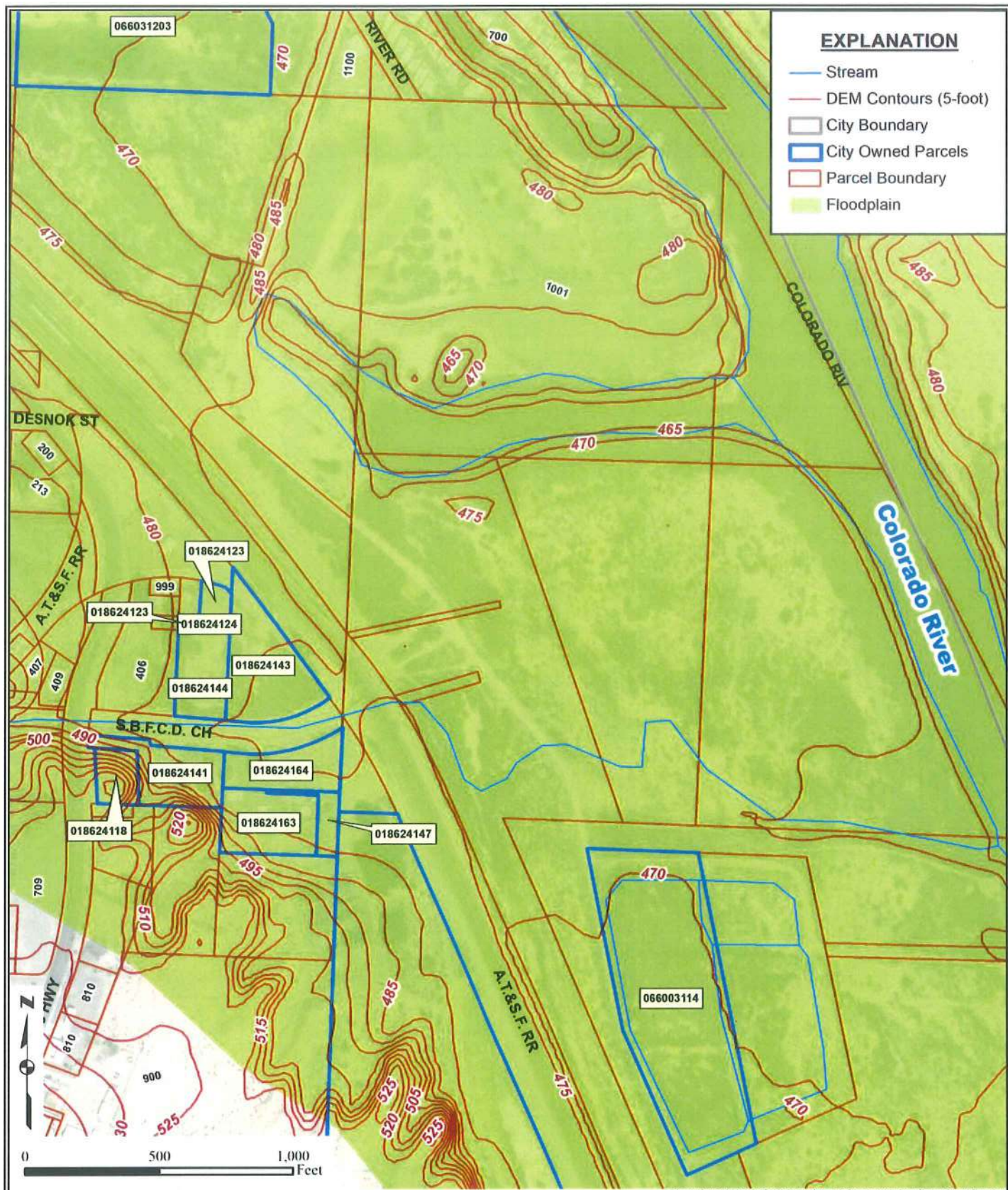
## FOCUS AREA 5

**Figure**  
**14**

October 28, 2019 Project 18-1026

Needles, San Bernardino County, California





**MATRIX**NEWORLD  
Southwest Groundwater

October 28, 2019 Project 18-1026

## FOCUS AREA 6

Needles, San Bernardino County, California

**Figure**  
**15**





MINUTES OF THE  
REGULAR MEETING OF THE CITY COUNCIL,  
NEEDLES PUBLIC UTILITY AUTHORITY  
CITY OF NEEDLES, CALIFORNIA  
**TUESDAY, OCTOBER 8, 2019**

**Recessed the City Council meeting and convened a joint City Council and NPUA meeting**

Mayor Williams recessed the City Council meeting and convened a joint meeting with the NPUA at 7:00 p.m. Roll call previously taken.

Present: Mayor Jeff Williams; Council Members Shawn Gudmundson, Tim Terral, Clayton Hazlewood, Edward Paget M.D., Tona Belt and Zachery Longacre. Also present City Manager Rick Daniels; City Attorney John Pinkney and City Clerk Dale Jones.

**3) NPUA / COUNCIL: Waived the reading and adopted NPUA Resolution No. 10-08-2019-NPUA and Council Resolution No. 2019-67 as amended**

City Manager Daniels reported. Mayor Paget pointed out three minor spelling corrections.

Member / Councilmember Paget moved, seconded by Member / Councilmember Longacre, to waive the reading and adopt Resolution No. 10-08-2019-NPUA and Council Resolution No. 2019-67, as amended, adopting a Needles Public Utility Authority Annual Wildfire Mitigation Plan.

Motion carried by the following roll call vote:

Ayes: Members / Council Members Gudmundson, Terral, Hazlewood, Paget, Belt, Longacre and Williams  
Noes: None  
Absent: None

Mayor Williams declared the joint meeting of the NPUA and City Council held on the 8th day of October 2019, adjourned at 7:03 p.m.

ATTEST: \_\_\_\_\_  
President/Mayor Jeff Williams

\_\_\_\_\_  
Secretary/City Clerk Dale Jones, CMC

**City of Needles, California**  
**Request for Council Action**

=====

☐ Board of Public Utilities    ☒ Council/NPUA    ☐ RDA    ☒ Regular    ☐ Special

**Meeting Date:** November 12, 2019

**Title:** Amendment No. 2 to Contract No. 06-XX-30-W0452 between the United States, the City of Needles, and the Metropolitan Water District of Southern California

**Background:** On February 13, 2007, City Council approved Contract No. 06-XX-30-W0452 between the City of Needles, Bureau of Reclamation, and Metropolitan Water District (MWD) for the delivery of Lower Colorado Water Supply Project water.

The current Agreement creates a Water Quality Maintenance Trust Fund in which is funded by monthly deposits from MWD which are adjusted annually by two percent is set to expire as of calendar year 2019. In addition, the current agreement requests a study to be concluded to determine the following;

- 1) Forecasted and future total dissolved solid concentrates of the project water;
- 2) evaluate the cost of desalting project water;
- 3) determine feasible alternatives to the project water that would be less than desalting;
- 4) estimate the cost of implementing and using the water supply from potential feasible alternatives;
- 5) determine the trust fund account deposit per acre-foot

Between discussions with MWD and United States Geological Survey (USGS) it was determined that additional time is needed to complete the full study, the proposed Amendment No. 2 extends the current contract to 2024 and allows for the trust fund deposits to continue at 2% annually

**Fiscal Impact:** None

**Recommendation:** *Authorize* the Mayor to execute Amendment No. 2 to Contract No. 06-XX-30-W0452 between the City of Needles, Bureau of Reclamation and Metropolitan Water District dated October 15, 2019 for the delivery of Lower Colorado Water Supply Project Water.

**Submitted By:** Rainie Torrance

**City Management Review:**

Rick

**Date:** 11/5/19

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 4





*Draft Dated October 15, 2019*

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Contract No. 06-XX-30-W0452

Amendment No. 2

Contract No. 06-XX-30-W0452

Amendment No. 2

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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION  
  
LOWER COLORADO WATER SUPPLY

PROJECT CONTRACT AMONG  
THE UNITED STATES, THE CITY OF NEEDLES, AND THE METROPOLITAN  
WATER DISTRICT OF SOUTHERN CALIFORNIA  
FOR DELIVERY OF LOWER COLORADO WATER SUPPLY PROJECT WATER

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4.	Other Provisions Unaffected.....	123
	Signature Page.....	123

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Contract No. 06-XX-30-W0452  
Amendment No. 2

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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION

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LOWER COLORADO WATER SUPPLY PROJECT

CONTRACT AMONG  
THE UNITED STATES, THE CITY OF NEEDLES, AND  
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA  
FOR DELIVERY OF LOWER COLORADO WATER SUPPLY PROJECT WATER

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1. PREAMBLE: THIS AMENDMENT, made this \_\_\_\_ day of \_\_\_\_\_, 2019, hereinafter called "Amendment No. 2", pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and Acts amendatory thereof or supplementary thereto, and particularly pursuant to the Lower Colorado Water Supply Act, approved November 14, 1986 (100 Stat. 3665), as amended on November 19, 2005, and the Boulder Canyon Project Act approved December 21, 1928 (45 Stat. 1057), all of which are commonly known and referred to as the Federal Reclamation laws, among the United States of America (hereinafter referred to as "United States") through the Bureau of Reclamation (hereinafter referred to as "Reclamation"); the City of Needles, California, a charter city duly organized and existing under and by virtue of the laws of the State of California (hereinafter referred to as "Needles"); and The Metropolitan Water District of Southern California, a metropolitan water district duly organized and existing under and by virtue of the laws of the State of California (hereinafter referred to as "MWD"). The United States, Needles, and MWD are sometimes referenced as

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the "Parties" collectively or as a "Party" individually.



2. EXPLANATORY RECITALS:

2.1 WHEREAS, the Lower Colorado Water Supply Act, authorized the Secretary of the Interior, through Reclamation, to construct, operate, and maintain the Lower Colorado Water Supply Project, comprised of a well field and appurtenant works (hereinafter referred to as the "Project");

2.2 WHEREAS, Contract No. 06-XX-30-W0452 dated March 26, 2007, hereinafter called the "the Contract," provided, among other things, for Needles to enter into a contract with an expert, after such expert has been approved by the Parties, to complete a study not later than December 31, 2012, using the Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies of the U.S. Water Resources Council to:

a. forecast the future total dissolved solids concentration of Project Water and determine if desalting is necessary to not exceed the total dissolved solids concentration shown in Exhibit B of the Contract prior to December 31, 2070,

b. evaluate the cost of desalting Project Water on a present value basis using the discount rate for Federal water resources planning published annually in the Federal Register, if desalting is necessary to not exceed the total dissolved solids concentration as shown in Exhibit B of the Contract prior to December 31, 2070,

c. determine the potential feasible alternatives to Project Water that would be less expensive than desalting Project Water, if desalting is necessary to not exceed the total dissolved solids concentration as shown in Exhibit B of the Contract prior to December 31, 2070,

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d. estimate the cost of implementing and using the water supply from potential feasible alternatives on a present value basis using the discount rate for Federal water resources planning published annually in the Federal Register, and

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e. determine the Trust Fund Account deposit per acre-foot necessary each year over the estimated remaining term of the Contract for the least expensive feasible solution to the total dissolved solids concentration projection exceeding the concentration as shown in Exhibit B of the Contract based on the projected Unused Project Capacity;

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2.3 WHEREAS, the Parties determined that it was infeasible to complete the study not later than December 31, 2012, and by Amendment No. 1 dated May 3, 2010 to the Contract agreed to extend the time for completion to not later than December 31, 2019;

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2.4 WHEREAS, Needles has entered into a U.S. Geological Survey Joint Funding Agreement to provide monies to complete "Phase I - Establishment of Monitoring Network and Initial Characterization of Ground-Water System" of the "Hydrologic Investigation to Forecast the Future Total Dissolved Solids Concentration of Water Pumped by the Lower Colorado Water Supply Project," which is the first phase of a three-phase investigation of the Lower Colorado Water Supply Project;

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2.5 WHEREAS, the complete three-phase investigation will result in a forecast of the future total dissolved solids concentration (salinity) of water pumped from Project wells near the All American Canal in southeastern California;

2.6 WHEREAS, the Parties have determined that it is infeasible to complete the study referenced in Section 2.2 of this Amendment not later than December 31, 2019;

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2.7 WHEREAS, the Parties have not conclusively determined that it is feasible to  
complete the study/studies referenced in Section 2.2 of this Amendment not later than  
December 31, 2024, but are determined to proceed with the study/studies with all deliberate  
speed.

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2.8 WHEREAS, the Parties desire to further amend the Contract to address the  
delay in completion of the study and the consequences of the delay.

NOW, THEREFORE, in consideration of the mutual and dependent covenants  
contained herein, the United States, Needles, and MWD agree as follows:

3. AMENDMENT NO. 2 OF CONTRACT NO. 06-XX-30-W0452:

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3.1 Subsection 16.6 of the Contract, as previously amended by Amendment No. 1,  
is hereby deleted and a revised subsection is substituted in lieu thereof, as follows:

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"16.6 Determination of Trust Fund Account Deposits Needed. --Beginning"

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January 2008, the 2007 Trust Fund Account deposit of \$112 per acre-foot will be  
increased by two percent annually. The Trust Fund account deposit per acre-foot will  
be adjusted beginning in 2020 as follows:

2020	\$144.88
2021	\$147.78
2022	\$150.74

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2023      \$153.75  
2024      \$156.83

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In order to determine the Trust Fund account deposit needed for its purpose in the future, Needles shall enter into a contract with one or more experts, after such expert(s) has (have) been approved by the Parties, to complete ~~a study~~ the studies required by Section 2.2 with all deliberate speed with the intent of completing such studies not later than December 31, 2024, if reasonably feasible, using the ~~Economic and Environmental Principles, Requirements, and Guidelines for Water and Land Related Land Resources Implementation Studies of the U.S. Water Resources Council on Environmental Quality~~ to:

16.6.1      forecast the future total dissolved solids concentration of Project

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Water and determine if desalting is necessary to not exceed the total dissolved solids concentration shown in Exhibit B herein prior to December 31, 2070,

16.6.2      evaluate the cost of desalting Project Water on a present value basis

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using the discount rate for Federal water resources planning published annually in the Federal Register, if desalting is necessary to not exceed the total dissolved solids concentration as shown in Exhibit B herein prior to December 31, 2070,

16.6.3      determine the potential feasible alternatives to Project Water that

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would be less expensive than desalting Project Water, if desalting is necessary to not exceed the total dissolved solids concentration as shown in Exhibit B herein prior to December 31, 2070,

16.6.4      estimate the cost of implementing and using the water supply from

potential feasible alternatives on a present value basis using the discount rate for Federal

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water resources planning published annually in the Federal Register, and

16.6.5 determine the Trust Fund Account deposit per acre-foot necessary each year over the estimated remaining terms of this Contract for the least expensive feasible solution to the total dissolved solids concentration projection exceeding the concentration as shown in Exhibit B based on the Unused Project Capacity."

3.2 Subsection 16.7 of the Contract, as previously amended by Amendment No. 1, is

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hereby deleted and a revised subsection is substituted in lieu thereof, as follows:

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"16.7. Adjustment of Trust Fund Account Deposit. Should the study intended to be completed by 2024 forecast that desalting is:

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16.7.1 Not necessary to not exceed the total dissolved solids concentration shown in Exhibit B prior to December 31, 2070, MWD's Trust Account Deposit per acre-foot for the period 2025 through 2029 shall be \$123.66, subject to any credit calculated as follows. MWD shall receive a credit toward future Trust Fund Account deposits in an amount equal to the difference between: (a) the sum of the Trust Fund Account invoices from 2013 through 2024 which MWD actually paid plus interest earned on the amount paid, less (b) the amount that MWD would have paid at the rate of \$123.66 per acre-foot multiplied by the amount of Consumptive Use of Mainstream Water available from Unused Project Capacity by MWD from 2013 through 2024, plus interest that would have been earned on that amount at the rate earned on Trust Fund Account deposits for that time period. Such credit shall be applied by Needles toward the next Trust Fund Account payment(s) due from MWD until the credit is exhausted. Should this Contract be projected to terminate prior to the credit being exhausted, Needles shall provide to MWD 90 days prior to termination of this Contract funds in an amount equal to the remaining credit. Should MWD receive a credit toward future Trust Fund Account deposits, Needles shall document the credit for future reference.

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16.7.2 Necessary to not exceed the total dissolved solids concentration shown in Exhibit B prior to December 31, 2070 and that MWD's monthly payments deposited in the Trust Fund Account from 2013 to 2024, plus the interest earned, were, when added to MWD's projected future monthly payments, greater than the amount

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determined by the study performed pursuant to Section 16.6 to be necessary each year over the estimated remaining terms of this Contract for the least expensive feasible solution to the total dissolved solids concentration projection exceeding the concentration as shown in Exhibit B based on the Unused Project Capacity, MWD shall receive a credit toward future Trust Fund Account deposits in an amount equal to the difference between:

(a) the sum of the Trust Fund Account invoices from 2013 through 2024 which MWD actually paid plus interest earned on the amount paid, less (b) the amount that MWD would have paid based on the study results, plus interest that would have been earned on that amount from 2013 through 2024. Such credit shall be applied by Needles toward the next Trust Fund Account payment(s) due from MWD until the credit is exhausted. Should this Contract be projected to terminate prior to the credit being exhausted, Needles shall provide to MWD 90 days prior to termination of this Contract funds in an amount equal to the remaining credit. Should MWD receive a credit toward future Trust Fund Account deposits, Needles shall document the credit for future reference. MWD's Trust Fund Account deposit per acre-foot for the period 2025 to 2029 shall be the amount per acre-foot specified by the results of the study, provided that the Trust Fund Account deposit per acre-foot shall not exceed the amount calculated by escalating the 2007 Trust Fund Account deposit of \$112 per acre-foot by two percent annually. The calculated amount for the years shown is as follows:

2025	\$159.96
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2026	\$163.16
2027	\$166.43
2028	\$169.75
2029	\$173.15

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The Parties recognize that the results of the study could show that the Trust Fund Account deposit per acre-foot in one or more years during the period 2025 to 2029 will be less than the Trust Fund Account deposit per acre-foot in 2024.

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16.7.3 Necessary to not exceed the total dissolved solids concentration shown in Exhibit B prior to December 31, 2070, and that MWD's monthly payments deposited in the Trust Fund Account from 2013 to 2024, plus the interest earned, were, when added to MWD's projected future monthly payments, less than the amount determined by the study performed pursuant to Section 16.6 to be necessary each year over the estimated remaining terms of this Contract for the least expensive feasible solution to the total dissolved solids concentration projection exceeding the concentration as shown in Exhibit B based on the Unused Project Capacity, MWD's Trust Fund Account deposit per acre-foot for the period 2025 to 2029 shall be the amount specified by the results of the study, provided that the Trust Fund Account deposit per acre-foot shall not exceed the amount calculated by escalating the 2007 Trust Fund Account deposit of \$112 per acre-foot by two percent annually. The calculated amount for the years shown is as follows:

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2025	\$159.96
2026	\$163.16
2027	\$166.43
2028	\$169.75
2029	\$173.15

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3.3 Subsection 16.8 of the Contract, as previously amended by Amendment No. 1, is hereby deleted and a revised subsection is substituted in lieu thereof, as follows:

\_\_\_\_\_ "16.8 The study shall be updated every five years beginning in 2029 using the same procedures. Should a study update forecast that desalting is not necessary to not

exceed the total dissolved solids concentration as shown in Exhibit B prior to December 31, 2070, MWD's Trust Fund Account deposit per acre-foot in each year of the subsequent five-year period shall be the same amount as in the final year of the previous five-year period."

3.4 Subsection 16.9 of the Contract, as previously amended by Amendment No. 1, is hereby deleted and a revised subsection is substituted in lieu thereof, as follows:

\_\_\_\_\_ "16.9 If any such study indicates that desalting is necessary to not exceed the total dissolved solids concentration as shown in Exhibit B, prior to December 31, 2070, MWD's Trust Fund Account deposit per acre-foot for a particular year shall except as provided in Section 16.10, be the amount specified by the results of the study, provided that the Trust Fund Account deposit per acre-foot shall not exceed the amount calculated by escalating the 2007 Trust Fund Account deposit of \$112 per acre-foot by two percent annually.

The calculated amount for the years shown is as follows:±

2030	\$176.61
2031	\$180.14
2032	\$183.75
2033	\$187.42
2034	\$191.17
2035	\$194.99
2036	\$198.89
2037	\$202.87
2038	\$206.93
2039	\$211.07

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2040 \$215.29  
2041 \$219.60  
2042 \$223.99  
2043 \$228.47  
2044 \$233.04  
2045 \$237.70

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The Parties recognize that the results of the study could show that the Trust Fund Account deposit per acre-foot in one or more years during the period 2030 to 2045 will be less than the Trust Fund Account deposit per acre-foot in a previous year. Should the Trust Fund Account deposit per acre-foot needed be less than the maximum in any of the years from 2030 to 2045, for future reference, Needles shall document the difference in dollars between the maximum and the Trust Fund Account deposit for each year and cumulatively for the Project Water exchanged for Mainstream Water for MWD."

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3.5 Subsection 16.10 of the Contract, as amended by Amendment No. 1, is hereby deleted and a revised subsection is substituted in lieu thereof, as follows:

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"16.10 It is the intent of the Parties that if MWD's Trust Fund Account deposit in any year were less than the deposit which would have resulted from the use of the escalated 2007 amount shown in Subsection 16.6, 16.7.3, or 16.9 for that year, the difference between the annual maximum deposit resulting from the use of the escalated 2007 amount and the actual payment, accounting for any credit applied, would be recaptured over a period of time to fund the least expensive feasible solution should the amount specified by the results of the study or study update exceed the escalated 2007 amount shown in these subsections in a future year. Consequently, should the needed Trust Fund Account deposit per acre-foot exceed the maximum for a particular year, Needles shall determine the number of dollars needed in excess of the maximum for the amount of Project Water to be exchanged for

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Mainstream Water for MWD. Should the cumulative amount in dollars by which the maximums exceed the actual Trust Fund Account deposits in previous years plus any credit applied by Needles to MWD's Trust Fund Account deposits in accordance with Section 16.7, be equal to or greater than the number of dollars needed in excess of the maximum for the particular year under consideration, MWD's Trust Fund Account deposit shall be the maximum for the particular year under consideration per acre-foot multiplied by the amount of Project Water to be exchanged for Mainstream Water for MWD (expressed in acre-feet), plus the number of dollars needed in excess of the maximum for a particular year. The previously documented cumulative amount in dollars by which the maximums exceed the Trust Fund Account deposits in previous years plus any credit applied by Needles to MWD's Trust Fund Account deposits in accordance with Section 16.7, shall be reduced by the number of dollars needed in excess of the maximum for the particular year under consideration and documented for future reference. Should the needed Trust Fund Account deposit per acre-foot be greater than the maximum for a particular year, and the cumulative amount in dollars by which the maximums exceed the Trust Fund Account deposits in previous years plus any credit applied by Needles to MWD's Trust Fund Account deposits in accordance with Section 16.7, be less than the number of dollars needed in excess of the maximum for the particular year under consideration, MWD's Trust Fund Account deposit shall be the maximum for the particular year under consideration per acre-foot multiplied by the amount of Project Water to be exchanged for Mainstream Water for MWD (expressed in acre-feet), plus a quantity equal to the previously documented cumulative amount in dollars by which the maximums exceed the Trust Fund Account deposits in previous

years plus any credit applied by Needles to MWD's Trust Fund Account deposits in

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accordance with Section 16.7, divided by the number of years remaining in the Contract term. The previously documented cumulative amount in dollars by which the maximums exceed the Trust Fund Account deposits in previous years plus any credit applied by Needles to MWD's Trust Fund Account deposits in accordance with Section 16.7, shall be reduced by a quantity equal to the previously documented cumulative amount in dollars by which the maximums exceed the Trust Fund Account deposits in previous years plus any credit applied by Needles to MWD's Trust Fund Account deposits in accordance with Section 16.7, divided by the number of years remaining in the Contract term."

4. OTHER PROVISIONS UNAFFECTED: Except as expressly modified by this Amendment No. 2, all other terms and provisions of Contract No. 06-XX-30-W0452 remain in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 4-2 to Contract No. 06-XX-30-W0452, hereto the day and year first above written.

**THE UNITED STATES OF AMERICA**

By: \_\_\_\_\_

Regional Director  
Lower Colorado Region

**CITY OF NEEDLES**

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By: \_\_\_\_\_  
Mayor

Attest:

By: \_\_\_\_\_  
City Clerk

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THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

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By: \_\_\_\_\_  
General Manager

Approved as to form:

By: \_\_\_\_\_  
General Counsel

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## City of Needles, California Request for Council Action

☒ CITY COUNCIL/NPUA ☐ Board of Public Utilities ☒ Regular ☐ Special

**Meeting Date** November 12, 2019

**Title:** Broadway and Plant Manhole Rehabilitation Project

**Background:** The Fiscal Year 2020 Capital Improvement Plan for wastewater included a manhole replacement at Broadway and Wastewater Treatment Plant. Upon review of the current condition of the manhole, staff proposed a rehabilitation project to correct the current deficiencies and deterioration.

Simon Sewer Maintenance prepared a proposal for the rehabilitation project which includes new concrete casing with duraplate epoxy, new frame and lid and removal of existing ladder.

The rehabilitation project was quoted at \$9,940 and a full replacement of the manhole was estimated at \$85,000. This rehabilitation project is saving \$75,060 in capital funds which will be utilized to completed additional projects listed in the 2020 Capital Improvement Plan. The Board of Public Utilities approved the recommended action on 11/5/19.

**Fiscal Impact:** To be funded by the wastewater capital asset funds an estimated 500,000 is available.

**Environmental Impact:** N/A

**Recommended Action:** **Move** to ratify the City Managers authorization to utilize wastewater capital funds to complete the Broadway and Wastewater Plant Manhole Rehab project not to exceed \$9,940.00

**Submitted By:** Rainie Torrance

**City Management Review:** Rick

**Date:** 11/5/19

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 5





# **Simon Sewer Maintenance**

**A Division of SIMON FAMILY ENTERPRISES, INC.**  
Jay Simon



P.O. BOX 616  
FLORENCE, AZ  
85132 USA  
CELL (520) 360-0383  
PHONE (520) 868-0163  
WEBSITE: [www.SimonSewer.com](http://www.SimonSewer.com)  
EMAIL: [simonsezz@cybertrails.com](mailto:simonsezz@cybertrails.com)

October 25, 2019

CITY OF NEEDLES  
817 THIRD STREET  
NEEDLES, CA 92363 USA

ATTN: RAINEY TORRANCE  
[Ndls.Acct@Citrilink.net](mailto:Ndls.Acct@Citrilink.net)

RE: Manhole Rehab

## ***SCOPE OF WORK***

Provide rehab of one manhole for City of Needles, California. Rehab of existing manhole will be with concrete, once cured the concrete manhole will be coated with Duraplate Epoxy. The manhole frame and lid shall also be replaced.

- Rehab shall be on one manhole located on Broadway and the Wastewater Treatment Plant

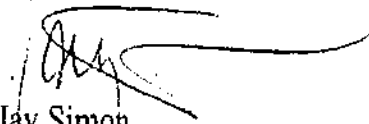
## ***COST***

■ **TOTAL COST**.....**\$9,940.00**

*EXCLUSIONS: Bonds, Taxes, Permits, Traffic Control*

We thank you for the opportunity of the work and to submit our quote. We look forward to providing you our services for your project.

Respectfully,

  
Jay Simon

**City of Needles**

**Informal Bid Form**

Required for Purchases of: \$1,000 - \$15,000

Verbal ☒ Written

Date Prepared: 10/25/2019

Prepared by: Rainie Torrance

Department: Finance

**Job/Product/Service:**

rehab deteriorating manhole with new concrete, new frame and lid, apply Duraplate Epoxy coating  
Item (Including quantity, brand, model, color):

Vendor Name Contact Person Phone / Fax	Payment Terms (Discount?)	Availability	Who Pays Shipping?	Unit Price	Extended Price	Comments
1 Simon Sewer Maintenance	Net 30	Yes	N/A	\$ 9,940.00	\$ 9,940.00	Jay Simon (520)360-0383
2 NA						
3 NA						
4						
5						

VENDOR SELECTED: Simon Sewer Maintenance

Address: P.O. Box 616

Dept. Head Approval:

Florence, AZ 85132

Notes: Unable to obtain additional quotes as only Simon Sewer will provide the Duraplate Epoxy

Date: 10/25/2019

\*If over \$15,000, must to go City Council for approval, and formal bid process.  
Attach this approved form to purchase request with written quotes, if applicable.



**CAPITAL IMPROVEMENT PLAN - NPUA**

FY 2020

	Cost Estimate	Funding Source
<b><u>WATER DEPT.</u></b>		
1. Annual large water meter change out program (5 yrs.)	70,000	Asset replacement funds
2. L Street booster	300,000	Asset replacement funds
3. New air compressor (pull behind model)	50,000	Asset replacement funds
4. Portable vacuum jetter	82,000	Asset replacement funds
5. Installation of new 1.5 MG reservoir	3,000,000	Asset replacement funds
6. Installation of new well at golf course	700,000	Asset replacement funds
7. Backup generator at well site 15 for power outage	200,000	Asset replacement funds
8. Backup generator at Lilly Hill booster station	80,000	Asset replacement funds
9. Main replacement and upgrade pipe size on Lilly Hill	200,000	Asset replacement funds
10. Main replacement at Verde Shores under the pond and Chesney development	400,000	Asset replacement funds
11. Main replacement in the Vista St. area & new services	1,300,000	Asset replacement funds
12. Cathodic protection for 3 tanks	100,000	Asset replacement funds
13. Change out 1.54% of mains per yr; \$317,120 x 5	1,585,600	Asset replacement funds
14. Hydrant replacement	15,000	Asset replacement funds
Water Department Total (estimate)	8,082,600	
<b><u>WASTEWATER DEPT.</u></b>		
1. K Street lift station upgrade	319,595	Asset replacement funds
2. North Needles sewer line extension	72,000	DIF
3. Railroad crossing at Bazoobuth liftstation	170,000	Asset replacement funds
4. Manhole replacement, Broadway @ WWTP	85,000	Asset replacement funds
5. Bazoobuth wet well lining	55,000	Asset replacement funds
6. Upsize deficient sewer lines on 15 blocks of Front St.	1,484,724	Asset replacement funds
7. Upsize deficient sewer lines on T St. to Front St.	885,145	Asset replacement funds
Wastewater Department Total (estimate)	3,071,464	
<b><u>ELECTRIC DEPT.</u></b>		
1. Meter replacement	150,000	Asset replacement funds
2. Upgrade power lines feeding Park Moabi	3,000,000	Developer funded
3. Cure Farms substation	1,100,000	Privately funded
4. Construction of South Hwy 95 Substation	1,100,000	Privately funded
5. 230kv line	30,000,000	Privately funded
6. Eagle Pass to Cure Farms loop	2,000,000	Privately funded
7. Mohave line rehabilitation	4,500,000	Privately funded
8. Electric circuit reliability program	800,000	Asset replacement funds
Electric Department Total (estimate)	42,650,000	





## City of Needles, California Request for Council Action

☒ CITY COUNCIL/NPUA ☐ Board of Public Utilities ☒ Regular ☐ Special

**Meeting Date:** November 12, 2019

**Title:** Status Report on Electric System Reliability Project

**Background:** On March 6, 2018 the Board approved using force (City) labor by shifting to four 10 hour days plus one 8 hour day overtime and the contractor as needed to start the inventory of poles in the system and identify the priority of the preventative maintenance needs.

Staff developed the attached Power Pole Inspection sheet which identifies pole information (location, number, circuit etc.), major deficiencies (cracks, holes, etc..) and an overall condition rating.

The Electric crews have surveyed approximately 1,500 poles. The data of the power poles with a poor (4) or failing (5) rating were mapped. Eight poles have been identified as failing and forty-eight (48) are in a poor condition.

The Electric crew will start replacing the pools in the Vista area in the Fall first due to having a majority of the deficiencies and access availability. The Vistas will also be improved by making everything single phase and add transformers to each lateral. The lines are currently in the alley and the estimated cost is \$50,000 per ally a total estimated cost \$250,000.

Rio and Flora Vista Alley will be the first alley scheduled for reconstruction beginning in January. The Board of Public Utilities approved the recommended action on 11/5/19

**Fiscal Impact:** Asset replacement funds will be used

**Recommended Action:** Authorize the use of Electric Asset Replacement funds to complete the Vista Pole Changeout Program not to exceed \$250,000

**Submitted By:** Justin Scott, Linecrew Supervisor

**City Management Review:** Rick

**Date:** 11/5/19

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 6



Needles Customer Service Center  
**Work Order Cost Estimate**  
 Detail of Estimated and Completed Costs

Page 1

W.O. No.:

Description	Hours	Loaded Rate	Amount
<b>Acct. No.</b>			
<b>Payroll Labor (Hourly Rate)</b>			
Line Crew Foreman	25	\$152.14	\$3,803.50
Journeyman Lineman	50	\$139.25	\$6,962.50
Line Crew Assistant		\$33.58	\$0.00
Apprentice Lineman	50	\$112.44	\$5,622.00
<b>Payroll Labor Total</b>	<b>125</b>		<b>\$16,388.00</b>
<b>Transportation Expenses (Hourly Rate)</b>			
Unit 230 (foreman pickup)	10	\$30.00	\$300.00
Unit 417 (single bucket truck)	40	\$55.00	\$2,200.00
Unit 420 (digger-derrick line truck)	16	\$80.00	\$1,280.00
Unit 4004 (double-bouble)		\$70.00	\$0.00
Unit 4017 (single-buck)	40	\$55.00	\$2,200.00
Unit 2024 (planner)		\$30.00	\$0.00
Backhoe	6	\$60.00	\$360.00
Pole-Trailer	2	\$40.00	\$80.00
Wire Dolly Trailer	2	\$45.00	\$90.00
Wire Puller / Tugger		\$55.00	\$0.00
<b>Transportation Expense Total</b>	<b>116</b>		<b>\$6,510.00</b>
<b>Total Materials (page 2)</b>			<b>\$13,110.06</b>
<i>Contingency</i>			\$0.00
<b>Sub-Total (L, T &amp; M)</b>			<b>\$36,008.06</b>
<i>35% Admin Fee</i>			\$12,602.82
<b>Total Cost of Job</b>			<b>\$48,610.88</b>
<i>~ CREDIT (if applicable)</i>			
<b>Total Estimated or Completed Costs</b>			
<b>MATERIALS &amp; HARDWARE</b>	<b>Quantity</b>		
40 foot pole	7	\$993.00	\$6,951.00
50 kva transformers	5	\$775.00	\$3,875.00
ridge pins	5	\$6.54	\$32.70
clevis	7	\$7.97	\$55.79



## City of Needles, California Request for Council Action

☐ CITY COUNCIL      ☒ NPUA      ☐ BOARD OF PUBLIC UTILITIES  
☒ Regular      ☐ Special

**Meeting Date:** November 12, 2019

**Title:** Comprehensive Electric, Water and Wastewater Utility Cost of Service Ratemaking Study

**Background:** In October, 2019 the City sent out Request for Proposals (RFP) for conducting a Comprehensive Electric, Water and Wastewater Utility Cost of Service Ratemaking Study.

Advertising was also published in the local newspaper and posted on the City website. The proposal period closed on Monday, October 28, 2019 and the following sealed bid was received:

1) EES Consulting	\$64,000
2) NBS	\$45,980
3) Stantec	\$53,750
4) Willdan	\$64,810

Staff reviewed the proposals received. The NBS proposal is to conduct a Water and Wastewater Cost of Service Ratemaking study only. In reviewing the additional proposals Electric could potentially be outsourced but would increase the cost by approximately \$10,000. The submitted proposals were responsive to the RFP and were capable of doing the work competently. Staff requests that Stantec be the selected vender due to the proposal submitted.

The Board of Public utilities approved the recommended action and appointed Ratemaking Ad Hoc Committee.

**Fiscal Impact:** The utilities will fund the study as follows; Electric \$10,334, Water \$10,334 and Wastewater \$33,082

**Recommended Action:** Award Stantec Consulting Services to complete the 2019-2020 Comprehensive Electric, Water and Wastewater Utility Cost of Service Ratemaking Study not to exceed \$53,750

**Submitted By:** Rainie Torrance

**City Management Review:** Rick

**Date:** 11/13/19

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 7







## City of Needles

Proposal for  
Comprehensive  
Electric, Water, and  
Wastewater Utility  
Cost of Service  
Ratemaking Study

Prepared by Stantec  
Georgette Aronow  
101 Providence Mine Road, Suite 202  
Nevada City, CA 95959-2938  
(530) 470-0515

Date: October 28, 2019



October 28, 2019

Ms. Rainie Torrance  
Senior Accountant  
817 Third Street  
Needles, CA 92363

**Subject: Proposal to Provide Comprehensive Electric, Water, and Wastewater Utility  
Cost of Service Ratemaking Study**

Dear Ms. Torrance and Members of the Selection Committee:

The City of Needles (City) has indicated a need for a team of financial services specialists to evaluate the financial needs of your Water, Wastewater, and Electric Utilities over the next ten years and provide a recommended rate schedule that will allow for continued revenue stability. A cost of service study from our team will provide the City with rate schedules that will meet the funding needs for each of its utility systems, are easy to understand, and comply with the legal requirements of Propositions 218 and 26. Stantec Consulting Services Inc. (Stantec) has a history of delivering customized levels of service to help ensure that communities are able to provide their utility services in the most financially responsible manner possible.

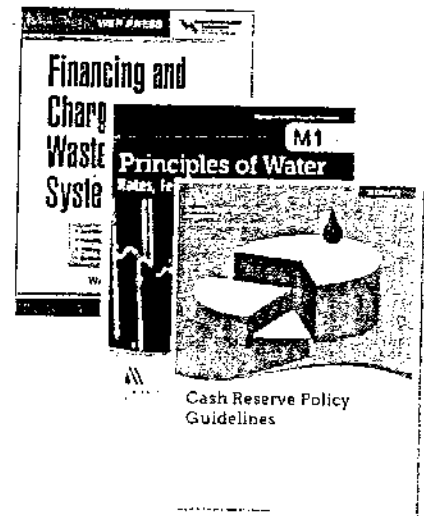
**Why Stantec?** Our financial services team understands that the success of a utility is often gauged on how well it avoids financial turmoil and legal challenges while continuing to invest in its assets and deliver quality service. A financial plan and cost of service analysis from Stantec will provide a fresh perspective and can help identify future challenges, analyze options, and chart the course to a sustainable future at the lowest possible cost.

**A thorough understanding of your objectives—**Providing utility services is complex, and attention to both the management of utility services and the administration of rates and charges is increasingly important. The City provides critical utility infrastructure to its residents and businesses, and needs to recover costs efficiently and equitably, while maintaining affordability. Our role is to help you obtain the resources needed, to do so in a way that is both sustainable and equitable, and to help communicate the documented need for any rate changes in words the community can understand. We will work closely with the City and its stakeholders to provide easy to understand solutions to funding each of its utility systems that are also equitable and defensible.

**A project manager with extensive California utility rate assessment experience—**Project manager, Georgette Aronow, has more than 20 years' experience in public finance, with an emphasis on the funding of public utility infrastructure and operations. She specializes in utility financing studies and funding mechanisms, including Proposition 218 rate study analyses and implementation for smaller systems. She is also experienced in helping jurisdictions secure financial assistance in the pursuit of state and federal grants and low-interest loans. Georgette has provided similar services to several utilities in California, including the Whittier Utility Authority, City of Auburn, City of Jackson, and the San Andreas Services District, among others.

**A team that specializes in financial analyses for utilities across the US—**Each of the key staff members selected to support this study is a member of Stantec's Financial Services Practice—a group of more than 35 highly specialized professionals with experience providing objective financial management services to local governments and utilities. Senior advisors identified for this project—Andy Burnham and James Bearman—have conducted more than **500 financial analyses and rate studies for approximately 150 local government**

agencies and regulated utilities of all sizes across the country. Each are members of the AWWA, and Andy Burnham is an active participant in both the AWWA and the Water Environment Federation (WEF) financial committees. He is also a recognized contributor to the updated AWWA Manual M1 – Principles of Water Rates, Fees, and Charges. Additionally, he authored the first ever Recycled Water chapter in the AWWA M1 manual, and he led preparation of the AWWA Cash Reserves Policy Guidelines Report. Both Andy and James have provided expert testimony regarding utility rates before various regulatory organizations at the local, state, and federal level.



We're your team—We are excited about this project and look forward to tailoring industry best practices to the City's unique characteristics to fulfill your goals and objectives. Our team offers the best combination of qualifications, experience, and resources to assist the City in building upon and leveraging the efforts from its recent similar studies to further its sustainability, equity, affordability, and conservation objectives. Specifically, our team provides the City with:

- Nationally recognized stature in utility ratemaking
- Extensive experience with rate and financial management practices in California, including Prop 218
- A powerful, easy-to-understand, and customized Microsoft Excel-based modeling system
- Excellence in stakeholder education and public engagement programs
- Commitment and availability of resources to ensure timely completion of the study

#### Point of Contact

Georgette will serve as the project manager and main point of contact during the proposal process and have the appropriate level of contract signing authority to bind the company.

If you have any questions, please do not hesitate to contact me.

Sincerely,

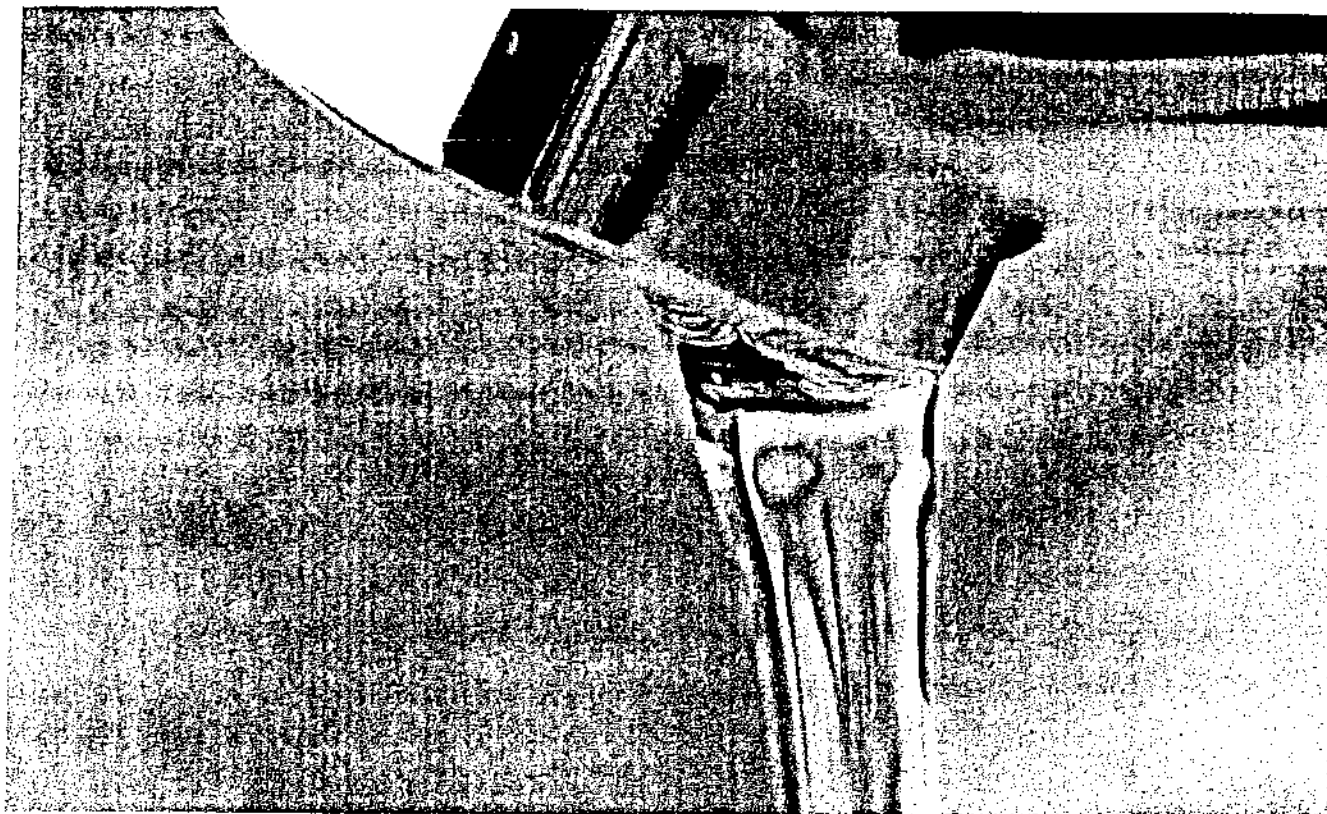
**Stantec Consulting Services Inc.**

Georgette Aronow  
Managing Consultant, Financial Services  
101 Providence Mine Road Suite 202  
Nevada City CA 95959  
(530) 470-0515  
[georgette.aronow@stantec.com](mailto:georgette.aronow@stantec.com)



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## 1. Firm Qualifications Summary

### Company Background

The Stantec community unites more than 22,000 employees working in over 400 locations across the globe. Our local strength, knowledge, and relationships, coupled with our world-class expertise, have allowed us to go anywhere to meet our clients' needs in more creative and personalized ways. With long-term commitment to the people and places we serve, Stantec has the unique ability to connect to projects on a personal level and advance the quality of life in communities across the globe.

Our Financial Services Practice offers 35+ consultants with over 300 years of combined experience and value to your project. As a group, we work together and learn from each other's experiences. This combination of diverse backgrounds and experiences has made us **who we are today – a trusted source to our clients in providing independent and objective financial management services to local governments and utilities throughout the Country.** This knowledge sharing and expertise will be brought to you as well. You can be assured that our team will develop comprehensive and balanced solutions tailored for your situation.

#### Financial Services | By the Numbers

**300+**

Combined years  
of experience

**1.5K+**

Studies in the  
last 15 years

**35+**

Specialists in  
utility financial  
management

**>290**

Communities  
served

**\$1B+**

Debt supported  
in past 5 years

We have a tremendous amount of experience with and knowledge of a variety of accepted ratemaking and cost of service methodologies, including practices and approaches identified in American Water Works Association Manuals M1 and M54, and Water Environment Federation MOP 27, as well as accepted industry practices in various parts of the country. **Several members of our team are active members of key industry associations, contributing authors to notable ratemaking publications, and routinely make presentations and teach classes for various industry groups.**

In addition, we are very familiar with the financial criteria used by the municipal ratings agencies in evaluating the financial health of municipal utility systems. In fact, our project team has conducted financial feasibility analyses and other services in support of the issuance of \$1 billion in utility bonds in just the past five years. Our practice covers a broad range of financial issues for our clients, listed here:

### **Rate Studies**

- Water & wastewater
- Electric/Natural gas
- Stormwater
- Reclaimed water
- Solid waste and recycling
- General government services

### **Cost-of-Service Analysis**

- Wholesale/Outside-City rates
- Functionalized cost allocation
- Custom cost allocation modeling
- Complex regional cost-sharing models
- Asset/rate base allocation

### **System Development Fees/Capacity Charges**

- Legal compliance evaluation
- Promote City objectives
- Buy-in fee development
- Incremental fee development
- Demand and capacity cost allocations
- Hybrid fee approaches
- Developer reimbursement plans

### **Long-Term Financial & Capital Plans**

- Establishing financial goals & objectives
- Managing reserve levels
- Bond feasibility plans
- Live workshop scenario analysis
- Sensitivity analysis
- Bond rating improvement plans

### **Benchmarking**

- Proprietary U.S. database
- 100 data points per record
- 50,000 total financial metrics (current)
- Common-size financial statements
- 1, 3, & 5-year industry averages
- Custom group comparisons

### **Affordability**

- Innovative, unique approach ("WARI"®)
- Industry-changing technique
- Multi-year affordability metrics
- Output to high-definition maps
- Regulatory case support
- Low-income program development

### **Special Assessments**

- Finding of benefit
- Cost apportionment methodology
- Assessment methodology
- Public outreach
- Public notices
- Assessment administration



## Stability and Financial Strength

Stantec Inc. is a publicly traded entity listed on the New York Stock Exchange (Symbol: STN) and the Toronto Stock Exchange (Symbol: STN). We are required to be financially stable in order to maintain these listings and we are required to adhere to the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission "(2013 framework)" (the COSO criteria). We are subject to ongoing independent audits that prove our financial stability and credit worthiness.

For a complete view of our audited financial statements, visit the Financial Information section of our web site at <https://www.stantec.com/en/investors/stantec-financial-information>. Please note that Stantec Inc.'s operating subsidiaries and affiliates (e.g., Stantec Consulting Ltd., Stantec Consulting Services Inc., etc.) are not publicly traded, but are owned and/or controlled by Stantec Inc. Stantec Inc.'s financial statements are consolidated to include its subsidiaries and structured entities that are controlled, but do not necessarily include all affiliates.



### 3. Project Team & Resumes

We are proposing an integrated and well-rounded project team, including experts in the field of water, wastewater, and electric rate design, cost of service, and the requirements for implementing these utility rates in compliance with California law, namely Propositions 218 and 26. Our experienced staff have depth and breadth of knowledge and backgrounds working with local governments and utilities to develop financial plans and design rates and fees as requested by the City. We have structured our project team with members who are particularly strong in:

- **Multi-Year Financial Management Plans.** Our financial planning platform was designed for systems of similar size operated by local government agencies, and includes: capital planning, operations and maintenance expense budgeting, grant and debt financing, and financial management targets and reserve policies.
- **Cost-Based Rates.** We develop rates that reflect clear allocations of cost to customers based on valid criteria and usage characteristics. Our approach yields fair and equitable rates by customer class that meet the proportionality requirements of Proposition 218.
- **Robust and Defensible Rate Design.** Stantec leads the industry in rate structure concepts that address specific local policy objectives including conservation, affordability, and revenue stability, while conforming to accepted industry practice and legal precedent.
- **Reserve Policy.** Our team members work closely with utilities across the county to craft reserve policies that provide resilience from financial shock due to unexpected infrastructure failure, natural disaster, drought, and changes in the local economy.

- **Communication.** We pride ourselves on clear, concise communication with and on behalf of our clients. Public support for rate changes depends on whether the public perceives the rates as fair. This perception depends on, among other things, the clarity of our presentations and discussions at public meetings.

Our financial services practice has more than 35 professional consultants qualified to provide the requested services to the City and will not be utilizing any sub-consultants on this project. In the unlikely event that a substitute team member may be required, additional highly experienced firm personnel are available to step in on this project. Moreover, we have team members who will dedicate a significant portion of their time to independent quality assurance and quality control (QA/QC) reviews, in order to provide internal auditing of the work products we prepare for the City.

The table below identifies our proposed project team, including their job title, years of experience, availability, and a brief description of each individual's role in the project. Resumes for all proposed project team members are presented on the following pages.

Project Team Member	Job Title	Years of Employment with Stantec   Total Years' Experience	Role in the Project	% Time Available
<b>Georgette Aronow</b> Project Manager	Managing Consultant	9   27	Georgette will be responsible for day to day operations and management aspects of the project and will facilitate on-time and within budget completion of the requested services.	45%
<b>Matthew Freiberg</b> Consultant	Consultant	4   9	Matt will be responsible for leading the model customization, data entry, and preparation of work products. He will work at the direction of the project manager.	35%
<b>James Bearman</b> Senior Advisor, Electric	Principal	6   41	Jim will be the technical lead for the electric utility analysis, providing guidance and advice the project team best suited to the circumstances and objectives.	30%
<b>Andy Burnham</b> Senior Advisor, Water/Wastewater	Director	16   19	Andy will be the technical lead and advisor for the water and wastewater utility analyses, providing guidance and advice the project team best suited to the circumstances and objectives.	20%



# Georgette Aronow

*Project Manager*



With more than 20 years of experience, Georgette has a broad background in Public Finance with an emphasis on funding of public water infrastructure and operations. She has specialized in utility financing studies and funding mechanisms, such as Proposition 218 rate study analyses and implementation, as well as financial assistance in the form of State and Federal grants and low-interest loans.

Georgette excels at creating customized funding and financing models and rate studies to meet the unique needs of each project and client. Georgette also has experience in the areas of revenue bond issuance, assessment district formation, establishment of credit ratings for public entities, urban economics, and land use planning.

## **Project Experience**

### **City of Whittier, California**

Georgette is the project manager for the 2018 Water and Sewer Rate Studies. She provided oversight, technical assistance and helped ensure that the project deliverables were completed in a timely manner. The City desired a full review of its water and sewer rates so that rate equity was addressed for its customer base and that the City had adequate funding and reserves going forward to complete critical projects as identified in its updated utility master plans.

### **City of Auburn, California**

Georgette was the lead finance consultant for the City's 2007 and 2014 Wastewater Rate Studies. She helped the City critically assess their rate structure accounting for funding needs through 2020. The City is currently in the process of upgrading its wastewater treatment plant to comply with NPDES requirements, for which the Rate Study was a key component in securing necessary funding.

### **City of Jackson, California**

Georgette was the lead finance consultant for the City's 2018 Sewer Rate Study Update. She is assisting the City in updating its sewer rates so that the City can move forward with securing approximately \$12 million in low interest SRF loan to fund necessary improvements to their Wastewater Treatment Plant.

## **Education**

MPP, Public Policy, Kennedy School of Government, Harvard University, Cambridge, Massachusetts

BA, Government, Harvard University, Cambridge, Massachusetts

## **Contact Information:**

101 Providence Mine Road Suite 202  
Nevada City CA US 95959-938  
Phone: (530) 470-0515  
georgette.aronow@stantec.com  
www.stantec.com

#### **City of Ceres, California**

Georgette is the lead finance consultant for the City's 2008 and 2012 Sewer Rate Studies. She helped the City create an updated rate structure that addressed rate equity among various user groups and provided adequate funding for the City to undertake necessary capital improvement projects for the wastewater system.

#### **City of Lincoln, California**

The City of Lincoln needs to upgrade its Wastewater Treatment and Reclamation Facility (WWTRF) to keep up with demands on the wastewater system as a result of population growth. Stantec is assisting the City in applying for SRF loan funding to fund the \$45 million project. Georgette also played a critical financial role for the City during the boom of the early 2000s, when the City went from a population of 8,000 people to nearly 45,000, requiring the completion of significant infrastructure. She supported the City in the development of finance and funding models, coordination with developers, and the development of capital improvement programs, including those for the WWTRF which has been expanded multiple times. Georgette's involvement was vital in establishing and updating the City's wastewater enterprise fund annual budgets and future projections.

#### **City of Grass Valley, California**

Georgette provided assistance to the City in applying for funding assistance for its water and sewer utilities. The City of Grass Valley is designated as a small disadvantaged community by the State Water Board Division of Financial Assistance (DFA). The City will receive approximately \$10 million in grant funding for their utility systems from the DFA.

#### **San Andreas Sanitation District, California**

Georgette was the lead finance consultant for the District's 2016 sewer rate study and 2009 sewer rate study. These rate studies were key components in allowing the District to successfully apply for and receive almost \$11 million in grant funding from California's Small Community Wastewater Grant program. As a result, the District was able to upgrade wastewater facilities without drastically increasing customer rates.

#### **Christian Valley Park Public Utility District, California**

Georgette was the lead finance consultant for the District's 2014 water rate study and is currently assisting the District assess its financing capacity in respect to needed CIP improvements. For the 2014 Water Rate Study, the District hadn't updated water rates in more than ten years and was in need of monies for repair and replacement of critical water system infrastructure. The updated rates have allowed the District to begin collecting funds for critical facility improvements. Georgette is currently assisting the District in assessing its current cash flow and ability to fund a \$3.5 million project to replace its water storage tank facilities.

#### **City of Merced, California**

Georgette was the lead consultant responsible for developing the assessment district methodology for the City of Merced so that it can finance needed sewer projects that will serve new development within the City. Georgette is working with the City to determine the assessment boundaries based on the proposed Sewer Master Plan prepared by Stantec. Benefit apportionment methods compliant with CA Proposition 218 were identified and proposed to assist in the formation of the new District. Next phases will include the Engineer's report that will assign benefit to each parcel and assistance with implementation of the District. Georgette is also providing assistance on the City of Merced Water Rate Study being completed by Stantec.



## Matthew Freiberg

*Financial Consultant*

### Contact

(925) 627-4571

matthew.freiberg@stantec.com

### Education

MESM, Environmental Science and Management, Water Resources Management, University of California, Santa Barbara

BS, Ecology, University of California, Santa Cruz

BS, Neuroscience, University of California, Santa Cruz

### Memberships

Member, American Water Works Association (AWWA)

Matthew Freiberg is a Financial Consultant with Stantec's Financial Services Practice in its San Francisco Bay Area office. Matthew came to Stantec with an interdisciplinary background in water resources management and climate change planning. He blends his environmental science background with his experience in stakeholder engagement, data management, and economic and policy analysis to deliver high quality consulting services to a wide range of clientele. As a financial consultant, Matthew has developed Financial Plans, Cost of Service Analyses, Rate Studies, Affordability Analyses, and Capacity Charges for water, sewer, recycled water, stormwater, and solid waste utilities across the United States. He has significant experience navigating California's legal requirements regarding utility rate-setting, specifically proposition 218, proposition 26, and AB 1600 compliance.

### Project Experience

#### City of Whittier, California

Consultant responsible for the development of a comprehensive financial plan, cost of service rate study, and system development fee analysis for the City of Whittier's water, sewer, and recycled water enterprises. Our team reviewed the City's current financial management strategies and customer programs to bring them into compliance with Proposition 218, we also worked with the City to develop a Capital Plan execution timeline that allowed the City to meet its desired level of service from their Water and Sewer Master Plans, allowed the City to maximize the use of cash financing of capital projects, and limited the impacts on rate payers. In addition to the Rate Study, a System Development Fee Analysis was conducted for the Water and Sewer Enterprises, to establish update fees for new water and sewer connections to the City's system.

#### City of Santa Ana, California

Lead consultant responsible for the development of a comprehensive financial plan, cost of service rate study, and capacity charge study for the City's water, sewer, recycled water, and stormwater enterprises. This project was driven by a need to bring their rates into compliance with proposition 218, and to evaluate the appropriate Capital Plan strategy over a ten years planning period. Multiple financial plan strategies and rate design scenarios were presented to the client and internal stakeholders to develop consensus on the best strategy for the City and its ratepayers. We are currently working with the City to complete the capacity charge analysis.



**City of Bakersfield, California**

Lead consultant delivering a water rate study and water availability fee (capacity charge) study. This project is driven by the need to bring water rates and charges in line with the rapidly changing customer base and the way costs are borne by customers following significant capital investment in water quality improvement. Our team is currently working with City Staff to develop multiple approaches to update the water availability fee structure and will be starting the water rate study later this year.

**City of San Diego, California**

Stantec was contracted as part of a joint partnership with TetraTech to develop a Stormwater Infrastructure Needs Assessment and Funding Strategy for the City of San Diego. Matthew serves as the lead consultant for the financial component of the project. The financial scope of work includes a comprehensive evaluation of funding options (including enhancement of existing fees, development of new fees, evaluation of internal revenue generation, grants, and debt/loan financing), evaluation of the sustainability of the Stormwater Program's existing fee structure, a cost of service study, and the development of a public engagement strategy.

**Indian Wells Valley Water District, California**

Matthew served as a consultant for the District where he developed a ten-year financial plan to plan stabilize revenue requirements over a ten-year period. He developed a cost of service-based rate model that allowed the district to explore multiple rate structure scenarios. Finally, he developed a proposition 218 compliant rate structure that included a four-tiered commodity charge, pumping costs to multiple elevation zones, fees for arsenic treatment, and funds their new Sustainable Groundwater Management Act program.

**City of Coachella, California**

Matthew served as a consultant for the City's Water and Wastewater Utility where he conducted a revenue sufficiency analysis, cost of service analysis, and rate setting that complies with the legal requirements of California's Proposition 2018.

**Coachella Valley Water District, California**

Matthew served as a consultant, conducting for the District. He completed a water and wastewater revenue sufficiency analysis, cost of service analysis, and rate setting that complies with the legal requirements of California's Proposition 2018.

**Muncie Sanitary District, Indiana**

Analyst, conducting an Enhanced Affordability Analysis in support of the Muncie Sanitary District's Consent Decree compliance. Matthew is responsible for the affordability modeling and developing the WARI™ Analysis, a granular GIS approach to affordability.

**Broad River Water Authority, North Carolina**

Matthew lead the analysis of a Revenue Sufficiency Analysis and Rate Design update for BRWA. This project entails annual updates of their 10-year financial plan, and in 2018, we conducted a full Cost of Service Rate Study to help the Authority re-negotiate their contract with their wholesale customers.

**City of Brighton, Colorado**

Stantec was contracted to conduct a comprehensive utility rate study for the City of Brighton's Water, Wastewater, and Storm Drainage enterprises. Matthew serves as the lead consultant delivering the Storm Drainage portion of the Study. The scope of work includes the development of a 10-year Financial Plan, a Cost-of-Service Analysis by customer class, recommendations for updated rates and fee structures, and a rate survey benchmarking the existing and proposed rates to similar and surrounding communities.

**San Jose Regional Wastewater Facility, California**

Matthew serves as a consultant providing program management services, for the \$1.4 billion CIP to modernize the largest tertiary wastewater treatment plant in the Western United States. Matthew supports city staff in the implementation and management of tools and processes that manage Program costs, schedule, budget, project prioritization, financial reporting, stakeholder engagement, project delivery method selection, and business case analysis.



## Andy Burnham

*Technical Advisor – Water/Wastewater*

Andy is the Vice President and Global Practice Leader of Financial Services at Stantec. Andy has extensive experience in personally conducting as well as overseeing cost of service allocations, long-term financial planning analyses, and development of alternative rate structures for a variety of utility systems, including water, wastewater, reclaimed water, stormwater, solid waste, recycling, electric, and natural gas.

He has been recognized as an industry expert as part of providing testimony in utility rate-related regulatory proceedings in multiple states and territories, as well as before the Federal Energy Regulatory Commission. He has led over 500 studies for 150+ local governments and has supported our clients in the issuance of \$1 billion of bonds for projects in the past 5 years.

Andy is currently serving on multiple AWWA and WEF Committees and was actively involved in the recent update to AWWA Manual M1 – Principles of Water Rates, Fees and Charges, notably regarding outside-city retail rates, wholesale rates, and reuse rates.

### Project Experience

#### Town of Front Royal, Virginia

Andy served as project manager for a water and sewer comprehensive cost of service and rate study and subsequent updates to the initial study. He used our FAMS-XL model to develop a ten-year financial management plan and plan of annual rate adjustments that were necessary to meet all of the utility's financial obligations in each year of the projection period. Andy developed three alternative conservation rate structures for consideration that would recover the identified cost of service from the financial management plan and prepared customer impact analyses for each alternative. The analysis also included the review of and updates to current outside-town rate differentials.

#### Orange Water & Sewer Authority, North Carolina

Andy has served as project manager for OWASA for water, wastewater, and reclaimed water financial consulting services for nearly ten years. He has conducted several studies including several long-term financial plans, detailed cost allocation to support rate design, evaluation of affordability for low-income users, and bond feasibility studies.

### Office Location

Tampa, FL

### Education

BBA, Lake Superior State University,  
Sault Ste. Marie, Michigan

### Memberships

Rates and Charges Committee,  
American Water Works Association  
Financial Accounting & Management  
Controls Committee, American Water  
Works Association

Management Committee, Water  
Environment Federation

Government Finance Officers  
Association, Florida Section

Utility Resource Management  
Committee, National Association of  
Clean Water Agencies

### Publications & Presentations

Paying for Stormwater - Engaging the  
Community, American Public Works  
Association Annual Conference  
(PWX), Orlando, FL, 2017.

Cost-of-Service Based Conservation  
Rates, Evolving from Art to Science.  
Utility Management Conference,  
Tampa, FL, 2017.

Tackling Utility Rates the Right Way,  
Michigan Municipal League Annual  
Convention, Marquette, MI, 2014.

#### **City of Manistee, Michigan**

Andy served as project manager for a comprehensive water and sewer cost of service rate study for the City (which had no record of having ever conducted a formal rate study). A detailed cost of service allocation to determine the proper allocation of costs between 1) the water and sewer systems, and 2) the users of each system located within and outside of the City (which ultimately reflected the use of the utility basis of ratemaking for outside city users) was conducted. Multiple presentations were made to various customer groups (notably outside City users).

#### **Town of Gilbert, Arizona**

Andy served as the project manager for a comprehensive Water, Sewer, Reclaimed Water, Environmental Services (Sanitation), and Stormwater Rate Study (Study) for the Town. As part of the study, for each utility system, we performed a revenue sufficiency analysis, detailed cost of service allocation, and rate structure analysis. We developed several modifications to the Town's existing rate structures, notably including a new inclining block water rate structure. Andy also completed a detailed cost allocation study for the wastewater system and performed a stormwater rate program feasibility study.

#### **City of Olathe, Kansas**

Andy is currently serving as the project manager for a Comprehensive Utility Rate Study for the City. For each service—including Solid Waste, Water, Sewer, and Stormwater—we are developing customized financial models including ten-year financial plans and identification of alternative plans of rate adjustments, reviews of alternative capital spending and operational scenarios, and other sensitivity analyses. Andy is currently in the process of performing detailed cost allocation analyses for each fund and will use the results of the cost allocation to develop alternative rate structures to ensure the City is charging fair and equitable rates for each service.

#### **City of Greenfield, California**

The City of Greenfield is a central coast agricultural community. Andy served as project manager during the conduct of a comprehensive water and wastewater rate study for Greenfield. Rates were designed to fund the utility's long-term projected costs of providing service while proportionally allocating costs among customers, providing a reasonable and prudent balance of revenue stability, and complying with the substantive requirements of California Constitution Article XIII D, Section 6 (Prop 218).

#### **JEA, Jacksonville, Florida**

Our engagement was focused on the costs of treating landfill leachate from the City of Jacksonville's two primary landfills. JEA's largest treatment plant, the Buckman Wastewater Treatment Facility, received approximately 19 million gallons of leachate last year, and the cost implications of this service are significant. Our analysis documented the impacts at the Buckman facility and provided a cost basis for use by JEA in discussing a significant increase in charges over what has been being paid. Our analysis also provided information on potential alternatives to the current arrangements, including on-site treatment at the landfill locations.

#### **TOHO, Florida**

Andy has served as technical advisor or project manager under a continuing services contract for the Toho Water Authority since 2010. We have performed a variety of services, including a comprehensive reclaimed water cost of service and rate design. The study included a detailed cost allocation analysis that allocated the Authority's system costs to the reclaimed water service, evaluated the current level of cost recovery from existing reclaimed water rates and examined alternative rate designs for the Authority retail reclaimed water rates. The Authority adopted the recommendations developed during the study.





## James Bearman

*Technical Advisor - Electric*

Jim has 40 years of regulatory experience addressing revenue requirements, cost allocation, pricing, and tariff development topics for natural gas, electric, water, and sewer utilities. Prior to joining Stantec in 2013, he was employed for over 35 years by a major Michigan-based electric and gas transmission and distribution utility, serving over 3 million customers. He directed the development of the utility's natural gas and electric revenue requirement needs; pricing for residential, small and large commercial, and industrial customers; analyzed and developed fuel cost recovery mechanisms; and administered all related tariff provisions. Specifically, he developed lifeline, senior citizen, water-heating, and space-heating residential rates, along with customer assistance programs. He also developed the customer choice programs and tariffs for the customers, of the Company's natural gas and electric utilities. In addition, he testified on a number of occasions before the Michigan Public Service Commission on the above matters. He also prepared testimony and exhibits addressing wholesale electric and transmission issues before the Federal Energy Regulatory Commission. In addition, he led numerous cost allocation/cost separation studies to properly assign costs to respective customer groups and/or specific customers themselves.

Since joining Stantec, he has provided managerial and technical services to our project team, utilizing his extensive regulatory experience on a number of water, wastewater, and electric client issues, particularly the integration of CIP/asset management plans into sustainable financial plans for numerous clients' enterprise funds.

### Project Experience

#### **Town of Front Royal, Virginia**

Jim served as technical advisor in completing a revenue sufficiency analysis and rate study for the Town's Electric utility. He led the development of a multi-year financial plan, including the expected power supply and other operating expenses for the utility as well as expected revenues. He was instrumental in re-establishing the use of their Power Cost Adjustment mechanism to recover increasing power supply/transmission delivery expenses. Further, a modified demand rate schedule was also created to align the Town's rate structure with industry standards and reduce customer complaints. He presented results of the analysis and our recommendations to Town staff and to Town Council through multiple discussions.

### Office Location

Ann Arbor, MI

### Education

BS, Accounting, Magna Cum Laude, Lake Superior State University, Sault Ste. Marie, Michigan

### Memberships

Former Chairman, Rate Committee, Michigan Electric & Gas Association

Member, Michigan Chapter, American Water Works Association

Former Vice Chairman, Rates and Strategic Issues Committee, American Gas Association

### Presentations

Challenges for Municipal Utilities. *Michigan State University's 61st Annual Institute of Public Utilities, Intermediate Course, 2019.*

Lessons Learned: Integrating AMP Findings into a Sustainable Financial Plan. *Michigan Water Environment Federation and Michigan Section of the American Water Works Association's Asset Management Seminar, 2019.*

Utility Cost of Service, Rate, and Financial Consulting Services. *Manitoba Water and Wastewater Association Conference, 2019.*

Best Practices: Financial Planning, Utility Rate Settings, and Equity Considerations. *Stantec Winnipeg, Manitoba, 2019.*

#### **Athens-Clarke County, Georgia**

Jim served as technical advisor in developing a streetlighting fee assessment mechanism for the client to recover streetlighting costs from their residents benefiting from such service. This fee collection would reduce pressures on the sustainability of their General Fund, which was absorbing those expenses for the streetlighting service provided. He also led a review of power supply costs from Georgia Power related to the streetlighting service.

#### **City of Lake Worth, Florida**

Jim served as project manager to develop for the City a revenue sufficiency analysis related to their electric enterprise fund. As future parity between the City's electric rates and those of Florida Power & Light (FP&L) was of critical importance to City Council, he forecasted FP&L's future electric rates through review of their regulatory filings and the City's recommended rate plan. He participated in multiple discussions and presentations to City staff, and City Council regarding our electric analysis, addressing their questions related to the analysis.

#### **Consumers Energy, Michigan**

Jim served in a number of increasingly important positions in the Regulatory Affairs and Gas Transmission and Storage Departments over his 36 plus year career with the major Midwest based electric and natural gas utility. He led analysis related to electric and natural gas revenue requirements, cost allocation, pricing, and tariff administration for all classes of customers including the development of customer choice tariffs for both natural gas and electric utilities. In addition, he analyzed gas line loss issues to determine physical and accounting rationale for such line losses. He also prepared and provided expert witness testimony before the Michigan Public Service Commission and the Federal Energy Regulatory Commission on numerous occasions.

#### **Livingston County, Michigan**

Jim served as technical advisor in completing a wastewater rate analysis for the County's Regional Sewer system, including a detailed cost allocation,

rate structure analysis, and development of a multi-year financial plan. He assisted in developing the system's revenue requirements within the County's service area, including those costs associated with two neighboring Townships. He participated in the development of specific cost allocation factors to ensure appropriate recovery of differentials in cost of service for the two township customers. Lastly, he participated in the presentation of the results to the Township customers.

#### **City of Jackson, Michigan**

Jim served as project manager allocating the City's wastewater system costs among user customers, including surrounding townships and a prison. He led the development of the revenue sufficiency needs for the City's Wastewater Enterprise Fund. He also led discussions between the Customer group and the City as to what portion of those costs each major customer should bear, including the City's customers and associated user fees. He assisted in the development of a connection fee calculation for new customers to the system.

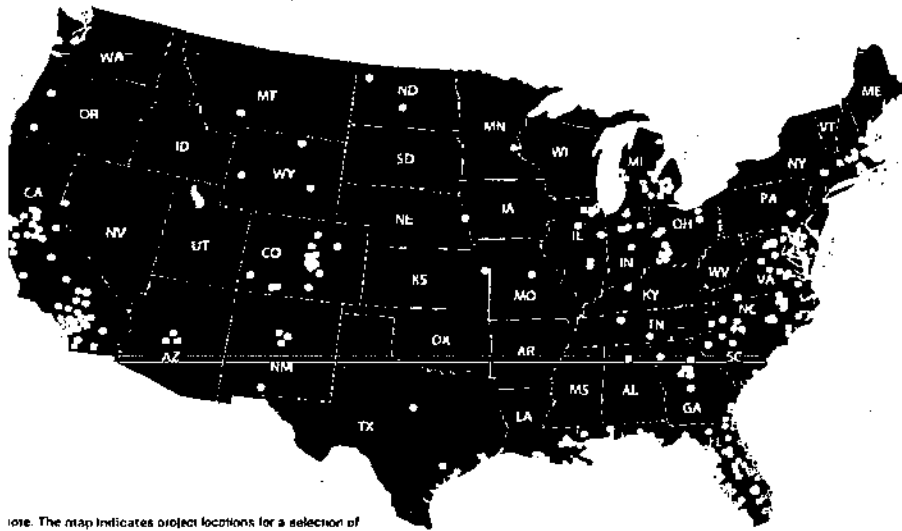
#### **City of Imlay City, Michigan**

Jim served as project manager for the development of multi-year financial plans for the City's water, sewer, and stormwater utilities. This analysis developed sustainable financial plans for each of the utilities, integrating expected asset management plan expenditures and recommending necessary rate increases and fees. He led the forecast of expected revenues from the City's dominant customer who provides a significant share of the City's revenues. He presented the results and our recommendations to City staff and to City Council through multiple discussions.

#### **Summit Township, Michigan**

Jim served as project manager for the development of a water and sewer revenue sufficiency analysis and fee levels for the Township. He led the development of a sustainable financial plan, incorporating all of the Township's expected CIP, revenue, and expense levels. He presented the results of the analysis in multiple presentations to Township Staff and the Township Board of Trustees.

## 4. Reference Projects



note: The map indicates project locations for a selection of communities served. Not all communities are shown.

We have conducted rate studies throughout the country and have helped nearly 300 utilities refine or restructure their rates to improve equity, efficiency, and transparency. We have included detailed descriptions of a few select projects on the following pages to demonstrate our experience and expertise, while the table below summarizes the wealth of our team's California specific project experience.

This table presents a selection of our experience in providing a full suite of financial consulting services to clients throughout California.		Financial Forecasting & Revenue Requirements	Cost of Service Analysis	Rate Structure Development	Wholesale/Bulk Rate Analysis	Capacity Charges/Impact Fees	Miscellaneous Service Charges/Fees	Capital Improvement Finance Planning	Custom Modeling & Test Development	Financial Management & Benchmarking	Public/Stakeholder Engagement	Financial Policy Development	Ordinance/Service Agreement Audits/Reco	Stormwater Funding/Financial Analysis
CA	Castles Municipal Water District	•	•	•	•			•	•	•	•	•	•	
CA	Christian Valley Park Community Services District	•	•	•				•	•	•	•	•	•	
CA	City of Auburn	•	•	•				•	•	•	•	•	•	
CA	City of Bakersfield	•	•	•				•	•	•	•	•	•	
CA	City of Berkeley	•	•	•				•	•	•	•	•	•	•
CA	City of Carles	•	•	•				•	•	•	•	•	•	
CA	City of Coachella	•	•	•				•	•	•	•	•	•	
CA	City of Greenfield	•	•	•				•	•	•	•	•	•	
CA	City of Jackson	•	•	•				•	•	•	•	•	•	
CA	City of Manteca	•	•	•				•	•	•	•	•	•	
CA	City of Merced	•	•	•				•	•	•	•	•	•	
CA	City of Norco	•	•	•				•	•	•	•	•	•	
CA	City of Richmond	•	•	•				•	•	•	•	•	•	
CA	City of Ridgecrest	•	•	•				•	•	•	•	•	•	
CA	City of Sacramento	•	•	•				•	•	•	•	•	•	
CA	City of San Diego	•	•	•				•	•	•	•	•	•	
CA	City of Whittier	•	•	•				•	•	•	•	•	•	
CA	Coachella Valley Water District	•	•	•				•	•	•	•	•	•	
CA	Forest Hill Public Utility District	•	•	•				•	•	•	•	•	•	
CA	Fullerton	•	•	•				•	•	•	•	•	•	
CA	Indian Wells Valley Water District	•	•	•				•	•	•	•	•	•	
CA	Moulton Niguel Water District	•	•	•				•	•	•	•	•	•	
CA	Ross Valley Sanitation District	•	•	•				•	•	•	•	•	•	
CA	San Andreas Sanitary District	•	•	•				•	•	•	•	•	•	
CA	Soquel Creek Water District	•	•	•				•	•	•	•	•	•	
CA	Western Municipal Water District	•	•	•				•	•	•	•	•	•	
CA	Whittier Water Authority	•	•	•				•	•	•	•	•	•	
CA	City of Santa Ana	•	•	•				•	•	•	•	•	•	





**Dates of Service:** 2014, 2018

**Key Team Members:** Georgette Aronow

**Client Contact:**

Yvonne Kimball

City Manager

33 Broadway

Jackson, CA 95642

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ykimball@ci.jackson.ca.us

## **Wastewater Rate Study & SRF Funding Support**

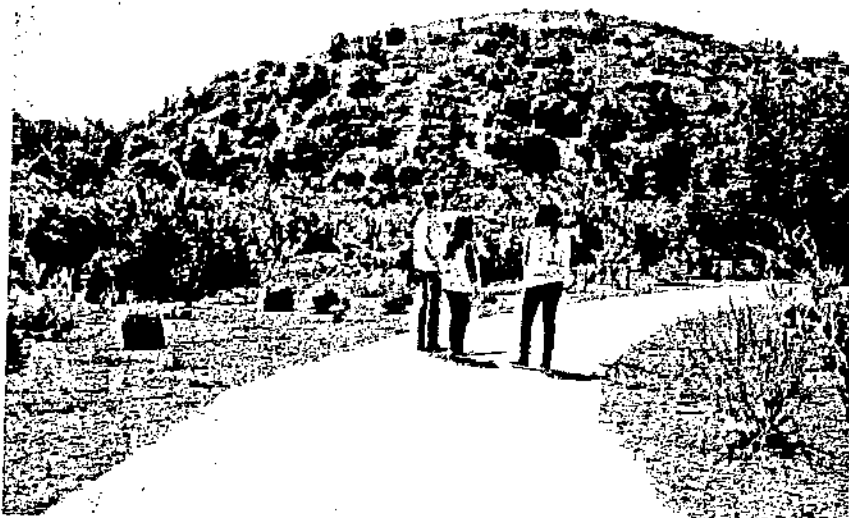
### **City of Jackson, California**

Stantec provided engineering services and financial support to the City of Jackson as it navigated the ramifications of wastewater permit limitations that severely impacted the City's waste discharge options and ultimately would prohibit the City from discharging into Jackson Creek and Lake Amador.

In 2014, Stantec was able to assist the City in renegotiating its discharge permit to obtain more favorable terms, however improvements to the Wastewater Treatment Plant were still needed. In order to fund the design and construction of necessary improvements, Stantec assisted the City in applying for Clean Water State Revolving Fund (SRF) loan funds. The application process for SRF funding required the City to evaluate existing and projected revenue and expenses. Debt service on the \$12 million loan, as well as existing commitments on the City's sewer enterprise fund made it necessary for sewer revenue to be adjusted.

Georgette was the lead consultant in assisting the City in updating its sewer rate structure and monthly charges for residential, commercial and industrial customers. This process involved meetings with a committee comprised of City staff, council members, and the public. In addition, Stantec presented draft and final rate analysis results including recommended adjustments to the City's rate structure. While the City successfully completed the Proposition 218 process in November 2014, due to political pressure by a local rate payer's alliance group the rates were never implemented.

In 2018, the City again engaged Stantec and Georgette to assist the City in updating its rates through 2023 so that the City can afford to pay for the debt service and meet the requirements of the \$12 million SRF loan that funded the construction of the WTP project. As part of this update, Georgette comprehensively reviewed the cost of providing service as well as the customer rate structure. New rates were adopted and implemented in late 2018.



**Dates of Service:** 2018-19

**Key Team Members:** Georgette Aronow, Matt Freiberg

**Client Contact:**

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13230 Penn Street  
Whittier, CA 90602  
(562) 567-9500,  
kcason@cityofwhittier.org

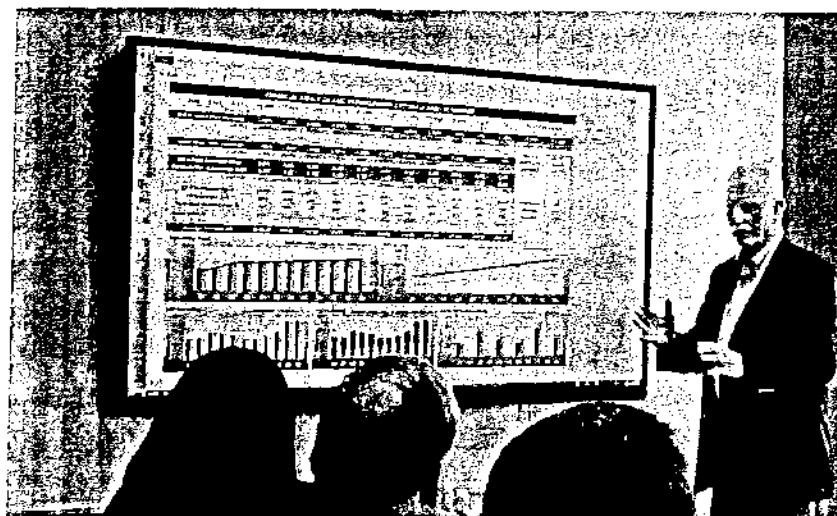
## Water and Sewer User Rate and Connection Fee Studies City of Whittier, California

Located approximately 12 miles southeast of Los Angeles, the City of Whittier is a predominantly residential community with a population of approximately 90,000 people. The City engaged Stantec to update its water and sewer user rates as well update the water connection fee and develop a new connection fee for the sewer utility.

Much of the City's water and sewer infrastructure was built in the 1950s during a post-World War II construction boom. Now the City's utility infrastructure is ageing and in need of repair and replacement. In addition, the City wished to continue to provide the same level of utility service to new development within the City by funding and constructing infrastructure projects to serve incoming residents and businesses without burdening existing rate payers.

Stantec assisted the City in updating their water and sewer user rates, and water connection fee, and establishing a new sewer connection fee such that revenues will support a predominantly cash funded Capital Improvement Program (CIP) for existing customers and future development. Rates were developed with the goal of minimizing the rate and fee impacts to customers and enhancing the City's resilience to financial shocks due to drought or other natural disasters. Each of the capacity fees were set using the hybrid fee calculation approach, accounting for both system buy-in and an incremental cost allocation for future facilities serving new development.

Coordinating the development of the utility rate revenues and connection fees allowed for a comprehensive approach to funding water and sewer infrastructure over a ten-year projection period. As part of this approach, the City was also able to evaluate multiple capital financing scenarios that included various levels of cash, debt, and connection fee financing to determine the optimal funding strategy to provide the desired level of service, while minimizing the long term rate and fee impacts to customers.



**Dates of Service:** 2007, 2014, 2019  
(ongoing)

**Key Team Members:** Georgette  
Aronow, Matt Freiberg

**Client Contact:**  
Bernie Schroeder  
Planning and Public Works Director  
(530) 823-4211  
bschroeder@auburn.ca.gov

## Sewer Rate & Connection Fee Analysis

### City of Auburn, California

The City of Auburn, in Placer County, has an estimated population of approximately 14,000 residents. The City provides sewer service to approximately 5,300 customers, with most accounts being residential customers. Georgette has been the lead consultant for the City of Auburn on wastewater fee and rates analyses since 2007 and is again assisting the City update their fee and rates in 2019.

Through comprehensive and thoughtful analyses, Stantec has helped the City ensure that the sewer enterprise is a stable fund which has allowed the City to continue to provide a high level of service for its customers over the years. A detailed capital planning and budgeting process, coupled with development of adequate fees and charges, has allowed the City to steadily replace and upgrade its sewer infrastructure including major upgrades to the sewer treatment plant and collection system.

The rate and fee analyses were customized to the needs of the City, focusing on the generation of capital reserves, as well as rate and fee equity. As a small sized City with substantial capital needs, rates and fees needed to be crafted to avoid overburdening rate payers or future connections. A long-term revenue model was created for the enterprise fund that estimated the funding needs, allocated costs based on relative demand on the sewer system by each customer group and demonstrated the need for rate increases under the rubric of California's Proposition 218 requirements. Connection fees were calculated such that future users paid for their relative impact on the system and share of future facilities.

The sewer connection fee analysis, currently underway, re-establishes the nexus and justification for the fee, ensuring that new development continues to fund its fair share of capital facilities. In addition, Stantec is assisting the City in evaluating the way the fee is charged to various land use types. The City is particularly interested in addressing fees for residential uses that have accessory units (i.e., "granny" units). Recent changes to California law make constructing accessory units easier and the City anticipates that this will impact the sewer system. Adequately planning for and establishing charges for these units (connection fees and monthly rates) will help to alleviate potential negative impacts and avoid compromising the level of service provided by the City.





**Dates of Service:** 2016

**Key Team Members:** James Bearman, Andy Burnham

**Client Contact:**  
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Town Manager  
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## Electric Financial Analysis & Pricing Front Royal, Virginia

Our team completed a long-term financial modeling platform and sustainability analysis to determine the level of revenues needed to address expected operating conditions and capital improvement projects over a 5-year planning and 10-year long-term projection period.

A cost allocation analysis of the Town's revenue needs was also completed by a sub-consultant. Stantec then integrated the results of that analysis into revised monthly customer charges and Kwh energy delivery charges for each class of customer the Town serves. In addition, due to increasing power supply costs, we recommended the Town reestablish a dormant monthly power cost adjustment factor at a higher level to increase revenues to recover the forthcoming increases. Lastly, we also developed a major refinement to the Town's demand rate methodology to eliminate customer confusion, complaint calls, and align the Town's demand rate structure to industry standards.

We worked with Town staff to identify impacts of the rate structure modification on each demand customer and key causes of the revenue change by customer. We used the results of these impact analyses to aid in explaining the effects of the rate change to each demand customer during presentations to the public. Multiple presentations were made to Town staff as well as Town Council to fully explain the results of our analysis and to address any remaining questions.



## 5. Project Approach

This section presents our understanding of the City of Needles and the requested study, as well as an outline of our anticipated approach and tasks to be completed.

### Understanding

The City desires a review of its electric, water, and wastewater utility rates to ensure that rates and charges are current and able to meet the funding needs of the utilities.

The City of Needles is a small community located on the eastern edge of San Bernardino County near the Arizona border. The City's is challenged with maintaining rates that are affordable while still facilitating the operations, maintenance, and capital improvements of its systems.

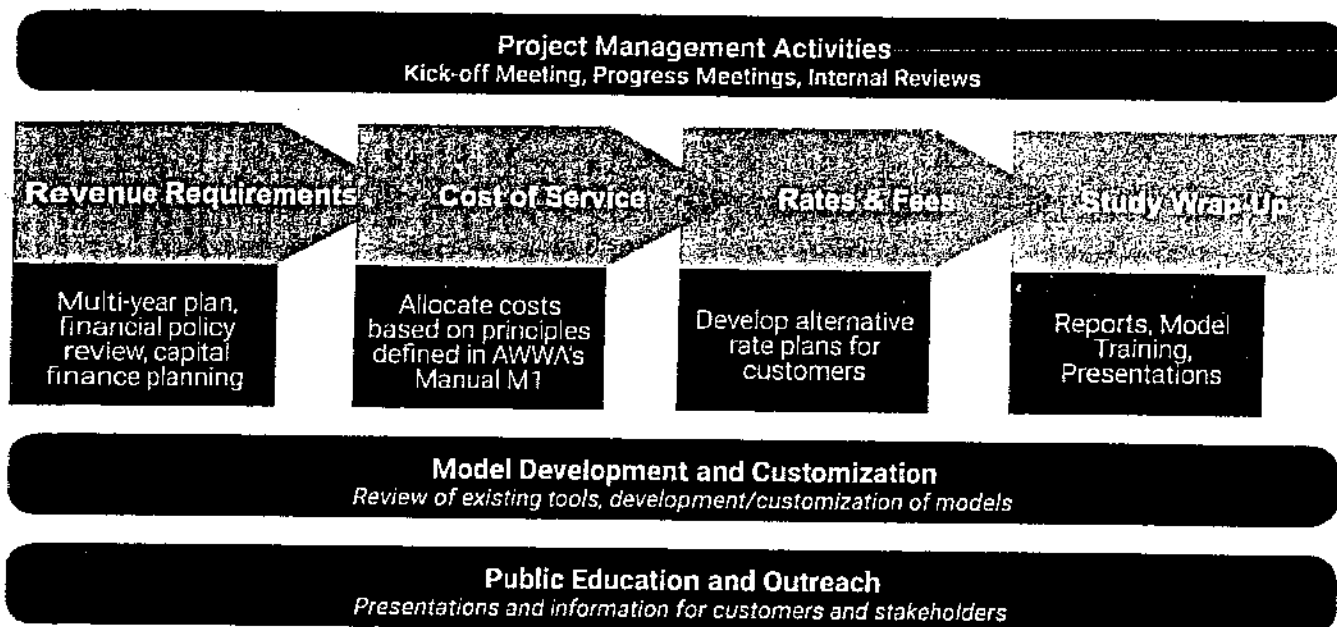
It is our understanding that the current utility rate structures stemming from rate studies completed in 2016 have generally been successful in meeting the needs of the City, with perhaps the exception of wastewater. As such, our proposed scope of work is focused on updating and projecting the cost to serve customers over the next five years to help ensure that revenues suffice. Updated rates and charges will be calculated based on the projected revenue requirements and existing structures for the electric and water utilities. However, relative to wastewater rates, Stantec will conduct a cost of service and rate structure analysis to evaluate potential improvements to the existing EDU method or an alternative structure that would be based on water consumption.

## Project Approach

Our innovative approach to conducting utility rate analyses is centered on our **interactive decision support process** that engages **your staff and key stakeholders**. While our team will facilitate all aspects of the study, provide industry expertise, and give specific recommendations, we believe that collaboration with City staff and management is essential to achieving a successful outcome.

It is vital for the study to reflect the unique nature and specific needs of your utilities, and it is very important that the City and key stakeholders participate along the way. Our interactive process effectively facilitates this input in an efficient manner while providing transparency, and ultimately, a comprehensive look at your utility systems and rates.

The following schematic outlines the general flow of a typical public agency utility rate study and is a good representation of the approach we will take to conducting your scope of services, which is described in task-level detail below.



The following section outlines our detailed approach for the completion of the scope of work requested by the City.

### Task 1: Project Initiation & Data Collection

To initialize the study, we will submit a data request to the City. Shortly thereafter, we will conduct a kickoff conference call with staff to:

- Familiarize our team with the City's current practices and procedures
- Discuss goals and objectives of the study
- Discuss key issues, roles and responsibilities
- Assemble and review data, including existing account and usage information, policies, ordinances, codes, and funding mechanisms
- Finalize the project schedule, including milestones and deliverables



Once all data has been received, we will review it in detail – including reports, past studies, models, historical information, etc. Follow-up calls with staff will be made to ensure full understanding of all data received.

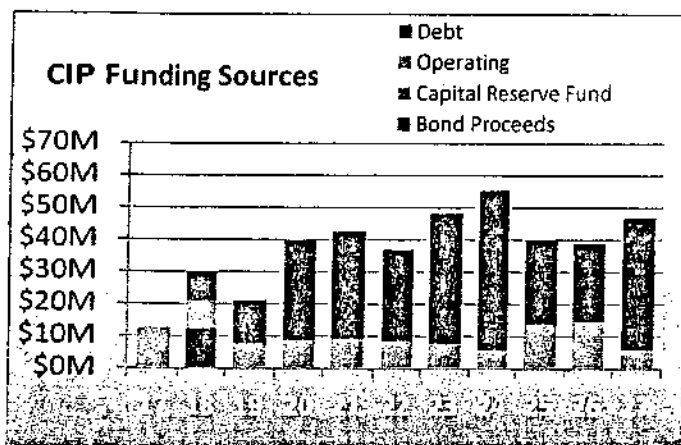
<b>Deliverables</b>	Data Request List, Final Project Objectives, Final Project Schedule
<b>Meetings</b>	Kick-Off Meeting with City Staff via conference call/online meeting

## Task 2: Develop Multi-Year Financial Management Plans

We will prepare an analysis to determine the revenue required to support each utility's operations (electric, water and wastewater), including capital spending. We will use our financial model to develop separate multi-year financial management plans (including 5-year near term and 10-year long term plans) and will identify projected annual revenue requirements and rate adjustments. Within the model set up for each utility, we will examine historical operating expenses, growth and consumption trends, alternative capital improvement spending levels, purchased power costs, debt service coverage ratios, levels of operating and capital reserves, and other financial policies that drive the respective revenue requirements of each utility. This model is built to not only model alternative projection scenarios, but to also serve as an interactive, dynamic communication device in workshops and with elected officials to clearly illustrate rate impacts under varying scenarios.

Through our local and national experience with municipal utilities, along with our participation in industry groups and rating agencies, we are uniquely able to provide insight and recommendations for certain key financial policies related to debt coverage, reserve levels, and capital funding strategies.

In addition to evaluating financial goals and objectives, we will also evaluate alternative demand projections, cost escalation factors, changes to your electricity purchasing contract, changes in usage patterns, elasticity of customer demand in response to rate increases, and other variables that could affect the financial performance of each utility. The models allow for the distinction of revenue types by customer class that can be grouped into fixed and variable components.

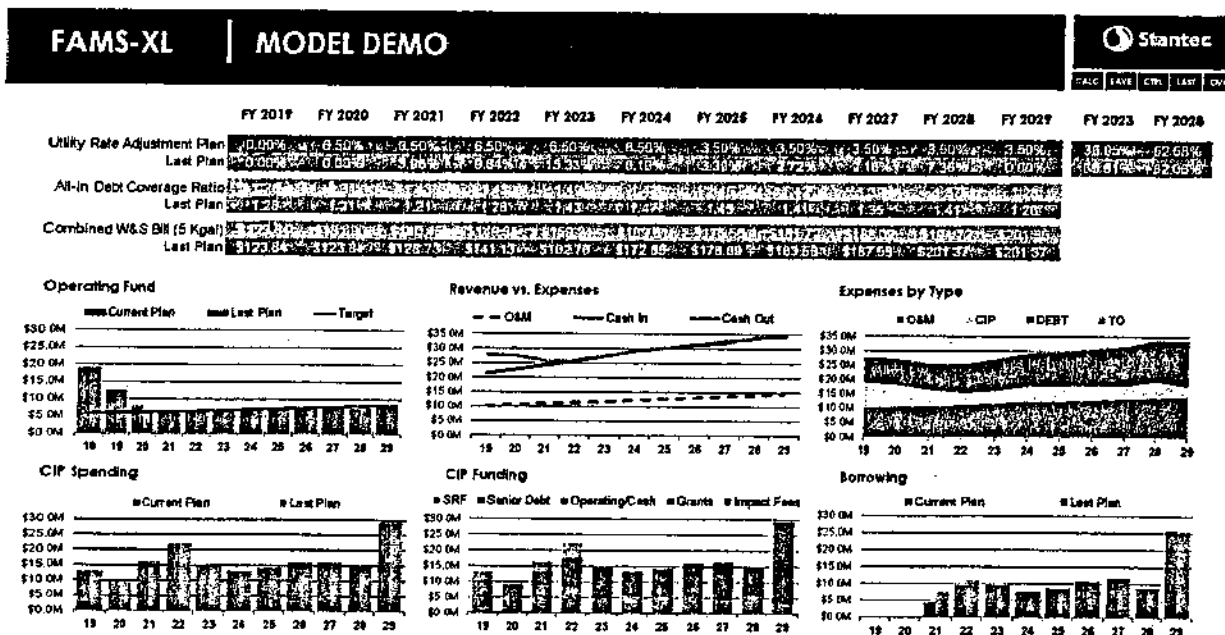


The financial planning module provides a valuable capital planning tool which we will use to review the City's projections for capital improvements, and to evaluate the impacts of alternative projects, costs, timing, and funding sources. For all scenarios reviewed, the financial planning module will develop a funding plan, including the identification of the amount, timing, and type of borrowing required as may be necessary. We will examine each utility's use of debt versus cash financing for capital improvements and build a financing plan to support a proper balance of debt coverage and rate stabilization over the planning period.

Closely related to this analysis is an examination of the adequacy of the reserves for each of the City's utilities. Adequate reserves are fundamental to achieving financial stability and can help some systems to avoid sudden or disruptive rate adjustments in the face of unanticipated operating expense increases, capital needs, or changes in demand. We will examine the City's current reserve balances, considering City financial objectives, the age and condition of the City's infrastructure, and industry standards. This review is intended to prompt discussions with City staff of financial sustainability and will ultimately be incorporated into each financial planning model.

Another key feature within the financial model is the evaluation and visualization of key financial performance indicators. We are very familiar with the criteria that the rating agencies are currently using, such as new matrices and scorecards to evaluate the financial health of public utilities, and we can incorporate key criteria of interest to the City into the model.

*An example of a control panel/interactive dashboard from our revenue sufficiency and financial planning module (that will be utilized in Task 2) used for the development of a ten-year financial plan for a water and wastewater system is presented below. The green bars and panels represent the "last" scenario evaluated, which was "just-in-time" rates, resulting in varying increases throughout the forecast starting in FY 2021. The blue bars and panels represent the "active" scenario, which includes a level plan of annual rate increases starting in FY 2020. The graph shows that the financial consequences of the earlier "level" plan of rate increases in the "active" scenario are acceptable, and that the rate increases provide smaller, more predictable customer impacts.*



Our project scope assumes that all data will be provided by the City in a readily available electronic format. We also assume that all revenues, expenses, capital plans, customer usage, billing, and other customer related data will be provided in an editable digital format such as Microsoft Excel.

**Deliverables**

Interim Work Products for Review

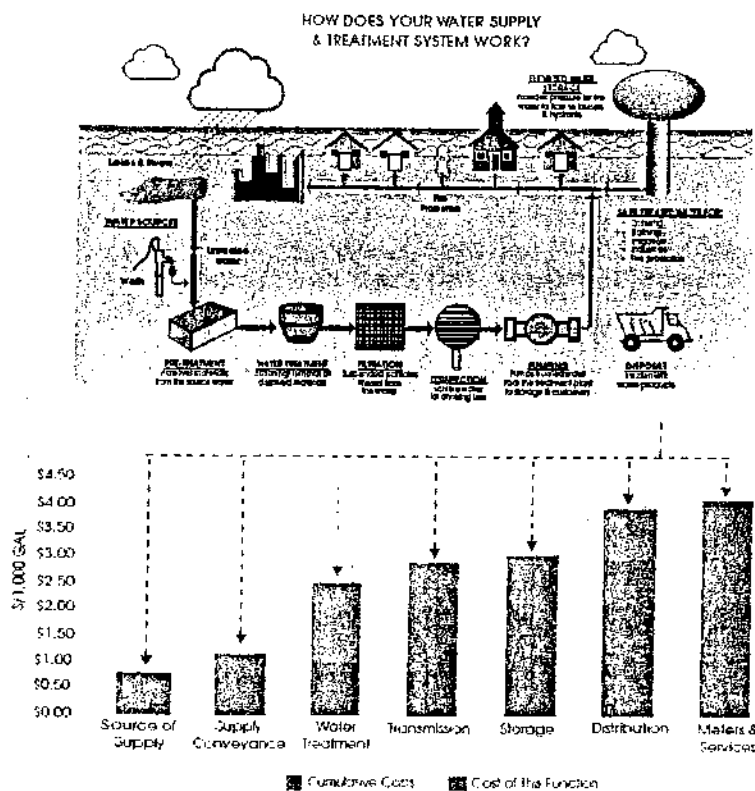
**Meetings**

One (1) Online Interactive Work Session [#1]

Project Team Attendance: Project Manager and Lead Consultant

**Task 3: Cost of Service Analysis – Wastewater Only**

The cost-of-service module of our modeling system allows for the total cost of service and revenue requirements for a utility system to be functionalized and distributed to customer classes. The utility system's cost of service and revenue requirements are functionalized to defined segments, which are then allocated to each class of customer based upon their characteristics or units of service. This process is intended to promote **inter-class equity** in accordance with the requirements of Proposition 218. For example, the following graphic was developed to assist our clients in the understanding of the various functions of a water system identified within a cost-of-service analysis.



We identify the most appropriate industry-accepted cost of service allocation methodologies, such as those defined by the AWWA, WEF, and EEI based upon available data, legal requirements, system configuration, service agreements, resources, customer base, demand and usage characteristics, local practice, and public policy objectives. We customize the cost of service module to employ the identified methodologies and concepts best suited for the subject utility system. The City's customer mix, demand characteristics, billing system capabilities, and other key priorities will inform the cost allocation process so that the results are both relevant and usable.

At the conclusion of the cost of service analysis, we compare the resulting allocation of revenue requirements to the revenue generated by the current rates for each customer class of each utility. It is our understanding that the City does not desire significant changes to its rate structure for its electric and water utilities. So therefore, our

proposed scope of work for this task is limited to the wastewater utility only.

To the extent current revenue recovery levels are not in line with the results of the cost of service allocation analysis for the wastewater utility, we will evaluate alternative levels of revenue recovery by class of customer within the rate structure analysis that would better comport with the identified cost of service allocations. This may include reconfiguration of existing classes if that is important to achieving your objectives for equity, being administratively workable, and consistent with other management policies and priorities.

**Deliverables**

Interim Work Products for Review

**Meetings**

One (1) Online Interactive Work Session [#2]

Project Team Attendance: Project Manager and Lead Consultant



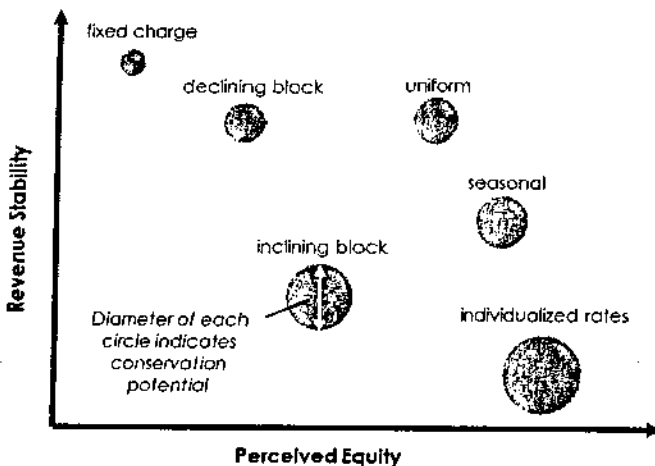
#### Task 4: Rate Structure Analysis – Wastewater Only

Based upon the revenue requirements identified in Task 2, we will calculate updated rate schedules for the electric and water utilities for a five-year period. For the wastewater utility, we will also rely on the cost allocation results in Task 3 to evaluate rate structure modifications or alternative structures that may be better suited to meet the City's needs.

During this task, our team will perform a diagnostic evaluation of the current structure as well as benchmarking of the rates of local/area communities. This analysis is often necessary to address questions from key stakeholders, including elected officials, related to how your rates compare with peer communities. We are well versed in the wide range of rate structures that could be implemented and will review the pros and cons of each rate structure including items such as revenue volatility, customer understanding, administrative requirements, and the ability of the City to implement the structure. For

instance, the use of water consumption will require thoughtful consideration of seasonal irrigation patterns and wastewater return flow factors that could vary by customer class.

We will provide an analysis of the impacts to each customer class and bill impacts at various levels of consumption for each modification or alternative structure evaluated. Detailed customer impact analyses will be provided for all customer classes, and high-level summaries of the results will be utilized for public presentation purposes.



Throughout this process, we will work closely with City staff to evaluate the best ways to recover the cost to serve while minimizing the impact to your customers. To the extent that significant rate structure changes are necessary, we can help develop a phased approach such that customer impacts are moderated over a multi-year period rather than in a single, abrupt change.

<b>Deliverables</b>	Two (2) rate structure alternatives for the wastewater utility Bill impacts for each wastewater rate structure alternative Five (5) year rate schedules for all three utilities
<b>Meetings</b>	One (1) Online Interactive Work Session [#3] Project Team Attendance: Project Manager and Lead Consultant

#### Task 5: Development of a Report

The City will gain long-term value in a report that clearly and comprehensively documents the results of the study. We will first prepare a draft for your review, and once comments are received, we will incorporate them into a final report. The report provides a simplified and straightforward synopsis of the analysis, and includes appendices that contain a series of graphs, charts, and tables that provide the supporting details of the study described in the body of the report. It is important to note that our scope of work was developed assuming a single report would be generated covering all three utilities.

<b>Deliverables</b>	Draft and Final Reports
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## Task 6: Present to City

At the end of the study, we will participate in one (1) Public Utility Board meeting and one (1) City Council meeting to clearly explain the findings and recommendations of the study. While not included in our proposed scope of work, we can also provide additional presentations to your stakeholders to educate them on the rate study process, the drivers and key results, and how any proposed changes may affect them directly as well as support with implementation activities, such as Prop 218 notices.

<b>Deliverables</b>	PowerPoint Presentation(s)
<b>Meetings</b>	Participation in one (1) Public Utility Board Meeting Participation in one (1) City Council Meeting Project Team Attendance; Project Manager and Lead Consultant



## 6. Project Management

Wouldn't it be reassuring if you could handpick your dream team for a project? Having the very best project management in place is essential to any successful project. At Stantec, we take pride in tailoring our teams to the specific project requirements, size, and complexity. Our experience enables us to anticipate possible problem areas and dedicate necessary resources where needed. Our project teams are highly experienced in stakeholder coordination, contract administration, task staffing and scheduling, budget management, quality control/peer reviews, decision-making coordination, and timely status reporting and programmatic adjustments.

We'll work closely with you to understand the expectations for this project, to provide certainty in both project budgets and schedule, and to establish critical milestones and decision-making strategies for the study. Together we'll become an integrated team, confirming that your project runs smoothly and is delivered on time and on budget.

### **Lines of Communication**

At the project kick-off meeting, we will clearly outline the specific lines of communication between the City and our project team to ensure that all parties are certain of how best to communicate in a manner that allows for the efficient and effective flow of information. Internally, our project team has worked together on dozens of projects and has excellent communication from the top down. Our project manager, Georgette Aronow will serve as the main liaison from our team to the City, participating in all meetings and presentations.

We pride ourselves on our availability and transparency with our clients and often participate in phone or web conference meetings in addition to regularly scheduled work sessions with our clients.

### **Budget & Schedule Control**

We know it's important to come in on budget and within the agreed-upon schedule. Our enterprise software application allows management of project expenditures and deadlines through close monitoring. We draw on our extensive project knowledge to provide early project costs, updates, and final estimates to be sure we stay on budget.

### **Quality Control/Quality Assurance**

At Stantec, we like to raise the bar on excellence. With our comprehensive quality program, we deliver services that have been through a detailed review, thereby limiting errors and omissions to provide you with high-quality products. In fact, we have a dedicated and independent quality control team member to perform reviews of all analytical tools as well as interim and final work products.

From our first meeting to the successful presentation of the study results, our project plan will minimize risk and increase quality control. Moreover, we know how important it is to keep everyone in the loop. That's why we have a process that creates clear and regular communication between all team members, stakeholders, and, most importantly, you.



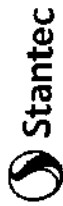


## 7. Work Plan, Labor Hours & Schedule

We have prepared a detailed project work plan and cost estimate schedule, summarized below and presented in full on the following pages. We have also completed the required Proposal Form which summarizes this information in the format requested by the RFP. Our level of effort and workplan leverages the efforts from your past studies to the maximum extent possible, while recognizing the level of effort necessary to evaluate new rate structures for wastewater that would comply with Prop 218 requirements.

Our cost estimate is based on our best understanding of the project. If selected, we would be willing to reevaluate our level of effort and cost estimate as may be appropriate once we have a better understanding of your data and specific scope requirements.

				Water	Wastewater	Electricity
Task		Hours	Cost			
Task 1	Project Initiation & Data Collection	27	\$5,000	\$1,250	\$2,500	\$1,250
Task 2	Development of Financial Management Plans	94	\$15,200	\$5,067	\$5,067	\$5,067
Task 3	Cost of Service Analysis - Wastewater Only	52	\$8,900	\$0	\$8,900	\$0
Task 4	Rate Structure Analysis (Wastewater Only)	50	\$8,175	\$0	\$8,175	\$0
Task 5	Development of Report	53	\$9,925	\$2,481	\$4,963	\$2,481
Task 6	Presentation to PUB & City Council	24	\$4,800	\$1,200	\$2,400	\$1,200
Totals		300	\$52,000	\$9,998	\$32,004	\$9,998
Estimated Expenses			\$1,750	\$336	\$1,077	\$336
<b>Total Not-To-Exceed Project Cost</b>			<b>\$53,750</b>	<b>\$10,334</b>	<b>\$33,081</b>	<b>\$10,334</b>



## City of Needles

Water, Wastewater, and Electric Rate Study

### Project Work Plan and Cost Estimate Schedule

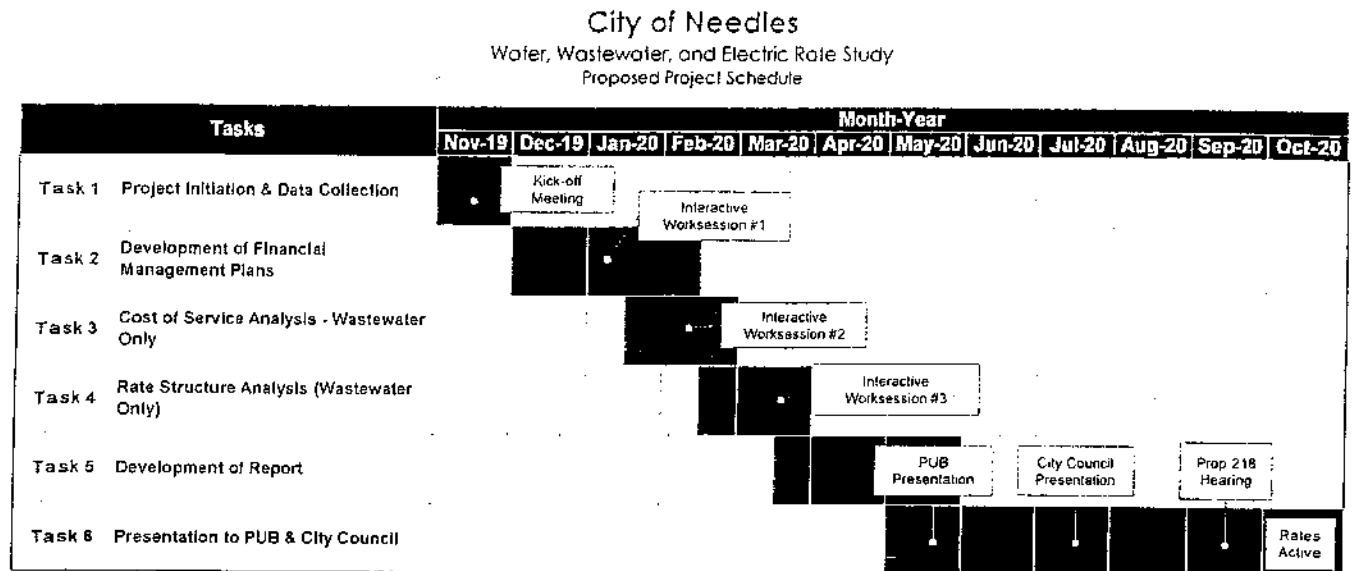
Project Work Plan and Cost Estimate Schedule										
Project Tasks		Resources → Hourly Rates →	Estimated Labor-Hours							Total Project
			Senior Advisor		Project Manager	Consultant	Analyst	QA/QC	Admin	
			Burnham	Bearman	Aronow	Freiberg	Various	Bellino	Various	
		\$275	\$250	\$225	\$175	\$125	\$200	\$75		
Task 1	Project Initiation & Data Collection									
1.1	Prepare preliminary schedule and initial data request list prior to kick-off meeting. Perform job set-up	0	0	2	1	1	0	2	6	
1.2	Conduct kick-off meeting via conference call to review project objectives, schedule, key issues, approach, available data, and key assumptions.	2	2	2	2	0	0	0	8	
1.3	Review initial data/documentation provided by staff and submit supplemental requests and/or clarifications.	1	1	2	3	6	0	0	13	
Task 2	Development of Financial Management Plans									
2.1	Prepare water, wastewater, and electric customer and demand analysis to determine projected growth, trends in usage patterns, identify peak demands and the demands placed on the system, and total projected water, wastewater, and electric system customers, ERCs and usage.	1	1	0	2	8	0	0	12	
2.2	Input financial and billing data into our FAMS-XL financial planning module (3 separate modules, one for each respective utility system), run the module, and produce preliminary output, including a five-year financial management program that will include the following: <ul style="list-style-type: none"><li>o Examination of historical and projected expenses (operating, capital improvement and capital equipment)</li><li>o Capital Improvements Program and Capital Financing Plan<ul style="list-style-type: none"><li>- Project listing by year, including integration of specific scenarios as required</li><li>- Alternative funding sources for capital projects</li><li>- Development of a capital financing plan, including identification of timing and amount of borrowing</li></ul></li><li>o Borrowing Program<ul style="list-style-type: none"><li>- Borrowing required (by source) to fund CIP projects not funded by other sources to include but not</li><li>- Timing of bond issue(s)/loan(s) to provide required borrowed funds</li><li>- Annual debt service of bond issue(s)/loan(s)</li></ul></li><li>o Revenue Sufficiency Analysis, including Cash Flows<ul style="list-style-type: none"><li>- Annual revenue projections, include a breakdown of revenues from sale of services, connection fees,</li><li>- Annual operations and maintenance expense projections</li><li>- All other annual revenue requirements such as R&amp;R, minor capital, transfers to other funds, current</li></ul></li><li>o Sources and Uses of Funds Analysis</li><li>o Financial Policy Review<ul style="list-style-type: none"><li>- Reserve Levels (Minimum Fund Balance Policies) for each fund</li><li>- Beginning and ending funds balances by fund by year</li></ul></li><li>o Prepare an updated schedule of rates for the water and electric utilities</li></ul> Review of City policies for areas of improvement, such as debt or reserve policies, and incorporate any adjustments into the modules.	0	0	0	6	24	0	0	30	
2.3	Make adjustments to the modules as required in order to simulate each utility's current and/or specific financial dynamics.	1	1	1	2	2	0	0	7	
2.4	Review results with consulting team, make required adjustments, perform quality control, and prepare alternative scenarios.	0	0	0	2	4	0	0	6	
2.5	Prepare for and meet with City staff in an interactive work session (via GoToMeeting or Skype) to review preliminary results.	1	1	3	3	4	4	0	16	
2.6	Make adjustments per input from City staff and distribute workbook of assumptions, inputs, and preliminary results for staff review.	0	0	4	4	0	0	0	8	
2.7	Meet with City staff in second interactive work session (via GoToMeeting or Skype) to review adjusted results.	0	0	1	2	4	2	0	9	
2.8	Perform adjustments per input from City staff and determine plan of rate annual revenue adjustments for each utility system and develop five year rate schedules for electric and water utility systems.	0	0	1	1	3	1	0	6	
-- Included in Task 3.0 --										



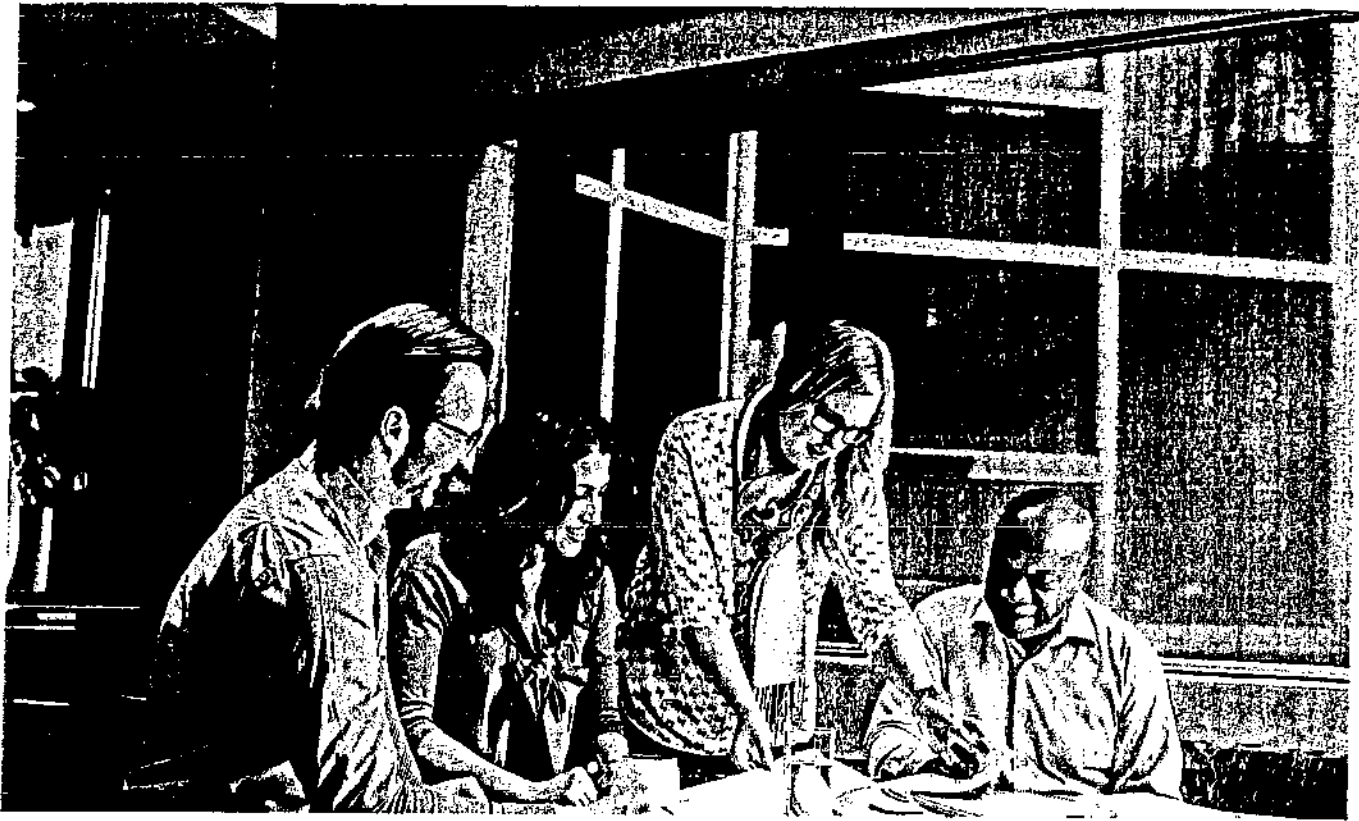
**City of Needles**  
Water, Wastewater, and Electric Rate Study  
Project Work Plan and Cost Estimate Schedule

Project Tasks		Estimated Labor-Hours										Total Project	
		Senior Advisor		Project Manager		Consultant		Analyst		QA/QC			
		Burnham	Bearman	Arnow	Frubert	Various	Bellino	Admin	Various				
Resources →		\$275	\$250	\$235	\$175	\$125	\$200	\$75					
Hourly Rates →													
Task 3	Cost of Service Analysis - Wastewater Only												
3.1	Perform a detailed review of all of the City's wastewater revenue sources.	0	0	1	1	2	0	2					6
3.2	Identify all test year costs/revenue requirements associated with the provision of sanitary sewer service from the preferred financial forecast alternative identified in Task 2 into the cost allocation module.	0	0	0	1	2	0	0					3
3.3	Analyze the City's billing consumption records, service area, existing agreements, and existing customer classes to determine recommended customer classes for cost allocation and rate design.	1	0	0	2	2	0	0					5
3.4	Identify appropriate system functional components and appropriate cost of service allocation methodology (per WEF Manual & industry practices).	0	0	0	1	0	0	0					1
3.5	Allocate costs/revenue requirements to identified functional cost components and determine unit cost of each function.	0	0	0	2	2	0	0					4
3.6	Allocate costs of each functional component to identified customer classes based upon appropriate customer class characteristics/criteria.	0	0	1	1	1	0	0					3
3.7	Compare allocated costs/revenue requirements by customer class to revenue generated by existing rates.	0	0	0	1	1	0	0					2
3.8	Review results with consulting team, make required adjustments, perform quality control review, and identify strengths and weaknesses in terms of but not limited to the following criteria:	1	0	2	3	4	0	0					14
3.9	Meet with City staff in an interactive work session to review preliminary results.	0	0	0	0	0	0	0					0
3.10	Prepare for and meet with City staff in an interactive work session (via GoToMeeting or Skype) to review initial results.	0	0	4	4	0	0	0					8
Task 4	Perform adjustments as required based upon input provided by City staff and finalize cost allocations to each customer class.	0	0	1	1	2	0	2					6
4.1	Rate Structure Analysis (Wastewater Only)												
4.2	Prepare rate surveys of local/area wastewater rate structures for residential and non-residential customers. Conduct a diagnostic analysis of the current wastewater rate structures for all customer classes to identify strengths and weaknesses in terms of but not limited to the following criteria:	0	0	1	1	2	0	3					7
	Compliance with legal precedent and generally accepted industry practice (national and local).	1	0	1	0	0	0	0					2
	Fair and equitable distribution of costs to customers in proportion to the benefit received and/or demand placed on the system.												
	Consistency with policies and management objectives regarding such things as affordability, conservation, economic development, etc.												
	Fiscal stability/risk of the utility.												
4.3	Ease of administration and understanding to City staff and customers.												
	Develop Wastewater User Charges:												
	a. Load billing history data into our FAMS-XL rate model and create a bill frequency analysis.	0	0	0	2	4	0	0					6
	b. Conduct a revenue test to ensure accuracy of billing data.	0	0	0	1	2	0	0					3
	c. Set up the rate model in conformance with the rate design evaluation in Task 4.1 and the cost allocation results of Task 3	0	0	0	1	2	0	0					3
	d. Run the model and prepare alternative rate structures that reflect the following considerations:	0	0	0	2	3	0	0					5
	• Recovery of appropriate amount and types of costs in fixed monthly charges and/or potential variable rates by class of customer												
4.4	Review results with consulting team, perform quality control, and adjust as required.	1	0	1	1	2	0	2					7
	Customer bill impact comparison for each utility:												
	a. Prepare a customer impact analysis to compare wastewater rates for each customer class to existing rates.	0	0	0	1	3	0	0					4
4.5	Review results with City staff	0	0	4	4	0	0	0					8
	a. Meet with City staff in an interactive work session (via GoToMeeting or Skype) to review adjusted results.	0	0	1	2	1	1	0					5
	b. Perform adjustments based upon City staff input and finalize alternative rate structure options.												
Task 5	Development of Report												
5.1	Prepare a Draft Report and summary presentation of the initial results and recommendations of the Study for staff review/commitment.	3	3	6	12	6	0	2					32
5.2	Report and presentation quality assurance/control review.	0	0	0	0	0	3	0					3
5.3	Prepare Final Report based upon comments and edits from City staff.	2	1	4	6	3	1	1					18
Task 6	Presentation to PUB & City Council												
6.1	Prepare for and present the results of the study to Public Utility Board at one meeting.	0	0	6	6	0	0	0					12
6.2	Prepare for and present the results of the study to City Council at one meeting.	0	0	6	6	0	0	0					12
Total Estimated Labor Hours		15	10	55	90	100	20	10					
Total Estimated Fee		\$4,125	\$2,500	\$12,375	\$15,750	\$12,500	\$4,000	\$750					\$52,000
Total Estimated Expenses													\$1,750
Subcontractor Fees													10
Total Estimated Project Cost													\$53,760

Based upon our understanding of the scope of services and requested tasks, we have prepared the following high-level schedule by task (as defined in the RFP and within our approach described in the proposal). At the kick-off meeting, we would envision developing a more detailed project breakdown/milestone schedule.







## 8. Exceptions, Clarifications and Amendments

The required form is presented on the following page.

Specifications- Continued

**Comments:**

Bidder shall fully describe every variance, exception, and /or deviation. If none, please enter "NONE"

NONE. We reserve the ability to review and potentially negotiate/modify certain revisions to the City's standard

Professional Services Agreement as my be appropriate if we are the awarded vendor prior to execution.

THIS PAGE MUST BE COMPLETED AND RETURNED WITH BID PROPOSAL FORMS



## 9. Bid Form

The required form is presented on the following page.

## Bid Form

TO: CITY  
CITY OF NEEDLES  
817 Third Street  
Needles, CA 92363

DATE: October 24, 2019

In compliance with the Invitation for Sealed Bids to Conduct a Comprehensive Electric, Water and Wastewater Cost of Service Ratemaking Study undersigned, as Bidder, hereby offers to sell to the City, in accordance with the terms, conditions, requirements and specifications set forth in the Bid documents for the price quoted on this Bid Form to complete the requested study.

CONSULTING FIRM: Stantec Consulting Services

PRIMARY CONTACT: Georgette Aronow

ADDRESS: 101 Providence Mine Road, Suite 202, Nevada City, CA 95959

PHONE NUMBER: (530) 470-0515

TOTAL BID ELECTRIC RATE STUDY \$ \$10,334

TOTAL BID WATER RATE STUDY \$ \$10,334

TOTAL BID WASTEWATER RATE STUDY \$ \$33,081

**RATE SHEET BREAKDOWN TO BE ATTACHED TO THIS BID FORM.**

The undersigned certifies under penalty of perjury that the quotation on this Bid Form constitutes a bona-fide offer to sell, that he/she is an authorized representative of the company listed, that the quotation is in no way sham or collusive, and that issuance of a Purchase Order by City constitutes acceptance of bidder's offer on the terms and conditions stated in the Bid documents, and forms a contract. Bidder will not withdraw its Bid for at least ninety (90) calendar days from the date and time of the bid opening.

BIDDER'S COMPANY

Stantec Consulting Services

PRINT NAME - AUTHORIZED

Georgette Aronow

ADDRESS

101 Providence Mine Road, Suite 202, Nevada City, CA 95959

AUTHORIZED SIGNATURE

*Georgette Aronow*

TELEPHONE NUMBER

(530) 470-0515

ARE YOU CLAIMING A LOCAL BUSINESS PREFERENCE? YES ☒ NO

If yes submit written proof of the address of your principle place of business and a copy of your current City business license.

**THIS PAGE MUST BE COMPLETED AND RETURNED WITH BID PROPOSAL FORMS**





Additional attachments to this  
agenda item are on file with the  
City Clerk and  
available upon request.  
[djones@cityofneedles.com](mailto:djones@cityofneedles.com)  
Thank you.





## City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA

☐ Regular ☐ Special

Meeting Date: November 12, 2019

Title: City Council Resolution No. 2019-75  
A Resolution of the City Council of the City of Needles, California, Adopting the 2013-2021 General Plan Mid-Cycle Update to the 5<sup>th</sup> Cycle Housing Element

**Background:** The City Council recently adopted the 2019 General Plan Housing Element Update. The last General Plan Housing Element was adopted in 2005, making the City out of compliance in meeting the State's mandated requirements of completing Housing Element updates every five years, and disallowing the City to be considered for grant funds for various projects, including additional General Plan updates, until the City is compliant. In order to bring the City to compliance, a mid-cycle update to the 5<sup>th</sup> Cycle Housing Element is required, and is attached as Exhibit "1". A meeting was held Thursday, October 31, 2019 with the Housing and Community Development (HCD) Agency, with a request for minor changes to the document, attached as Exhibit "A", which are currently being incorporated into the document.

The Housing Element lists policies and programs in order to accommodate a variety of housing types for all income levels and needs of special population groups defined under State law (California Government Code Section 65583); analyzes governmental constraints to housing maintenance, improvement, and development; addresses conservation and improvement of the condition of the existing affordable housing stock; and outlines policies to promote housing opportunities for all persons.

A public hearing on the matter was held at the November 6, 2019 Planning Commission meeting. No testimony was taken. The Planning Commission voted unanimously to recommend City Council approval of the 2013-2021 General Plan Mid-Cycle Update to the 5<sup>th</sup> Cycle Housing Element.

**Public Notification:** The Notice of Intent which included information regarding the public comment period was posted at the City's Planning Department, the City Library, and the City Clerk's office.

**Fiscal Impact:** Allows the City to process grant requests for funding projects within the City

**Environmental:** The City adopted the 5<sup>th</sup> Cycle Housing Element Update on October 8, 2019 via Resolution No. 2019-69. As part of that process, the City prepared a Negative Declaration on the 5<sup>th</sup> Cycle Housing Element that was also adopted under Resolution No. 2019-69. The Mid-Cycle Housing Element Update does not change any policies or programs as adopted in the 5<sup>th</sup> Cycle Housing Element Update previously adopted; therefore, no further environmental review under the California Environmental Quality Act (CEQA) is required.

**Recommendation:** Approve Resolution 2019-75 Adopting the 2013-2021 General Plan Mid-Cycle Update to the 5<sup>th</sup> Cycle Housing Element

**Submitted By:** Patrick Martinez, Development Services Director

**City Management Review:** Rica

**Date:** 11/5/19

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 8



**RESOLUTION NO. 2019-75**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEEDLES,  
CALIFORNIA, ADOPTING THE 2013-2021 GENERAL PLAN MID-CYCLE  
UPDATE TO THE 5<sup>TH</sup> CYCLE HOUSING ELEMENT**

**WHEREAS**, the City Council of the City of Needles understands the importance of the Housing Element of the General Plan as an instrument which guides and directs the development of a broad range of housing that meets the needs of all sectors of the community; and

**WHEREAS**, the City of Needles desires to revise and update the Housing Element of the General Plan to reflect the changes in demographic and socio-economic conditions of the community as documented in the 2010 Census; and

**WHEREAS**, California Government Code requires that Cities and Counties update their Housing Element at least once every five (5) years; and

**WHEREAS**, the City adopted the 5th Cycle Housing Element Update on October 8, 2019 via Resolution No. 2019-69. As part of that process, the City prepared a Negative Declaration on the 5th Cycle Housing Element that was also adopted under Resolution No. 2019-69 and there are no substantive changes made in the Mid-Cycle Update; therefore, no further environmental review under the California Environmental Quality Act (CEQA) is required.

**WHEREAS**, on November 6, 2019, the Needles Planning Commission held a duly noticed and advertised public hearing to receive oral and written testimony relative to **RESOLUTION 11-06-2019-1 PC**; and

**WHEREAS**, findings were made that the adoption of the 2013-2021 mid-cycle update to the 5<sup>th</sup> Cycle Housing Element will not result in any adverse impacts on the community and approved Resolution 11-06-2019-1-PC, recommending City Council approval of the mid-cycle update to the 5<sup>th</sup> Cycle Housing Element; and

**WHEREAS**, a public hearing notice for the Needles City Council meeting was published in the Needles Desert Star 10 days prior to said meeting, and notices were sent to property owners within a 300-foot radius of the subject property specifying the date, time and location of the public hearing for approval of a Housing Element Update; and

**WHEREAS**, on November 12, 2019, the Needles City Council held a duly noticed and advertised public hearing to receive oral and written testimony for approval of the 2013-2021 General Plan Mid-Cycle Update to the 5<sup>th</sup> Cycle Housing Element; and

**WHEREAS**, the Needles City Council has sufficiently considered all testimony and any documentary evidence presented to them in order to make the following determination.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Needles, California, as follows:

**SECTION 1.** The Mid-Cycle Housing Element Update does not change any policies or programs as adopted in the 5<sup>th</sup> Cycle Housing Element Update previously adopted; therefore, no further environmental review under the California Environmental Quality Act (CEQA) is required.

**SECTION 2.** The City Council **HEREBY FINDS AND DETERMINES** that facts do exist to approve **RESOLUTION 2019-75**.

**SECTION 3.** The City Council **HEREBY APPROVES** Resolution 2019-75, adopting this revision to the Housing Element of the City of Needles General Plan.

**PASSED, APPROVED, AND ADOPTED** at a regular meeting of the City Council, of the City of Needles, California, held on the 12<sup>th</sup> day of November, 2019 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**ATTEST:**

\_\_\_\_\_  
**MAYOR**

\_\_\_\_\_  
**CITY CLERK**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**CITY ATTORNEY**

**City of Needles**  
**2019 Mid-Cycle Housing Element**

**Administrative Draft**  
**October 2019**





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## PURPOSE

This section of the Housing Element presents the City of Needles' goals, quantified objectives, and policies relative to the development, improvement, and maintenance of housing within the incorporated areas of the City, during the period of 2013 to 2021.

Needles' housing goals are ideals that have been determined by the citizens as desirable and deserving of community time and resources to obtain. Statements of objectives are more specific and shorter range. They provide the opportunity to evaluate the progress made toward the realization of the long-range goals. In conformance with state law, objectives have been quantified. Policy statements are more specific still, and provide well-defined guidelines for decision making. Program actions are intended to carry out the goals, objectives, and policies.

The element's goals, objectives, policies, and programs establish close coordination between the City, the County of San Bernardino, other local and regional organizations involved with providing housing and housing services, the State of California, and federal agencies, so that the City's residents can be assured of a safe, adequate place to live. It is necessary to establish ties at all levels of government because of the interdependence of these agencies for programs, funding, and technical assistance.

## Background

The Housing Element functions as an integral part of a comprehensive growth plan. As it manages development, the City must balance the need to ensure adequate housing for all current and future members of the community against the need to provide and support existing and anticipated levels of public services and facilities. The Housing Element, therefore, directly relates to the amount and location of commercial and industrial development, the type and intensity of land uses, and the amount of housing development established through land use designations in the Land Use Element. In addition, the Housing Element relates to the availability of adequate roadways, pedestrian facilities, and transit routes established in the Circulation, Transportation and Scenic Highways Element, and the protection of sensitive receptors established in the Hazards Element.

The Housing Element includes a description of existing housing types, the condition of existing units, overcrowding, overpayment, homelessness, and special needs housing, and the demand for affordable housing in the City. The element also includes an analysis of the progress made since the drafting of the last Housing Element and projections of needs for the next five years.

## California Law

California Government Code requires that every city and county prepare a housing element as part of its general plan. In addition, state law contains specific requirements for the preparation and content of housing elements. In Government Code Section 65580, the legislature has found that:

- (1) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every California family is a priority of the highest order.
- (2) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.

- (3) The provision of housing affordable to low and moderate income households requires the cooperation of all levels of government.
- (4) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (5) The legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the General Plan and to cooperate with other local governments, and the state, in addressing regional housing needs. Section 65581 of the Government Code states that the intent of the Legislature in enacting these requirements is:
  - a. To assure that local governments recognize their responsibilities in contributing to the attainment of the State housing goal.
  - b. To assure that cities and counties prepare and implement housing elements which, along with federal and State programs, will move toward attainment of the State housing goal.
  - c. To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the State housing goal as well as regional housing needs.
  - d. To ensure that each local government cooperates with other local governments to address regional housing needs.

Government Code Section 65583, as amended, outlines the required content of all housing elements, including identification and analysis of existing and projected housing needs, and a statement of goals, policies, quantified objectives, and scheduled programs for the preservation, improvement, and development of housing. Specific requirements include:

- (1) An assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs. The analysis should include the following:
  - a. Population and employment trends and projections,
  - b. Existing and projected housing needs for all income levels including the determined local share of the regional housing needs,
  - c. Analysis of household characteristics such as cost compared to ability to pay, overcrowding and housing condition,
  - d. Inventory of land suitable for residential development including vacant land and property suitable for redevelopment as well as the public services availability,
  - e. Potential and actual governmental constraints upon the maintenance, improvement or development of housing for all income levels and for persons with special needs including persons with disabilities. Such analysis should include current land use controls, building codes, enforcement, site improvement requirements and fees and other exactions required



of developers, permit processing procedures and availability of financing, and any efforts by the local government to reduce such constraints,

- f. An analysis of special needs housing including that presently in existence, and projected needs,
  - g. An analysis of existing housing, if any, that is eligible to change from low-income during the next ten years due to termination of subsidy contract, etc.
- (2) A statement of the community's goals and objectives and policies relating to maintenance, preservation, improvement and development of housing.
- (3) A program which sets forth an eight year schedule of actions the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element.

### General Plan Consistency

California law requires that all elements of the General Plan, including the Housing Element, be consistent. The City periodically reviews both its Housing element and other elements of the General Plan and proposes General Plan Amendments, as allowed by law, when a change in one element could cause inconsistencies in others. This procedure will continue to be undertaken on a regular basis by The City. The city is currently advertising via an RFP for selection of a vendor to draft an update to the Needles General Plan Land Use Element that is expected to be awarded in Fall 2019. In addition, the City is in the process of submitting an application for grant funds available to support the drafting of the General Plan Transportation Element. Upon completion of this 5th Cycle Mid-Year Housing Element update, projected for completion in November 2019, the City hopes to receive award of SB2 grant funds to assist with a General Plan update for elements identified above.

## PUBLIC PARTICIPATION

The California Government Code states that "the local government shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort."

### Community Workshop

On September 30, 2019 the City conducted a community workshop at 5:30 p.m. at 1111 Bailey Avenue in Needles. The purpose of the workshop was to engage the community and give them an opportunity to provide input on the unmet housing needs in Needles. Information on the community meeting was placed in the local newspaper, on the City's website, and posted both at City Hall, at the City Council chamber facility, and other conspicuous locations throughout the city at least two weeks prior to the event. An invitation to the workshop was also emailed to members of the City's boards and commissions and announced at school event. Information was provided to the local School's Superintendent's office with a "broadcast" to student households announcing the meeting.

Six people attended the workshop. No translation services were needed for anyone attending the workshops.

The following themes emerged from the discussion including:

- There is a lack of childcare available in Needles. Parents have to use childcare services in Bullhead with the extra expense and time to take the child back and forth to Bullhead.
- Needles needs 55+mobile home park(s), that include a walkable area. The seniors in Needles are relatively healthy and active and would like adult communities with amenities.
- There is a need for owner-occupied duplexes for younger adults.
- There is a need for subdivisions to include trees, sidewalks, and to require a landscape of trees along with some desert rock
- Needles desires to continue the renewable energy requirements to reduce utility expenses.

During the community workshop, discussion included the need for more public amenities and services, senior community development, and the desire to continue the renewable energy requirements.

## PREVIOUS HOUSING ELEMENT EVALUATION

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The City revised its Housing Element earlier in 2019. The following section examines the goals of that element, and progress the City has made towards meeting those goals.

**Table 1: Summary of Progress Towards 2013-2021 Housing Element Goals, Policies and Programs**

2013-2021 Housing Element Goals, Policies and Programs	Achievement	Continue/ Amend/ Delete in Mid-Cycle 2013-2021 Housing Element
<i>Goal 1.0 Allow every resident of the City of Needles the opportunity to have a decent home and satisfying environment regardless of age, sex, marital status, ethnic background, income, special needs or other arbitrary factor.</i>		
<b>Policy 1.1</b> Continue to provide information and incentives for the private sector and public agencies capable of producing or assisting in the production of housing contiguous to current development, particularly low and moderate income housing for special needs households.		
<p><b>Program 1.1.1</b> Continue to disseminate brochures outlining the information and incentives and distribute them to contractors, developers, and public and private agencies. The City has regular participation at community meetings, as well as meetings with developers, construction vendors, visitors, who receive information via flyers, pamphlets, bound books, on programs the city has implemented, or is in the process of developing, properties that have completed the code abatement process and are available for receivership, rehabilitation, etc. City staff also participates in off-site meetings related to economic development activity in the City and provides written information to anyone attending these events. The information is also made available on the City's website, as well as in the lobby of City Hall.</p> <p><u>Target Date:</u> Update brochures at least twice during the planning period and ongoing.</p> <p><u>Responsible Agency:</u> Development Services Department</p> <p><u>Funding Source:</u> General Fund</p>	<p>A variety of brochures are provided to anyone interested in low to moderate income housing programs at the City. The Housing Authority of the City of Needles is the agency within the City that oversees the majority of low-and moderate income housing and markets them to potential tenants.</p>	<p>Continue</p>
<p><b>Program 1.1.2</b> Contact local real estate and contractor's boards and advise them of the opportunities for incentives to developing housing in the City.</p> <p><u>Target Date:</u> Make contact at least once annually</p> <p><u>Responsible Agency:</u> Development Services Department</p> <p><u>Funding Source:</u> General Fund</p>	<p>Yes, the City is constantly reaching out to homebuilders associations who can provide low-to moderate-income housing.</p>	<p>Continue</p>

**Table 1: Summary of Progress Towards 2013-2021 Housing Element Goals, Policies and Programs**

2013-2021 Housing Element Goals, Policies and Programs	Achievement	Continue/ Amend/ Delete in Mid-Cycle 2013-2021 Housing Element
<p><b>Program 1.1.3</b> Continue to offer incentives aimed at production of new housing within the City of Needles. Such incentives include offering vacant surplus sites for construction at little or no cost to the developer if the project is compatible with the needs of the community and this element. Other incentives include fee reductions and waivers for infrastructure.</p> <p><u>Target Date:</u> Ongoing; once every two years consider other incentives that could be offered</p> <p><u>Responsible Agency:</u> Development Services Department</p> <p><u>Funding Source:</u> General Fund</p> <p><u>Quantified Objective:</u> 40 units incentivized</p>	<p>A variety of brochures are provided to anyone interested in low to moderate income housing programs at the City. The City is constantly reaching out to homebuilders associations who can provide low-to moderate-income housing.</p>	<p>Continue</p>
<b>Policy 1.2 Improve and conserve existing residential neighborhoods.</b>		
<p><b>Program 1.2.1</b> Continue code enforcement efforts aimed at rehabilitation and maintenance of properties.</p> <p><u>Target Date:</u> Ongoing</p> <p><u>Responsible Agency:</u> Code Enforcement/Development Services Department</p> <p><u>Funding Source:</u> General Fund</p>	<p>The City has continued code enforcement efforts. The City has increased code enforcement staffing to two individuals. In addition, a catalog of uninhabited for-sale properties has been created and is being distributed to developers.</p>	<p>Continue</p>
<p><b>Program 1.2.2</b> Adopt the most recent version of the International Building Code.</p> <p><u>Target Date:</u> June 30, 2020</p> <p><u>Responsible Agency:</u> City Council</p> <p><u>Funding Source:</u> General Fund</p>	<p>This program has not yet been completed.</p>	<p>Continue</p>



**Table 1: Summary of Progress Towards 2013-2021 Housing Element Goals, Policies and Programs**

2013-2021 Housing Element Goals, Policies and Programs	Achievement	Continue/ Amend/ Delete in Mid-Cycle 2013-2021 Housing Element
<p>Program 1.2.3 The City will work to reduce the potential conversion to market rate of the 234 assisted affordable housing units in Needles during the current planning period. None of the assisted units are considered at risk. However, the City will implement the following actions if needed to comply with state law (AB 1521):</p> <ul style="list-style-type: none"> <li>-Monitor the status of affordable projects in Needles. Should the property owners indicate the desire to convert properties, consider providing technical and financial assistance, when possible, to ensure long-term affordability.</li> <li>-If conversion of units is likely, work with local service providers as appropriate to seek funding to subsidize the at-risk units in a way that mirrors the HUD Housing Choice Voucher (Section 8) program. Funding sources may include state or local funding sources.</li> </ul> <p>Per state law, owners of deed-restricted affordable projects are required to provide notice of restrictions that are expiring after January 1, 2021, to all prospective tenants, existing tenants, and the City within three years, one year, and six months (three separate times) of the scheduled expiration of rental restrictions. Owners shall also refer tenants of at-risk units to educational resources regarding tenant rights and conversion procedures and information regarding Section 8 rent subsidies and any other affordable housing opportunities in the city.</p> <p>If a development is offered for sale, HCD must certify persons or entities that are eligible to purchase the development and to receive notice of the pending sale. Placement on the eligibility list will be based on experience with affordable housing.</p> <p><u>Target Date:</u> Revision of Zoning Codes by December 2020 to require notification by owners consistent with state law; ongoing communication with owners, service providers, and eligible potential purchasers</p> <p><u>Responsible Agency:</u> Development Services Department</p> <p><u>Funding Source:</u> General Fund</p>	<p>The City has not yet developed programs or updated zoning to preserve and monitor affordable housing projects at risk of subsidy expiration. The existing affordable housing will start to convert to market rate in 2055, 2067, and 2068.</p>	<p>Continue</p>

**Table 1: Summary of Progress Towards 2013-2021 Housing Element Goals, Policies and Programs**

2013-2021 Housing Element Goals, Policies and Programs	Achievement	Continue/ Amend/ Delete in Mid-Cycle 2013-2021 Housing Element
<p><b>Program 1.2.4</b> Promote the expanded participation of local landlords in rental housing rehabilitation programs. The City will disseminate the City's rehabilitation grant program brochures on the city website, at community meetings, at school sites, at city-sponsored Board meetings, Planning Commission meetings, developer meetings, at off-site meetings promoting economic development within the City, and in the City Hall lobby area.</p> <p><u>Target Date:</u> 2020  <u>Responsible Agency:</u> Housing Authority  <u>Funding Source:</u> General Fund</p>	<p>Through community groups (Needles Downtown Business Association, Needles Chamber, Development Services Department), the City promotes the expanded participation of local landlords in rental housing rehabilitation programs. The groups work with landlords to provide information and encourage rental housing rehab programs. In addition, the Needles Housing Authority might also play a role in the outreach and as a landlord.</p>	Continue
<p><b>Policy 1.3</b> Assist in education for the reduction of residential energy use within the City to help decrease housing costs and conserve the resource.</p>		
<p><b>Program 1.3.1</b> Continue advocating energy saving programs and keeping the residents advised of such programs through flyers included with their utility bills. This may include forming a program to assist homeowners to identify areas in their home or practices that waste energy.</p> <p><u>Target Date:</u> Distribute flyers annually and ongoing  <u>Responsible Agency:</u> Utility Department  <u>Funding Source:</u> General Fund</p>	<p>Yes, city residents are constantly contacted about the energy saving programs our City has and are the programs are marketed to them. Our city just won the small utility company energy efficiency award in the state of California. The City participates in numerous programs to provide Energy Star appliances, solar screens, HVAC systems, toilet replacement, windows and doors.</p>	Continue
<p><b>Policy 1.4</b> Promote the provision or rehabilitation of an adequate number of rental units that are affordable to low and moderate-income households within the City.</p>		

**Table 1: Summary of Progress Towards 2013-2021 Housing Element Goals, Policies and Programs**

2013-2021 Housing Element Goals, Policies and Programs	Achievement	Continue/ Amend/ Delete in Mid-Cycle 2013-2021 Housing Element
<p><b>Program 1.4.1</b> Reach out to local contractors and advise them of incentives for the creation of low- to moderate-income rental units.</p> <p><u>Target Date:</u> Reach out every two years</p> <p><u>Responsible Agency:</u> Development Services Department</p> <p><u>Funding Source:</u> General Fund</p>	<p>Yes, City staff has created a catalog of uninhabited for-sale properties and provides it to developers and parties interested in rehabilitation of housing inventory. We constantly market our surplus City-owned property for sale. We have 207 acres of land for sale to develop homes available. An economic development incentive program has been initiated to pay for fees and offsite improvements for homebuilders.</p>	<p>Continue</p>
<p><b>Program 1.4.2</b> Work with the Housing Authority to develop guidelines for loan and grant assistance and to act as a conduit for housing funds so that they can be leveraged for the creation or rehabilitation of affordable housing. Determine eligibility requirements and plans for types of loans and repayment plans. Consider establishing a program similar to the Palm Desert BEGIN Program where loans are offered to lower- and moderate-income first-time homebuyers. Once the program is established, conduct outreach to the public to make the community aware of the program.</p> <p><u>Target Date:</u> Establish program and conduct outreach by 2020</p> <p><u>Responsible Agency:</u> Development Services Department</p> <p><u>Funding Source:</u> State and federal grants, San Bernardino County, General Fund</p>	<p>The City is still working on completing this program.</p>	<p>Continue</p>

**Table 1: Summary of Progress Towards 2013-2021 Housing Element Goals, Policies and Programs**

2013-2021 Housing Element Goals, Policies and Programs	Achievement	Continue/ Amend/ Delete in Mid-Cycle 2013-2021 Housing Element
<p><b>Program 1.4.3</b> Fund loans for rehabilitating homes in the City of Needles to preserve existing affordable housing.</p> <p><u>Target Date:</u> October 2021</p> <p><u>Responsible Agency:</u> Development Services Department</p> <p><u>Funding Source:</u> Grants and General Fund</p> <p><u>Quantitative Objective:</u> Rehabilitate at least five homes</p>	<p>The City is still working on completing this program.</p>	<p>Continue</p>
<p><b>Policy 1.5</b> Continue to uphold the requirements of the Fair Housing Act to ensure equal housing opportunities for all Needles residents regardless of age, sex, race, marital status, ethnic background, income, or other arbitrary factors.</p>		
<p><b>Program 1.5.1</b> Continue to disseminate materials to inform the public of Fair Housing laws by displaying them with the materials at the Housing Authority, public library, and City Administrative offices. Materials will include all of the programs available through the city's community organizations, non-profits, as well as the County organizations with offices in Needles. The content will include program contact persons, descriptions of the program contents, hours of operation, and emergency contact information. In the materials disseminated, include information of the agency to contact if a violation of fair housing is contended - the Inland Fair Housing and Mediation Board (IFHMB). The materials will be added to the City's website, and disseminated at community events and community meetings the City attends.</p> <p><u>Target Date:</u> Ongoing; update materials every two years if needed</p> <p><u>Responsible Agency:</u> Development Services Department</p> <p><u>Funding Source:</u> General Fund</p>	<p>Yes, the City works with the Housing Authority to spread materials. The materials are available at the library and City Hall Administrative offices.</p>	<p>Continue</p>



**Table 1: Summary of Progress Towards 2013-2021 Housing Element Goals, Policies and Programs**

2013-2021 Housing Element Goals, Policies and Programs	Achievement	Continue/ Amend/ Delete in Mid-Cycle 2013-2021 Housing Element
<p><b>Program 1.5.2</b> Review the City regulations to analyze and determine whether there are potential constraints on the development, maintenance, and improvement of housing intended for persons with disabilities (including developmental disabilities), the elderly, large families, extremely low income households, farmworkers, female-headed households, and homeless persons in need of emergency shelter. This analysis will include an evaluation of existing land use controls, permit and processing procedures, and building codes. If any constraints are found in these areas, the City will initiate actions to address these constraints. In addition, the City will proactively encourage and facilitate the development of affordable housing for lower income households, including extremely low-income and special needs households through actions such as providing regulatory incentives, reducing or waiving development fees, and outreaching to nonprofits and affordable housing developers to assist in the application for state and federal funding sources.</p> <p><u>Target Date:</u> Complete review of regulations by December 2020. Address any constraints by June 2021. Bi-annual review and outreach, apply or support an application at least biannually thereafter for various types of grant funding as NOFAs are released.</p> <p><u>Responsible Agency:</u> Development Services Department</p> <p><u>Funding Source:</u> General Fund and HOME funds. In addition, the City will consult with HCD annually and refer to the NOFA calendar to determine other potential funding sources.</p>	<p>The City adopted reasonable accommodation procedure into its zoning in July 2019.</p> <p>During our recent community outreach for the Housing Element it was mentioned that there were no potential constraints in our current zoning. With numerous acres available for new housing we are currently not constrained by land use. Instead, we are constrained mainly by investment.</p>	Continue

**Table 1: Summary of Progress Towards 2013-2021 Housing Element Goals, Policies and Programs**

2013-2021 Housing Element Goals, Policies and Programs	Achievement	Continue/ Amend/ Delete in Mid-Cycle 2013-2021 Housing Element
<p><b>Program 1.5.3</b> The City shall review its zoning code to determine whether updates to zoning are needed to comply with the state Employee Housing Act (Health and Safety Code Sections 17021.5 and 17021.6). The Act calls for the zoning ordinance to treat employee housing (including farm worker housing) that serves six or fewer persons as a single-family structure and permitted in the same manner as other single-family structures of the same type in the same zone (Section 17021.5). The zoning ordinance must also treat employee housing consisting of no more than 12 units or 36 beds as an agricultural use and permitted in the same manner as other agricultural uses in the same zone (Section 17021.6) in zones where agricultural uses are permitted.</p> <p><u>Target Date:</u> If determined to be necessary, revise zoning code by June 30, 2020</p> <p><u>Responsible Agency:</u> Development Services Department</p> <p><u>Funding Source:</u> General Fund</p>	<p>The City is still working on completing this program.</p>	<p>Continue</p>
<p><b>Program 1.5.4</b> Per state law, City staff will amend the zoning code to establish care facilities for seven or more persons as an allowed use in appropriate areas, in compliance with the General Plan, and with a review of the parking standards and other applicable standards. These facilities may be allowed with or without discretionary review.</p> <p><u>Target Date:</u> Revise zoning code by June 30, 2020</p> <p><u>Responsible Agency:</u> Development Services Department</p> <p><u>Funding Source:</u> General Fund</p>	<p>The City is still working on completing this program.</p>	<p>Continue</p>

**Table 1: Summary of Progress Towards 2013-2021 Housing Element Goals, Policies and Programs**

2013-2021 Housing Element Goals, Policies and Programs	Achievement	Continue/ Amend/ Delete in Mid-Cycle 2013-2021 Housing Element
<p><b>Program 1.5.5</b> The City shall review its zoning code to ensure compliance with AB 2162 related to allowing supportive housing. The zoning code will be reviewed to assess whether supportive housing is allowed without discretionary review in all zones that allow multifamily housing or mixed-use development, including nonresidential zones as applicable. If it is determined that the allowed uses in the zoning code are not in compliance with AB 2162, the City will revise the allowed uses along with corresponding development standards as detailed in AB 2162.</p> <p><u>Target Date:</u> Revise zoning code by December 31, 2020</p> <p><u>Responsible Agency:</u> Development Services Department</p> <p><u>Funding Source:</u> General Fund</p>	<p>The City is still working on completing this program.</p>	<p>Continue</p>
<p><b>Program 1.5.6</b> The City shall amend its zoning code to allow transitional and supportive housing in the C-1 and C-2 zones in the same way the same type of residential uses are allowed in those zones.</p> <p><u>Target Date:</u> Revise zoning code by December 31, 2020</p> <p><u>Responsible Agency:</u> Development Services Department</p> <p><u>Funding Source:</u> General Fund</p>	<p>The City is still working on completing this program.</p>	<p>Continue</p>

**Table 1: Summary of Progress Towards 2013-2021 Housing Element Goals, Policies and Programs**

2013-2021 Housing Element Goals, Policies and Programs	Achievement	Continue/ Amend/ Delete in Mid-Cycle 2013-2021 Housing Element
<p><b>Program 1.5.7</b> The City shall review its zoning code to ensure compliance with Senate Bill 2 (2007) related to allowed operational standards regarding distance between emergency shelters. State law allows local zoning to regulate distance between emergency shelters provided that emergency shelters are not required to be more than 300 feet apart.</p> <p><u>Target Date:</u> Revise zoning code by December 31, 2020</p> <p><u>Responsible Agency:</u> Development Services Department</p> <p><u>Funding Source:</u> General Fund</p>	<p>The City is still working on completing this program.</p>	<p>Continue</p>
<p><b>Program 1.5.8</b> Per AB 101 (2019) the City will review its zoning ordinance and make revisions if necessary to allow low barrier navigation centers for the homeless per Government Code 65660-65668.</p> <p><u>Target Date:</u> Review zoning by 2020. Make revisions by June 30, 2021.</p> <p><u>Responsible Agency:</u> Development Services Department</p> <p><u>Funding Source:</u> General Fund</p>	<p>The City is still working on completing this program.</p>	<p>Continue</p>
<p><b>Goal 2.0</b> <i>Encourage sound growth in the City by designating suitable sites for residential development.</i></p>		
<p><b>Policy 2.1</b> Require that the current residentially zoned areas remain residential, and that the development within those zones be built to the density set forth for such zones.</p>		
<p><b>Policy 2.2</b> Promote a mixture of housing and commercial land uses in downtown Needles to provide housing with access to commercial services for special needs households, particularly elderly households and small business owners.</p>		



**Table 1: Summary of Progress Towards 2013-2021 Housing Element Goals, Policies and Programs**

2013-2021 Housing Element Goals, Policies and Programs	Achievement	Continue/ Amend/ Delete in Mid-Cycle 2013-2021 Housing Element
<p><b>Program 2.2.1</b> Rezone the downtown area to allow for mixed uses and taller buildings. Specifically require that the new construction in the downtown area supply shops for commercial uses and/or office spaces on the ground floor with residential uses on the upper floors.</p> <p><u>Target Date:</u> June 2021  <u>Responsible Agency:</u> Development Services Department  <u>Funding Source:</u> General Fund</p>	<p>The City has recently released an RFP for a mixed used project in the downtown area. The anticipate project will have an increased height of 44 feet and office and commercial will be on the ground floor with residential above. The City is in the process of amending the Zoning Code to provide mixed used housing in the downtown area. The City is selling the piece of land to a mixed use developer for a development in the downtown and is in negotiations.</p>	Continue
<p><b>Program 2.2.2</b> Adopt an inclusionary zoning ordinance to require new development to participate in the provision of affordable housing.</p> <p><u>Target Date:</u> June 2021  <u>Responsible Agency:</u> Development Services Department  <u>Funding Source:</u> General Fund</p>	<p>The City is working to initiate a new program to adopt inclusionary zoning.</p>	Continue
<p><b>Policy 2.3</b> Encourage development of residential areas to coincide with public services. Specifically require by ordinance that development be built only in areas with adequate public services.</p>		
<p><b>Program 2.3.1</b> The City will work to extend water and wastewater services to North Needles.</p> <p><u>Target Date:</u> June 30, 2021.  <u>Responsible Agency:</u> Development Services Department  <u>Funding Source:</u> General Fund</p>	<p>The City is still working on completing this program.</p>	Continue
<p><b>Policy 2.4</b> Encourage the development of larger unit sizes in multifamily rental projects and accessory dwelling units on single-family lots in order to alleviate overcrowding.</p>		
<p><b>Policy 2.5</b> Review all new subdivisions pursuant to the requirements of the California Environmental Quality Act (CEQA), and require mitigation of any significant impacts.</p>		
<p><b>Policy 2.6</b> Minimize housing construction in environmentally sensitive areas.</p>		

**Table 1: Summary of Progress Towards 2013-2021 Housing Element Goals, Policies and Programs**

2013-2021 Housing Element Goals, Policies and Programs	Achievement	Continue/ Amend/ Delete in Mid-Cycle 2013-2021 Housing Element
Policy 2.7 Encourage the construction of developments on sites that allow housing without discretionary review to meet the City's RHNA for the different income categories.		
Goal 3.0 Improve and conserve existing residential neighborhoods.		
Policy 3.1 Provide information and incentives for the private sector and public agencies capable of producing or assisting in the production of housing contiguous to current development, particularly lower- and moderate-income housing for special needs households. Encourage development of those areas to coincide with public services.		
<p><b>Program 3.1.1</b> Assist with funding opportunities and education as well as increasing economic development in general within the City.</p> <p><u>Target Date:</u> Seek funding opportunities at least once annually</p> <p><u>Responsible Agency:</u> Development Services Department and Housing Authority</p> <p><u>Funding Source:</u> Grants and General Fund</p>	The City is still working on completing this program.	Continue
<p><b>Program 3.1.2</b> Continue programs to grant low-interest loans or other programs to encourage the repair of substandard residences.</p> <p><u>Target Date:</u> Apply for funding annually and ongoing</p> <p><u>Responsible Agency:</u> Development Services Department</p> <p><u>Funding Source:</u> CDBG, BEGIN</p> <p><u>Qualified Objective:</u> Assist 15 homeowners</p>	The City is working on initiating a program similar to the Palm Desert BEGIN Program. The City is considering a program similar to the BEGIN Program (the "Program") which provides a deferred repayment loan of up to \$30,000 to low and moderate income first time homebuyers to facilitate the purchase of a new single-family home. The Palm Desert program provides first-time homebuyer loans for homes at Falcon Crest, a residential community in the City of Palm Desert which has been recognized by the California Department of Housing and Community Development as a BEGIN project.	Continue

**Table 1: Summary of Progress Towards 2013-2021 Housing Element Goals, Policies and Programs**

2013-2021 Housing Element Goals, Policies and Programs	Achievement	Continue/ Amend/ Delete in Mid-Cycle 2013-2021 Housing Element
<p><b>Program 3.1.3</b> Disseminate information on loans and grants that are available through the County and the State.</p> <p><u>Target Date:</u> Ongoing; update materials annually as applicable</p> <p><u>Responsible Agency:</u> Development Services Department</p> <p><u>Funding Source:</u> General Fund</p> <p><u>Quantitative Objective:</u> Process at least 15 loans and grants</p>	<p>The City works with the County using Community Development Block Grants. The City is working on a program to disseminate information on other loans and grants that are available through the County and the State.</p>	<p>Continue</p>
<p><b>Goal 4.0</b> Continue efforts to make the City a nice place to work and live.</p>		
<p><b>Policy 4.1</b> Work with local community action groups and volunteers to obtain assistance in cleaning up the community.</p>		
<p><b>Policy 4.2</b> Continue efforts to amend the zoning code with an aim toward beautification, including, but not limited to historic preservation, signage, landscaping requirements, etc., without creating a substantial burden on the developer that would hinder the creation of housing.</p>		
<p><b>Policy 4.3</b> Strengthen efforts to provide jobs, shopping, and recreation areas to make Needles more attractive to residents and therefore developers.</p>		
<p><b>Policy 4.4</b> Encourage community involvement in projects to clean up the City.</p>		
<p><b>Program 4.4.1</b> Continue Code Enforcement efforts with an aim toward repair over demolition whenever possible.</p> <p><u>Target Date:</u> Ongoing</p> <p><u>Responsible Agency:</u> Development Services Department and Code Enforcement</p> <p><u>Funding Source:</u> General Fund</p>	<p>The City has continued code enforcement efforts. The City has increased code enforcement staffing to two individuals. In addition, a catalog of uninhabited for-sale properties has been created and is being distributed to developers.</p>	<p>Continue</p>
<p><b>Goal 5.0</b> Create Programs to Conserve Energy to assist in the reduction of housing costs.</p>		
<p><b>Policy 5.1</b> Make all City buildings energy efficient.</p>		

**Table 1: Summary of Progress Towards 2013-2021 Housing Element Goals, Policies and Programs**

2013-2021 Housing Element Goals, Policies and Programs	Achievement	Continue/ Amend/ Delete in Mid-Cycle 2013-2021 Housing Element
<p><b>Program 5.1.1</b> All new City buildings shall be constructed to meet or exceed the energy conservation standards in force at the time of their construction. The City shall strive to make all City-owned buildings as energy efficient as possible.</p> <p><u>Target Date:</u> When new City buildings are constructed  <u>Responsible Agency:</u> Building Department, Utility Department  <u>Funding Source:</u> General Fund</p>	<p>The City will implement this program when new City buildings are constructed.</p>	<p>Continue</p>
<p><b>Program 5.1.2</b> The City will actively pursue all viable new sources of energy.</p> <p><u>Target Date:</u> Ongoing  <u>Responsible Agency:</u> Utility Department  <u>Funding Source:</u> General Fund</p>	<p>Our city just won the small utility company energy efficiency award in the state of California. The City participates in numerous programs to provide Energy Star appliances, solar screens, HVAC systems, toilet replacement, windows and doors.</p>	<p>Continue</p>



## DEMOGRAPHIC INFORMATION

This section of the Housing Element Update contains relevant demographic, household and socioeconomic data. This information is primarily based on data provided in the U.S. Census Bureau's American Community Survey 5-Year Estimates from 2005 to 2009 and 2013 to 2017. Other data sources include the California Department of Housing and Community Development (HCD) data as well as the U.S. Department of Housing and Community Development's Comprehensive Housing Affordability Strategy 2006-2015 data sets.

### Population Characteristics

#### Historic and Current Population

The following table tracks the growth of households in Needles within the last decade, between 2010 and 2019. Within the last nine years, there has been an increase in population of approximately five percent:

**Table 2: Population Growth**

Jurisdiction	Total Population		Growth	
	2010	2019	Total	Percentage
Needles	4,844	5,085	241	4.9%

Source: California Department of Finance, E-5 City/County Population and Housing Estimates, January 1, 2019, and April 1, 2010.

#### Population by Age Group

In 2009, the American Community Survey (ACS) found that the median age in the city was 42.2. The current median age is 41.5, as determined by 2017 ACS. Table 3 shows the age distribution of Needles as of the 2017 American Community Survey.

**Table 3: Population by Age**

Age Group	2017	
	Number	Percentage
0-9 years	778	15.6%
10-19 years	520	10.4%
20-24 years	197	4.0%
25-34 years	667	13.4%
35-44 years	565	11.3%
45-54 years	670	13.4%
55-59 years	345	6.9%
60-64 years	281	5.6%
65-74 years	597	12.0%
75-84 years	271	5.4%
85+ years	93	1.9%
Median Age	41.5	N/A

Source: 2013-2017 ACS 5-Year Estimates, Table S0101.

### Projected Population Growth

The Southern California Association of Governments (SCAG) is currently preparing population growth estimates with the San Bernardino County Transportation Authority. Draft growth projections estimate that Needles could increase its population past 6,000 people sometime between 2020 and 2030. At this rate, the population is expected grow by 1.7 percent per year. Table 4 shows the projected population growth for the city.

**Table 4: Projected Population Growth: 2016-2040**

	2016	2020	2030	2035	2045	Average Annual Growth Rate
Needles	5,031	5,467	6,203	6,504	7,134	1.7%

Source: SCAG 2020 Regional Transportation Plan, Data/Map Book for the City of Needles.

## Household Characteristics

### Household Type and Size

As of 2017, the average household size had decreased slightly from the 2005-2009 ACS—to 2.37 persons from 2.41 persons. Table 5 shows the data on household characteristics in Needles.

**Table 5: Household Characteristics**

Jurisdiction	Households	Average Household Size	Percentage of Households		
			Families	Families with Children Under 18	Non-family
Needles	2,107	2.37	57.3%	22.3%	42.7%

Source: 2013-2017 ACS 5-Year Estimates, Table S1101.

As of 2017, there were 2,107 housing units in the City of Needles. There were similar numbers of owner-occupied and renter-occupied units in Needles, though there were slightly more owner-occupied units. Table 6 shows the data regarding household tenure in Needles.

**Table 6: 2017 Household Tenure**

	Number	Percentage
Owner-Occupied Units	1,199	56.9%
Renter-Occupied Units	908	43.1%
<b>Total</b>	<b>2,107</b>	<b>100.0%</b>

Source: 2013-2017 ACS 5-Year Estimates, Table B25003.

## Income and Earnings

### Household Income

Each year, the HCD establishes the income limits for each county in the state for use in assessing eligibility for assisted housing programs in that county. The 2019 income limits are listed in Table 7 for each income category according to household size. These income limits are based on a median income of \$69,700 for a family of four in San Bernardino County.

Extremely Low Income	Up to 30 percent of area median income (AMI) (\$0–\$25,750)
Very Low Income	31–50 percent of AMI (\$25,751–\$35,900)
Low Income	51–80 percent of AMI (\$35,901–\$57,450)
Moderate Income	81–120 percent of AMI (\$57,450–\$83,650)
Above Moderate Income	Above 120 percent of AMI (\$83,651 or more)

**Table 7: Median Household Income by Size of Household in Needles, CA (2019)**

Income Category	Persons per Household							
	1	2	3	4	5	6	7	8
Extremely Low	\$15,100	\$17,250	\$21,330	\$25,750	\$30,170	\$34,950	\$39,010	\$43,430
Very Low	\$25,150	\$28,750	\$32,350	\$35,900	\$38,800	\$41,650	\$41,550	\$47,400
Low	\$40,250	\$46,000	\$51,750	\$57,450	\$62,050	\$66,650	\$71,250	\$75,850
Moderate	\$58,550	\$66,900	\$75,300	\$83,650	\$90,350	\$97,050	\$103,750	\$110,400

Source: California Department of Housing and Community Development, State Income Limits (May 6, 2019).

The following table tracks the growth of the median household incomes in Needles.

**Table 8: Household Income Trends, 2009–2017**

Income	2009		2017	
	Estimate	Percent	Estimate	Percent
< \$15,000	642	29.1%	516	24.5%
\$15,000–\$24,999	322	14.6%	326	15.5%
\$25,000–\$34,999	286	13.0%	217	10.3%
\$35,000–\$49,999	239	10.8%	414	19.6%
\$50,000–\$74,999	306	13.9%	277	13.1%
\$75,000–\$99,999	169	7.7%	117	5.6%
\$100,000–\$149,999	179	8.1%	219	10.4%
>\$150,000	60	2.7%	21	1.0%
<b>Total</b>	<b>2,203</b>	<b>100%</b>	<b>2,107</b>	<b>100%</b>
Earning \$24,999 or less	964	43.7%	842	40.0%

Sources: 2005–2009, 2013–2017 ACS 5-Year Estimates, Table DP03.

As of 2017, the largest income group was households earning \$15,000 or less per year, followed by households earning between \$35,000 to \$49,999, followed by households earning between \$15,000 to \$24,999. Between 2009 and 2017, the number of households earning less than \$25,000 declined, and the number of households earning between \$35,000 to \$49,999 nearly doubled.

#### Earnings

Most jobs in Needles do not pay high monthly earnings. Almost half of all jobs in Needles pay employees between \$1,251 to \$3,333 per month (\$15,000 to \$39,996 annually). Less than one in five jobs in the city pays employees an income of more than \$3,333 per month (greater than \$39,996 annually). Table 9 shows the city's jobs by earnings.



**Table 9: Jobs by Earnings**

Income	Count	Share
\$1,250 per month or less	493	38.7%
\$1,251 to \$3,333 per month	529	41.5%
More than \$3,333 per month	252	19.8%

Sources: US Census Bureau, Longitudinal Employer-Household Dynamics, OnTheMap application.

### Overcrowded Households

Overcrowding occurs when there is more than one person per room (excluding bathrooms and kitchens). Overcrowding is often a result of an inadequate supply of basic housing that is affordable. As of 2017, there were very few overcrowded households in Needles. Only 80 households out of all 2,107 households in the city were overcrowded, or less than 4 percent of all Needles households. Severe overcrowding results when there are more than 1.51 persons per room. In Needles, there were 22 severely overcrowded households, or a little more than 1 percent of all households in the city. Table 10 shows the level of crowding in Needles.

**Table 10: Overcrowded Households, 2017**

Persons per Room	Number	Percentage of Total Units
<b>Owner-Occupied</b>	<b>1,199</b>	<b>56.9%</b>
1.00 or less	1,160	55.1%
1.01 to 1.50	17	0.8%
1.51 or more	22	1.0%
<b>Renter-Occupied</b>	<b>908</b>	<b>43.1%</b>
1.00 or less	867	41.1%
1.01 to 1.50	39	1.9%
1.51 or more	2	0.1%
<b>Total Occupied Housing Units</b>	<b>2,107</b>	<b>100.0%</b>
<i>Total Owner Overcrowded</i>	39	1.9%
<i>Total Renter Overcrowded</i>	41	1.9%
<b>Total Overcrowded</b>	<b>80</b>	<b>3.8%</b>
<i>Total Owner Severely Overcrowded</i>	22	1.0%
<i>Total Renter Severely Overcrowded</i>	2	0.1%
<b>Total Severely Overcrowded</b>	<b>24</b>	<b>1.1%</b>

Source: 2013-2017 ACS 5-Year Estimates, Table B25014.

### Overpayment

Overpayment is narrowly defined as the number of lower-income households that spend more than 30 percent of their income for housing (either mortgage or rent), including cost of utilities, property insurance, and real estate taxes, as defined by the federal government. Table 11 shows the numbers of households overpaying for housing in Needles. As of 2015, 603 households were overpaying for housing, or 28.2 percent of all households in the city. Of these, 394 of the households were renters, or 18.4 percent of all households,

and 209 were owner-occupied households, or 9.8 percent of all households. This is a relatively low rate of overpayment compared with many other areas of California.

**Table 11: Housing Cost as a Percentage of Household Income by Tenure, 2015**

Total Households Characteristics	Number	Percent of Total Households
Total occupied units (households)	2,140	100.0%
Total renter households	1,055	49.3%
Total owner households	1,085	50.7%
Total lower income (0-80% of HAMFI) households	1,340	62.6%
Lower income renters (0-80%)	835	39.0%
Lower income owners (0-80%)	505	23.6%
Extremely low-income renters (0-30%)	525	24.5%
Extremely low-income owners (0-30%)	90	4.2%
Lower income households paying more than 50%	310	14.5%
Lower income renter HH severely overpaying	235	11.0%
Lower income owner HH severely overpaying	75	3.5%
Extremely Low-Income (0-30%)	245	11.4%
ELI Renter HH severely overpaying	210	9.8%
ELI Owner HH severely overpaying	35	1.6%
Income between 30%-50%	55	2.6%
Income between 50%-80%	10	0.5%
Lower income households paying more than 30%	580	27.1%
Lower income renter HH overpaying	390	18.2%
Lower income owner HH overpaying	190	8.9%
Extremely Low-Income (0-30%)	335	15.7%
Income between 30%-50%	155	7.2%
Income between 50%-80%	90	4.2%
<b>Total Households Overpaying</b>	<b>603</b>	<b>28.2%</b>
<b>Total Renter Households Overpaying</b>	<b>394</b>	<b>18.4%</b>

**Table 11: Housing Cost as a Percentage of Household Income by Tenure, 2015**

Total Households Characteristics	Number	Percent of Total Households
<i>Total Owner Households Overpaying</i>	209	9.8%
<i>Total households paying between 30%-50% Income</i>	293	13.7%
<i>Total households paying &gt;50% Income</i>	310	14.5%

Source: 2006-2015 CHAS Data Sets, [https://www.huduser.gov/portal/datasets/cp.html#2011-2015\\_data](https://www.huduser.gov/portal/datasets/cp.html#2011-2015_data).

### Extremely Low-Income Households

According to the 2006-2015 CHAS data sets, there were 525 extremely low-income, renter-occupied households, approximately 24.5 percent of all households in Needles, and 90 extremely low-income, owner-occupied households, approximately 4.2 percent of all households in the city.

## Employment Trends

### Employment by Industry

As of 2017, there was a total of 1,633 employees aged 16 or older in Needles. The largest employment sector, *Educational services, and health care and social assistance*, employed 309 people, or approximately 19 percent of the city's workforce. Table 12 shows the number of employees in each employment sector and the percentage of the city's workforce that each sector employs. Between 2009 and 2017, the job market in Needles changed substantially. All agricultural jobs that existed in 2009 were eliminated by 2017, and nearly all existing manufacturing jobs in 2009 were similarly reduced by 2017. The only employment sector to experience significant gains since 2009 were public administration jobs, which grew by more than 80 percent in Needles over the same time frame. In addition, the City has noted that 400 jobs have been added in the cannabis industry in the City since 2017 that wouldn't be fully reported in the data in the table.

**Table 12: Employment by Industry, 2009–2017**

Employment Sector	Number of Jobs		Percentage Change	Percentage of Jobs, 2017
	2009	2017	2009–2017	
Civilian employed population 16 years and over	1,838	1,633	-11%	100.0%
Agriculture, forestry, fishing and hunting, and mining	12	0	-100%	0.0%
Construction	96	77	-20%	4.7%
Manufacturing	144	17	-88%	1.0%
Wholesale trade	35	38	9%	2.3%
Retail trade	153	195	27%	11.9%
Transportation and warehousing, and utilities	281	271	-4%	16.6%
Information	48	46	-4%	2.8%
Finance and insurance, and real estate and rental and leasing	70	56	-20%	3.4%
Professional, scientific, and management, and administrative and waste management services	150	93	-38%	5.7%
Educational services, and health care and social assistance	308	309	0%	18.9%
Arts, entertainment, and recreation, and accommodation and food services	404	293	-27%	17.9%
Other services, except public administration	60	98	63%	6.0%
Public administration	77	140	82%	8.6%

Sources: 2005–2009, 2013–2017 ACS 5-Year Estimates, Table DP03.

There are no major employers in Needles listed in the Employment Development Department's data for San Bernardino County. The nearest employer with at least 1,000 employees is St. Mary's Medical Center in Apple Valley, approximately 150 miles to the west. All other major employers in the region are in the urban region of southwestern San Bernardino County. Some of the larger major employers employing between 5,000 to 9,999 people are the institutions of the Loma Linda University Medical Center and the Ontario International Airport. Table 13 shows the major employers in San Bernardino County that employ 1,000 or more people.



Table 13: Major Employers near Needles and San Bernardino County, 2019			
Employer Name	Location	Industry	Number of Employees
Loma Linda University Medical Center	Loma Linda	Schools-Universities & Colleges Academic	5,000-9,999
Loma Linda University Health Board	Loma Linda	University/College-Governing Body/Regent/Trustee	5,000-9,999
Loma Linda University Medical Center	Loma Linda	Hospitals	5,000-9,999
Ontario International Airport	Ontario	Airports	5,000-9,999
Amazon Fulfillment Center	Redlands	Mail Order Fulfillment Service	1,000-4,999
Amazon Fulfillment Center	San Bernardino	Mail Order Fulfillment Service	1,000-4,999
Arrowhead Regional Medical Center	Colton	Hospitals	1,000-4,999
Burlington Coat Factory Warehouse	San Bernardino	Department Stores	1,000-4,999
California State University, San Bernardino	San Bernardino	Schools-Universities & Colleges Academic	1,000-4,999
Environmental Systems Research Institute	Redlands	Geographic Information Systems	1,000-4,999
FedEx	Bloomington	Delivery Service	1,000-4,999
Inland Empire Health Plan	Rancho Cucamonga	Health Services	1,000-4,999
Kaiser Permanente Fontana Medical Center	Fontana	Hospitals	1,000-4,999
National Orange Show Event Center	San Bernardino	Halls & Auditoriums	1,000-4,999
Ontario Montclair School District	Ontario	School Districts	1,000-4,999
Patton State Hospital	Patton	Hospitals	1,000-4,999
Redlands Community Hospital	Redlands	Hospitals	1,000-4,999
San Antonio Community Hospital	Upland	Hospitals	1,000-4,999
San Bernardino County School Superintendent	San Bernardino	Schools & Educational Services NEC	1,000-4,999
San Bernardino County Sheriff	San Bernardino	County Government-General Offices	1,000-4,999
St Bernardine Medical Center	San Bernardino	Hospitals	1,000-4,999
St. Mary's Medical Center	Apple Valley	Hospitals	1,000-4,999

**Table 13: Major Employers near Needles and San Bernardino County, 2019**

Employer Name	Location	Industry	Number of Employees
Transportation Department	San Bernardino	Government Offices-State	1,000-4,999
US Veterans Medical Center	Loma Linda	Hospitals	1,000-4,999
YRC Freight	Bloomington	Trucking-Motor Freight	1,000-4,999

Source: EDD 2019 Major Employers in San Bernardino County.

### Commute Trends

As of 2017, most Needles residents travel no more than half an hour to their place of work. Less than 5 percent spend half an hour to an hour traveling to work, and less than 10 percent more spend at least an hour getting to their work site. Table 14 shows the travel times to work for Needles residents. This data indicates that most Needles residents live and work in or near Needles.

**Table 14: Travel Time to Work**

Travel Time to Work	Percentage
Less than 30 minutes	86.6%
30 to 59 minutes	4.9%
60 or more minutes	8.5%
<b>Total</b>	<b>100%</b>

Source: 2013-2017 ACS 5-Year Estimates, Table B0803.

## Housing Stock Characteristics

### Housing Type

In Needles, 1,940 housing units are single-family, detached homes, or 67 percent of all housing units in Needles. There are 392 mobile homes, or approximately 14 percent of all housing units in Needles, making them the second most-common type of housing in the city. Attached single-family and multifamily units combined make up the remaining 19 percent of units in the City. Table 15 shows the numbers of housing units by type in Needles for 2019.

**Table 15: 2019 Housing Units by Type**

Housing Unit Type	Number	Percentage
Single-Family, Detached	1,940	67.0%
Single-Family, Attached	60	2.1%
Multifamily, 2-4 Units	262	9.0%
Multifamily, 5+ Units	243	8.4%
Mobile Homes or Other Type	392	13.5%
<b>Total</b>	<b>2,897</b>	<b>100%</b>

Source: State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State – January 1, 2010-2019.

## Vacancy Rates

In 2017, there was a vacancy rate of approximately 29 percent. This is similar to the vacancy rate almost 10 years prior in 2009, which was reported to be approximately 28 percent. Table 16 compares the vacancy rates from 2009 and 2017. The City's high overall vacancy rate has to do with seasonal units which are considered vacant as well as the units in the City that need maintenance and rehabilitation.

**Table 16: Residential Vacancy Rate**

	2009	2017
Ownership Vacancy Rate	-	1.8%
Rental Vacancy Rate	-	4.3%
Total Needles Vacancy Rate	27.8%	28.9%

*Source: 2005-2009, 2013-2017 ACS 5-Year Estimates, Tables DP04 B25002, B25004, B25014.*

## Age of Housing Stock

Residents' quality of life is determined by their housing conditions. Over time, housing ages and begins to deteriorate. If not properly maintained, structures can become dilapidated, which could discourage future community investment, depress neighborhood property values, and even pose a hazard to public health. The year a structure is built can be used to determine its general condition. Generally, any housing more than 30 years old likely needs some degree of rehabilitation, ranging from repairs to plumbing, roof replacements, or foundation work.

In Needles, 21.1 percent of housing is less than 30 years old, and 78.9 percent of the housing is at least 30 years old. In other words, almost 8 in 10 homes in Needles most likely require some degree of repair. Table 17 shows the age of Needles' housing stock.

Between January 2017 and May 2018 the City issued 12 citations for buildings that were dilapidated or unfit for human habitation. The City's code enforcement department compiled a list of available residential housing units in the city, identifying 107 units. Of the 107 units, 61 can be categorized as dilapidated and out of compliance with the Needles Municipal Code.

**Table 17: Age of Housing Stock**

Year Built	Number	Percentage
2014 or later	6	0.2%
2010–2013	11	0.4%
2000–2009	269	9.1%
1990–1999	338	11.4%
1980–1989	351	11.8%
1970–1979	769	26.0%
1960–1969	335	11.3%
1950–1959	272	9.2%
1940–1949	136	4.6%
1939 or earlier	476	16.1%
<b>Total</b>	<b>2,963</b>	<b>100%</b>

Source: 2013–2017 ACS 5-Year Estimates, Table B25034

### Housing Problems

The US Department of Housing and Urban Development maintains a list of households in each community in the country that tracks the number of housing problems, including incomplete kitchens, incomplete plumbing, more than one person per room, or cost burdens greater than 30 percent of household income. These problems are cross-referenced with the householder's income to help determine if any householders with housing problems might need special assistance.

In Needles, there are significant numbers of householders with at least one housing problem earning an income 50 percent or less than the median family income for Needles. The majority of these are renter householders earning a household income 30 percent or less than the median family income. Table 18 shows the numbers and percentages of households with a housing problem in Needles and cross-references the householder's income with the household tenure. A substantially larger percentage of renters (88.8 percent) in Needles have at least one housing problem.

**Table 18: Housing Problems for All Households**

	Total Renters	Total Owners	Total Households
Household income $\leq$ 30% MFI with any housing problem	330	50	380
Household income $>30\%$ to $\leq 50\%$ MFI with any housing problem	65	90	155
Percentage of households ( $\leq 50\%$ MFI) with any housing problem	88.8%	37.8%	78.1%

Source: CHAS 2006–2015.

## Housing Cost and Affordability

### Rental Rates

Based on market trends for the City of Needles, which was based on a point-in-time survey conducted over several weeks in spring and summer 2019, average rent per month was \$718 per month. Table 19 shows a point-in-time analysis of the rental prices in Needles from 2019. Data was queried on several dates but did not yield a large number of available rental listings, thus no data is shown for some of the unit sizes.

**Table 19: City of Needles Rental Prices, May 2019**

Category	Average Monthly Rent	Median Monthly Rent	Rental Price Range		
			no data	to	no data
Loft/studio	no data	no data	no data	to	no data
1 bedroom	\$601.75	\$492.50	\$475.00	to	\$947.00
2 bedrooms	\$659.00	\$587.50	\$515.00	to	\$1,114.00
3 bedrooms	\$894.40	\$ 800.00	\$ 650.00	to	\$1,322.00
4+ bedrooms	no data	no data	no data	to	no data

Source: Realtor.com (accessed May 22, 23, 28, 2019), direct calls to property owners, August 2019

### Sales Prices

Based on market trends for the City of Needles, median price for all home sales is \$125,000, and the average price was approximately \$237,544. Home sales prices ranged from as low as \$35,000 to as high as \$1,600,000. Table 20 shows the home sales prices from 2019.

**Table 20: City of Needles Home Sales Prices, May 2019**

Bedrooms	Number on Market	Median Price	Average Price	Home Sales Price Range		
				no data	to	no data
1 bedroom	0	-	-	no data	to	no data
2 bedrooms	11	\$119,000	\$114,254	\$35,000	to	\$229,000
3 bedrooms	21	\$158,000	\$261,328	\$67,000	to	\$1,300,000
4 bedrooms	9	\$169,000	\$313,082	\$80,000	to	\$1,600,000
5+ bedrooms	5	\$169,000	\$272,917	\$105,888	to	\$599,000
Homes Total	46	\$125,000	\$237,543	\$35,000	To	\$1,600,000

Zillow.com (accessed May 22, 23, 28, 2019).

### Housing Affordability

Each year, the HCD establishes the income limits for each county in the state for use in assessing eligibility for assisted housing programs in that county. The 2019 income limits are listed in Table 19 for each income category according to household size.

Housing affordability depends upon a householder's income and the cost of housing. According to the HCD state income limits for 2019, the AMI in San Bernardino County is \$69,700 for a family of four. Based on this median income, the income limits for a four-person household are:



Extremely Low Income	Up to 30 percent of AMI (\$0–\$25,750)
Very Low Income	31–50 percent of AMI (\$25,751–\$35,900)
Low Income	51–80 percent of AMI (\$35,901–\$57,450)
Moderate Income	81–120 percent of AMI (\$57,450–\$83,650)

Assuming that the potential homebuyer in each income group has sufficient credit and down payment (10 percent) and maintains affordable housing expenses (i.e., spends no more than 30 percent of their income on the mortgage, taxes, and insurance), the maximum affordable home prices can be determined. Table 19 shows the purchasing power of the income groups as defined by HCD.

**Table 21: Housing Affordability**

<b>Extremely Low-Income (Households at 30% of Median Income)</b>				
Household Size	1	2	3	4
Annual Income Limit	\$15,100	\$17,250	\$21,330	\$25,750
Monthly Income	\$1,258.33	\$1,438	\$1,778	\$2,146
Maximum Purchase Price <sup>1</sup>	\$23,008	\$33,893	\$54,550	\$76,929
<b>Very Low-Income (Households between 31 and 50% of Median Income)</b>				
Household Size	1	2	3	4
Annual Income Limit	\$25,150	\$28,750	\$32,350	\$35,900
Monthly Income	\$2,096	\$2,395.83	\$2,696	\$2,992
Maximum Purchase Price <sup>1</sup>	\$73,891	\$92,117	\$110,344	\$128,317
<b>Low-Income (Households between 51 and 80% of Median Income)</b>				
Household Size	1	2	3	4
Annual Income Limit	\$40,250	\$46,000	\$51,750	\$57,450
Monthly Income	\$3,354	\$3,833	\$4,313	\$4,788
Maximum Purchase Price <sup>1</sup>	\$150,341	\$179,453	\$208,565	\$237,424
<b>Moderate-Income (Households between 81 and 120% of Median Income)</b>				
Household Size	1	2	3	4
Annual Income Limit	\$58,550	\$66,900	\$75,300	\$83,650
Monthly Income	\$4,879	\$5,575	\$6,275	\$6,971
Maximum Purchase Price <sup>1</sup>	\$242,993	\$285,268	\$327,797	\$370,073
<sup>1</sup> Calculations based on 30-year fixed loan with a 10% down payment at a 4.00% annual interest rate.				
Source: Zillow Affordability Calculator, 2019.				

## Special Needs Groups

This section presents the current special housing needs of marginalized groups in Needles. Part of this Housing Element's objective is to assist the City in providing opportunities for affordable housing and to reduce barriers faced by those groups, whose needs are not generally fulfilled by the business-as-usual housing production market. Special needs households may find themselves in situations compounded by multiple problems, such as having a lower or fixed income or only having a sole income earner.

### Persons with Disabilities

As previously discussed, the City of Needles has a large population of persons who are disabled for various reasons. There are many categories of disabled, including sensory, mentally, physically, etc. Many of the disabled are not physically disabled, but may be unable to work due to mental or self-care disabilities. The City places no zoning constraints on housing for the disabled, and does require that all new construction comply with the Americans with Disabilities Act. The City will review its regulations and analyze the potential constraints on housing for persons with disabilities as one of the programs to complete (See Program 1.5.2).

Tables 22 and 23 show the numbers of people in Needles living with some sort of disability relative to the rest of the city's population as of 2017 and 2000. Currently, the majority of those with a disability are between the ages of 5 to 64. This is consistent with the proportions of people living with disabilities during the 2000 US Census, although the population with disabilities skews slightly older as of 2017. The overall number of people with disabilities relative to the rest of the population, however, has dramatically decreased. In 2000, nearly half of the population was living with some form of disability, but the number of people living with a disability has decreased to less than one in five as of 2017.

The County of San Bernardino through its office in the City of Needles, provides programs to support the disabled, including access to the public guardian/public guardian conservator program, the elderly nutrition program that provides food for the disabled as well as seniors, the In Home Supportive Services (IHSS) Program, as well as Adult Protective Services.

**Table 22: Persons with Disability (2017)**

	Number	Percentage
Persons Age 5–64 with a Disability	831	68%
Persons Age 65 + with a Disability	392	32%
<b>Total Persons with a Disability (Age 5+)</b>	<b>1,223</b>	<b>100%</b>
<b>Total Population</b>	<b>4,984</b>	<b>-</b>

Source: 2013-2017 ACS 5-Year Estimates Table S1810.

Note: Table should not add up to 100 percent.

**Table 23: Persons with Disability (2017)**

	Number	Percent
Hearing Disability	265	11%
Vision disability	262	11%
Cognitive disability	464	19%
Self-care disability	190	8%
Ambulatory disability	741	30%
Independent Living disability	547	22%
<b>Total Persons with a Disability</b>	<b>2,469</b>	<b>100%</b>
<b>Total Population</b>	<b>4,830</b>	<b>-</b>

Source: American Community Survey 2017 5-Year, Table S1810

#### Persons with Developmental Disabilities

Senate Bill (SB) 812 requires the City to include in the special housing needs analysis, needs of individuals with a developmental disability in the community. A developmental disability is a disability that occurs before an individual reaches 18 years of age, is expected to continue indefinitely, and constitutes a substantial handicap. Developmental disabilities include mental retardation, cerebral palsy, epilepsy, autism, and disabling conditions closely related to mental retardation or requiring similar treatment.

**Table 24: Persons with Developmental Disabilities by Age and Zip Code (2018), San Bernardino County**

Zip Code	0-17 years	18+ years	Total
92363	9	17	26

#### Homeless

Persons who are experiencing homelessness have the most immediate housing need of all special needs groups. This group's needs are challenging to address as a result of the complex causes of homelessness and the other compounding problems that these individuals may be simultaneously experiencing. As required by California law, housing elements estimate the need for emergency shelter for persons experiencing homelessness. In 2018, the San Bernardino County Point-in-Time count identified 2,118 individuals without homes across the county. Eleven of these people were living in Needles without any shelter; five of these had lost their home for the first time within the previous year, and three were experiencing chronic homelessness.

The nearest homeless shelter that is not religion based is about 150 miles away. Needles' homeless population is fairly small and mostly migratory. All of the necessary state studies and reports and plans that must be done to make the City eligible for funding for emergency shelter have not been possible. The city previously had a religion-based recovery home for men run by Calvary Church, but it was disbanded approximately 10 years ago. Within the City of Needles there are several churches that provide services to the homeless, including residential short-term housing, as well as regular meals distributed at various locations within the City. The City's "Women's Club" provides clothing needs to the homeless for the

weather extremes experienced in the City, i.e. very hot or very cold, as well as various sundries for good hygiene. At this time, the City does not currently participate in homeless assistance. The County receives and administers the City's share of CDBG funds that may be available for this use. The County will provide emergency shelter for those that qualify in the City of Needles, if desired. Most people do not desire to go 150 miles away to obtain emergency shelter, and most do not have the transportation to do so. The City plans on investigating the availability of grants for such purpose, as soon as they can obtain certification of this plan. The City approved an amendment to its zoning ordinance in July 2019 to allow emergency shelters without discretionary review in the M-1 and M-2 zones and to allow transitional and supportive housing in the all residential zones and the CRR zone.

## Farmworkers

There is no need for farmworker housing in the City since there are neither agricultural jobs nor land within the city. The City has included Program 1.5.3 to review its zoning ordinance for compliance with the Employee Housing Act related to agricultural employee housing as well as housing for other types of employees. Table 25 shows the numbers of farms and farmworkers in San Bernardino County. As of 2017, there were approximately five farmworkers for every farm in the county.

**Table 25: Number of Farmworkers, San Bernardino County**

<b>Hired Farm Labor</b>	
Farms	409
Workers	2,246

*Source: USDA Census of Agriculture, 2017.*

Table 26 shows the number of farms and farmworkers in San Bernardino County by the length of farmworker work period. Most farms in the county operate for 150 days or more, and most farms employ more than 10 farmworkers during a single period.

**Table 26: Number of Farmworkers by Days Worked, San Bernardino County**

<b>150 Days or More</b>	
Farms	250
Workers	1,579
<i>Farms with 10 or More Workers</i>	
Farms	38
Workers	919
<b>Fewer Than 150 Days</b>	
Farms	167
Workers	1,114

*Source: HCD Data Packet, USDA Census of Agriculture, 2017.*

## Seniors

Many seniors have some type of special housing need due to a variety of factors, including having a disability, special health care needs, or living on a fixed income. Maintaining and repairing a home using a fixed retirement income can be especially challenging.

Since 2009, the senior population of Needles has increased, though most of the increase has been among younger seniors. As of 2017, there were 961 seniors living in Needles, the majority of whom were younger seniors between the ages of 65 to 74. Older seniors make up a decreasingly smaller proportion of the total senior population. Table 27 shows the number of seniors living in Needles by age group. There is a senior center in Needles and a bus available to provide rides to local seniors.

**Table 27: Senior Population**

Age Group	2009	2017
Ages 65-74	427	597
Ages 75-84	293	271
Ages 85+	41	93
<b>Total</b>	<b>761</b>	<b>961</b>

*Sources: 2005-2009, 2013-2017 ACS 5-Year Estimates, Tables DP05, S0101.*

## Large Families

Large households are defined as having more than five persons. They are considered a special needs group because there is usually a limited supply of adequately sized housing to accommodate their needs. The more persons in a household, the more rooms required to accommodate that household. More specifically, a five-person household would require three or four bedrooms; a six-person household would require four bedrooms; and a seven-person household would require four to six bedrooms. In certain instances where the housing market does not meet the housing needs of large households, overcrowding may result. Overcrowding occurs when there are more than 1.01 persons per room.

As of 2017, Needles had 136 households consisting of families with five or more members. Of these, 90 households lived in owner-occupied households, or 66 percent, and only 46 households, or approximately 34 percent, lived in renter-occupied households. The rate of overcrowding in Needles is less than 4 percent and is not a significant issue in the City.

## Female Heads of Household

Female-headed households tend to have special needs, ranging from affordability of housing to the presence and accessibility of services such as childcare, health care, and housing assistance. Female-headed households generally have lower incomes, which limits their choice in housing options.

The City of Needles attempts to assist with female heads of household by providing extended recreational opportunities at the City Parks and Recreation Department to assist with day care needs of female heads of



household. When and if sufficient commercial development takes place in the city, it will consider a plan to have commercial developers also assist with day care needs.

Women make up a substantial portion of the city's heads of household—333, or 28 percent, of Needles's heads of household are women. More than half of these, 122, live with their children. Compared to other families in Needles, the majority of family households living in poverty are female-headed households. Specifically, 19 percent of Needles households represent any type of family household living in poverty, and 12 percent of Needles households are female-headed households living in poverty. Table 28 presents the numbers of family and female-headed households in Needles.

**Table 28: Female-Headed Households**

Household Type	2017	
	Number	Percentage
Total Householders	2,107	100.0%
Female-Headed Householders	333	28%
Female-headed households without children	122	10%
Female-headed households with own children	211	17%
Total families under the poverty level	235	2%
Female-headed householders under the poverty level	149	12%

*Source: 2013-2017 ACS 5-Year Estimates B17012.*

## Assisted Units at Risk of Conversion

### Existing Affordable Housing

In the City of Needles there are four multifamily projects with 234 affordable units that are currently being subsidized by either state or federal agencies for lower-income residents (see Table 29). Tenants wishing to lease affordable units have the ability to rent from those sources. None of the four projects' subsidies are scheduled to expire within 10 years after the end of the current planning period, or 2031, so none of the projects are considered at risk. The City will continue to work with property owners and monitor these developments throughout the planning period per Program 1.2.2.

**Table 29: Assisted Housing Developments**

Name of Development	Address	Funding Sources	Total Assisted Units	Expiration of Affordability
River Garden Apartments	1970 Clary Drive, Needles, CA 92363	LIHTC	80	2055
Riverview Terrace Apartments	1933 Erin Drive, Needles, CA 92363	LIHTC/USDA Sec 515	58	2067
Mesa Grande	1600 Lillyhill Drive, Needles, CA 92363	LIHTC/USDA Sec 515	45	2068
Lilly Hill Apartments	1001 Lillyhill Drive, Needles, CA 92363	LIHTC/USDA Sec 515/HUD PBRA	51	2068
<b>Total</b>			<b>234</b>	

Source: California Housing Partnership Corporation (CHPC), 2019.

## HOUSING OPPORTUNITIES AND RESOURCES

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This section provides an overview of the resources and opportunities that assist with the construction of new housing in Needles. A number of resources are available that can assist with the development of housing. These include vacant sites suitable for housing and financial resources for affordable housing development, rehabilitation, and preservation.

### Regional Housing Need

The City's future housing need is based on population and employment growth projections over the 2013-2021 period. Based on these projections, the state assigns each region in California a Regional Housing Needs Allocation (RHNA), which requires regions to address housing issues and needs (California Government Code Section 65584). Through HCD, the state of California establishes the total housing unit needs for each region. The local council of governments determines the share of the regional housing need for each city and county within its jurisdiction, consistent with Government Code Section 65584(a) and with the advice of HCD.

The Southern California Association of Governments (SCAG) developed the RHNA for the City of Needles. It allocates to each jurisdiction its "fair share" of the projected housing need, based on household income groupings over the eight-year planning period. The RHNA also identifies and quantifies the existing housing needs for each jurisdiction. The quantification in this Housing Element is for the 5th cycle RHNA allocation and is based on a RHNA cycle from January 1, 2014, to October 1, 2021. This RHNA time period addresses the housing element planning period from October 2013 to October 2021. SCAG is in the process of developing the 6th cycle RHNA allocation plan, which will cover the planning period from October 2021 through October 2029. It is planned for adoption by SCAG in October 2020.

The intent of the RHNA is to ensure that local jurisdictions not only address the needs of their immediate areas but also address their share of housing needs for the entire region. Additionally, a major goal of the RHNA is to ensure that every community provides an opportunity for a mix of housing affordable to all economic segments of its population. The RHNA jurisdictional allocations are made to ensure that adequate sites and zoning are provided to address existing and anticipated housing demands during the planning period and that market forces are not inhibited in addressing the housing needs for all facets of a particular community. Table 30 shows the adjusted RHNA target for the time period from 2014 to 2021 for each of the five household income groups for the City of Needles.

**Table 30: Ability to Address Housing Need, City of Needles**

Income Group	Number of Units	Percentage
Extremely Low*	19	10.5%
Very Low	19	10.5%
Low	29	16.0%
Moderate	34	18.8%
Above Moderate	80	44.2%
Total	181	100.0%

Source: SCAG, 5th Cycle Regional Housing Needs Assessment Final Allocation Plan, 1/1/2014–10/1/2021, 2018.

\*The extremely low-income allocation is assumed to be 19 based on the HCD-accepted methodology of assuming 50 percent of the very low-income allocation for households of extremely low income.

### Available Sites

In 2019 an inventory found that there was 3,995 vacant acres of residentially zoned land, which would allow a potential of 81,476 additional dwelling units. The full inventory is provided in the appendices along with a map of the sites. The following chart reflects the current land available for residential use and the number of possible units. Nothing has changed about the available vacant sites since adoption of the 2013-2021 Housing Element.

**Table 31: Vacant Land Inventory**

Zone	Number of Parcels	Acres	Maximum Density	Maximum Units**	Realistic Units (80% of Maximum Allowed) **
PUD	6	0.82	7 units/acre*	6	6
R-1	11	3.14	7 units/acre	21	17
R-2	215	2,945.01	17 units/acre	50,065	40,052
R-3	74	1,046.12	30 units/acre	31,383	25,106
Total	306	3,995.09	N/A	81,475	65,181

Source: City of Needles, 2019.

\*Citywide, the maximum density of sites with a PUD overlay designation depend on the combining zones or as determined during the approval process. The PUD sites in the vacant land inventory were permitted with a tract map that includes 87 lots on 14 acres, or approximately 6 lots per acre, which is within the density of the R-1 Zone.

\*\*The number of units that can be realistically accommodated on the vacant sites is estimated at 80 percent of the maximum allowed density (with rounding taken into account).



Most of the land available would allow more than one unit per acre, and in some areas, up to 30 units per acre. There is more than sufficient land with city services available, some of which could be used to build additional affordable housing, senior housing projects, and multifamily housing if there is sufficient demand for these units.

### Realistic Capacity

Realistically, sites tend to be developed with fewer than the maximum number of allowable units due to setbacks and other development standard requirements and environmental and other constraints. For the purposes of this analysis, a realistic capacity is used, which is calculated as 80 percent of the maximum allowable densities.

### Sites to Accommodate the Regional Housing Needs Allocation

#### *Fourth Cycle RHNA*

Needles had a RHNA of 67 units for the fourth RHNA cycle. Twenty-five of the units the City was required to plan for were for low and very-low income households. There have been few changes to the zoning in Needles since 2006 due to the overall slow rate of growth and the recession during that time period. Prior to the beginning of the fourth round planning period in October 2008, Needles had vacant land available in a variety of zones that allowed residential development. Specifically, there were more than 59 vacant acres in the R-3 zone at the time. The R-3 zone allows 30 units per acre. This amount of land was more than enough to accommodate 25 lower income units. Therefore, the City did not have an unaccommodated RHNA need for the fourth cycle.

#### *Fifth Cycle RHNA*

Table 32 shows the development potential of vacant sites in the City of Needles compared to the City's share of the regional housing need. Based on an analysis of vacant land, the City has sufficient sites to meet its RHNA.

All of the sites identified have access to water and sewer, as well as the availability of electrical and internet service. None of the sites have slope constraints. The City of Needles experiences constraints related to flood plains, significant episodes of drainage and its damage to roads, and wildlife that is identified on the endangered species list. For situations related to water, drainage and flood plains, the city engineer is required to review all plans and provide approval of a project before it can move forward. In addition, the preparation of a CEQA initial study and any related mitigation measures is required for these types of projects. None of the sites listed are subject to Ordinance 542-AC which limits the number of septic systems and wells in North Needles.

Higher-density apartment units are generally affordable to lower-income and moderate-income households. Duplexes are typically affordable to moderate- and above moderate-income residents. Single-family development is primarily affordable to moderate- and above moderate-income households.



**Table 32: Ability to Address Housing Need, City of Needles**

Income Group	2019 RHNA	Vacant Land Inventory	Remainder
Extremely Low	19	1,125*	1,058
Very Low	19		
Low	29		
Moderate	34	40,052**	39,938
Above Moderate	80		
Total	181	41,177	40,996

\* These are units that could be produced on R-3 parcels and are noted to have the ability to access services.

\*\* These are units that could be produced on R-1, PUD, and R-2 zoned parcels and are noted to have the ability to access services.

Local governments can employ a variety of development strategies to meet their RHNA housing production goals, as established in Government Code Section 65583(c)(1)). Through a combination of sites for higher-density multifamily development and the use of a variety of housing types, such as manufactured homes, accessory dwelling units, and mixed-use development, the City will be able to address all of the need for sites to support housing affordable to lower-income households. The most difficult challenge is facilitating the development of housing affordable to extremely low- and very low-income households. While the City has sufficient availability of appropriately zoned land with adequate infrastructure, the availability of subsidies and incentives to make the housing feasible for developers is lacking.

The vacant land inventory shows that 23 units can be produced on land zoned with maximum densities of seven units per acre. While this is not enough to meet the RHNA for above-moderate income households, single-family residential homes are allowed in R-2 zones, as long as the density is eight units per acre or greater. To address the moderate and above-moderate RHNA numbers the vacant parcels zoned R-1, PUD, and R-2 have been combined in the table above.

The Current Goals, Objectives, Policies, and Programs section of this document contains a variety of programs to facilitate the development of housing units affordable to lower-income households. These include expedited processing, technical assistance, as well as other incentives.

To comply with SB 1087, the City will immediately forward its adopted Housing Element to its water and wastewater department so they can grant priority for service allocations to proposed developments that include units affordable to lower-income households.

## Financial Resources

Listed here are existing programs available for assistance in buying, building, or repairing a home. Some are grants, and some are low-interest loans. This list is based on information provided prior to any budget cuts resulting at the State level.

- **The Senior Home Repair Program** administered by the County of San Bernardino, Department of Economic and Community Development, provides repair grants to homeowners over 60 years of age

or persons of any age who are permanently disabled, for leaking faucets, water heater replacement, construction of wheelchair ramps, grab bars for the handicapped, and other minor repairs.

- **The Home Improvement Loan Program** administered by the San Bernardino County, Department of Economic and Community Development, provides rehabilitation loans to qualifying low-income homeowners at or below market interest rates.
- **HAP (Homeownership Assistance Program)** administered by the County of San Bernardino and funded by the HOME funds from the State of California to assist low income persons to purchase a home by providing a deferred loan, secured by a second trust deed with 0 percent interest and no payments. This loan is repaid at the time of sale or refinance of the property.
- **ADDI (American Dream Down Payment Initiative)** Funded through the HOME funds from the State of California, administered through the County of San Bernardino.
- **Multifamily Rental Property Rehabilitation/Refinance Program** Funded through the HOME Funds from the State of California, administered through the County of San Bernardino, provides loans to assist nonprofit owners of affordable multifamily rental housing with rehabilitation loans at very low interest.
- **The California Housing Rehabilitation Program** provided by the State Department of Housing and Community Development, offers low-interest loans for the rehabilitation of rental housing including residential hotels. Loan limits range from \$15,000 for rehabilitation of residential hotel units to \$35,000 for three or more bedroom units. These loans are given only to maintain or convert to assisted units.
- **Energy Conservation.** With temperatures ranging from the low 40s to above 110 in Needles, energy is in high demand for heating and cooling, making conservation measures an important issue. The electric utility is City owned and is aggressively pursuing alternate sources from which to purchase or generate power in order to control costs for City residents. In addition, the City has established a "Responsible Resource Home" program, which encourages the construction of energy-efficient homes. Homes built under this program surpass Title 24 standards by 10 percent. Persons who purchase or build such a home can expect to reduce electric bills by up to 15 percent. The program also focuses on water conservation methods and technologies. Needles recently won the California Small Utility Company Energy Efficiency Award. The City participates in numerous programs to provide Energy Star appliances, solar screens, HVAC systems, toilet replacement, and windows and doors.
- **Energy Audits.** The City Utility office offers low cost evaluation of homes to determine the major sources of energy loss.
- **Multi-Family Mortgage Revenue Bond Programs.** This program is administered by the San Bernardino County, Department of Economic and Community Development, and funds are provided by the State. The program provides below-market interest rate loans for development of new multifamily rental units with a minimum of 30 units. At least 40 percent of the units must be preserved for households with incomes at or below 60 percent of the county median, and 20 percent of the units must be reserved for households with incomes at or below 50 percent of the county median. Participants in this program can be individuals, partnerships, and profit and nonprofit corporations, and loans will be amortized over 30-year terms and due in 12 to 15 years.

- **Developer Incentives.** In 2018 the City reduced its Development Impact Fee (DIF) for both North and South Needles for residential housing development. The City has not increased its entitlement fee. The City has initiated the sale of vacant surplus property to generate revenue. The City has initiated an economic development incentive program that would pay for fees and off-site infrastructure for homebuilders.
- **State Housing Programs.** The State Department of Housing and Community Development provides loans that are administered by the County of San Bernardino until such time as the city has “opted out” and formed their own programs. One of the City’s goals is to set up such a program and administer such funds under their own program, set by state guidelines.
- **County Housing Programs.** These include first-time buyer program, home improvement loan programs, senior home repair, etc.
- **Outreach.**
  - The City of Needles is working with the media to make its residents aware of many programs available to assist with homeownership or rehabilitation, through various public and private agencies.
  - To anyone interested in low- to moderate-income housing programs and Fair Housing laws, a variety of brochures are provided at the library and City Hall Administrative offices. The Housing Authority of the City of Needles is the agency in the City that oversees the majority of low- and moderate-income housing and markets it to potential tenants.
  - The City is constantly reaching out to homebuilders associations who can provide low- to moderate-income housing. City staff has created a catalog of uninhabited for-sale properties and provides it to developers and parties interested in rehabilitation of housing inventory. The City constantly markets its surplus City-owned property for sale. The City has 207 acres of land for sale to develop homes. An economic development incentive program has been initiated to pay for fees and offsite improvements for homebuilders.
  - Through community groups (Needles Downtown Business Association, Needles Chamber, Development Services Department), the City promotes the expanded participation of local landlords in rental housing rehabilitation programs.

## HOUSING CONSTRAINTS

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### Non-governmental Constraints

The City of Needles recognizes the need to ensure that there is adequate housing which is affordable to all income groups. There are a number of constraints in any jurisdiction that can impede achievement of this goal. These potential constraints and whether they are an issue in Needles are discussed herein.

#### Economic Constraints

Extensive development of vacant land throughout Southern California in the past couple of decades led to an increased demand for land, which resulted in a rapid rise in land values and higher housing costs. Land values in Needles, however, have remained relatively affordable in comparison to most other areas of Southern California.

#### Land Costs

The price of land was assessed by analyzing appraisals of four parcels in the city from 2016 to 2019. These four parcels ranged in size from 1.52 acres to 28.21 acres of vacant or improved land. Recent purchases from similar, nearby sales were analyzed when considering appropriate sale prices. The price of vacant land averaged \$0.72 per square foot, and improved land averaged \$1.25 per square foot.

Land costs differ depending on the lot's location within the city. Land costs are far higher in North Needles than South Needles, with typical land prices of \$50,000 for a one-acre lot in North Needles and \$6,017 for less than half an acre in South Needles. The cost difference is partially because North Needles is limited to one-acre parcels for homes, and South Needles parcels are less than half an acre due to septic system and well constraints, discussed further under "Residential Development Standards." However, a one-acre parcel in South Needles is approximately \$15,000, which is still significantly less than North Needles land prices.

Although the City has little control over market demands and thus cannot determine the price of land, City land use policies, which regulate the allowable densities of residential uses, can influence the ultimate cost of the dwelling unit. The City's zoning ordinance standards also influence the ultimate cost of constructing a home. Land use policies and zoning ordinance standards are further discussed under "General Plan" and "Zoning."

#### Construction Costs

Labor and material are major costs other than land and have a direct impact on the cost of housing. Single-family dwelling construction costs can vary greatly depending on the size of the unit and whether it is a custom home or part of a larger subdivision. At the present time, the cost of labor and materials is not a hindrance to the production of relatively low-cost housing in the City. With building costs estimated at approximately \$275,800 for a single-family home, the cost of construction is relatively low in the City. Due to the hot climate, central heating and cooling systems were accounted for in the cost estimate, but all other amenities in the estimate were assumed to be basic. Combined with soft costs, including architecture and engineering costs, permits and utilities, insurance, final cleanup, and contractor markup, the total cost of housing construction is approximately \$338,300 per unit. Significant increases in these costs, which the City has no direct control over, can directly affect the affordability of housing.

Multifamily housing construction costs are estimated at about \$106 per square foot, and with the cost of land remaining low, the estimated cost for a single-family dwelling is estimated at approximately \$138 per square foot.

### Mortgage and Rehabilitation Financing

Financing costs can impact the ability of potential homebuyers to make a purchase. As a result of more lenient lending practices during the early to mid-2000s, changing economic conditions in the late 2000s, and falling home prices, many homeowners faced difficulties in making their mortgage payments and have been unable to refinance their home loans or sell their homes to pay off their mortgages. In response, lenders tightened their loan standards, returning to practices that prevailed prior to 2000. This has led to an increase in loan denials as lenders more closely scrutinize household income, credit history, and the overall risk of the loan. Thus, while interest rates have not climbed dramatically, access to home financing has reduced the pool of buyers able to purchase a home. Furthermore, the lack of credit not only affects homebuyers and homeowners but developers and property owners who want to improve their properties. In particular, financing for projects perceived as "higher risk" by financial institutions, including housing projects, has become harder to obtain since 2008.

In 2006, the average 30-year fixed mortgage was approximately 6.4 percent, before declining to historic lows due to the housing crisis in 2008 and subsequent economic recession. In 2013, the average rate for a 30-year fixed rate was 4 percent. Since 2013, interest rates have remained relatively low, with an average of 4.6 percent for a 30-year fixed mortgage in 2018. However, tighter loan standards and the availability of financing continues to affect a potential homebuyer's ability to purchase a home.

Home loan mortgages backed by the Federal Housing Administration (FHA) have increased as a result of the shoring up of available credit and more stringent loan requirements. Currently, many lending institutions require a 20 percent down payment in addition to meeting income and credit history requirements. Lenders' stricter adherence to mortgage qualifications has decreased the opportunity for people to take out loans on those terms, and FHA-backed loans have become a popular alternative. In fiscal year 2016-2017, the California FHA funded 7,259 loans totaling \$1.86 billion for the California Homebuyer's Downpayment Assistance Program, marking the largest-ever number of loans and assistance in the program's history. FHA-backed mortgages typically require a lower down payment (recent figures cite as little as 3.5 percent), and a good credit score is not essential. However, the approval process for FHA-backed mortgages is longer, costly, and more intensive than conventional home loans, causing most condominiums to bypass the process of gaining FHA approval. Therefore, most condominiums do not qualify for FHA financing unless the complex or building is FHA approved. With the City of Needles housing stock consisting largely of single-family homes (69.1 percent), this is a less prevalent concern for most buyers, since FHA financing is more accessible for single-family home purchases.

The North Needles area, zoned Commercial Resort Residential (CRR), averages two units per one acre on a parcel, because the minimum parcel size is one acre and allows for this type of density. For Needles' residentially zoned areas located in the mid-section of the city and included on the sites inventory list, R-1 "Single family residential" zoned sites are typically smaller lots created for one single family residential unit. Surrounding the area is the R-2 "Two-family residential" zone, typically having a built density of 11 units per acre; to the north is the R-3 "multiple family residential" zone, typically having a built density of 6 units per acre. The City's policy on approval of entitlements and submittal of building plans allows both to occur in parallel with each other, to ensure that project timelines are reasonable and minimize lag time. When a



builder waits for building permit submittal until after entitlements are approved, the developer typically submits within a couple of weeks after receiving approval of entitlements.

## Governmental Constraints

### Land Use Controls

#### General Plan

The General Plan for the City of Needles establishes a basis for allowable uses and densities for each residential zone. There are more than 3,900 acres of land which are presently zoned for residential uses that have access to existing municipal services or could install septic, with a potential for 65,000 dwelling units using the lowest density range possible for each zone. There are currently three residential land designations and one resort-focused mixed-use designation in the City of Needles General Plan to accommodate a wide variety of housing types. With densities of one to thirty units per acre, the General Plan Land Use designations are not a constraint to development, although in order to encourage infill, a general mixed-use designation must be adopted to accommodate mixed use outside resort-focused areas and is recognized as necessary for healthy growth of the City (see Program 2.2.1).

The General Plan encourages infill development prior to expansion of the City into nonurbanized lands and provides for economic incentives for such infill development. Other policies support ongoing rehabilitation and preservation of existing neighborhoods.

Since the City of Needles is presently in a "pro-growth" stage of its development, all reasonable governmental restraints on development have been removed. The City does not have growth controls outside of zoning on residential development, which are minimal and do not impede the ability to achieve the maximum density within any given zoning district. Processing times are short to assist developers, and requirements have been kept minimal. However, the City will not accept developments that do not have paved streets, sewer, and other utilities; do not meet HUD requirements; or are not on a permanent foundation. At the present time, impact fees are applied to circulation system improvements, water source, storage and distribution facilities, wastewater collection system facilities, and park and open space land acquisition and parkland development, and application fees are reasonably priced. Building permits are based upon the 2012 Uniform Building Code Standards

#### Zoning

As discussed above, the three residential zones in the City directly parallel the City's land use designations, do not involve overly restrictive residential development standards, and provide substantial opportunities for the development of a full range of affordable housing. The densities range from 2 units per lot (accessory dwelling units) to up to 30 units per net acre in an R-3 zone. Greater density can be allowed with density bonuses. The City's zoning ordinance also includes provisions for increases in density of 25 to 100 percent for affordable and senior projects, respectively. The City of Needles allows densities of 20 units per acre or more on a large number of sites, which is adequate to allow the development of affordable rental housing.

#### Non-conforming Lots

In the central part of town, which was the original town of Needles, many lots are now of insufficient size to meet the requirements for the building of a residential structure. The City does permit those older homes to

be remodeled or refurbished and will encourage new structures to replace the existing structures for residential use in a mixed use zone, providing adequate parking can be met. Since the lots are mostly too small to allow for desired parking and garages, until two lots are available side by side, developers and homebuilders are generally not interested in new construction in this part of town.

## Development Review

### *Site Plan Review*

The City of Needles utilizes the site plan review process in the zoning ordinance to promote the health, safety, and general welfare of residents as well as implement the policies of the General Plan. These site plan review guidelines regulate height, bulk, and area of buildings; colors and types of buildings and other structures; physical and architectural relations with existing and proposed structures; height, materials, and variations in boundary walls, fences, or screening planting; landscaping and open space requirements; and parking standards. The site plan review requirements are processed concurrently with subdivision or other permit requirements, do not add to the processing time for an application, and do not unreasonably restrict the construction of the homes to make them less affordable.

### *Architectural and Design Standards*

Architectural and Design Standards in the City of Needles are minimal. No distinction is made that would require any greater responsibilities for manufactured housing or other forms of low-cost housing construction. In reality, if low-cost housing is being constructed that meets with the State guidelines for affordable housing, higher densities may be granted to the developer through affordable housing bonuses. The development standards are reflected in the chart below.

**Table 33: Basic Zoning Standards**

	<b>R-1 Zone</b>	<b>R-2 Zone</b>	<b>R-3 Zone</b>	<b>CRR Zone</b>
<b>Max. Density</b>	1-7 U/Acre	8-17 U/Acre	18-30 U/Acre	1-30 U/Acre
<b>Min. Side Setbacks</b>	5'-15' (corner lots)	5'-15' (corner lots)	5'-15' (corner lots)	5'-15' (corner lots)
<b>Min. Front Setbacks</b>	20'	15'	15'	20'
<b>Min. Rear Setbacks</b>	20'	10'-15' (on alley)	10'-15' (on alley)	10'-15' (on alley)
<b>Lot Coverage</b>	70% max	70% max	70% max	70% max
<b>Min. Lot Size</b>	7,500 sq ft	7,500 sq ft	7,500 sq ft	7,500 sq ft
<b>Parking</b>	2 per Unit	2 per Unit	1 ½ Per Unit	1 ½ Per Unit
<b>Height Max.</b>	35'	35'	35' firefighting limit	35' firefighting limit

*Source: City of Needles, 2019.*

## Parking Standards

The City's parking requirements are based on unit type and size. Shown in Table 34, parking requirements are typically two spaces per single-family residential unit. Multifamily residential units have a reduced requirement based on the size of unit, but generally average two spaces per unit after accounting for guest parking. Reductions in the number of parking spaces are enacted for uses that serve tenants with low vehicle-ownership rates, rooming homes, residence clubs, and fraternity and sorority houses.

**Table 34: Parking Standards**

Residential Land Use	Parking Required
Single-family dwellings, duplexes	2 stalls per unit; 1 of which shall be a covered carport or garage
Accessory dwelling units	1 stall per unit
Multifamily	1.5 stalls per dwelling unit or 2 stalls for each unit having 3 or more bedrooms, plus 1 stall for every 4 units for guests. 1 stall for each unit shall be covered with a garage or carport.
Rooming houses, residence clubs, fraternity and sorority house	1 stall for every 2 occupants plus an additional 4 stalls

Source: City of Needles, 2019.

Note: 1. All parking spaces for accessory dwelling units are required in addition to the parking spaces required for the primary residence.

## Septic Ordinance in North Needles

The City's Wastewater Department operates 19.25 miles of sewer line, 3.6 miles of force main, 4 lift stations, and 390 manholes in Needles. However, the system does not extend throughout the entire city; it runs from Victory Drive and Cherry Drive in South Needles up to Pashard Avenue in North Needles. Many residences in North Needles are required to use septic systems due to the lack of nearby sewer connections. Reliance upon septic systems limits potential North Needles development to smaller parcel sizes, and under Ordinance 542-AC, residential parcels in North Needles are limited to one acre with one septic system and well per acre. The high septic demands in North Needles increases the cost of development relative to the rest of Needles. None of the sites in the land inventory in this housing element are subject to this ordinance.

## Provisions for a Variety of Housing

### Allowed Land Uses

Table 35 summarizes the housing types permitted in the community by zoning district. Each use is designated by a letter noting whether the use is permitted by right (Z), requires a special use permit (S) via Planning Commission approval, or is conditionally permitted (C) by City Council. Note that some uses required by state law are included in this table, despite the City's zoning code providing no direction on the allowance. Programs 1.5.3 and 1.5.4 address these uses not currently addressed by the City's zoning code.

**Table 35: Housing Types Permitted by Zoning District**

Housing Type	R-1 Zone	R-2 Zone	R-3 Zone	CRR Zone	C-1 Zone	C-2 Zone	M-1 Zone	M-2 Zone
Single-Family Attached	Z	Z	Z	Z	Z	-	-	-
Single-Family Detached	Z	Z	Z	Z	Z	-	-	-
Duplexes	-	Z	Z	S	-	S	-	-
Multifamily (5+ units)	-	-	Z	C	-	S	-	-
Mobile Homes	Z	Z	Z	Z	Z	-	-	-
Manufactured Homes	Z	Z	Z	Z	Z	-	-	-
Accessory Dwelling Units	Z	Z	Z	Z	Z	-	-	-
Emergency Shelters	-	-	-	-	-	-	Z	Z
Transitional Housing	Z	Z	Z	Z	-	-	-	-
Supportive Housing	Z	Z	Z	Z	-	-	-	-
Single-Room Occupancy Units	C	C	C	C	C	C	-	-
Residential Care Facilities (6 or fewer people)	Z	Z	Z	Z	Z	Z	-	-
Residential Care Facilities (7 or more persons)	-	-	-	-	-	-	-	-
Employee Housing	-	-	-	-	-	-	-	-

Source: City of Needles, 2019.

#### Conventional Housing

Single-family homes are permitted by right in all three residential zones, the R-1 zone, R-2 zone, and R-3 zone. Single-family homes are also permitted in some mixed use and commercial zones, including by right in the CRR zone and the C-1 zone. Multifamily housing is permitted by right in the R-3 zone. Multifamily housing is allowed with a conditional use permit in the mixed-use CRR zone.

#### Manufactured Homes and Mobile Homes

Mobile and manufactured homes offer an affordable housing option to many low- and moderate-income households. A mobile home is defined in the zoning code as a transportable, factory-built home designed as a

year-round residential dwelling and permitted in all residential zoning districts in the City, according to the same development standards applied to site-built single-family homes. The City does not allow mobile homes built prior to enactment of the Federal Manufactured Housing Construction and Safety Standards Act of 1974. Pursuant to state law, manufactured housing placed on a permanent foundation is considered a single-family dwelling and is permitted in all zoning districts that allow single-family housing subject to architectural review. Both manufactured homes and mobile homes are permitted by right in all three residential zones and in some mixed use and commercial zones, specifically the CRR and C-1 zones.

#### Mixed-Use Development

The City allows mixed-use development via the CRR zone in several areas of Needles. As identified in the City of Needles Zoning Code, the intent of the CRR zone is to provide for a variety of uses along the Colorado River, including apartments, hotels, motels, restaurants, boat clubs, marinas, specialty and gift shops, convenience services, and goods and supplies for boat owners, water skiers, scuba divers, and the visiting public using marina and aquatic recreational facilities. Depending on the nature of the developments, this zone can support a full range of residential and commercial densities as appropriate per the zoning code. This zone allows sufficient diversity of land use types while avoiding the dangers of overcrowding and a haphazard mixing of land uses and providing new employment and housing opportunities for residents. Program 2.2.1 describes the City's efforts underway to develop mixed-use standards for the downtown.

#### Single-Room Occupancy Units

Single-room occupancy facilities contain housing units that may have kitchen and/or bathroom facilities and are guest rooms or efficiency units as defined by the State Health and Safety Code. Each housing unit is occupied by no more than two persons and is offered on a monthly rental basis or longer. Single-room occupancy facilities are allowed with a conditional use permit in all three residential zones (R-1, R-2, and R-3) as well as the CRR zone, C-1 zone, and C-2 zone.

#### Accessory Dwelling Units

Accessory dwelling units are permitted in all residential zones. An accessory dwelling unit must meet specified development standards consistent with Government Code Section 65852.2. They may be either attached to the primary dwelling or separate from the primary dwelling. A manufactured or modular unit placed on a permanent foundation may also be used as an accessory unit. Accessory dwelling units may be rented separately unless the primary dwelling is rented, and the sale of an accessory dwelling unit separate from the primary unit is prohibited. The City processed a zoning code amendment to comply with recent changes to Government Code Section 65852.2 in July 2019.

#### Housing for Farmworkers

California law (Government Code Section 65583(c)(1)(C)) requires the adequate provision of sites to accommodate the housing needs of farmworkers. Housing elements should ensure that local zoning, development standards, and permitting processes comply with Health and Safety Code Sections 17021.5 and 17021.6. Section 17021.5 generally requires employee housing for six or fewer persons to be treated as a single-family structure and residential use. A jurisdiction cannot require any conditional use permit, zoning variance, or other zoning clearance for this type of employee housing that is not required of a family dwelling of the same type in the same zone. Section 17021.6 generally requires employee housing consisting of not more than 36 beds in group quarters or 12 units or less designed for use by a single family or household to be treated as an agricultural use. A jurisdiction cannot require a conditional use permit, zoning variance, or



other zoning clearance for this type of employee housing that is not required of any other agricultural activity in the same zone. Program 1.5.3 addresses the requirements of the Employee Housing Act.

#### Emergency Shelters

The California Health and Safety Code (Section 50801) defines an emergency shelter as “housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or households may be denied emergency shelter because of an inability to pay.”

Legislation (Senate Bill 2 [Cedillo, 2007]) requires jurisdictions to allow emergency shelters without a conditional use permit in at least one zone or sufficiently sized site in the city to meet the city’s homeless need. The City of Needles updated its zoning ordinance in July 2019 to allow emergency shelters in the M-1 and M-2 zones. There are 1,552 acres of vacant land available in the two zones. These zones are centrally located with proximity to goods and services. The typical uses in the zones include commercial and industrial uses with no heavy industrial.

#### Supportive and Transitional Housing

Supportive housing is defined by Health and Safety Code Section 50675.14 as housing with linked on-site or off-site services with no limit on the length of stay and that is occupied by a target population as defined in Health and Safety Code Section 53260 (i.e., low-income person with mental disabilities, AIDS, substance abuse or chronic health conditions, or persons whose disabilities originated before the age of 18). Services linked to supportive housing usually focus on retaining housing, living and working in the community, and/or health improvement.

Transitional housing is defined in Health and Safety Code Section 50675.2 as rental housing for stays of at least six months but where the units are recirculated to another program recipient after a set period. It may be designated for a homeless individual or family transitioning to permanent housing. This housing can take many structural forms, such as group housing and multifamily units, and may include supportive services to allow individuals to gain necessary life skills in support of independent living.

Pursuant to Senate Bill (SB) 2, transitional and supportive housing types are required to be treated as residential uses and subject only to those restrictions that apply to other residential uses of the same type in the same zone. In addition, pursuant to Assembly Bill (AB) 2162, supportive housing is a use by right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses. To ensure consistency with state law, the City amended its zoning ordinance in July 2019 to allow transitional and supportive housing consistent with SB 2. Program 1.5.5 has been included to address the new AB 2162 requirements.

#### Short Term Rental Regulations

The City updated their short-term rental (STR) regulations in 2013. These regulations can be found in Chapter 12 of the Needles Municipal Code. The code provides regulations for owners renting more than three short-term rental units in the city. The regulations include limits on the number of occupants of a short-term rental, rules regarding noise and other nuisance issues, and a business license requirement. Short term rentals are most frequently located near the Colorado River. This is different from the areas of the city where longer term rental housing is sought. Short term rentals in the city are not seen as a constraint to development of long-term rental housing.

## Density Bonus

Density bonuses are permitted in the City of Needles when affordable or elderly housing is included. The density bonus percentage cannot exceed the percentage of affordable housing units in the development. For example, if the development includes 15 percent affordable housing units, then the density bonus cannot exceed a 15 percent increase. The bonus extends to allow up to a 25 percent increase in density and requires that the affordable units be constrained to affordability restrictions for at least 15 years. In elderly housing developments, the bonus allows up to a 100 percent increase in density. When the density bonus exceeds 25 percent for elderly housing developments, those additional units are required to remain available to elderly households for at least 15 years.

Numerous legislative actions have been passed since 2008 that amended the state density bonus program, including AB 2280, AB 2222, and AB 744. The City's zoning requirements were updated to be consistent with the most current state laws in July 2019.

## On- and Off-Site Improvements

Existing vacant residential parcels require sewage disposal, water, and access. Single-home builders are required to improve streets and put in curb, gutter, and sidewalks along property lines. Residential developments are required to complete on-site improvements that are necessary to extend the sewer, water, and power lines to the property lines if not already available to the site. In addition, there is a requirement to connect to sewer if the parcel is within 200 feet of City services.

Most sites have such services already available. Residential subdivisions must comply with the City street and pedestrian standards for minimum street widths, setbacks, lighting, curbs and gutters, water and sewer connections, and pedestrian circulation, if appropriate. For instance, local residential streets typically have a 60-foot right-of-way and a 40-foot curb-to-curb width. Collectors have a 66-foot right-of-way with a curb-to-curb width of 44 feet. Although the City codes allow the imposition of all of the above improvements, the staff will assess the particular property and determine the level of improvements that are necessary. For instance, depending upon the stormwater flow during a rain event, curbs may be required to be straight-back curbs, or if the runoff is less, rolled curbs may be allowed. These may impact the cost of housing but are absolutely necessary to the project to set a minimum standard for improvements within the city.

## Development Fees

The City charges various fees and assessments to cover the costs of processing permits and providing services. Impact fees are also charged to cover the cost of providing municipal services or mitigating project impacts, while general fees and exactions ensure that project proposals are reviewed and permitted in accordance to the zoning code. Total fees to develop projects are shown in Table 37.

## Impact Fees

Development impact fees to fund public facilities and infrastructure are reasonably related to impacts on the City from residential development and other development, as more fully described in "Amendment to the 2006 Development Impact Fee Calculation and Nexus Report for the City of Needles, California," dated August 2018, including the "Summary Amendment to the 2006 Development Impact Fee Nexus Report for the City of Needles, California," dated August 2018, and "Amendment to the 2006 Master Facilities Plan for the City of Needles, California," dated August 2018. The reports justify the imposition of each development

fee on new construction by analyzing the Master Facility Plans, assigning the costs on a fair share basis to the various types of new development, and assigning the resulting fee per dwelling unit and/or commercial/industrial square footage based on the anticipated burden of such new dwelling unit and/or commercial/industrial area on City facilities and infrastructure and the need created by such dwelling unit and/or commercial/industrial area for new and expanded facilities and infrastructure. Impact fees in the areas where vacant sites have been identified for this housing element include:

- Detached Dwellings
  - Circulation: \$106 per unit
  - Water Source Storage and Distribution Facilities: \$2,087 per unit
  - Wastewater Collection System: \$1,208 per unit
  - Parkland Acquisition and Facilities Development: \$726
- Attached Dwellings
  - Circulation: \$71 per unit
  - Water Source Storage and Distribution Facilities: \$1,132 per unit
  - Wastewater Collection System: \$629 per unit
  - Parkland Acquisition and Facilities Development: \$549

The current development impact fees for the Needles Unified School District are \$3.48 per square foot for residential and \$0.56 per square foot for commercial. Due to new interest in growth north of the central district of the city, a study is now underway to determine the cost of extending city services into areas that are not presently be served by City water and sewer systems.

#### Fees and Exactions

Fees in the City of Needles are relatively low and do not pose a constraint to residential development. The City Council has developed a grant program that assists applicants in off-setting fees for business development. A chart of fee amounts in force at this time is displayed in Table 36.

**Table 36: Fees and Exactions**

Description	Fee
Site Plan Development Review	\$1,033
Conditional Use Permit	\$791
Tentative Tract Map Application	\$1,719 (Per application plus deposit for city engineer plus \$40 per lot for each lot over 10 and any outside contractor's charges)
CEQA	Between \$240 and \$771 unless full EIR/EIS required.
EIR/EIS Review	\$1,948 (Deposit plus actual amount of employee's time at fully burdened hourly rate and any outside contractor's charges)
Hotel conversion to SRO	\$2,292 (Per application plus employee's time at fully burdened hourly rate)

Source: City of Needles, 2019.

Local developer records provided estimates of the total development cost charged on new housing projects. As mentioned above, construction costs are polarized between North Needles and South Needles due to parcel constraints in North Needles. Therefore, the total fees for both single-family homes and multifamily projects are divided into individual estimates for these regions, as shown in Table 37. Fees range from approximately \$16,100 to \$32,500 per unit. Both single-family units and multifamily units in North Needles having significantly higher fees, approximately \$10,000 more than their South Needles counterparts, due to the area's large lot size requirements.

**Table 37: Total Processing and Impact Fees**

Description	Total Fees	Estimated Development Cost	Estimated Proportion of Fees to Development Costs
<b>North Needles</b>			
Single Family Unit <sup>1</sup>	\$26,549	\$208.09 per square foot	\$53.09 per square foot
Multi-Family Unit <sup>2</sup>	\$32,510	\$211.30 per square foot	\$104.64 per square foot
<b>South Needles</b>			
Single Family Unit <sup>1</sup>	\$16,119	\$182.78 per square foot	\$27.78 per square foot
Multi-Family Unit <sup>2</sup>	\$22,080	\$205.48 per square foot	\$98.82 per square foot

Source: City of Needles, 2019.

<sup>1</sup> Based on a 2,150-square-foot home including garage and patio

<sup>2</sup> Based on a one-bedroom 600-square-foot apartment

On October 9, 2018 the City of Needles adopted Ordinance 607-AC which amended Ordinance No 483-AC amending the development impact fee report and master facilities plan and adopted the necessary findings for the establishment of development impact fees to finance public improvements and facilities. The City considered the specific projects to be funded by the development impact fees and the cost estimates contained in the Development Impact Fee Report, Summary Amendment, and Master Facilities Plan. The City

Council approved deleting certain impact fees which are no longer necessary and/or projects that have already been completed or will be funded by developers as part of the condition of development or other means, and determined that the remaining facilities are both necessary and reasonable to handle growth into the future. The removal of Animal Control Facilities, Fire Suppression Facilities, Storm Drainage Facilities, Wastewater Treatment Facilities, Electric Generation and Distribution System, Public Meeting Facilities, and Aquatic Center Facilities for North and South Needles Developer Impact fees reduced the City's Developer Impact Fees by half. Being on the border of Arizona, the City of Needles directly competes with cities in Arizona that do not have Developer Impact Fees. The City of Needles has found that Developer Impact Fees in general are a constraint to development but are necessary to finance public improvements and facilities for future growth. Specifically the City's multi-family Developer Impact Fees have not been a constraint to multi-family development in our city. Compared to other cities in California, the City of Needles Developer Impact Fees are very competitive and do not create a constraint for our growth.

### Building Codes and Code Enforcement

The City of Needles relies on the 2012 International Building Code, enforced through the City's Code Enforcement Officer. No local amendments have been made to the International Building Code. Code enforcement is complaint based. The code enforcement process is an area of regulation that has the potential to result in the loss of affordable units. Since much of the affordable housing, like the rest of the housing in the city, is old and in poor repair, code enforcement is a necessary tool to keep housing habitable. Code enforcement officers bring nuisance abatement actions regularly and attempt to work with the owners of property to rehabilitate older housing units. They refer owners to various sources to obtain financing to do the repairs. Unfortunately, many owners are absentee owners, who either would not qualify for any loans or do not have the necessary motivation to make the attempt. This leaves the City with the choice of removing the tenants and tearing down the home or leaving it as it is. The City has chosen to demolish the units, and vacant lots now exist within the city. These figures have been accounted for on the charts in this document. The City would like to begin a housing program to make low interest loans to rehabilitate these homes for low- to moderate-income owners and/or to owners who agree to rent only to qualified low- or moderate-income renters for a period of ten years.



## Local Processing and Permit Procedures

**Table 38: Permit Processing Timeline**

Permit	Review Phase <sup>1</sup>	Planning Commission and/or City Council Review
Site Plan <sup>2</sup>	1 week	No
Tentative Map Review <sup>3</sup>	9 months	Yes
Site Plan Review <sup>2</sup>	5 weeks	No
Conditional Use Permit	3 ½ months	Yes
Specific Plan <sup>3</sup>	4 months	Yes
Planned Residential Development <sup>3</sup>	4 months	Yes
Zone Change <sup>3</sup>	4 months	Yes
General Plan Amendment <sup>3</sup>	4 months	Yes
Environmental Impact Report certification <sup>3</sup>	4 months	Yes

Source: City of Needles, 2019.

Note: All time frames reflect City staff work periods only; applicant work periods or delays may lengthen these schedules. All time frames also reflect calendar days, not working days.

<sup>1</sup> Time frame depends on complexity of project (e.g. degree of deviation from current development standards, potential environmental effects, degree of off-site improvements required, etc.)

<sup>2</sup> Assumes Categorical Exemption.

<sup>3</sup> May be subject to CEQA-mandated timelines, altering the typical review timeline.

The City does not have growth controls except for normal zoning and those imposed by reducing density if sewer connections are not available.

The permit process can have a significant impact on the timely and cost-effective production of new housing. Lengthy review periods and excessive development fees can discourage new construction. The time required to process residential development varies according to the scope of the proposal. The City's review of building plans is expeditious and not unduly burdensome. Plans can be reviewed and permits issued in approximately one week for most single-family projects that are in a zone in which the use is permitted.

In the case of multifamily projects and larger subdivisions, which require further permitting and environmental documentation, the application processing will take from five weeks to nine months, depending on the extent of environmental analysis required. If the property is properly zoned and does not require a Use Permit, most multifamily or larger single-family developments require a Site Plan review, which takes approximately 20 days. Multifamily projects with less than five units also require a Site Plan Review, typically taking about five weeks total to process and review. Typically requiring the most review and processing, subdivisions require a Tentative Map Review, including approval by the Planning Commission and City Council and take approximately nine months to process.

In addition to conditional uses, the following actions must be approved by both the City Council and Planning Commission and may be subject to CEQA mandated timelines, but can generally be completed within four months:

1. Mobile Home Park Special Use Permits. As conditions of approval, these permits require that there be no substantial adverse impacts to surrounding property or property values and proof of adequate open space, trees and recreational areas, and parking. In addition, rules must be implemented to ensure the appearance of the mobile home park remains compatible with surrounding uses.
2. Specific Plans
3. Planned Residential Developments
4. Zone Changes
5. General Plan Amendments
6. Environmental Impact Report certification

### Housing for People with Disabilities

California law requires jurisdictions to analyze potential and actual constraints on housing for persons with disabilities, demonstrate efforts to remove impediments, and include programs to accommodate housing designed for disabled persons. Review of the zoning ordinance, permitting procedures, development standards, and building codes revealed the following findings.

#### Land Uses and Housing

The City complies with the requirements of the ADA. This allows for the creation of units for disabled residents. In looking over the requirements for residential units, it does not appear that there are any regulations that increase the cost or delay the timing of the creation of residential units, with the exception of the added cost required by the ADA.

#### Development Regulations

The Lanterman Development Disabilities Services Act declares that mentally and physically disabled persons are entitled to live in normal residential surroundings. A state-authorized, certified, or licensed family care home, foster home, or group home serving six or fewer disabled persons or dependent and neglected children on a 24-hour-a-day basis is considered a residential use that is permitted in all residential zones. No local agency can impose stricter zoning or building and safety standards or require variances on these homes than those required for homes in the same district. In addition to being permitted by right in the R1, R2, and R-3 zones, care facilities with six or fewer persons are also permitted by right in the CRR zone and C-1 zone. The City's zoning doesn't have any distance requirements between group homes. The City's Zoning Code contains the following definition of family:

Family. A "family" is one (1) or more persons living together as a single housekeeping unit.

#### Process for Reasonable Accommodation

To provide exceptions in zoning and land use for development for persons with disabilities, the City currently utilizes either a variance or the use permit process, if required, to accommodate requests such as special structures or appurtenances (e.g., access ramps or lifts) needed by persons with physical disabilities. The City adopted a reasonable accommodation procedure into its zoning ordinance in July 2019 to provide an

exception in zoning and land use for housing for persons with disabilities. This procedure is a ministerial process, with minimal or no processing fees, applying the following decision-making criteria:

- The request for reasonable accommodation will be used by an individual with a disability protected under fair housing laws.
- The requested accommodation is necessary to make housing available to an individual with a disability protected under fair housing laws.
- The requested accommodation would not impose an undue financial or administrative burden on the City.
- The requested accommodation would not require a fundamental alteration in the nature of the City's land use and zoning program.

The City provides information to all interested parties regarding accommodations in zoning, permit processes, and application of building codes for housing for persons with disabilities.

## Energy Conservation Opportunities

### Introduction

Greenhouse gas emissions from human activities such as electricity production, motorized transportation, and livestock production are contributing to global climate change. The effects of global climate change are potentially drastic and may result in severe flooding, droughts, heat waves, and other weather-related effects which may in turn cause property damage, negatively impact agriculture, and cause a loss of biodiversity. New housing development contributes to greenhouse gas emissions, but wise choices related to site design, building architecture, and materials specification can significantly reduce these emissions. In addition, these increases in efficiency can contribute to reduced housing costs and reduce automobile dependence. Energy efficiency has direct application to affordable housing because if more money is spent on energy, less money is available for rent or mortgage payments. High energy costs have particularly detrimental effects on low-income households that do not have enough income or cash reserves to absorb cost increases and must choose between basic needs such as shelter, food, and energy. State housing element law requires an analysis of the opportunities for energy conservation in residential development. This section describes opportunities for conserving energy in existing homes as well as in new residential construction. The factors affecting energy use, conservation programs currently available in Needles, and examples of effective programs used by other jurisdictions are discussed.

### Factors Affecting Energy Use

The factors that affect residential energy use must be understood in order to identify opportunities for conservation. One such factor is the size of the population. At any given time, the larger the population, the more electricity is consumed. But over time, new conservation mandates and technological advances decrease the per capita consumption of energy. This means that the total energy use increases at a slower rate than population. A greater density of development can offer the economies of scale that increase efficiencies in energy systems, as well as the need for water and sewer infrastructure. Land use planning and zoning practices can help to conserve energy. For example, if the general plan and zoning ordinance encourage residential subdivision in a relatively isolated area, far from commercial facilities such as grocery stores, residents must travel longer distances to take care of their daily shopping and service needs. Keeping housing and jobs in balance and near each other helps to reduce energy use for commuting. Longer trips usually necessitate using an automobile rather than walking or cycling. Changing the land use pattern can

also change energy use patterns. In addition to the effects of land use patterns on energy use patterns, the price of energy itself often plays a role in its consumption. The price of energy has a significant effect; the more expensive it becomes, the more incentive people have to conserve. Pricing energy at higher levels encourages alternative consumption patterns in the community. Residential water heating and heating/cooling are major sources of energy consumption. With the application of energy-efficient design and the use of solar power systems, home heating and cooling can be operated on a more efficient and sustainable level. Encouraging energy-efficient building design and green energy systems through incentives and other measures contributes to reduced energy consumption across the community at large.

The local climate has a large effect on residential energy use. In general, Needles has extreme seasons, with mild winters and hot, dry summers. The city experiences extreme heat during the summers, routinely reaching 120 degrees in late July and early August, and winters are comfortable and mild. Prolonged periods of hot weather cause increased energy use for space cooling. This situation is particularly true if homes are not well insulated. Landscaping can mitigate this effect. For example, deciduous trees near a home can shade it from sun in the summer and allow the sun's rays to reach it in the winter. The City recently implemented a "Water Efficient Landscape" policy to ensure the use of water-efficient plants and trees for areas requiring landscaping, and providing a streamlined permitting process with reduced fees. The city is also known for moderate to locally severe thunderstorms during the monsoon season and humid conditions, but generally does not experience more than 23 days of measurable rainfall annually.

The efficiency of household appliances also affects energy use. Older appliances may not operate as efficiently as when they were new, and many older appliances were built when energy conservation was not considered important. Significant energy-efficient design advances have been made in refrigerators, stoves, and furnaces.

#### Existing Conservation Programs

The City of Needles Public Utilities Department services 2,478 residential customers, where the median household income is far lower than the statewide median and the housing stock dates back to as early as the late 1940s. Therefore, many of Needles' households typically have older and less efficient appliances, heating/cooling equipment, and structural issues within the home that allow for energy waste. The following energy conservation programs are implemented in Needles to conserve energy:

- The California Building Standards Code (specifically Title 24) requires that all new residential development comply with several energy conservation standards. The standards require ceiling, wall, and concrete slab insulation, vapor barriers, weather-stripping on doors and windows, closeable doors on fireplaces, no continuous burning gas pilot lights, insulated heating and cooling ducts, water heater insulation blankets, swimming pool covers and timers, certified energy-efficient appliances, etc. All new construction in Needles must comply with Title 24. Updates to the standards are issued every three years.
- The City of Needles' Energy Efficiency Low Income/Senior Program is designed to reduce extreme summer peak demands, increase the annual load factor, and provide energy affordability for low income customers. The program enables qualified customers of the Needles Public Utility Authority to apply for HVAC installation, solar screens, Energy Star appliances, replacement of old windows and doors with energy-efficient substitutes, and other services at no cost to the homeowners. This program received the "Best Energy Program – Small Utility" from the California Municipal Utilities Association in 2019.

## CURRENT GOALS, OBJECTIVES, POLICIES, AND PROGRAMS

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**Goal 1.0** *Allow every resident of the City of Needles the opportunity to have a decent home and satisfying environment regardless of age, sex, marital status, ethnic background, income, special needs, or other arbitrary factor.*

**Policy 1.1** Continue to provide information and incentives for the private sector and public agencies capable of producing or assisting in the production of housing contiguous to current development, particularly low and moderate income housing for special needs households.

**Program 1.1.1** Continue to disseminate brochures outlining the information and incentives and distribute them to contractors, developers, and public and private agencies. The City has regular participation at community meetings, as well as meetings with developers, construction vendors, visitors, who receive information via flyers, pamphlets, bound books, on programs the city has implemented, or is in the process of developing, properties that have completed the code abatement process and are available for receivership, rehabilitation, etc. City staff also participates in off-site meetings related to economic development activity in the City and provides written information to anyone attending these events. The information is also made available on the City's website, as well as in the lobby of City Hall.

**Target Date:** Update brochures at least twice during the planning period and ongoing.

**Responsible Agency:** Development Services Department

**Funding Source:** General Fund

**Program 1.1.2** Contact local real estate and contractor's boards and advise them of the opportunities for incentives to developing housing in the City.

**Target Date:** Make contact at least once annually

**Responsible Agency:** Development Services Department

**Funding Source:** General Fund

**Program 1.1.3** Continue to offer incentives aimed at production of new housing within the City of Needles. Such incentives include offering vacant surplus sites for construction at little or no cost to the developer if the project is compatible with the needs of the community and this



element. Other incentives include fee reductions and waivers for infrastructure.

Target Date: Ongoing; once every two years consider other incentives that could be offered

Responsible Agency: Development Services Department

Funding Source: General Fund

Quantified Objective: 40 units incentivized

Policy 1.2

Improve and conserve existing residential neighborhoods.

Program 1.2.1 Continue code enforcement efforts aimed at rehabilitation and maintenance of properties.

Target Date: Ongoing

Responsible Agency: Code Enforcement/Development Services Department

Funding Source: General Fund

Program 1.2.2 Adopt the most recent version of the International Building Code.

Target Date: June 30, 2020

Responsible Agency: City Council

Funding Source: General Fund

Program 1.2.3 The City will work to reduce the potential conversion to market rate of the 234 assisted affordable housing units in Needles during the current planning period. None of the assisted units are considered at risk. However, the City will implement the following actions if needed to comply with state law (AB 1521):

- Monitor the status of affordable projects in Needles. Should the property owners indicate the desire to convert properties, consider providing technical and financial assistance, when possible, to ensure long-term affordability.
- If conversion of units is likely, work with local service providers as appropriate to seek funding to subsidize the at-risk units in a way that mirrors the HUD Housing Choice Voucher (Section 8) program. Funding sources may include state or local funding sources.

Per state law, owners of deed-restricted affordable projects are required to provide notice of restrictions that are expiring after

January 1, 2021, to all prospective tenants, existing tenants, and the City within three years, one year, and six months (three separate times) of the scheduled expiration of rental restrictions. Owners shall also refer tenants of at-risk units to educational resources regarding tenant rights and conversion procedures and information regarding Section 8 rent subsidies and any other affordable housing opportunities in the city.

If a development is offered for sale, HCD must certify persons or entities that are eligible to purchase the development and to receive notice of the pending sale. Placement on the eligibility list will be based on experience with affordable housing.

Target Date: Revision of Zoning Codes by December 2020 to require notification by owners consistent with state law; ongoing communication with owners, service providers, and eligible potential purchasers

Responsible Agency: Development Services Department

Funding Source: General Fund

Program 1.2.4 Promote the expanded participation of local landlords in rental housing rehabilitation programs. The City will disseminate the City's rehabilitation grant program brochures on the city website, at community meetings, at school sites, at city-sponsored Board meetings, Planning Commission meetings, developer meetings, at off-site meetings promoting economic development within the City, and in the City Hall lobby area.

Target Date: 2020

Responsible Agency: Housing Authority

Funding Source: General Fund

Policy 1.3 Assist in education for the reduction of residential energy use within the City to help decrease housing costs and conserve the resource.

Program 1.3.1 Continue advocating energy saving programs and keeping the residents advised of such programs through flyers included with their utility bills. This may include forming a program to assist homeowners to identify areas in their home or practices that waste energy.

Target Date: Distribute flyers annually and ongoing

Responsible Agency: Utility Department

Funding Source: General Fund

Policy 1.4 Promote the provision or rehabilitation of an adequate number of rental units that are affordable to low and moderate-income households within the City.

Program 1.4.1 Reach out to local contractors and advise them of incentives for the creation of low- to moderate-income rental units.

Target Date: Reach out every two years

Responsible Agency: Development Services Department

Funding Source: General Fund

Program 1.4.2 Work with the Housing Authority to develop guidelines for loan and grant assistance and to act as a conduit for housing funds so that they can be leveraged for the creation or rehabilitation of affordable housing. Determine eligibility requirements and plans for types of loans and repayment plans. Consider establishing a program similar to the Palm Desert BEGIN Program where loans are offered to lower- and moderate-income first-time homebuyers. Once the program is established, conduct outreach to the public to make the community aware of the program.

Target Date: Establish program and conduct outreach by 2020

Responsible Agency: Development Services Department

Funding Source: State and federal grants, San Bernardino County, General Fund

Program 1.4.3 Fund loans for rehabilitating homes in the City of Needles to preserve existing affordable housing.

Target Date: October 2021

Responsible Agency: Development Services Department

Funding Source: Grants and General Fund

Quantitative Objective: Rehabilitate at least five homes

Policy 1.5 Continue to uphold the requirements of the Fair Housing Act to ensure equal housing opportunities for all Needles residents regardless of age, sex, race, marital status, ethnic background, income, or other arbitrary factors.

Program 1.5.1 Continue to disseminate materials to inform the public of Fair Housing laws by displaying them with the materials at the Housing Authority, public library, and City Administrative offices. Materials

will include all of the programs available through the city's community organizations, non-profits, as well as the County organizations with offices in Needles. The content will include program contact persons, descriptions of the program contents, hours of operation, and emergency contact information. In the materials disseminated, include information of the agency to contact if a violation of fair housing is contended - the Inland Fair Housing and Mediation Board (IFHMB). The materials will be added to the City's website, and disseminated at community events and community meetings the City attends.

Target Date: Ongoing; update materials every two years if needed

Responsible Agency: Development Services Department

Funding Source: General Fund

Program 1.5.2 Review the City regulations to analyze and determine whether there are potential constraints on the development, maintenance, and improvement of housing intended for persons with disabilities (including developmental disabilities), the elderly, large families, extremely low income households, farmworkers, female-headed households, and homeless persons in need of emergency shelter. This analysis will include an evaluation of existing land use controls, permit and processing procedures, and building codes. If any constraints are found in these areas, the City will initiate actions to address these constraints. In addition, the City will proactively encourage and facilitate the development of affordable housing for lower income households, including extremely low-income and special needs households through actions such as providing regulatory incentives, reducing or waiving development fees, and outreaching to nonprofits and affordable housing developers to assist in the application for state and federal funding sources.

Target Date: Complete review of regulations by December 2020. Address any constraints by June 2021. Bi-annual review and outreach, apply or support an application at least biannually thereafter for various types of grant funding as NOFAs are released.

Responsible Agency: Development Services Department

Funding Source: General Fund and HOME funds. In addition, the City will consult with HCD annually and refer to the NOFA calendar to determine other potential funding sources.

**Program 1.5.3** The City shall review its zoning code to determine whether updates to zoning are needed to comply with the state Employee Housing Act (Health and Safety Code Sections 17021.5 and 17021.6). The Act calls for the zoning ordinance to treat employee housing (including farm worker housing) that serves six or fewer persons as a single-family structure and permitted in the same manner as other single-family structures of the same type in the same zone (Section 17021.5). The zoning ordinance must also treat employee housing consisting of no more than 12 units or 36 beds as an agricultural use and permitted in the same manner as other agricultural uses in the same zone (Section 17021.6) in zones where agricultural uses are permitted.

**Target Date:** If determined to be necessary, revise zoning code by June 30, 2020

**Responsible Agency:** Development Services Department

**Funding Source:** General Fund

**Program 1.5.4** Per state law, City staff will amend the zoning code to establish care facilities for seven or more persons as an allowed use in appropriate areas, in compliance with the General Plan, and with a review of the parking standards and other applicable standards. These facilities may be allowed with or without discretionary review.

**Target Date:** Revise zoning code by June 30, 2020

**Responsible Agency:** Development Services Department

**Funding Source:** General Fund

**Program 1.5.5** The City shall review its zoning code to ensure compliance with AB 2162 related to allowing supportive housing. The zoning code will be reviewed to assess whether supportive housing is allowed without discretionary review in all zones that allow multifamily housing or mixed-use development, including nonresidential zones as applicable. If it is determined that the allowed uses in the zoning code are not in compliance with AB 2162, the City will revise the allowed uses along with corresponding development standards as detailed in AB 2162.

**Target Date:** Revise zoning code by December 31, 2020

**Responsible Agency:** Development Services Department

**Funding Source:** General Fund



Program 1.5.6 The City shall amend its zoning code to allow transitional and supportive housing in the C-1 and C-2 zones in the same way the same type of residential uses are allowed in those zones.

Target Date: Revise zoning code by December 31, 2020

Responsible Agency: Development Services Department

Funding Source: General Fund

Program 1.5.7 The City shall review its zoning code to ensure compliance with Senate Bill 2 (2007) related to allowed operational standards regarding distance between emergency shelters. State law allows local zoning to regulate distance between emergency shelters provided that emergency shelters are not required to be more than 300 feet apart.

Target Date: Revise zoning code by December 31, 2020

Responsible Agency: Development Services Department

Funding Source: General Fund

Program 1.5.8 Per AB 101 (2019) the City will review its zoning ordinance and make revisions if necessary to allow low barrier navigation centers for the homeless per Government Code 65660-65668.

Target Date: Review zoning by 2020. Make revisions by June 30, 2021.

Responsible Agency: Development Services Department

Funding Source: General Fund

***Goal 2.0 Encourage sound growth in the City by designating suitable sites for residential development.***

Policy 2.1 Require that the current residentially zoned areas remain residential, and that the development within those zones be built to the density set forth for such zones.

Policy 2.2 Promote a mixture of housing and commercial land uses in downtown Needles to provide housing with access to commercial services for special needs households, particularly elderly households and small business owners.

Program 2.2.1 Rezone the downtown area to allow for mixed uses and taller buildings. Specifically require that the new construction in the downtown area supply shops for commercial uses and/or office spaces on the ground floor with residential uses on the upper floors.

Target Date: June 2021

Responsible Agency: Development Services Department

Funding Source: General Fund

Program 2.2.2 Adopt an inclusionary zoning ordinance to require new development to participate in the provision of affordable housing.

Target Date: June 2021

Responsible Agency: Development Services Department

Funding Source: General Fund

Policy 2.3 Encourage development of residential areas to coincide with public services. Specifically require by ordinance that development be built only in areas with adequate public services.

Program 2.3.1 The City will work to extend water and wastewater services to North Needles.

Target Date: June 30, 2021.

Responsible Agency: Development Services Department

Funding Source: General Fund

Policy 2.4 Encourage the development of larger unit sizes in multifamily rental projects and accessory dwelling units on single-family lots in order to alleviate overcrowding.

Policy 2.5 Review all new subdivisions pursuant to the requirements of the California Environmental Quality Act (CEQA), and require mitigation of any significant impacts.

Policy 2.6 Minimize housing construction in environmentally sensitive areas.

Policy 2.7 Encourage the construction of developments on sites that allow housing without discretionary review to meet the City's RHNA for the different income categories.

***Goal 3.0 Improve and conserve existing residential neighborhoods.***

Policy 3.1 Provide information and incentives for the private sector and public agencies capable of producing or assisting in the production of housing contiguous to current development, particularly lower- and moderate-income housing for special needs households. Encourage development of those areas to coincide with public services.

Program 3.1.1 Assist with funding opportunities and education as well as increasing economic development in general within the City.

Target Date: Seek funding opportunities at least once annually

Responsible Agency: Development Services Department and Housing Authority

Funding Source: Grants and General Fund

Program 3.1.2 Continue programs to grant low-interest loans or other programs to encourage the repair of substandard residences.

Target Date: Apply for funding annually and ongoing

Responsible Agency: Development Services Department

Funding Source: CDBG, BEGIN

Qualified Objective: Assist 15 homeowners

Program 3.1.3 Disseminate information on loans and grants that are available through the County and the State.

Target Date: Ongoing; update materials annually as applicable

Responsible Agency: Development Services Department

Funding Source: General Fund

Quantitative Objective: Process at least 15 loans and grants

***Goal 4.0 Continue efforts to make the City a nice place to work and live.***

Policy 4.1 Work with local community action groups and volunteers to obtain assistance in cleaning up the community.

Policy 4.2 Continue efforts to amend the zoning code with an aim toward beautification, including, but not limited to historic preservation, signage, landscaping requirements, etc., without creating a substantial burden on the developer that would hinder the creation of housing.

Policy 4.3 Strengthen efforts to provide jobs, shopping, and recreation areas to make Needles more attractive to residents and therefore developers.

Policy 4.4 Encourage community involvement in projects to clean up the City.

Program 4.1.1 Continue Code Enforcement efforts with an aim toward repair over demolition whenever possible.

Target Date: Ongoing

Responsible Agency: Development Services Department and Code Enforcement

Funding Source: General Fund

**Goal 5.0**      **Create Programs to Conserve Energy to assist in the reduction of housing costs.**

Policy 5.1      Make all City buildings energy efficient.

Program 5.1.1      All new City buildings shall be constructed to meet or exceed the energy conservation standards in force at the time of their construction. The City shall strive to make all City-owned buildings as energy efficient as possible.

Target Date: When new City buildings are constructed

Responsible Agency: Building Department, Utility Department

Funding Source: General Fund

Program 5.1.2      The City will actively pursue all viable new sources of energy.

Target Date: Ongoing

Responsible Agency: Utility Department

Funding Source: General Fund

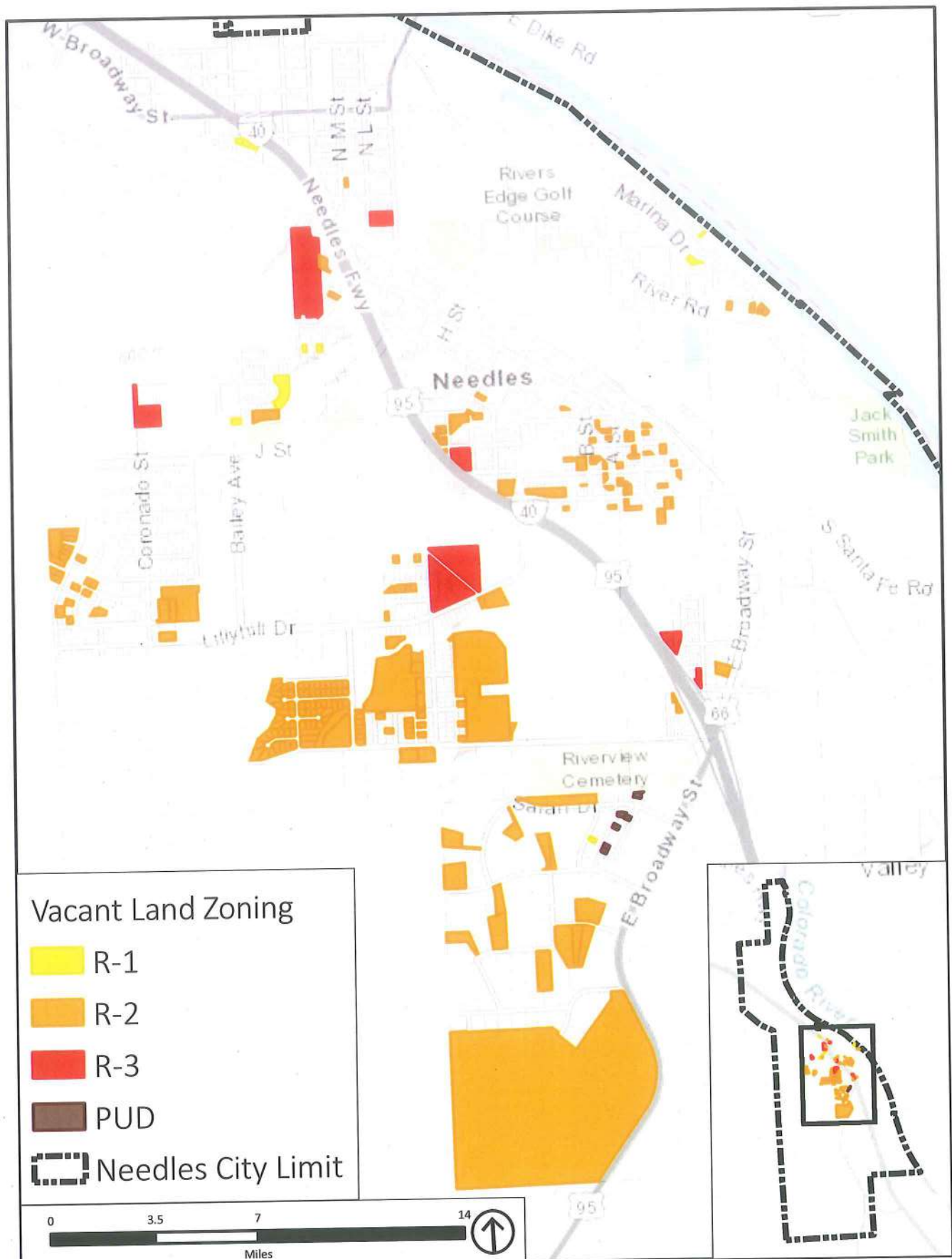
Table 39 provides quantified housing unit objectives associated with the programs called for in this section.

**Table 39: Quantified Objectives**

Income Group	New Construction	Rehabilitation	Preservation
Extremely Low	19	0	6
Very Low	19	2	106
Low	29	3	122
Moderate	34	0	0
Above Moderate	80	0	0
<b>Total</b>	<b>181</b>	<b>5</b>	<b>234</b>

## **Appendices**





## City of Needles Vacant Residential Lands

# Needles Vacant Land Inventory

APN	Zoning	General Plan Land Use	Site Acreage	Maximum Density (du/ac)	Maximum Units	Realistic Units	Affordability Category	Water Capacity (Y/N)	Sewer Capacity (Y/N)	Electrical Service Available (Y/N)	Internet Service Available (Y/N)
0650-423-07-0000	PUD	MED	0.12	7	1	1	Above Moderate	Yes	Yes	Yes	Yes
0650-423-10-0000	PUD	MED	0.16	7	1	1	Above Moderate	Yes	Yes	Yes	Yes
0650-421-15-0000	PUD	MED	0.18	7	1	1	Above Moderate	Yes	Yes	Yes	Yes
0650-423-15-0000	PUD	MED	0.12	7	1	1	Above Moderate	Yes	Yes	Yes	Yes
0650-423-01-0000	PUD	MED	0.12	7	1	1	Above Moderate	Yes	Yes	Yes	Yes
0650-423-02-0000	PUD	MED	0.12	7	1	1	Above Moderate	Yes	Yes	Yes	Yes
SUBTOTAL			0.82		6	6					
0185-186-02-0000	R-1	MED	0.11	7	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-186-06-0000	R-1	MED	0.11	7	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-186-07-0000	R-1	MED	0.07	7	1	1	Above Moderate	Yes	Yes	Yes	Yes
0186-281-73-0000	R-1	RESORT	0.06	7	1	1	Above Moderate	Yes	Yes	Yes	Yes
0186-061-20-0000	R-1	RESORT	0.26	7	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-192-27-0000	R-1	MED	0.19	7	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-192-15-0000	R-1	MED	0.21	7	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-192-49-0000	R-1	MED	1.53	7	10	8	Above Moderate	Yes	Yes	Yes	Yes
0185-083-08-0000	R-1	MED	0.14	7	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-083-18-0000	R-1	MED	0.32	7	2	1	Above Moderate	Yes	Yes	Yes	Yes
0650-424-07-0000	R-1	MED	0.14	7	1	1	Above Moderate	Yes	Yes	Yes	Yes
SUBTOTAL			3.14		21	17					
0185-371-45-0000	R-2	MED	0.06	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-411-27-0000	R-2	Low	0.03	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-411-36-0000	R-2	Low	0.02	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-411-37-0000	R-2	Low	0.02	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0186-146-15-0000	R-2	Med	0.03	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0186-146-10-0000	R-2	Med	0.02	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0186-172-17-0000	R-2	Med	0.03	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0186-145-08-0000	R-2	Med	0.03	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0186-145-10-0000	R-2	Med	0.02	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0186-152-11-0000	R-2	Med	0.02	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0186-152-17-0000	R-2	Med	0.03	17	1	1	Above Moderate	Yes	Yes	Yes	Yes

# Needles Vacant Land Inventory

APN	Zoning	General Plan Land Use	Site Acreage	Maximum Density (du/ac)	Maximum Units	Realistic Units	Affordability Category	Water Capacity (Y/N)	Sewer Capacity (Y/N)	Electrical Service Available (Y/N)	Internet Service Available (Y/N)
0185-411-45-0000	R-2	Med	0.07	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-401-11-0000	R-2	Med	0.03	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-401-12-0000	R-2	Med	0.02	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-401-13-0000	R-2	Med	0.02	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-401-14-0000	R-2	Med	0.07	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-401-15-0000	R-2	Med	0.06	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-401-20-0000	R-2	Med	0.01	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-401-19-0000	R-2	Med	0.02	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-401-17-0000	R-2	Med	0.00	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-411-46-0000	R-2	Med	0.05	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-411-47-0000	R-2	Med	0.05	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-411-14-0000	R-2	Med	0.02	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-411-09-0000	R-2	Med	0.07	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-411-15-0000	R-2	Med	0.06	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-411-10-0000	R-2	Med	0.07	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-351-26-0000	R-2	Med	0.06	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-351-36-0000	R-2	Med	0.07	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-351-55-0000	R-2	Med	0.07	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-351-56-0000	R-2	Med	0.07	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-351-60-0000	R-2	Med	0.07	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0186-131-25-0000	R-2	Med	0.05	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0186-132-01-0000	R-2	Med	0.02	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0186-114-12-0000	R-2	MED	0.09	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0186-145-03-0000	R-2	MED	0.11	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0186-145-15-0000	R-2	MED	0.10	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0186-146-14-0000	R-2	MED	0.11	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0186-212-21-0000	R-2	MED	0.11	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0186-181-12-0000	R-2	MED	0.11	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0186-191-29-0000	R-2	MED	0.12	17	2	1	Above Moderate	Yes	Yes	Yes	Yes
0186-182-08-0000	R-2	MED	0.14	17	2	1	Above Moderate	Yes	Yes	Yes	Yes

Needles Vacant Land Inventory

APN	Zoning	General Plan Land Use	Site Acreage	Maximum Density (du/ac)	Maximum Units	Realistic Units	Affordability Category	Water Capacity (Y/N)	Sewer Capacity (Y/N)	Electrical Service Available (Y/N)	Internet Service Available (Y/N)
0186-184-02-0000	R-2	MED	0.11	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0186-191-46-0000	R-2	MED	0.11	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-233-47-0000	R-2	MED	0.13	17	2	1	Above Moderate	Yes	Yes	Yes	Yes
0185-233-34-0000	R-2	MED	0.14	17	2	1	Above Moderate	Yes	Yes	Yes	Yes
0185-411-42-0000	R-2	Med	0.13	17	2	1	Above Moderate	Yes	Yes	Yes	Yes
0185-411-39-0000	R-2	Med	0.14	17	2	1	Above Moderate	Yes	Yes	Yes	Yes
0185-411-43-0000	R-2	Med	0.11	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-411-44-0000	R-2	Med	0.10	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-401-16-0000	R-2	Med	0.08	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-411-12-0000	R-2	Med	0.13	17	2	1	Above Moderate	Yes	Yes	Yes	Yes
0185-351-25-0000	R-2	Med	0.09	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-351-62-0000	R-2	Med	0.09	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-351-27-0000	R-2	Med	0.09	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
0185-351-28-0000	R-2	Med	0.14	17	2	1	Above Moderate	Yes	Yes	Yes	Yes
0185-351-29-0000	R-2	Med	0.12	17	2	1	Above Moderate	Yes	Yes	Yes	Yes
0185-351-57-0000	R-2	Med	0.14	17	2	1	Above Moderate	Yes	Yes	Yes	Yes
0186-157-08-0000	R-2	Med	0.13	17	2	1	Above Moderate	Yes	Yes	Yes	Yes
0185-295-01-0000	R-2	MED	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0185-351-45-0000	R-2	MED	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0660-293-09-0000	R-2	RESORT	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0660-293-01-0000	R-2	RESORT	0.18	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0660-293-04-0000	R-2	RESORT	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0660-293-05-0000	R-2	RESORT	0.16	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0185-162-09-0000	R-2	MED	0.21	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-311-13-0000	R-2	MED	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0185-311-25-0000	R-2	MED	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0185-311-12-0000	R-2	MED	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0186-144-15-0000	R-2	MED	0.22	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-431-07-0000	R-2	MED	0.19	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-431-04-0000	R-2	MED	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes

### Needles Vacant Land Inventory

APN	Zoning	General Plan Land Use	Site Acreage	Maximum Density (du/ac)	Maximum Units	Realistic Units	Affordability Category	Water Capacity (Y/N)	Sewer Capacity (Y/N)	Electrical Service Available (Y/N)	Internet Service Available (Y/N)
0185-431-01-0000	R-2	MED	0.19	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0186-181-11-0000	R-2	MED	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0186-212-22-0000	R-2	MED	0.15	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0185-311-43-0000	R-2	MED	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0185-311-19-0000	R-2	MED	0.20	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-311-16-0000	R-2	MED	0.18	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-401-04-0000	R-2	LOW DENSITY	0.22	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-401-05-0000	R-2	LOW DENSITY	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0185-401-26-0000	R-2	LOW DENSITY	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0185-401-06-0000	R-2	LOW DENSITY	0.18	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-401-07-0000	R-2	LOW DENSITY	0.19	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-401-08-0000	R-2	LOW DENSITY	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0185-401-09-0000	R-2	LOW DENSITY	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0185-401-10-0000	R-2	LOW DENSITY	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0185-401-25-0000	R-2	LOW DENSITY	0.18	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-401-24-0000	R-2	LOW DENSITY	0.19	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-401-23-0000	R-2	LOW DENSITY	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0185-401-21-0000	R-2	LOW DENSITY	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0185-401-22-0000	R-2	LOW DENSITY	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0185-411-20-0000	R-2	LOW DENSITY	0.22	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-411-21-0000	R-2	LOW DENSITY	0.22	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-411-02-0000	R-2	Low	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0185-411-34-0000	R-2	Low	0.21	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-411-33-0000	R-2	Low	0.22	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-411-23-0000	R-2	Low	0.18	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-411-32-0000	R-2	Low	0.20	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-411-31-0000	R-2	Low	0.20	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-411-03-0000	R-2	Low	0.18	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-411-04-0000	R-2	Low	0.19	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-411-19-0000	R-2	Low	0.18	17	3	2	Above Moderate	Yes	Yes	Yes	Yes



Needles Vacant Land Inventory

APN	Zoning	General Plan Land Use	Site Acreage	Maximum Density (du/ac)	Maximum Units	Realistic Units	Affordability Category	Water Capacity (Y/N)	Sewer Capacity (Y/N)	Electrical Service Available (Y/N)	Internet Service Available (Y/N)
0185-411-18-0000	R-2	Low	0.19	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-411-05-0000	R-2	Low	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0185-411-06-0000	R-2	Low	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0185-411-07-0000	R-2	Low	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0185-411-17-0000	R-2	Low	0.18	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-411-16-0000	R-2	Low	0.18	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-411-24-0000	R-2	Low	0.18	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-411-30-0000	R-2	Low	0.20	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-411-26-0000	R-2	Low	0.21	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0186-154-10-0000	R-2	General Commercial	0.19	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0186-191-31-0000	R-2	Med	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0186-171-20-0000	R-2	Med	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0186-181-16-0000	R-2	Med	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0186-172-07-0000	R-2	Med	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0186-181-15-0000	R-2	Med	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0186-181-17-0000	R-2	Med	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0186-133-03-0000	R-2	Med	0.19	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-233-71-0000	R-2	Med	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0185-233-72-0000	R-2	Med	0.18	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-233-73-0000	R-2	Med	0.21	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-233-26-0000	R-2	Med	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0185-381-01-0000	R-2	Med	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0185-321-30-0000	R-2	Med	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0185-321-29-0000	R-2	Med	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0185-321-28-0000	R-2	Med	0.17	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0185-411-38-0000	R-2	Med	0.21	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-401-18-0000	R-2	Med	0.15	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0185-411-11-0000	R-2	Med	0.22	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-411-13-0000	R-2	Med	0.19	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-411-28-0000	R-2	Med	0.15	17	2	2	Above Moderate	Yes	Yes	Yes	Yes

Needles Vacant Land Inventory

APN	Zoning	General Plan Land Use	Site Acreage	Maximum Density (du/ac)	Maximum Units	Realistic Units	Affordability Category	Water Capacity (Y/N)	Sewer Capacity (Y/N)	Electrical Service Available (Y/N)	Internet Service Available (Y/N)
0185-351-24-0000	R-2	Med	0.22	17	3	2	Above Moderate	Yes	Yes	Yes	Yes
0185-371-49-0000	R-2	Med	0.16	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0185-351-58-0000	R-2	Med	0.15	17	2	2	Above Moderate	Yes	Yes	Yes	Yes
0185-274-01-0000	R-2	MED	0.23	17	3	3	Above Moderate	Yes	Yes	Yes	Yes
0185-274-02-0000	R-2	MED	0.29	17	4	3	Moderate	Yes	Yes	Yes	Yes
0185-274-04-0000	R-2	MED	0.23	17	3	3	Above Moderate	Yes	Yes	Yes	Yes
0185-274-05-0000	R-2	MED	0.24	17	4	3	Above Moderate	Yes	Yes	Yes	Yes
0185-274-06-0000	R-2	MED	0.23	17	3	3	Above Moderate	Yes	Yes	Yes	Yes
0185-361-21-0000	R-2	MED	0.23	17	3	3	Above Moderate	Yes	Yes	Yes	Yes
0185-234-17-0000	R-2	MED	0.29	17	4	3	Moderate	Yes	Yes	Yes	Yes
0186-183-06-0000	R-2	MED	0.28	17	4	3	Moderate	Yes	Yes	Yes	Yes
0185-311-44-0000	R-2	MED	0.25	17	4	3	Moderate	Yes	Yes	Yes	Yes
0185-401-03-0000	R-2	LOW DENSITY	0.23	17	3	3	Above Moderate	Yes	Yes	Yes	Yes
0185-401-27-0000	R-2	LOW DENSITY	0.28	17	4	3	Moderate	Yes	Yes	Yes	Yes
0185-411-01-0000	R-2	LOW DENSITY	0.23	17	3	3	Above Moderate	Yes	Yes	Yes	Yes
0185-411-25-0000	R-2	Low	0.23	17	3	3	Above Moderate	Yes	Yes	Yes	Yes
0186-153-05-0000	R-2	Med	0.28	17	4	3	Moderate	Yes	Yes	Yes	Yes
0186-153-07-0000	R-2	Med	0.26	17	4	3	Moderate	Yes	Yes	Yes	Yes
0186-155-16-0000	R-2	Med	0.23	17	3	3	Above Moderate	Yes	Yes	Yes	Yes
0186-155-05-0000	R-2	Med	0.23	17	3	3	Above Moderate	Yes	Yes	Yes	Yes
0185-411-22-0000	R-2	Low	0.33	17	5	4	Moderate	Yes	Yes	Yes	Yes
0186-154-08-0000	R-2	General Commerce	0.30	17	5	4	Moderate	Yes	Yes	Yes	Yes
0186-153-14-0000	R-2	Med	0.32	17	5	4	Moderate	Yes	Yes	Yes	Yes
0185-152-05-0000	R-2	MED	0.41	17	6	5	Moderate	Yes	Yes	Yes	Yes
0185-311-49-0000	R-2	MED	0.39	17	6	5	Moderate	Yes	Yes	Yes	Yes
0185-311-41-0000	R-2	MED	0.41	17	6	5	Moderate	Yes	Yes	Yes	Yes
0186-191-45-0000	R-2	MED	0.37	17	6	5	Moderate	Yes	Yes	Yes	Yes
0650-322-26-0000	R-2	LOW DENSITY	0.39	17	6	5	Moderate	Yes	Yes	Yes	Yes
0185-401-28-0000	R-2	LOW DENSITY	0.37	17	6	5	Moderate	Yes	Yes	Yes	Yes
0185-321-26-0000	R-2	Med	0.41	17	6	5	Moderate	Yes	Yes	Yes	Yes

# Needles Vacant Land Inventory

APN	Zoning	General Plan Land Use	Site Acreage	Maximum Density (du/ac)	Maximum Units	Realistic Units	Affordability Category	Water Capacity (Y/N)	Sewer Capacity (Y/N)	Electrical Service Available (Y/N)	Internet Service Available (Y/N)
0186-144-22-0000	R-2	MED	0.51	17	8	6	Moderate	Yes	Yes	Yes	Yes
0186-191-03-0000	R-2	MED	0.46	17	7	6	Moderate	Yes	Yes	Yes	Yes
0185-381-05-0000	R-2	Med	0.48	17	8	6	Moderate	Yes	Yes	Yes	Yes
0185-371-48-0000	R-2	Med	0.49	17	8	6	Moderate	Yes	Yes	Yes	Yes
0185-371-47-0000	R-2	MED	0.55	17	9	7	Moderate	Yes	Yes	Yes	Yes
0185-411-29-0000	R-2	Low	0.53	17	9	7	Moderate	Yes	Yes	Yes	Yes
0186-241-10-0000	R-2	MED	0.66	17	11	8	Moderate	Yes	Yes	Yes	Yes
0185-371-50-0000	R-2	MED	0.65	17	11	8	Moderate	Yes	Yes	Yes	Yes
0185-361-10-0000	R-2	MED	0.69	17	11	9	Moderate	Yes	Yes	Yes	Yes
0186-167-06-0000	R-2	MED	0.79	17	13	10	Moderate	Yes	Yes	Yes	Yes
0650-322-15-0000	R-2	LOW DENSITY	0.87	17	14	11	Moderate	Yes	Yes	Yes	Yes
0650-311-23-0000	R-2	LOW DENSITY	1.00	17	17	13	Moderate	Yes	Yes	Yes	Yes
0185-271-15-0000	R-2	Med	1.02	17	17	13	Moderate	Yes	Yes	Yes	Yes
0185-351-12-0000	R-2	Low Density	1.01	17	17	13	Moderate	Yes	Yes	Yes	Yes
0185-192-50-0000	R-2	MED	1.08	17	18	14	Moderate	Yes	Yes	Yes	Yes
0185-351-11-0000	R-2	Low Density	1.04	17	17	14	Moderate	Yes	Yes	Yes	Yes
0650-322-23-0000	R-2	Low Density	1.11	17	18	15	Moderate	Yes	Yes	Yes	Yes
0650-311-16-0000	R-2	LOW DENSITY	1.27	17	21	17	Moderate	Yes	Yes	Yes	Yes
0185-233-54-0000	R-2	Med	1.32	17	22	17	Moderate	Yes	Yes	Yes	Yes
0650-318-17-0000	R-2	LOW DENSITY	1.36	17	23	18	Moderate	Yes	Yes	Yes	Yes
0650-318-18-0000	R-2	LOW DENSITY	1.36	17	23	18	Moderate	Yes	Yes	Yes	Yes
0185-411-08-0000	R-2	Med	1.38	17	23	19	Moderate	Yes	Yes	Yes	Yes
0186-171-44-0000	R-2	MED	1.40	17	23	19	Moderate	Yes	Yes	Yes	Yes
0650-321-12-0000	R-2	LOW DENSITY	1.47	17	24	20	Moderate	Yes	Yes	Yes	Yes
0185-233-02-0000	R-2	MED	1.54	17	26	21	Moderate	Yes	Yes	Yes	Yes
0185-234-14-0000	R-2	MED	1.60	17	27	23	Moderate	Yes	Yes	Yes	Yes
0186-135-06-0000	R-2	Med	1.71	17	29	25	Moderate	Yes	Yes	Yes	Yes
0185-411-41-0000	R-2	Med	1.90	17	32	26	Moderate	Yes	Yes	Yes	Yes
0185-411-40-0000	R-2	Med	1.95	17	33	26	Moderate	Yes	Yes	Yes	Yes
0650-321-10-0000	R-2	LOW DENSITY	2.28	17	38	31	Moderate	Yes	Yes	Yes	Yes

# Needles Vacant Land Inventory

APN	Zoning	General Plan Land Use	Site Acreage	Maximum Density (du/ac)	Maximum Units	Realistic Units	Affordability Category	Water Capacity (Y/N)	Sewer Capacity (Y/N)	Electrical Service Available (Y/N)	Internet Service Available (Y/N)
0650-318-06-0000	R-2	LOW DENSITY	2.34	17	39	31	Moderate	Yes	Yes	Yes	Yes
0650-312-04-0000	R-2	LOW DENSITY	2.42	17	41	32	Moderate	Yes	Yes	Yes	Yes
0650-311-08-0000	R-2	LOW DENSITY	2.37	17	40	32	Moderate	Yes	Yes	Yes	Yes
0650-321-03-0000	R-2	LOW DENSITY	2.46	17	41	33	Moderate	Yes	Yes	Yes	Yes
0650-318-08-0000	R-2	LOW DENSITY	2.54	17	43	34	Moderate	Yes	Yes	Yes	Yes
0186-123-07-0000	R-2	Med	2.53	17	43	34	Moderate	Yes	Yes	Yes	Yes
0186-131-03-0000	R-2	Med	5.17	17	87	70	Moderate	Yes	Yes	Yes	Yes
0186-131-04-0000	R-2	Med	5.18	17	88	70	Moderate	Yes	Yes	Yes	Yes
0185-321-27-0000	R-2	Med	9.92	17	168	134	Moderate	Yes	Yes	Yes	Yes
0186-131-16-0000	R-2	Med	10.00	17	170	136	Moderate	Yes	Yes	Yes	Yes
0186-131-17-0000	R-2	Med	10.00	17	170	136	Moderate	Yes	Yes	Yes	Yes
0186-131-02-0000	R-2	Med	10.53	17	179	143	Moderate	Yes	Yes	Yes	Yes
0185-411-35-0000	R-2	Med	15.92	17	270	216	Moderate	Yes	Yes	Yes	Yes
0185-431-09-0000	R-2	MED	20.63	17	350	280	Moderate	Yes	Yes	Yes	Yes
0186-131-19-0000	R-2	Med	21.39	17	363	290	Moderate	Yes	Yes	Yes	Yes
0186-131-23-0000	R-2	Med	78.75	17	1338	1071	Moderate	Yes	Yes	Yes	Yes
0650-271-02-0000	R-2	LOW DENSITY	122.11	17	2075	1660	Moderate	Yes	Yes	Yes	Yes
0186-131-18-0000	R-2	Med	146.70	17	2493	1995	Moderate	Yes	Yes	Yes	Yes
0186-122-14-0000	R-2	Med	230.08	17	3911	3129	Moderate	Yes	Yes	Yes	Yes
0186-131-24-0000	R-2	Med	423.86	17	7205	5764	Moderate	Yes	Yes	Yes	Yes
0186-131-22-0000	R-2	Med	480.60	17	8170	6536	Moderate	Yes	Yes	Yes	Yes
0185-351-64-0000	R-2	Med	640.00	17	10880	8704	Moderate	Yes	Yes	Yes	Yes
0186-131-15-0000	R-2	Med	640.00	17	10880	8704	Moderate	Yes	Yes	Yes	Yes
0185-106-02-0000	R-2	MED	0.10	17	1	1	Above Moderate	Yes	Yes	Yes	Yes
SUBTOTAL			2945.01		50065	40052					
0186-237-03-0000	R-3	Med	0.53	30	15	12	Lower Income	Yes	Yes	Yes	Yes
0186-201-06-0000	R-3	Med	0.53	30	15	12	Lower Income	Yes	Yes	Yes	Yes
0185-331-26-0000	R-3	MED	0.82	30	24	19	Lower Income	Yes	Yes	Yes	Yes
0185-331-25-0000	R-3	MED	1.19	30	35	28	Lower Income	Yes	Yes	Yes	Yes
0185-331-24-0000	R-3	MED	1.20	30	36	28	Lower Income	Yes	Yes	Yes	Yes

# Needles Vacant Land Inventory

APN	Zoning	General Plan Land Use	Site Acreage	Maximum Density (du/ac)	Maximum Units	Realistic Units	Affordability Category	Water Capacity (Y/N)	Sewer Capacity (Y/N)	Electrical Service Available (Y/N)	Internet Service Available (Y/N)
0185-111-84-0000	R-3	MED	1.24	30	37	29	Lower Income	Yes	Yes	Yes	Yes
0185-331-23-0000	R-3	MED	1.55	30	46	37	Lower Income	Yes	Yes	Yes	Yes
0185-171-30-0000	R-3	MED	2.70	30	81	64	Lower Income	Yes	Yes	Yes	Yes
0185-331-21-0000	R-3	MED	5.04	30	151	120	Lower Income	Yes	Yes	Yes	Yes
0185-141-09-0000	R-3	MED	9.64	30	289	231	Lower Income	Yes	Yes	Yes	Yes
0185-331-10-0000	R-3	Med	1.15	30	34	27	Lower Income	Yes	Yes	Yes	Yes
0186-134-01-0000	R-3	Med	1.32	30	39	31	Lower Income	Yes	Yes	Yes	Yes
0186-234-14-0000	R-3	Med	10.00	30	300	240	Lower Income	Yes	Yes	Yes	Yes
0186-234-16-0000	R-3	Med	10.00	30	300	240	Lower Income	Yes	Yes	Yes	Yes
SUBTOTAL			46.91		1407	1125					
GRAND TOTAL			2995.88		81475	41200					



Table 1. The mean (SD) age, height, weight, and body mass index (BMI) of the 100 children in the study, and the mean (SD) age, height, weight, and BMI of the 100 children in the 1997 British Child Growth Survey

	Age (years)	Height (cm)	Weight (kg)	BMI (kg m <sup>-2</sup> )
Study children	10.0 (0.3)	144.1 (7.1)	40.0 (10.0)	19.4 (3.5)
1997 British Child Growth Survey	10.0 (0.3)	144.1 (7.1)	40.0 (10.0)	19.4 (3.5)

children were asked to perform the following tasks:

1. To perform a series of 10 sit-ups, with their hands behind their heads, and their feet flat on the floor.
2. To perform a series of 10 push-ups, with their hands shoulder-width apart, and their feet flat on the floor.

The children were then asked to perform a series of 10 sit-ups, with their hands behind their heads, and their feet flat on the floor.

The children were then asked to perform a series of 10 push-ups, with their hands shoulder-width apart, and their feet flat on the floor.

The children were then asked to perform a series of 10 sit-ups, with their hands behind their heads, and their feet flat on the floor.

The children were then asked to perform a series of 10 push-ups, with their hands shoulder-width apart, and their feet flat on the floor.

The children were then asked to perform a series of 10 sit-ups, with their hands behind their heads, and their feet flat on the floor.

The children were then asked to perform a series of 10 push-ups, with their hands shoulder-width apart, and their feet flat on the floor.

The children were then asked to perform a series of 10 sit-ups, with their hands behind their heads, and their feet flat on the floor.

The children were then asked to perform a series of 10 push-ups, with their hands shoulder-width apart, and their feet flat on the floor.

The children were then asked to perform a series of 10 sit-ups, with their hands behind their heads, and their feet flat on the floor.

The children were then asked to perform a series of 10 push-ups, with their hands shoulder-width apart, and their feet flat on the floor.

The children were then asked to perform a series of 10 sit-ups, with their hands behind their heads, and their feet flat on the floor.

The children were then asked to perform a series of 10 push-ups, with their hands shoulder-width apart, and their feet flat on the floor.

The children were then asked to perform a series of 10 sit-ups, with their hands behind their heads, and their feet flat on the floor.

The children were then asked to perform a series of 10 push-ups, with their hands shoulder-width apart, and their feet flat on the floor.

The children were then asked to perform a series of 10 sit-ups, with their hands behind their heads, and their feet flat on the floor.

The children were then asked to perform a series of 10 push-ups, with their hands shoulder-width apart, and their feet flat on the floor.

The children were then asked to perform a series of 10 sit-ups, with their hands behind their heads, and their feet flat on the floor.

The children were then asked to perform a series of 10 push-ups, with their hands shoulder-width apart, and their feet flat on the floor.

The children were then asked to perform a series of 10 sit-ups, with their hands behind their heads, and their feet flat on the floor.

The children were then asked to perform a series of 10 push-ups, with their hands shoulder-width apart, and their feet flat on the floor.



## MEMORANDUM

DATE October 31, 2019

TO Hillary Prasad and Paul McDougall  
Department of Housing and Community Development

FROM Amy Sinsheimer and Jenny Gastelum

SUBJECT Needles Mid-Cycle Housing Element – Revisions in Response to HCD Review

This memo provides proposed revisions to the draft Needles Mid-Cycle Housing Element (submitted to HCD on October 11, 2019) based on a discussion with HCD on October 31, 2019. The page numbers referenced below are the page numbers in the October 11 Draft. New and replacement text is shown in red text below. Deleted text is shown in strikethrough.

### Page 3 – Public Participation

The California Government Code states that “the local government shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort.”

### COMMUNITY WORKSHOP

On September 30, 2019 the City conducted a community workshop at 5:30 p.m. at 1111 Bailey Avenue in Needles. The purpose of the workshop was to engage the community and give them an opportunity to provide input on the unmet housing needs in Needles. Information on the community meeting was placed in the local newspaper, on the City’s website, and posted both at City Hall, at the City Council chamber facility, and other conspicuous locations throughout the city at least two weeks prior to the event. The event appeared in the newspaper twice, one week with an announcement and the next week with a full article about the purpose and details about the planned workshop. An invitation to the workshop was also personally emailed to key stakeholders including members of the City’s boards and commissions, representatives from the local hospital, real estate agents, school representative, and announced at school event. Information was provided to the local School’s Superintendent’s office with a “broadcast” to student households announcing the meeting.

Page 9 – Table 1 - Review of Program 1.4.2

2013-2021 Housing Element Goals, Policies and Programs	Achievement	Continue/ Amend/ Delete in Mid-Cycle 2013-2021 Housing Element
<p><b>Program 1.4.2</b> Work with the Housing Authority to develop guidelines for loan and grant assistance and to act as a conduit for housing funds so that they can be leveraged for the creation or rehabilitation of affordable housing. Determine eligibility requirements and plans for types of loans and repayment plans. Consider establishing a program similar to the Palm Desert BEGIN Program where loans are offered to lower- and moderate-income first-time homebuyers. Once the program is established, conduct outreach to the public to make the community aware of the program.</p> <p><u>Target Date:</u> Establish program and conduct outreach by 2020</p> <p><u>Responsible Agency:</u> Development Services Department</p> <p><u>Funding Source:</u> State and federal grants, San Bernardino County, General Fund</p>	<p>The City has reached out to a consulting group – Urban Futures. City is using leftover RDA monies (\$425,000) to use to create the program. Urban Futures has begun working on the framework/scope for the program.</p> <p><del>The City is still working on completing this program.</del></p>	<p>Continue</p>

Page 12 – Table 1 - Review of Program 1.5.3

2013-2021 Housing Element Goals, Policies and Programs	Achievement	Continue/ Amend/ Delete in Mid-Cycle 2013-2021 Housing Element
<p><b>Program 1.5.3</b> The City shall review its zoning code to determine whether updates to zoning are needed to comply with the state Employee Housing Act (Health and Safety Code Sections 17021.5 and 17021.6). The Act calls for the zoning ordinance to treat employee housing (including farm worker housing) that serves six or fewer persons as a single-family structure and permitted in the same manner as other single-family structures of the same type in the same zone (Section 17021.5). The zoning ordinance must also treat employee housing consisting of no more than 12 units or 36 beds as an agricultural use and permitted in the same manner as other agricultural uses in the same zone (Section 17021.6) in zones where agricultural uses are permitted.</p> <p><u>Target Date:</u> If determined to be necessary, revise zoning code by June 30, 2020</p> <p><u>Responsible Agency:</u> Development Services Department</p> <p><u>Funding Source:</u> General Fund</p>	<p>The City is still working on completing this program including applying to use SB 2 funds for the General Plan Land Use Element.</p>	<p>Continue</p>



Page 15 – Table 1 - Review of Program 2.3.1

2013-2021 Housing Element Goals, Policies and Programs	Achievement	Continue/ Amend/ Delete in Mid-Cycle 2013-2021 Housing Element
<p><b>Program 2.3.1</b> The City will work to extend water and wastewater services to North Needles.</p> <p><u>Target Date:</u> June 30, 2021.</p> <p><u>Responsible Agency:</u> Development Services Department</p> <p><u>Funding Source:</u> General Fund</p>	<p>City is going out to bid right now for design of this work. Actual work should occur in the next year. The City just did a water and sewer master plan to guide this work that will be adopted at the next Council meeting.</p> <p><del>The City is still working on completing this program.</del></p>	Continue

Page 31 – Housing Affordability

Each year, the HCD establishes the income limits for each county in the state for use in assessing eligibility for assisted housing programs in that county. The 2019 income limits are listed in Table 21 49 for each income category according to household size.

Page 55 – Fees and Exactions

Local developer records provided estimates of the total development cost charged on new housing projects. As mentioned above, construction costs are polarized between North Needles and South Needles due to parcel constraints in North Needles. Therefore, the total fees for both single-family homes and multifamily projects are divided into individual estimates for these regions, as shown in Table 37. Fees range from approximately \$16,100 to \$32,500 per unit. Both single-family units and multifamily units in North Needles having significantly higher fees, approximately \$10,000 more than their South Needles counterparts, due to the area's large lot size requirements. The reason is the costs per square foot are greater for multi-family units is due to higher land cost. Land costs were greater because you need more land for multi-family. The multi-family examples below are on one acre sites that cost \$15,000/acre. The single-family sites were smaller and had the typical cost of \$6,017.

**Table 37: Total Processing and Impact Fees**

Description	Total Fees	Estimated Development Cost	Estimated Proportion of Fees to Development Costs
North Needles			



Single Family Unit <sup>1</sup>	\$26,549	\$208.09 per square foot	\$53.09 per square foot
Multi-Family Unit <sup>2</sup>	\$32,510	\$211.30 per square foot	\$104.64 per square foot
<b>South Needles</b>			
Single Family Unit <sup>1</sup>	\$16,119	\$182.78 per square foot	\$27.78 per square foot
Multi-Family Unit <sup>2</sup>	\$22,080	\$205.48 per square foot	\$98.82 per square foot

Source: City of Needles, 2019.

<sup>1</sup> Based on a 2,150-square-foot home including garage and patio

<sup>2</sup> Based on a one-bedroom 600-square-foot apartment

#### Page 58 – Program 1.1.1

Program 1.1.1 Continue to disseminate brochures outlining the information and incentives and distribute them to contractors, developers, and public and private agencies. The City has regular participation at community meetings, as well as meetings with developers, construction vendors, visitors, who receive information via flyers, pamphlets, bound books, on programs the city has implemented, or is in the process of developing, properties that have completed the code abatement process and are available for receivership, rehabilitation, etc. City staff also participates in off-site meetings related to economic development activity in the City and provides written information to anyone attending these events. The information is also made available on the City's website, as well as in the lobby of City Hall.

Target Date: The City will initiate at least two meetings per year of the meetings described in the program and will update brochures at least twice during the planning period and ongoing.

Responsible Agency: Development Services Department

Funding Source: General Fund

#### Page 66 – Program 1.5.3

Program 1.5.3 The City shall review its zoning code to determine whether updates to zoning are needed to comply with the state Employee Housing Act (Health and Safety Code Sections 17021.5 and 17021.6). The Act calls for the zoning ordinance to treat employee housing (including farm worker housing) that serves six or fewer persons as a single-family structure and permitted in the same manner as other single-family structures of the same type in the same zone (Section 17021.5). The zoning ordinance must also treat employee housing consisting of no more than 12 units or 36 beds as an

agricultural use and permitted in the same manner as other agricultural uses in the same zone (Section 17021.6) in zones where agricultural uses are permitted.

Target Date: ~~If determined to be necessary, #~~Revise zoning code by June 30, 2020 if determined to be necessary after review of existing zoning.

Responsible Agency: Development Services Department

Funding Source: General Fund



## City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA

☒ Regular ☐ Special

**Meeting Date:** November 12, 2019

**Title:** City Council Ordinance No. 625  
An Ordinance of the City Council of the City of Needles, California,  
Amending Section 13-33(d) of the Needles Municipal Code (NMC) to erect a  
stop sign at the Northeast corner of North K Street and Front Street.

**Background:** City Council directed staff to conduct a traffic study to establish a "Right Turn Only" lane coming from W/B Front Street to the intersection of North K Street, at the underpass. The stop line has been moved from S/B North K Street forward approx. 15' to allow cars to move to the far-right side of the roadway, when approaching the STOP sign at North K Street at the underpass. With the Stop sign moving forward 15' drivers can have a clear view of oncoming traffic.

At the September 24, 2019 City Council meeting Council approved the Engineering Study which executed the following changes:

- 1) Created a four way stop at the Front Street and K Street intersection.
- 2) Installed of 36" R1-1 on sign post in existing asphalt
- 3) Recommended restriping.

The City Engineer has concluded that the proposed design features will work for Front Street to the intersection of North K Street.

**Fiscal Impact:** The cost of installation of the stop sign and striping will not exceed \$900 and the work will be completed by the Department of Public Works.

**Environmental Impact:** N/A

**Recommended Action:** Approve Ordinance No. 625, Amending Section 13-33(d) of the Needles Municipal Code (NMC) to erect a stop sign at the Northeast corner of North K Street and Front Street.

**Submitted By:** Patrick Martinez, Development Services Director  
Dave Eledge, Director of Public Works

**City Management Review:** Rick

**Date:** 11/5/19

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 9



ORDINANCE NO. 625-AC

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NEEDLES, CALIFORNIA, ADOPTING ORDINANCE NO. 625-AC, AMENDING SECTION 13-33(d) OF THE NEEDLES MUNICIPAL CODE (NMC) TO ERECT A STOP SIGN AT THE NORTHEAST CORNER OF NORTH K STREET AND FRONT STREET.

**WHEREAS**, the northeast corner of North K Street and Front Street currently does not have a stop sign; and

**WHEREAS**, erecting a stop sign at the intersection of North K Street and Front Street creates a four-way stop; and

**WHEREAS**, the City Council wishes to erect a stop sign at the intersection of North K Street and Front Street; and

**WHEREAS**, the asphalt will be restriped to create a right-hand turn lane from Front Street onto North K Street; and

**WHEREAS**, on October 22, 2019 the City Council of the City of Needles conducted and concluded a public hearing concerning the amendment to Section 13-33 (d) Through streets and stop intersection of the Needles Municipal Code, as more fully set forth below; and

**WHEREAS**, all legal prerequisites to the adoption of this Ordinance have occurred; and

**WHEREAS**, the City Council has considered the matter carefully,

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

**SECTION 1.** The City Council **HEREBY FINDS AND DETERMINES** that this activity is not subject to the California Environmental Quality Act ("CEQA") pursuant to §§15060(c)(2), the activity will not result in a direct or reasonable foreseeable indirect physical change in the environment.

**SECTION 2.** The City Council **HEREBY FINDS AND DETERMINES** that facts do exist to approve an amendment to the Needles Municipal Code (NMC).

**SECTION 3.** The City Council **HEREBY APPROVES** Ordinance 625-AC, for an amendment to the Needles Municipal Code (NMC) as follows:

Sec. 13-33. Through streets and stop intersections.

(d) In accordance with the provisions of this section, and when signs are erected giving notice thereof, drivers of vehicles shall stop at the entrance to those intersections described as follows:

Broadway at "D" Street:



Broadway at "G" Street;  
Broadway at "J" Street;  
W. Broadway at River Road;  
Third Street at "J" Street;  
"G" Street at Third Street;  
Needles Highway at No. "K" Street;  
No. "K" Street at Needles Highway;  
Bailey Avenue at Lillyhill Drive;  
Bailey Avenue at Erin Drive;  
Erin Drive at Bailey Avenue;  
River Street at Santa Fe Railroad Crossing;  
Riverview, Desert Drive, and Cherry Drive at Safari;  
Cherry Drive and Desert Drive at Victory Drive;  
Safari Drive at U.S. 95;  
Victory Drive at U.S. 95;  
Morgan Drive at U.S. 95;  
Northwest corner of Cibola and "C" Streets;  
Northeast corner of Cibola and "D" Streets;  
Southeast corner of Cibola and "D" Streets;  
Southwest corner of "D" and Valley Streets;  
Southeast corner of Valley and "E" Streets;  
Coronado at "J" Street;  
Northwest corner of Washington and Park Streets;  
Acoma at "D" Street;  
Southeast corner of Washington and Orange Streets;  
Southeast corner of Arch and "M" Streets;  
Northwest corner of Arch and "M" Streets;  
Southwest corner of Valley and "E" Streets;  
Southeast corner of Market and "M" Streets;  
Northwest corner of Market and "M" Streets;  
Southwest corner of "N" and Race Streets;  
Northeast corner of Race and "L" Streets;  
Southwest corner of Race and "L" Streets;  
Northeast and southwest corners of "J" Street at Bailey;  
Southeast corner of Spikes Road at Schulz Road  
Northeast corner of North K Street and Front Street

**INTRODUCED AND READ** for the first time and ordered posted at a regular meeting of the City Council of the City of Needles, California, held on the 12, day of Novmeber 2019, by the following roll call vote:

AYES:  
NOES  
ABSENT  
ABSTAIN

\_\_\_\_\_  
Mayor Jeff Williams

Attest: \_\_\_\_\_  
City Clerk Dale Jones, CMC

**PASSED, APPROVED AND ADOPTED** at a regular meeting of the City Council of the City of Needles, California, held on the 26th day of November, 2019.

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

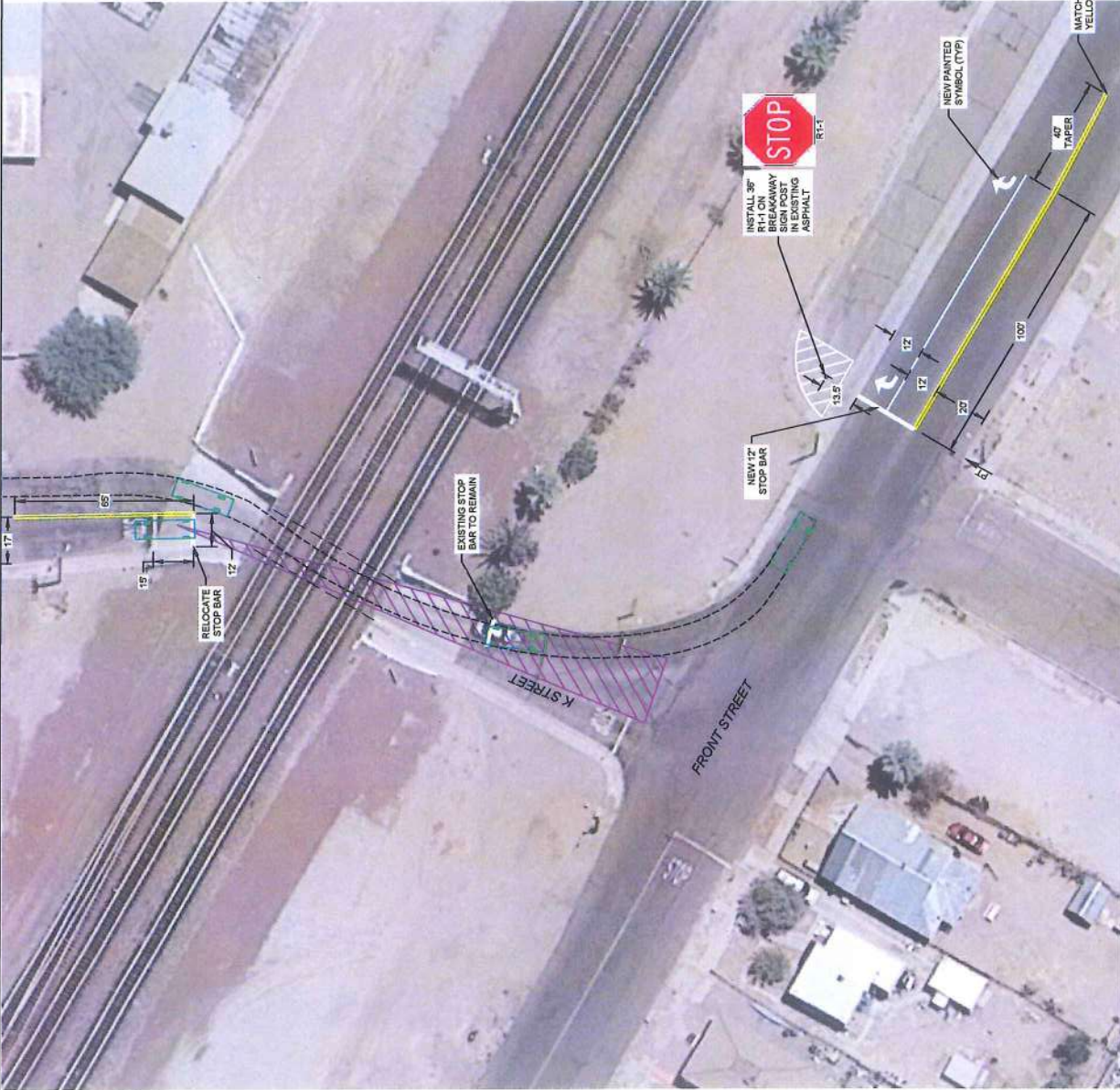
\_\_\_\_\_  
Mayor Jeff Williams

(Seal)

Attest: \_\_\_\_\_  
City Clerk Dale Jones, CMC

Approved as to form:

\_\_\_\_\_  
City Attorney John Pinkney



**CONSTRUCTION NOTES**

**LEGEND:**

- SOLID WHITE STRIPING
- SOLID YELLOW STRIPING
- DOTTED WHITE STRIPING
- DOTTED YELLOW STRIPING
- VEHICLE EDGE PATH
- SIGHT TRIANGLE

**WARNING**

CALL BLUE STAKES

REVISIONS

NO.	DATE	BY	DESCRIPTION

SCALE: 1" = 20'

GRAPHIC SCALE

1" = 20'

**PROJECT NAME**

K STREET UNDERPASS

**STRIPING PLAN**

OPTION #2

**PLAN SET**

EXHIBIT

**SHEET**

2 OF 2

**NOTES:**

1. AERIAL IMAGERY AND DATA HAVE BEEN SCALED FROM GOOGLE EARTH. THIS PLAN IS FOR CONCEPTUAL PURPOSES ONLY.
2. ALL DIMENSIONS TOUCHING EDGE OF ROADWAY ARE FROM EDGE OF ASPHALT.

**DESIGN VEHICLE DATA:**



F-450 CrewCab DRW LWB 4x4

Overall Length: 21.587ft

Overall Width: 6.620ft

Overall Height: 6.620ft

Wheelbase: 10.000ft

Front Overhang: 9.000ft

Rear Overhang: 9.000ft

Lock-to-lock turn: 23.250ft

Corb to curb turning Radius



## City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA ☐ SARDA

☒ Regular ☐ Special

**Meeting Date:** November 12, 2019

**Title:** Warrants

**Background:** n/a

**Fiscal Impact:** n/a

**Recommended Action:** **APPROVE**, the Warrants Register through November 12, 2019

**Submitted By:** Sylvia Miledi, Director of Finance

**City Management Review:**

Rick

**Date:**

11/5/19

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 10



CITY OF NEEDLES CITY COUNCIL  
WARRANT SUMMARY TOTALS FOR OCTOBER 25, 2019

		DEPT. AMT.	FUND AMT.	OCT. 25, 2019	19-20 BUDGET
FUND 101	GENERAL FUND	\$ 2,155.01			
101.1015.412	CITY ATTORNEY	\$ 15.34		\$ 7,083.00	\$85,000
101.1020.413	CITY MANAGER	\$ -		\$ 12,387.75	\$171,333
101.1025.415	FINANCE DEPT.	\$ 1,238.74		\$ 21,463.99	\$420,138
101.1030.414	CITY CLERK/COUNCIL/MAYOR	\$ 2,067.21		\$ 4,722.50	\$131,018
101.1035.416	PLANNING /ZONING	\$ 224.31		\$ 7,295.25	\$195,144
101.1040.417	ENGINEERING	\$ 227.58		\$ 10,555.92	\$151,111
101.1060.410	COMMUNITY PROMOTIONS	\$ -		\$ 1,297.50	\$60,250
101.1070.410	SENIOR CENTER	\$ 2,503.30		\$ 59,507.14	\$1,262,304
101.2010.421	SHERIFF	\$ -		\$ 206,002.00	\$2,647,940
101.2020.423	ANIMAL SHELTER/CONTROL	\$ 191.34		\$ 14,181.88	\$168,809
101.2025.424	BUILDING & SAFETY	\$ 297.19		\$ 17,798.28	\$307,623
101.2030.423	CODE ENFORCEMENT	\$ 752.16		\$ 256,546.37	\$3,554,200
101.3010.431	PUBLIC WORKS	\$ 239.07		\$ 29,393.00	\$509,766
101.4730.472	SANITATION	\$ 4.25		\$ 9,827.94	\$129,447
101.5770.452	AQUATICS	\$ 4,281.77		\$ 27,887.07	\$166,174
101.5772.452	PARKS	\$ 377.16		\$ 14,588.21	\$353,744
101.5773.452	JACK SMITH PARK MARINA	\$ 150.73		\$ 10,172.59	\$111,501
101.5774.452	RECREATION	\$ 3,998.58		\$ 15,378.50	\$279,270
GENERAL FUND	TOTAL ALL GF DEPARTMENTS		\$ 18,723.74	\$ 461,100.82	\$6,820,004
FUND 205	CDBG		\$ -	\$ -	\$0
FUND 206	CEMETERY		\$ 9,120.29	\$ 4,776.08	\$123,773
FUND 209	NARCOTICS FORFEITURE		\$ -	\$ -	\$9,778
FUND 210	SPECIAL GAS TAX		\$ -	\$ 11,768.00	\$226,898
FUND 212	AIR QUALITY (MDAQD)		\$ -	\$ -	\$0
FUND 214	SANBAG NEW LOCAL MEAS I		\$ -	\$ 40,000.00	\$480,000
FUND 225	COPS-AB 3229 SUPPLEMENTAL		\$ -	\$ 6,108.86	\$220,000
FUND 235	INTERSTATE COMM/I40 J ST.		\$ -	\$ -	\$0
FUND 239	CA.CONSERV RECYLING GRANT		\$ -	\$ 416.00	\$5,000
FUND 240	EL GARCES INTERMODAL		\$ -	\$ -	\$0
FUND 243	ACTIVE TRANSPORT PROGRAM		\$ -	\$ -	\$0
FUND 270	REDEVELOPMENT AGENCY		\$ 4.90	\$ 9,576.29	\$243,106
FUND 470	RDA CAP PROJ.LOW & MOD.		\$ -	\$ -	\$0
FUND 501	NPUA		\$ -	\$ 720,888.78	\$12,449,567
FUND 502	WATER DEPARTMENT		\$ 1,331.91	\$ 89,674.26	\$1,665,186
FUND 503	WASTEWATER DEPARTMENT		\$ 15,630.80	\$ 66,618.96	\$1,067,861
FUND 505	SANITATION		\$ 3,775.09	\$ 23,746.53	\$1,209,900
FUND 506	ALL AMERICAN CANAL PROJ.		\$ 3.27	\$ 4,093.68	\$762,261
FUND 507	GOLF FUND	402.49			
FUND 507-5761-453	GOLF MAINTENANCE DEPARTMENT	\$ 576.65	\$ -	\$ 30,069.47	\$572,666
FUND 507-5762-454	GOLF PRO SHOP DEPARTMENT	\$ 3,628.57		\$ 12,925.71	\$272,443
FUND 507	GOLF FUND TOTAL		\$ 4,607.71		
FUND 508	CUST.SVC/UT BUSINESS OFFICE		\$ 96.72	\$ 22,440.81	\$453,742
FUND 509	MIS		\$ -	\$ 11,243.25	\$169,000
FUND 510	ADMIN. FACILITY		\$ 9,966.04	\$ 14,387.79	\$175,703
FUND 511	FLEET MANAGEMENT		\$ 10.89	\$ 3,574.08	\$261,552
FUND 512	VEHICLE REPLACEMENT		\$ -	\$ -	\$0
FUND 520	SR DIAL A RIDE		\$ -	\$ 614.00	\$220,195
FUND 521	DIAL-A-RIDE MEDICAL TRANS.		\$ -	\$ 287.00	\$64,942
FUND 525	NEEDLES AREA TRANSIT (NAT)		\$ 23.76	\$ 14,712.00	\$383,487
FUND 580	ELECTRIC		\$ 2,971.96	\$ 187,239.30	\$5,778,024
FUND 581	NPUA CAPITAL ELECTRIC		\$ -	\$ -	\$0
FUND 582	NPUA CAPITAL WATER		\$ -	\$ -	\$0
FUND 583	NPUA CAPITAL WASTEWATER		\$ -	\$ -	\$0
FUND 650	IMPACT FEES NORTH NEEDLES		\$ -	\$ -	\$0
FUND 651	IMPACT FEES SOUTH AREAS		\$ -	\$ -	\$0
TOTAL	ALL FUNDS & DEPARTMENTS		\$ 66,267.08	\$ 1,736,261.67	\$33,635,088

I certify that the expenditures/purchases to be paid by the warrants on this list have complied with the provisions of the City Code Chapter 8, Article II, Purchasing; and further, the funds to cover these purchases/expenditures, as City Audited, are included within the City

Rick Daniels, City Manager

Date

Sylvia Miledi, Director of Finance

Date

Kippy Poulson, City Treasurer

Date



CHECK NUMBER	VENDOR NUMBER	SEQ#	VENDOR NAME	CHECK DATE	CHECK AMOUNT	DISCOUNTS/RETAINAGE TAKEN
9177	3709	00	CHAVEZ, ADRIAN	10/25/2019	50.00	.00
9178	3688	00	PONCE, ALBERT	10/25/2019	50.00	.00
9179	1213	00	CALIF.DEPT.OF TAX & FEE ADMIN.	10/25/2019	240.38	.00
9180	2320	00	COUNTY OF SAN BERNARDINO	10/25/2019	3,775.09	.00
9181	3399	00	COURT-ORDERED DEBT COLLECTIONS	10/25/2019	50.24	.00
9182	2235	00	CALLAWAY, DENNIS	10/25/2019	50.00	.00
9183	3634	00	EMPOWER	10/25/2019	400.84	.00
9184	322	00	FRANK VALENZUELA JR.	10/25/2019	50.00	.00
9185	1296	00	FRONTIER	10/25/2019	4,984.53	.00
9186	1305	00	GREAT WEST LIFE	10/25/2019	1,950.00	.00
9187	325	00	WILLIS, JIM	10/25/2019	50.00	.00
9188	2222	00	SCOTT, JUSTIN	10/25/2019	50.00	.00
9189	3703	00	MICHAEL POR-EVANS	10/25/2019	50.00	.00
9190	3706	00	MCGILLIVRAY, MIKE	10/25/2019	50.00	.00
9191	1786	00	NPUA	10/25/2019	VOID	.00
9192	1786	00	NPUA	10/25/2019	VOID	.00
9193	1786	00	NPUA	10/25/2019	46,385.64	.00
9194	3767	00	MARTINEZ, PATRICK	10/25/2019	50.00	.00
9195	1199	00	SBPEA TEAMSTERS LOCAL 1932	10/25/2019	686.53	.00
9196	3851	00	SY FOLEY	10/25/2019	50.00	.00
9197	3622	00	MILLER, TAYLOR	10/25/2019	50.00	.00
9198	2744	00	DELEON, THOMAS	10/25/2019	50.00	.00
9199	3802	00	TRACY BECK	10/25/2019	1,330.76	.00
9200	3695	00	VINCE GARZA	10/25/2019	50.00	.00
9201	1217	00	VISION SERVICE PLAN	10/25/2019	727.09	.00
9202	3651	00	WELLS FARGO	10/25/2019	5,085.98	.00

NUMBER OF CHECKS 26 GRAND TOTAL 66,267.08

ACCOUNTS PAYABLE CHECK REGISTER BY BANK NUMBER

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
9177	3709	ADRIAN CHAVEZ	003086		10/25/2019	101-2030-423.52-10	50.00 50.00 *	50.00
9178	3688	ALBERT PONCE	003076		10/25/2019	502-4710-471.52-10	50.00 50.00 *	50.00
9179	1213	CALIFORNIA DEPT. OF TAX &	002919 002920 002921 002922 002923 002924 002925 002926		10/25/2019 10/25/2019 10/25/2019 10/25/2019 10/25/2019 10/25/2019 10/25/2019 10/25/2019	101-5774-452.61-06 503-4720-475.43-02 507-5761-453.43-04 507-5761-453.55-00 507-0000-203.00-00 510-4410-405.61-03 510-4410-405.61-01 507-0000-203.00-00	.70 6.36 5.93 20.54 174.03 7.67 3.49 21.66 240.38 *	240.38
9180	2320	COUNTY OF SAN BERNARDINO	003043		10/25/2019	505-4730-472.74-40	3,775.09 3,775.09 *	3,775.09
9181	3399	COURT-ORDERED DEBT COLLEC	003069		10/25/2019	101-0000-209.01-00	50.24 50.24 *	50.24
9182	2235	DENNIS CALLAWAY	003085		10/25/2019	507-5761-453.52-10	50.00 50.00 *	50.00
9183	3634	EMPOWER	003014 003015 003016 003017 003018		10/25/2019 10/25/2019 10/25/2019 10/25/2019 10/25/2019	101-0000-209.01-00 101-0000-209.01-00 580-0000-209.01-00 580-0000-209.01-00 580-0000-209.01-00	9.94 64.82 170.90 53.93 101.25 400.84 *	400.84
9184	322	FRANK VALENZUELA JR.	003073		10/25/2019	502-4710-471.52-10	50.00 50.00 *	50.00
9185	1296	FRONTIER	002949 002950 002951 002952 002953 002954 002955 002956 002957 002958 002959 002960 002961 002962 002963		10/25/2019 10/25/2019 10/25/2019 10/25/2019 10/25/2019 10/25/2019 10/25/2019 10/25/2019 10/25/2019 10/25/2019 10/25/2019 10/25/2019 10/25/2019 10/25/2019 10/25/2019	101-1025-415.52-10 101-2020-423.52-10 101-3010-431.52-10 101-5770-452.52-10 101-5772-452.52-10 101-5774-452.52-10 502-4710-471.52-10 503-4720-475.52-10 503-4720-475.52-10 507-5761-453.52-10 507-5762-454.52-10 510-4410-405.52-10 510-4410-405.52-10 510-4410-405.52-10 510-4410-405.52-10	69.62 95.35 197.32 125.39 188.89 345.88 434.07 371.15 306.36 83.58 213.63 1,009.54 228.85 230.90 71.63	



ACCOUNTS PAYABLE CHECK REGISTER BY BANK NUMBER

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
9193	1786	NPUA	001988		10/25/2019	510-4410-405.41-10	1,544.67	
			001989		10/25/2019	510-4410-405.41-20	216.81	
			001990		10/25/2019	510-4410-405.41-30	2,102.50	
			001994		10/25/2019	580-4750-473.41-11	36.00	
			002281		10/25/2019	101-1070-410.41-10	953.33	
			002282		10/25/2019	101-1070-410.41-20	225.82	
			002283		10/25/2019	101-1070-410.41-30	72.50	
			002272		10/25/2019	206-5771-452.41-10	31.44	
			002273		10/25/2019	206-5771-452.41-20	4,452.27	
			002274		10/25/2019	206-5771-452.41-30	72.50	
			001926		10/25/2019	101-5774-452.41-10	1,406.45	
			002286		10/25/2019	503-4720-475.41-10	5,890.45	
			002287		10/25/2019	503-4720-475.41-20	628.43	
			001996		10/25/2019	580-4750-473.41-11	29.26	
			002280		10/25/2019	502-4710-471.41-10	33.79	
			002275		10/25/2019	101-5773-452.41-10	66.05	
			001991		10/25/2019	580-4750-473.41-20	161.58	
			001922		10/25/2019	580-4750-473.41-11	47.08	
			001932		10/25/2019	580-4750-473.41-11	46.74	
			001923		10/25/2019	580-4750-473.41-11	59.01	
			001925		10/25/2019	580-4750-473.41-11	58.82	
			001995		10/25/2019	580-4750-473.41-11	56.00	
			001927		10/25/2019	101-5770-452.41-10	1,349.06	
			001928		10/25/2019	101-5770-452.41-20	656.63	
			001929		10/25/2019	101-5770-452.41-30	72.50	
			001930		10/25/2019	101-5774-452.41-10	141.36	
			001931		10/25/2019	101-5774-452.41-20	106.53	
			002284		10/25/2019	503-4720-475.41-10	144.84	
			002285		10/25/2019	503-4720-475.41-20	188.00	
			002277		10/25/2019	507-5762-454.41-12	1,593.81	
			002276		10/25/2019	507-5762-454.41-10	105.76	
			001997		10/25/2019	580-4750-473.41-11	51.09	
			001992		10/25/2019	580-4750-473.41-11	26.74	
			001924		10/25/2019	502-4710-471.41-10	31.67	
			002291		10/25/2019	101-5772-452.41-20	57.57	
			002288		10/25/2019	503-4720-475.41-10	266.19	
			002289		10/25/2019	503-4720-475.41-20	50.86	
			002278		10/25/2019	503-4720-475.41-10	83.40	
			002279		10/25/2019	503-4720-475.41-20	44.24	
			001993		10/25/2019	580-4750-473.41-11	35.81	
			001988		10/25/2019	510-4410-405.41-10	1,544.67	
			001989		10/25/2019	510-4410-405.41-20	216.81	
			001990		10/25/2019	510-4410-405.41-30	2,102.50	
			001994		10/25/2019	580-4750-473.41-11	36.00	
			002281		10/25/2019	101-1070-410.41-10	953.33	
			002282		10/25/2019	101-1070-410.41-20	225.82	
			002283		10/25/2019	101-1070-410.41-30	72.50	
			002272		10/25/2019	206-5771-452.41-10	31.44	
			002273		10/25/2019	206-5771-452.41-20	4,452.27	
			002274		10/25/2019	206-5771-452.41-30	72.50	





CHECK NO	CHECK VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
9201	1217	VISION SERVICE PLAN	003044		10/25/2019	101-1020-413.24-10	15.34	
			003045		10/25/2019	101-1025-415.24-10	34.01	
			003046		10/25/2019	101-1030-414.24-10	3.00	
			003047		10/25/2019	101-1035-416.24-10	7.76	
			003048		10/25/2019	101-1040-417.24-10	11.03	
			003049		10/25/2019	101-2020-423.24-10	10.89	
			003050		10/25/2019	101-2025-424.24-10	30.64	
			003051		10/25/2019	101-2030-423.24-10	51.88	
			003052		10/25/2019	101-3010-431.24-10	41.75	
			003053		10/25/2019	101-4730-472.24-10	4.25	
			003054		10/25/2019	101-5772-452.24-10	37.61	
			003055		10/25/2019	101-5773-452.24-10	18.63	
			003056		10/25/2019	101-5774-452.24-10	37.17	
			003057		10/25/2019	206-5771-452.24-10	7.87	
			003058		10/25/2019	270-4631-463.24-10	4.90	
			003059		10/25/2019	502-4710-471.24-10	53.20	
			003060		10/25/2019	503-4720-475.24-10	19.82	
			003061		10/25/2019	506-4713-477.24-10	3.27	
			003062		10/25/2019	507-5761-453.24-10	52.53	
			003063		10/25/2019	507-5762-454.24-10	15.80	
			003064		10/25/2019	508-4810-478.24-10	43.56	
			003065		10/25/2019	511-3020-432.24-10	10.89	
			003066		10/25/2019	580-4750-473.24-10	189.51	
			003067		10/25/2019	101-1025-415.24-10	10.89	
			003068		10/25/2019	508-4810-478.24-10	10.89	
							727.09	727.09
9202	3651	WELLS FARGO	002986		10/25/2019	101-1030-414.55-00	500.00	
			002987		10/25/2019	101-1030-414.31-70	75.00	
			002988		10/25/2019	101-1030-414.31-70	.53	
			002989		10/25/2019	580-4750-473.61-21	74.70	
			002990		10/25/2019	101-2030-423.55-00	637.78	
			002991		10/25/2019	101-2025-424.55-00	204.05	
			002992		10/25/2019	101-1040-417.55-00	204.05	
			002993		10/25/2019	101-1035-416.55-00	204.05	
			002994		10/25/2019	101-1030-414.55-00	816.20	
			002995		10/25/2019	101-5774-452.61-02	24.95	
			002996		10/25/2019	101-5774-452.60-24	164.57	
			002997		10/25/2019	101-5774-452.61-06	76.38	
			002998		10/25/2019	101-5774-452.60-24	42.37	
			002999		10/25/2019	101-5774-452.60-24	2.12	
			003000		10/25/2019	101-1025-415.56-00	14.99	
			003001		10/25/2019	101-5772-452.52-10	45.00	
			003002		10/25/2019	503-4720-475.31-40	133.96	
			003003		10/25/2019	503-4720-475.31-40	.67	
			003039		10/25/2019	101-1025-415.31-40	545.00	
			003040		10/25/2019	101-1025-415.61-01	59.18	
			003041		10/25/2019	101-1025-415.55-00	492.12	
			003042		10/25/2019	507-5761-453.43-04	354.07	
			003070		10/25/2019	101-0000-210.00-00	420.88	

ACCOUNTS PAYABLE CHECK REGISTER BY BANK NUMBER

CITY OF NEEDLES

CHECK NO  
 VENDOR NO  
 VENDOR NAME  
 VOUCHER NO  
 P.O. NO  
 DATE  
 ACCOUNT  
 REMITTANCE AMOUNT  
 (NET OF DISC/RETAIN)  
 CHECK TOTAL

9202 3651 WELLS FARGO

5,085.98 \*

BANK/CHECK TOTAL

66,267.08

ALL BANKS/CHECKS TOTAL

66,267.08

CITY OF NEEDLES CITY COUNCIL  
WARRANT SUMMARY TOTALS FOR OCTOBER 25, 2019

		DEPT. AMT.	FUND AMT.	25-Oct	19-20 BUDGET
FUND 101	GENERAL FUND	\$ -			
101.1015.412	CITY ATTORNEY	\$ -		\$ 7,083.00	\$85,000
101.1020.413	CITY MANAGER	\$ -		\$ 12,387.75	\$171,333
101.1025.415	FINANCE DEPT.	\$ -		\$ 21,463.99	\$420,138
101.1030.414	CITY CLERK/COUNCIL/MAYOR	\$ -		\$ 4,722.50	\$131,018
101.1035.416	PLANNING /ZONING	\$ -		\$ 7,295.25	\$195,144
101.1040.417	ENGINEERING	\$ -		\$ 10,555.92	\$151,111
101.1060.410	COMMUNITY PROMOTIONS	\$ -		\$ 1,297.50	\$60,250
101.1070.410	SENIOR CENTER	\$ -		\$ 59,507.14	\$1,262,304
101.2010.421	SHERIFF	\$ -		\$ 206,002.00	\$2,647,940
101.2020.423	ANIMAL SHELTER/CONTROL	\$ -		\$ 14,181.88	\$168,809
101.2025.424	BULDING & SAFETY	\$ -		\$ 17,798.28	\$307,623
101.2030.423	CODE ENFORCEMENT	\$ -		\$ 256,546.37	\$3,554,200
101.3010.431	PUBLIC WORKS	\$ -		\$ 29,393.00	\$509,766
101.4730.472	SANITATION	\$ -		\$ 9,827.94	\$129,447
101.5770.452	AQUATICS	\$ -		\$ 27,887.07	\$166,174
101.5772.452	PARKS	\$ -		\$ 14,588.21	\$353,744
101.5773.452	JACK SMITH PARK MARINA	\$ -		\$ 10,172.59	\$111,501
101.5774.452	RECREATION	\$ -		\$ 68,026.37	\$279,270
GENERAL FUND	TOTAL ALL GF DEPARTMENTS		\$ -	\$ 461,100.82	\$6,820,004
FUND 205	CDBG		\$ -	\$ -	\$0
FUND 206	CEMETERY		\$ -	\$ 4,776.08	\$123,773
FUND 209	NARCOTICS FORFEITURE		\$ -	\$ -	\$9,778
FUND 210	SPECIAL GAS TAX		\$ -	\$ 11,768.00	\$226,898
FUND 212	AIR QUALITY (MDAQD)		\$ -	\$ -	\$0
FUND 214	SANBAG NEW LOCAL MEAS I		\$ -	\$ 40,000.00	\$480,000
FUND 225	COPS-AB 3229 SUPPLEMENTAL		\$ -	\$ 6,108.86	\$220,000
FUND 235	INTERSTATE COMM/I40 J ST.		\$ -	\$ -	\$0
FUND 239	CA.CONSERV RECYCLING GRANT		\$ -	\$ 416.00	\$5,000
FUND 240	EL GARCES INTERMODAL		\$ -	\$ -	\$0
FUND 243	ACTIVE TRANSPORT PROGRAM		\$ -	\$ -	\$0
FUND 270	REDEVELOPMENT AGENCY		\$ -	\$ 9,576.29	\$243,106
FUND 470	RDA CAP PROJ.LOW & MOD.		\$ -	\$ -	\$0
FUND 501	NPUA		\$ -	\$ 720,888.78	\$12,449,567
FUND 502	WATER DEPARTMENT		\$ -	\$ 89,674.26	\$1,665,186
FUND 503	WASTEWATER DEPARTMENT		\$ -	\$ 66,618.96	\$1,067,861
FUND 505	SANITATION		\$ -	\$ 23,746.53	\$1,209,900
FUND 506	ALL AMERICAN CANAL PROJ.		\$ -	\$ 4,093.68	\$762,261
FUND 507	GOLF FUND		0		
FUND 507-5761-453	GOLF MAINTENANCE DEPARTMENT	\$ -	\$ -	\$ 30,069.47	\$572,666
FUND 507-5762-454	GOLF PRO SHOP DEPARTMENT	\$ -	\$ -	\$ 12,925.71	\$272,443
FUND 507	GOLF FUND TOTAL		\$ -		
FUND 508	CUST.SVC/UT BUSINESS OFFICE		\$ -	\$ 22,440.81	\$453,742
FUND 509	MIS		\$ -	\$ 11,243.25	\$169,000
FUND 510	ADMIN. FACILITY		\$ -	\$ 14,387.79	\$175,703
FUND 511	FLEET MANAGEMENT		\$ -	\$ 3,574.08	\$261,552
FUND 512	VEHICLE REPLACEMENT		\$ -	\$ -	\$0
FUND 520	SR DIAL A RIDE		\$ -	\$ 614.00	\$220,195
FUND 521	DIAL-A-RIDE MEDICAL TRANS.		\$ -	\$ 287.00	\$64,942
FUND 525	NEEDLES AREA TRANSIT (NAT)		\$ -	\$ 14,712.00	\$383,487
FUND 580	ELECTRIC		205.27	\$ 187,239.30	\$5,778,024
FUND 581	NPUA CAPITAL ELECTRIC			\$ -	\$0
FUND 582	NPUA CAPITAL WATER		\$ -	\$ -	\$0
FUND 583	NPUA CAPITAL WASTEWATER		\$ -	\$ -	\$0
FUND 650	IMPACT FEES NORTH NEEDLES		\$ -	\$ -	\$0
FUND 651	IMPACT FEES SOUTH AREAS		\$ -	\$ -	\$0
TOTAL	ALL FUNDS & DEPARTMENTS		\$ 205.27	\$ 1,736,261.67	\$33,635,088

I certify that the expenditures/purchases to be paid by the warrants on this list have complied with the provisions of the City Code Chapter 8, Article II, Purchasing; and further, the funds to cover these purchases/expenditures, as City Audited, are included within the City

Rick Daniels, City Manager

Date

Sylvia Miledi, Director of Finance

Date

Kippy Poulson, City Treasurer

Date





**CITY OF NEEDLES CITY COUNCIL  
WARRANT SUMMARY TOTALS FOR OCTOBER 14, 2019**

FUND 101	GENERAL FUND	DEPT. AMT.	FUND AMT.	OCT. 14, 2019	19-20 BUDGET
101.1015.412	CITY ATTORNEY			\$ 7,083.00	\$85,000
101.1020.413	CITY MANAGER			\$ 12,387.75	\$171,333
101.1025.415	FINANCE DEPT.			\$ 21,463.99	\$420,138
101.1030.414	CITY CLERK/COUNCIL/MAYOR			\$ 4,722.50	\$131,018
101.1035.416	PLANNING /ZONING	\$ 1,285.16		\$ 7,295.25	\$195,144
101.1040.417	ENGINEERING			\$ 10,555.92	\$151,111
101.1060.410	COMMUNITY PROMOTIONS			\$ 1,297.50	\$60,250
101.1070.410	SENIOR CENTER			\$ 59,507.14	\$1,262,304
101.2010.421	SHERIFF			\$ 206,002.00	\$2,647,940
101.2020.423	ANIMAL SHELTER/CONTROL			\$ 14,181.88	\$168,809
101.2025.424	BUILDING & SAFETY			\$ 17,798.28	\$307,623
101.2030.423	CODE ENFORCEMENT			\$ 256,546.37	\$3,554,200
101.3010.431	PUBLIC WORKS			\$ 29,393.00	\$509,766
101.4730.472	SANITATION			\$ 9,827.94	\$129,447
101.5770.452	AQUATICS			\$ 27,887.07	\$166,174
101.5772.452	PARKS			\$ 14,588.21	\$353,744
101.5773.452	JACK SMITH PARK MARINA			\$ 10,172.59	\$111,501
101.5774.452	RECREATION			\$ 15,378.50	\$279,270
GENERAL FUND	TOTAL ALL GF DEPARTMENTS		\$ 1,285.16	\$ 461,100.82	\$6,820,004
FUND 205	CDBG		\$ -	\$ -	\$0
FUND 206	CEMETERY		\$ -	\$ -	\$0
FUND 209	NARCOTICS FORFEITURE		\$ -	\$ 4,776.08	\$123,773
FUND 210	SPECIAL GAS TAX		\$ -	\$ -	\$9,778
FUND 212	AIR QUALITY (MDAQD)		\$ -	\$ 11,768.00	\$226,898
FUND 214	SANBAG NEW LOCAL MEAS I		\$ -	\$ -	\$0
FUND 225	COPS-AB 3229 SUPPLEMENTAL		\$ -	\$ 40,000.00	\$480,000
FUND 235	INTERSTATE COMM/140 J ST.		\$ -	\$ 6,108.86	\$220,000
FUND 239	CA CONSERV/ RECYCLING GRANT		\$ -	\$ -	\$0
FUND 240	EL GARCES INTERMODAL		\$ -	\$ 416.00	\$5,000
FUND 243	ACTIVE TRANSPORT PROGRAM		\$ -	\$ -	\$0
FUND 270	REDEVELOPMENT AGENCY		\$ -	\$ -	\$0
FUND 470	RDA CAP PROJ. LOW & MOD.		\$ 1,368.19	\$ 9,576.29	\$243,106
FUND 501	NPUA		\$ -	\$ -	\$0
FUND 502	WATER DEPARTMENT		\$ -	\$ 720,888.78	\$12,449,567
FUND 503	WASTEWATER DEPARTMENT		\$ -	\$ 89,674.26	\$1,665,186
FUND 505	SANITATION		\$ -	\$ 66,618.96	\$1,067,861
FUND 506	ALL AMERICAN CANAL PROJ.		\$ -	\$ 23,746.53	\$1,209,900
FUND 507	GOLF FUND		\$ -	\$ 4,093.68	\$762,261
FUND 507-5761-453	GOLF MAINTENANCE DEPARTMENT	\$ 0	\$ -	\$ -	\$0
FUND 507-5762-454	GOLF PRO SHOP DEPARTMENT	\$ -	\$ -	\$ 30,069.47	\$572,666
FUND 507	GOLF FUND TOTAL	\$ -	\$ -	\$ 12,925.71	\$272,443
FUND 508	CUST.SVC/UT BUSINESS OFFICE		\$ -	\$ -	\$0
FUND 509	MIS		\$ -	\$ 22,440.81	\$453,742
FUND 510	ADMIN. FACILITY		\$ -	\$ 11,243.25	\$169,000
FUND 511	FLEET MANAGEMENT		\$ -	\$ 14,387.79	\$175,703
FUND 512	VEHICLE REPLACEMENT		\$ -	\$ 3,574.08	\$261,552
FUND 520	SR DIAL A RIDE		\$ -	\$ -	\$0
FUND 521	DIAL-A-RIDE MEDICAL TRANS.		\$ -	\$ 614.00	\$220,195
FUND 525	NEEDLES AREA TRANSIT (NAT)		\$ -	\$ 287.00	\$64,942
FUND 580	ELECTRIC		\$ -	\$ 14,712.00	\$383,487
FUND 581	NPUA CAPITAL ELECTRIC		\$ -	\$ 187,239.30	\$5,778,024
FUND 582	NPUA CAPITAL WATER		\$ -	\$ -	\$0
FUND 583	NPUA CAPITAL WASTEWATER		\$ -	\$ -	\$0
FUND 650	IMPACT FEES NORTH NEEDLES		\$ -	\$ -	\$0
FUND 651	IMPACT FEES SOUTH AREAS		\$ -	\$ -	\$0
TOTAL	ALL FUNDS & DEPARTMENTS		\$ 2,653.35	\$ 1,736,261.67	\$33,635,088

I certify that the expenditures/purchases to be paid by the warrants on this list have complied with the provisions of the City Code Chapter 8, Article II, Purchasing; and further, the funds to cover these purchases/expenditures, as City Audited, are included within the City

Rick Daniels, City Manager

Date

Kippy Poulson, City Treasurer

Date

Sylvia Miledi, Director of Finance

Date



PREPARED 10/14/2019, 13:47:23

ACCOUNTS PAYABLE PRELIMINARY CHECK REGISTER

PAGE 1  
DISBURSEMENT PERIOD 04/2020

PROGRAM: GM348U  
CITY OF NEEDLES  
BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

CHECK NUMBER	VENDOR NUMBER	SEQ#	VENDOR NAME	CHECK DATE	CHECK AMOUNT	DISCOUNTS/RETAINAGE TAKEN
9175	2385	00	ALLIANT INSURANCE SERVICES	10/14/2019	1,368.19	
9176	2181	00	JEFF WILLIAMS	10/14/2019	1,285.16	.00
NUMBER OF CHECKS				2	GRAND TOTAL	2,653.35

ACCOUNTING PERIOD 2020/04  
REPORT NUMBER 23  
PAGE 1

CITY OF NEEDLES CITY COUNCIL  
WARRANT SUMMARY TOTALS FOR NOVEMBER 12, 2019

FUND 101	GENERAL FUND	DEPT. AMT.	FUND AMT.	12-Nov	19-20 BUDGET
101.1015.412	CITY ATTORNEY	\$ 1,540.07		\$ 7,083.00	\$85,000
101.1020.413	CITY MANAGER	\$ 2,308.60		\$ 12,387.75	\$171,333
101.1025.415	FINANCE DEPT.	\$ 31.45		\$ 21,463.99	\$420,138
101.1030.414	CITY CLERK/COUNCIL/MAYOR	\$ 2,106.45		\$ 4,722.50	\$131,018
101.1035.416	PLANNING /ZONING	\$ 384.82		\$ 7,295.25	\$195,144
101.1040.417	ENGINEERING	\$ 2,641.59		\$ 10,555.92	\$151,111
101.1060.410	COMMUNITY PROMOTIONS	\$ 2,062.44		\$ 1,297.50	\$60,250
101.1070.410	SENIOR CENTER	\$ 2,422.52		\$ 59,507.14	\$1,262,304
101.2010.421	SHERIFF	\$ -		\$ 206,002.00	\$2,647,940
101.2020.423	ANIMAL SHELTER/CONTROL	\$ -		\$ 14,181.88	\$168,809
101.2025.424	BULDING & SAFETY	\$ 600.06		\$ 17,798.28	\$307,623
101.2030.423	CODE ENFORCEMENT	\$ 1,695.62		\$ 256,546.37	\$3,554,200
101.3010.431	PUBLIC WORKS	\$ 2,889.65		\$ 29,393.00	\$509,766
101.4730.472	SANITATION	\$ 1,643.80		\$ 9,827.94	\$129,447
101.5770.452.	AQUATICS	\$ -		\$ 27,887.07	\$166,174
101.5772.452	PARKS	\$ 4,490.68		\$ 14,588.21	\$353,744
101.5773.452	JACK SMITH PARK MARINA	\$ 7,441.47		\$ 10,172.59	\$111,501
101.5774.452	RECREATION	\$ 3,525.08		\$ 15,378.50	\$279,270
GENERAL FUND	TOTAL ALL GF DEPARTMENTS		\$ 35,784.30	\$ 461,100.82	\$6,820,004
FUND 205	CDBG		\$ -	\$ -	\$0
FUND 206	CEMETERY		\$ 235.78	\$ 4,776.08	\$123,773
FUND 209	NARCOTICS FORFEITURE		\$ -	\$ -	\$9,778
FUND 210	SPECIAL GAS TAX		\$ -	\$ 11,768.00	\$226,898
FUND 212	AIR QUALITY (MDAQD)		\$ -	\$ -	\$0
FUND 214	SANBAG NEW LOCAL MEAS I		\$ -	\$ 40,000.00	\$480,000
FUND 225	COPS-AB 3229 SUPPLEMENTAL		\$ -	\$ 6,108.86	\$220,000
FUND 235	INTERSTATE COMM/140 J ST.		\$ -	\$ -	\$0
FUND 239	CA. CONSERV RECYLING GRANT		\$ -	\$ 416.00	\$5,000
FUND 240	EL GARCES INTERMODAL		\$ -	\$ -	\$0
FUND 243	ACTIVE TRANSPORT PROGRAM		\$ -	\$ -	\$0
FUND 270	REDEVELOPMENT AGENCY		\$ 892.50	\$ 9,576.29	\$243,106
FUND 470	RDA CAP PROJ. LOW & MOD.		\$ -	\$ -	\$0
FUND 501	NPUA		\$ 7,507.93	\$ 720,888.78	\$12,449,567
FUND 502	WATER DEPARTMENT		\$ 22,897.72	\$ 89,674.26	\$1,665,186
FUND 503	WASTEWATER DEPARTMENT		\$ 43,935.62	\$ 66,618.96	\$1,067,861
FUND 505	SANITATION		\$ 79,456.96	\$ 23,746.53	\$1,209,900
FUND 506	ALL AMERICAN CANAL PROJ.		\$ -	\$ 4,093.68	\$762,261
FUND 507	GOLF FUND	0			
FUND 507-5761-453	GOLF MAINTENANCE DEPARTMENT	\$ 3,136.52	\$ -	\$ 30,069.47	\$572,666
FUND 507-5762-454	GOLF PRO SHOP DEPARTMENT	\$ 1,680.34		\$ 12,925.71	\$272,443
FUND 507	GOLF FUND TOTAL		\$ 4,816.86		
FUND 508	CUST.SVC/UT BUSINESS OFFICE		\$ 382.34	\$ 22,440.81	\$453,742
FUND 509	MIS		\$ 3,788.75	\$ 11,243.25	\$169,000
FUND 510	ADMIN. FACILITY		\$ 11,339.12	\$ 14,387.79	\$175,703
FUND 511	FLEET MANAGEMENT		\$ 3,526.39	\$ 3,574.08	\$261,552
FUND 512	VEHICLE REPLACEMENT		\$ -	\$ -	\$0
FUND 520	SR DIAL A RIDE		\$ -	\$ 614.00	\$220,195
FUND 521	DIAL-A-RIDE MEDICAL TRANS.		\$ -	\$ 287.00	\$64,942
FUND 525	NEEDLES AREA TRANSIT (NAT)		\$ -	\$ 14,712.00	\$383,487
FUND 580	ELECTRIC		\$ 37,254.47	\$ 187,239.30	\$5,778,024
FUND 581	NPUA CAPITAL ELECTRIC		\$ -	\$ -	\$0
FUND 582	NPUA CAPITAL WATER		\$ -	\$ -	\$0
FUND 583	NPUA CAPITAL WASTEWATER		\$ -	\$ -	\$0
FUND 650	IMPACT FEES NORTH NEEDLES		\$ 16,908.29	\$ -	\$0
FUND 651	IMPACT FEES SOUTH AREAS		\$ 4,769.02	\$ -	\$0
TOTAL	ALL FUNDS & DEPARTMENTS		\$ 273,496.05	\$ 1,736,261.67	\$33,635,088

I certify that the expenditures/purchases to be paid by the warrants on this list have complied with the provisions of the City Code Chapter 8, Article II, Purchasing; and further, the funds to cover these purchases/expenditures, as City Audited, are included within the City

Rick Daniels, City Manager

Date

Kippy Poulson, City Treasurer

Date

Sylvia Miledi, Director of Finance

Date

CHECK NUMBER	VENDOR NUMBER	SEQ#	VENDOR NAME	CHECK DATE	CHECK AMOUNT	DISCOUNTS/ RETAINAGE TAKEN
9203	2345	00	A-B COMMUNICATIONS	11/12/2019	523.21	.00
9204	3773	00	ACE LOCK AND KEY SERVICE	11/12/2019	399.22	.00
9205	1924	00	AAA MACAV POWER SERVICE	11/12/2019	950.00	.00
9206	2457	00	ALL STAR PRO GOLF INC.	11/12/2019	201.08	.00
9207	3750	00	AUTO ZONE	11/12/2019	89.38	.00
9208	2629	00	BARON PEST CONTROL	11/12/2019	117.00	.00
9209	3803	00	BARON SECURITY SOLUTIONS	11/12/2019	239.00	.00
9210	1	00	BARRY, CLINT	11/12/2019	23.69	.00
9211	3808	00	HATZ, BERNARD	11/12/2019	35.56	.00
9212	454	00	BINGHAM EQUIPMENT COMPANY	11/12/2019	861.03	.00
9213	3313	00	BLUE RIVER WATER CORP.	11/12/2019	149.35	.00
9214	87	00	BLUETARP CREDIT SERVICES	11/12/2019	16.14	.00
9215	682	00	BOB'S ELECTRIC MOTORS	11/12/2019	129.74	.00
9216	3595	00	BOOT BARN	11/12/2019	144.98	.00
9217	3392	00	BUG EMERGENCY INC.	11/12/2019	40.00	.00
9218	3819	00	BULLHEAD AUTO & MARINE	11/12/2019	286.87	.00
9219	3856	00	CALIFORNIA CONSULTING, INC.	11/12/2019	12,998.52	.00
9220	3845	00	CALIFORNIA MUNICIPAL UTILITIES ASSOC	11/12/2019	522.00	.00
9221	3136	00	CITY OF NEEDLES	11/12/2019	13,175.87	.00
9222	1	00	COLEMAN, RANDY	11/12/2019	7,437.03	.00
9223	2590	00	COLORADO RIVER PLUMBING INC.	11/12/2019	1,543.00	.00
9224	3841	00	CREATIVE MANAGEMENT SOLUTIONS, INC.	11/12/2019	1,800.00	.00
9225	455	00	CULLIGAN WATER COND.	11/12/2019	46.54	.00
9226	440	00	DECO FOODSERVICE INCORP.	11/12/2019	55.52	.00
9227	2487	00	DELL MARKETING L.P.	11/12/2019	2,304.02	.00
9228	3523	00	DEVELOPMENT MANAGEMENT GROUP INC.	11/12/2019	7,570.40	.00
9229	3580	00	DIAMOND PURE WATER	11/12/2019	69.00	.00
9230	3661	00	DIGITAL MAP PRODUCTS INC.	11/12/2019	5,426.40	.00
9231	3561	00	DIVISION OF THE STATE ARCHITECT	11/12/2019	106.00	.00
9232	501	00	DOI-BOR-REGION: LOWER COLORADO	11/12/2019	26,964.38	.00
9233	2884	00	DUSTY'S FILTER SERVICE	11/12/2019	84.82	.00
9234	2653	00	EMPIRE SOUTHWEST	11/12/2019	62.38	.00
9235	3682	00	EPIC ENGINEERING	11/12/2019	21,677.31	.00
9236	3462	00	EUSI LLC	11/12/2019	26,244.08	.00
9237	3717	00	EZLINKS GOLF LLC	11/12/2019	1,053.09	.00
9238	3108	00	FASTENAL COMPANY INCORP.	11/12/2019	623.07	.00
9239	3314	00	FINDLAY MOTOR COMPANY	11/12/2019	548.75	.00
9240	3796	00	GOLDEN VALLEY CABLE & COMM INC.	11/12/2019	873.74	.00
9241	3451	00	GREENS DISTRIBUTION LLC.	11/12/2019	345.64	.00
9242	2612	00	HARDWARE EXPRESS INCORP.	11/12/2019	100.64	.00
9243	3003	00	J.P. COOKE COMPANY	11/12/2019	96.92	.00
9244	3594	00	KIMBALL MIDWEST	11/12/2019	275.00	.00
9245	3502	00	POULSON, KIPPY	11/12/2019	2,669.45	.00
9246	61	00	KNORR SYSTEMS INC.	11/12/2019	256.63	.00
9247	3572	00	LILY MESA, DVM	11/12/2019	234.50	.00
9248	3867	00	MCA DIRECT	11/12/2019	100.00	.00
9249	158	00	MOHAVE VALLEY ANIMAL HOSPITAL	11/12/2019	28.10	.00
9250	139	00	MOHAVE VALLEY LANDFILL-4522	11/12/2019	47.21	.00
9251	1	00	NAGARAJANM PERUMAL	11/12/2019	VOID	.00
9252	178	00	BIG O TIRES & AUTO PARTS	11/12/2019	1,687.48	.00
9253	178	00	BIG O TIRES & AUTO PARTS	11/12/2019		.00

PROGRAM: GM348U  
CITY OF NEEDLES  
BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

CHECK NUMBER	VENDOR NUMBER	SEQ#	VENDOR NAME	CHECK DATE	CHECK AMOUNT	DISCOUNTS/RETAINAGE TAKEN
9254	218	00	NEWS WEST PUBLISHING CO.	11/12/2019	467.86	.00
9255	2238	00	NORTHERN SAFETY CO. INC.	11/12/2019	95.62	.00
9256	1786	00	NPUA	11/12/2019	18,784.92	.00
9257	3767	00	MARTINEZ, PATRICK	11/12/2019	747.28	.00
9258	3866	00	PLACEMENTS	11/12/2019	420.00	.00
9259	15	00	QUILL CORP.	11/12/2019	441.75	.00
9260	818	00	R & R PRODUCTS INC.	11/12/2019	864.77	.00
9261	2861	00	REINKE A/C CORP.	11/12/2019	5,405.84	.00
9262	309	00	REPUBLIC SERVICES #785	11/12/2019	79,456.96	.00
9263	1	00	RICHARD HAZLEWOOD	11/12/2019	1,334.07	.00
9264	3558	00	DANIELS, RICK	11/12/2019	866.91	.00
9265	2068	00	RICOH USA INC.	11/12/2019	829.68	.00
9266	3616	00	RICOH USA, INC.	11/12/2019	176.44	.00
9267	3860	00	RTM EQUIPMENT	11/12/2019	355.34	.00
9268	591	00	ROBINSON ELECTRIC CO. INC.	11/12/2019	163.01	.00
9269	3574	00	S&S CONCRETE & MATERIALS LLC	11/12/2019	620.00	.00
9270	3344	00	SLOVAK BARON & EMPEY LLP	11/12/2019	2,308.60	.00
9271	284	00	SOUTHWEST GAS CORP.	11/12/2019	6.32	.00
9272	3837	00	SOUTHWEST GROUND WATER	11/12/2019	5,241.84	.00
9273	3605	00	STATEWIDE TRAFFIC SAFETY & SIGNS	11/12/2019	21.93	.00
9274	3451	00	TITAN MACHINERY	11/12/2019	187.97	.00
9275	3852	00	MARTINEZ, TOPAZ	11/12/2019	51.00	.00
9276	772	00	TRI-STATE BUILDING MATERIALS INC.	11/12/2019	89.36	.00
9277	2819	00	TRI-STATE HOSE & FITTINGS	11/12/2019	442.50	.00
9278	3668	00	TRI-STATE RENTALS	11/12/2019	679.03	.00
9279	3825	00	ULTRA PEST CONTROL, LLC	11/12/2019	45.00	.00
9280	315	00	UNDERGROUND SERVICE ALERT/SC	11/12/2019	89.90	.00
9281	3830	00	UNIFIRST CORPORATION	11/12/2019	641.17	.00
9282	318	00	UPS	11/12/2019	116.00	.00
9283	3571	00	URBAN FUTURES, INC.	11/12/2019	892.50	.00
9284	761	00	USA BLUE BOOK INC.	11/12/2019	1,358.53	.00
9285	1741	00	V & L LASER LLC	11/12/2019	882.75	.00
9286	2469	00	VERIZON WIRELESS	11/12/2019	35.14	.00
9287	3528	00	WESTERN ENVIRONMENTAL TESTING LAB.	11/12/2019	817.80	.00
9288	1023	00	XEROX	11/12/2019	421.52	.00
9289	3842	00	XIO, INC.	11/12/2019	113.00	.00
9290	3828	00	3D-NETWORKS L.L.C.	11/12/2019	6,495.00	.00
NUMBER OF CHECKS					88	GRAND TOTAL
					273,496.05	



PREPARED 10/24/2019, 10:39:58

PROGRAM: GM3461L

CITY OF NEEDLES

BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

ACCOUNTS PAYABLE CHECK REGISTER BY BANK NUMBER

ACCOUNTING PERIOD 2020/05  
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CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
9203	2345	A-B COMMUNICATIONS	002854		11/12/2019	510-4410-405.30-25	523.21 523.21 *	523.21
9204	3773	ACE LOCK AND KEY SERVICE	002700 002944		11/12/2019 11/12/2019	503-4720-475.43-02 503-4720-475.43-02	243.04 156.18 399.22 *	399.22
9205	1924	AHA MACAV POWER SERVICE	002927		11/12/2019	580-4750-473.63-12	950.00 950.00 *	950.00
9206	2457	ALL STAR PRO GOLF INC.	002703		11/12/2019	507-5762-454.44-10	201.08 201.08 *	201.08
9207	3750	AUTO ZONE	002701 002702 002928 002929		11/12/2019 11/12/2019 11/12/2019 11/12/2019	511-3021-432.43-26 511-3020-432.61-28 511-3020-432.43-57 511-3020-432.43-57	5.38 6.45 53.86 23.69 89.38 *	89.38
9208	2629	BARON PEST CONTROL	002857 002932		11/12/2019 11/12/2019	510-4410-405.43-01 511-3020-432.43-29	85.00 32.00 117.00 *	117.00
9209	3803	BARON SECURITY SOLUTIONS	002945 002946 002947 002948 003023		11/12/2019 11/12/2019 11/12/2019 11/12/2019 11/12/2019	101-3010-431.43-40 507-5761-453.43-40 503-4720-475.43-04 101-5772-452.43-40 503-4720-475.43-02	43.00 34.00 43.00 44.00 75.00 239.00 *	239.00
9210	1	BARRY, CLINT	UT		11/12/2019	501-0000-211.00-00	23.69 23.69 *	23.69
9211	3808	BERNARD J. HATZ	002756		11/12/2019	101-2030-423.55-00	35.56 35.56 *	35.56
9212	454	BINGHAM EQUIPMENT COMPANY	002706 002707 002708		11/12/2019 11/12/2019 11/12/2019	507-5761-453.43-04 507-5761-453.43-04 507-5761-453.43-04	259.52 10.06 591.45 861.03 *	861.03
9213	3313	BLUE RIVER WATER CORP.	002855		11/12/2019	507-5761-453.63-00	149.35 149.35 *	149.35
9214	87	BLUETARP CREDIT SERVICES	002704		11/12/2019	502-4710-471.61-21	16.14 16.14 *	16.14
9215	682	BOB'S ELECTRIC MOTORS	002709		11/12/2019	101-3010-431.43-60	129.74 129.74 *	129.74

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 CITY OF NEEDLES  
 BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

ACCOUNTS PAYABLE CHECK REGISTER BY BANK NUMBER

PAGE 2  
 ACCOUNTING PERIOD 2020/05  
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CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC./RETAIN)	CHECK TOTAL
9216	3595	BOOT BARN	003032		11/12/2019	508-4810-478.61-34	144.98 144.98 *	144.98
9217	3392	BUG EMERGENCY INC.	002301 002705 002856		11/12/2019 11/12/2019 11/12/2019	507-5762-454.61-07 507-5762-454.61-07 503-4720-475.43-02	35.00 35.00 40.00 40.00 *	40.00
9218	3819	BULLHEAD AUTO & MARINE	002930 002931		11/12/2019 11/12/2019	511-3020-432.61-28 511-3020-432.61-28	215.68 71.19 286.87 *	286.87
9219	3856	CALIFORNIA CONSULTING, IN	002942 PI0054 PI0055	020029 020029	11/12/2019 11/12/2019 11/12/2019	101-5772-452.31-90 502-4710-471.31-90 580-4750-473.31-90	3,245.34 4,876.59 4,876.59 12,998.52 *	12,998.52
9220	3845	CALIFORNIA MUNICIPAL UTIL	002888		11/12/2019	580-4750-473.56-00	522.00 522.00 *	522.00
9221	3136	CITY OF NEEDLES	003004 003005		11/12/2019 11/12/2019	502-4710-471.80-41 503-4720-475.80-41	9,630.60 3,545.27 13,175.87 *	13,175.87
9222	1	COLEMAN, RANDY	UT UT		11/12/2019 11/12/2019	501-0000-211.00-00 501-0000-211.00-00	3,014.12 4,422.91 7,437.03 *	7,437.03
9223	2590	COLORADO RIVER PLUMBING I	002721 002970		11/12/2019 11/12/2019	507-5762-454.43-08 101-5774-452.43-18	1,028.00 515.00 1,543.00 *	1,543.00
9224	3841	CREATIVE MANAGEMENT SOLUT	PI0056	020020	11/12/2019	101-1025-415.31-10	1,800.00 1,800.00 *	1,800.00
9225	455	CULLIGAN WATER COND.	002722		11/12/2019	511-3020-432.43-29	46.54 46.54 *	46.54
9226	440	DECO FOODSERVICE INCORP.	002729		11/12/2019	507-5762-454.61-06	55.52 55.52 *	55.52
9227	2487	DELL MARKETING L.P.	002889 002890 002891		11/12/2019 11/12/2019 11/12/2019	101-2030-423.61-02 101-3010-431.43-05 101-3010-431.61-01	1,152.01 1,100.00 52.01 2,304.02 *	2,304.02
9228	3523	DEVELOPMENT MANAGEMENT GR	002892 002893 002894 002895		11/12/2019 11/12/2019 11/12/2019 11/12/2019	580-4750-473.53-05 503-4720-475.53-05 502-4710-471.53-05 101-1060-410.53-05	3,179.57 681.34 1,286.97 2,422.52	

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PROGRAM: GM346L

CITY OF NEEDLES

BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

ACCOUNTS PAYABLE CHECK REGISTER BY BANK NUMBER

ACCOUNTING PERIOD 2020/05  
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CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
9228	3523	DEVELOPMENT MANAGEMENT GR					7,570.40 *	7,570.40
9229	3580	DIAMOND PURE WATER	002723		11/12/2019	510-4410-405.61-01	27.00	
			002724		11/12/2019	101-3010-431.61-01	9.50	
			002725		11/12/2019	503-4720-475.43-02	14.00	
			002726		11/12/2019	101-5774-452.61-01	4.50	
			002727		11/12/2019	101-5774-452.61-01	14.00	
							69.00 *	69.00
9230	3661	DIGITAL MAP PRODUCTS INC.	PI0050	020028	11/12/2019	101-1035-416.61-09	1,356.60	
			PI0051	020028	11/12/2019	101-1040-417.61-09	1,356.60	
			PI0052	020028	11/12/2019	101-2025-424.61-09	1,356.60	
			PI0053	020028	11/12/2019	101-2030-423.61-09	1,356.60	
							5,426.40 *	5,426.40
9231	3561	DIVISION OF THE STATE ARC	002730		11/12/2019	101-0000-321.04-00	106.00	
							106.00 *	106.00
9232	501	DOI-BOR-REGION: LOWER COL	002984		11/12/2019	580-4750-473.63-10	26,964.38	
							26,964.38 *	26,964.38
9233	2884	DUSTY'S FILTER SERVICE	002728		11/12/2019	511-3020-432.61-28	84.82	
							84.82 *	84.82
9234	2653	EMPIRE SOUTHWEST	002732		11/12/2019	511-3021-432.43-38	62.38	
							62.38 *	62.38
9235	3682	EPIC ENGINEERING	PI0046	020006	11/12/2019	650-4720-475.69-82	16,908.29	
			PI0047	020006	11/12/2019	651-4720-475.69-82	4,769.02	
							21,677.31 *	21,677.31
9236	3462	EUSI LLC	003025		11/12/2019	503-4720-475.31-98	26,244.08	
							26,244.08 *	26,244.08
9237	3717	EZLINKS GOLF LLC	002731		11/12/2019	507-5762-454.53-00	295.00	
							295.00 *	295.00
9238	3108	FASTENAL COMPANY INCORP.	002733		11/12/2019	511-3020-432.43-29	644.35	
			002734		11/12/2019	101-3010-431.61-21	106.26	
			002735		11/12/2019	511-3021-432.43-38	113.13	
			002736		11/12/2019	511-3020-432.43-57	37.13	
			002737		11/12/2019	503-4720-475.43-02	351.55	
			002738		11/12/2019	503-4720-475.60-55	136.78	
			002739		11/12/2019	503-4720-475.43-02	213.51	
			002740		11/12/2019	503-4720-475.60-55	247.26	
			002741		11/12/2019	503-4720-475.60-55	217.05	
			002742		11/12/2019	503-4720-475.43-03	85.31	
							1,053.09 *	1,053.09
9239	3314	FINDLAY MOTOR COMPANY	002933		11/12/2019	511-3021-432.43-37	623.07	

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CITY OF NEEDLES

BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

ACCOUNTS PAYABLE CHECK REGISTER BY BANK NUMBER

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CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
9239	3314	FINDLAY MOTOR COMPANY					623.07 *	623.07
9240	3796	GOLDEN VALLEY CABLE & COM	002916		11/12/2019	101-2020-423.52-10	225.00	
			002967		11/12/2019	101-1030-414.52-10	100.00	
			002968		11/12/2019	503-4720-475.52-10	85.00	
			002969		11/12/2019	509-4910-479.52-12	138.75	
							548.75 *	548.75
9241	3451	GREENS DISTRIBUTION LLC.	002966		11/12/2019	101-5774-452.60-24	873.74 *	873.74
9242	2612	HARDWARE EXPRESS INCORP.	002744		11/12/2019	206-5771-452.43-18	20.22	
			002745		11/12/2019	206-5771-452.43-18	17.79	
			002746		11/12/2019	206-5771-452.61-12	16.84	
			002747		11/12/2019	503-4720-475.43-02	5.83	
			002748		11/12/2019	511-3021-432.43-27	4.69	
			002749		11/12/2019	101-3010-431.60-11	7.76	
			002750		11/12/2019	503-4720-475.43-14	4.49	
			002751		11/12/2019	503-4720-475.43-02	4.08	
			002858		11/12/2019	101-5772-452.61-12	2.03	
			002859		11/12/2019	101-5772-452.61-12	6.91	
			002860		11/12/2019	507-5761-453.43-04	18.61	
			002861		11/12/2019	507-5761-453.63-00	61.29	
			002862		11/12/2019	507-5761-453.43-04	15.13	
			002915		11/12/2019	101-2020-423.43-29	17.79	
			002972		11/12/2019	503-4720-475.43-14	6.73	
			002973		11/12/2019	503-4720-475.43-02	4.91	
			002974		11/12/2019	508-4810-478.61-34	5.31	
			003026		11/12/2019	502-4710-471.60-55	21.89	
			003027		11/12/2019	502-4710-471.60-55	47.07	
			003028		11/12/2019	502-4710-471.60-55	52.18	
			003033		11/12/2019	508-4810-478.61-34	4.09	
							345.64 *	345.64
9243	3003	J.P. COOKE COMPANY	002757		11/12/2019	101-2020-423.61-01	100.64 *	100.64
9244	3594	KIMBALL MIDWEST	002759		11/12/2019	511-3020-432.43-57	96.92 *	96.92
9245	3502	KIPPY POULSON	003006		11/12/2019	101-1025-415.31-90	275.00 *	275.00
9246	61	KNORR SYSTEMS INC.	002758		11/12/2019	101-5770-452.60-32	2,669.45 *	2,669.45
9247	3572	LILY MESA, DVM	002720		11/12/2019	101-2020-423.58-00	256.63 *	256.63
9248	3867	MCA DIRECT	002886		11/12/2019	101-1030-414.31-70	234.50	

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
9248	3867	MCA DIRECT					234.50 *	234.50
9249	158	MOHAVE VALLEY ANIMAL HOSP	002760		11/12/2019	101-0000-204.06-00	100.00 100.00 *	100.00
9250	139	MOHAVE VALLEY LANDFILL-45	002761		11/12/2019	507-5762-454.43-08	28.10 28.10 *	28.10
9251	1	NAGARAJANM PERUMAL	UT		11/12/2019	501-0000-211.00-00	47.21 47.21 *	47.21
9252	178	NAPA AUTO PARTS	002762		11/12/2019	206-5771-452.43-04	120.60	VOIDED
9253	178	NAPA AUTO PARTS	002763		11/12/2019	206-5771-452.43-04	60.33	
			002764		11/12/2019	511-3021-432.43-26	4.62	
			002765		11/12/2019	511-3021-432.43-27	35.07	
			002766		11/12/2019	511-3021-432.43-27	8.66	
			002767		11/12/2019	511-3021-432.43-27	1.45	
			002768		11/12/2019	511-3021-432.43-38	197.30	
			002769		11/12/2019	511-3021-432.43-27	212.31	
			002770		11/12/2019	511-3020-432.61-28	4.30	
			002771		11/12/2019	511-3020-432.61-28	7.53	
			002772		11/12/2019	511-3021-432.43-26	7.85	
			002773		11/12/2019	511-3020-432.43-57	52.32	
			002774		11/12/2019	511-3020-432.43-57	4.30	
			002775		11/12/2019	511-3020-432.43-57	6.52	
			002776		11/12/2019	511-3021-432.43-36	47.39	
			002777		11/12/2019	511-3021-432.43-27	42.64	
			002778		11/12/2019	511-3020-432.61-28	116.24	
			002779		11/12/2019	511-3021-432.43-36	146.34	
			002780		11/12/2019	507-5761-453.43-04	77.57	
			002781		11/12/2019	507-5761-453.43-04	40.28	
			002782		11/12/2019	507-5761-453.43-04	33.40	
			002783		11/12/2019	507-5761-453.43-04	37.67	
			002784		11/12/2019	507-5761-453.43-04	31.57	
			002785		11/12/2019	507-5761-453.43-04	61.78	
			002786		11/12/2019	507-5761-453.43-04	64.52	
			002787		11/12/2019	507-5761-453.43-04	18.79	
			002788		11/12/2019	507-5761-453.43-04	21.89	
			002789		11/12/2019	507-5761-453.43-04	14.00	
			002790		11/12/2019	507-5761-453.43-04	18.43	
			002791		11/12/2019	507-5761-453.43-04	26.81	
			002792		11/12/2019	101-5772-452.43-04	64.52	
			002793		11/12/2019	507-5761-453.43-04	81.27	
			002863		11/12/2019	507-5761-453.43-04	47.69	
			002934		11/12/2019	511-3021-432.43-26	15.39	
			002935		11/12/2019	511-3020-432.61-28	26.92	
			002936		11/12/2019	511-3020-432.43-57	19.38	
			002937		11/12/2019	511-3020-432.61-28	177.74	
			002938		11/12/2019	511-3021-432.43-26	24.77	





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 BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

ACCOUNTS PAYABLE CHECK REGISTER BY BANK NUMBER

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CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
9258	3866	PLACEWORKS	002885		11/12/2019	101-1035-416.31-09	420.00 420.00 *	420.00
9259	15	QUILL CORP.	002864 002865 002866 002881		11/12/2019 11/12/2019 11/12/2019 11/12/2019	508-4810-478.61-01 510-4410-405.61-31 508-4810-478.61-01 101-1040-417.61-01	35.55 92.73 162.65 150.82 441.75 *	420.00
9260	818	R & R PRODUCTS INC.	002816 002817 002818		11/12/2019 11/12/2019 11/12/2019	507-5761-453.43-04 507-5761-453.43-17 507-5761-453.43-17	159.67 330.84 374.26 864.77 *	441.75
9261	2861	REINKE A/C CORP.	PI0045	020027	11/12/2019	510-4410-405.43-01	5,405.84 5,405.84 *	5,405.84
9262	309	REPUBLIC SERVICES #78	003024		11/12/2019	505-4730-472.31-87	79,456.96 79,456.96 *	79,456.96
9263	1	RICHARD HAZLEWOOD	002819		11/12/2019	101-0000-204.71-00	1,334.07 1,334.07 *	1,334.07
9264	3558	RICK DANIELS	001728		11/12/2019	502-4710-471.55-00	866.91 866.91 *	866.91
9265	2068	RICOH USA INC.	003034		11/12/2019	510-4410-405.70-02	829.68 829.68 *	829.68
9266	3616	RICOH USA, INC.	002867		11/12/2019	510-4410-405.70-02	176.44 176.44 *	176.44
9267	3860	RMT EQUIPMENT	002815		11/12/2019	507-5761-453.43-04	355.34 355.34 *	355.34
9268	591	ROBINSON ELECTRIC CO. INC	002971		11/12/2019	101-5774-452.43-18	163.01 163.01 *	163.01
9269	3574	S&S CONCRETE & MATERIALS	002820		11/12/2019	580-4750-473.43-13	620.00 620.00 *	620.00
9270	3344	SLOVAK BARON EMPEY MURPHY	003031		11/12/2019	101-1015-412.31-50	2,308.60 2,308.60 *	2,308.60
9271	284	SOUTHWEST GAS CORP.	002821 002822 002823		11/12/2019 11/12/2019 11/12/2019	507-5761-453.41-50 510-4410-405.41-60 101-3010-431.41-60	1.42 7.59 2.69 6.32 *	6.32
9272	3837	SOUTHWEST GROUND WATER	PI0048	020009	11/12/2019	502-4710-471.32-10	2,699.34	2,699.34

BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
9272	3837	SOUTHWEST GROUND WATER	PI0049	020009	11/12/2019	502-4710-471.32-10	2,542.50 5,241.84 *	5,241.84
9273	3605	STATEWIDE TRAFFIC SAFETY	002941		11/12/2019	101-3010-431.61-05	21.93 21.93 *	21.93
9274	3461	TITAN MACHINERY	002829 002830		11/12/2019 11/12/2019	511-3021-432.43-36 511-3021-432.43-36	376.24 188.27- 187.97 *	187.97
9275	3852	TOPAZ MARTINEZ	002828		11/12/2019	101-2025-424.31-40	51.00 51.00 *	51.00
9276	772	TRI-STATE BUILDING MATERI	002982		11/12/2019	503-4720-475.43-14	89.36 89.36 *	89.36
9277	2819	TRI-STATE HOSE & FITTINGS	002824 002825 002826		11/12/2019 11/12/2019 11/12/2019	507-5761-453.43-04 502-4710-471.43-04 511-3021-432.43-38	71.30 185.60 185.60 442.50 *	442.50
9278	3668	TRI-STATE RENTALS	002827		11/12/2019	101-5774-452.60-55	679.03 679.03 *	679.03
9279	3825	ULTRA PEST CONTROL, LLC	002832		11/12/2019	101-5774-452.43-18	45.00 45.00 *	45.00
9280	315	UNDERGROUND SERVICE ALERT	002833 002834 002835 002836 002837 002838		11/12/2019 11/12/2019 11/12/2019 11/12/2019 11/12/2019 11/12/2019	502-4710-471.43-04 503-4720-475.49-14 580-4750-473.49-14 502-4710-471.43-04 503-4720-475.49-14 580-4750-473.49-14	20.93 20.93 20.94 9.03 9.04 9.03 89.90 *	89.90
9281	3830	UNIFIRST CORPORATION	002839 002840 002841 002842 002843 002844 002845 002846 002847 002848 002849 002850 002851 002852 002853		11/12/2019 11/12/2019 11/12/2019 11/12/2019 11/12/2019 11/12/2019 11/12/2019 11/12/2019 11/12/2019 11/12/2019 11/12/2019 11/12/2019 11/12/2019 11/12/2019 11/12/2019	101-5774-452.61-06 508-4810-478.61-04 507-5762-454.61-06 101-5772-452.61-04 507-5761-453.61-04 101-5772-452.61-04 507-5761-453.61-04 101-3010-431.61-04 511-3020-432.61-04 502-4710-471.61-04 503-4720-475.61-04 507-5762-454.61-06 507-5762-454.61-06 101-5772-452.61-04 507-5761-453.61-04	7.00 10.22 7.00 43.18 52.77 30.06 36.74 79.25 85.89 27.32 33.04 7.00 7.22 31.99 39.10	

CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC./RETAIN)	CHECK TOTAL
9281	3830	UNIFIRST CORPORATION	002869 002911 002939 002985 003030 003035		11/12/2019 11/12/2019 11/12/2019 11/12/2019 11/12/2019 11/12/2019	503-4720-475.61-04 508-4810-478.61-04 511-3020-432.61-04 101-5774-452.61-06 502-4710-471.61-04 508-4810-478.61-04	11.04 9.77 79.29 7.00 26.52 9.77 641.17 *	641.17
9282	318	UPS	002912 002913 002914		11/12/2019 11/12/2019 11/12/2019	503-4720-475.52-20 502-4710-471.52-20 580-4750-473.52-20	38.67 38.67 38.66 116.00 *	116.00
9283	3571	URBAN FUTURES, INC.	002831		11/12/2019	270-4631-463.31-50	892.50 892.50 *	892.50
9284	761	USA BLUE BOOK INC.	002870		11/12/2019	503-4720-475.43-02	1,358.53 1,358.53 *	1,358.53
9285	1741	V & L LASER LLC	002884 002904 002905 002906 002907 002917 002918		11/12/2019 11/12/2019 11/12/2019 11/12/2019 11/12/2019 11/12/2019 11/12/2019	101-1040-417.61-02 101-1035-416.61-02 101-1040-417.61-02 101-2025-424.61-02 101-1035-416.61-02 101-1035-416.61-02 101-2030-423.61-02	267.00 69.75 69.75 69.75 69.75 267.00 69.75 882.75 *	882.75
9286	2469	VERIZON WIRELESS	002871		11/12/2019	580-4750-473.52-10	35.14 35.14 *	35.14
9287	3528	WESTERN ENVIRONMENTAL TES	002872 002873 002940 003038		11/12/2019 11/12/2019 11/12/2019 11/12/2019	502-4710-471.59-75 503-4720-475.59-75 503-4720-475.59-75 503-4720-475.59-75	251.80 143.00 116.00 307.00 817.80 *	817.80
9288	1023	XEROX	002874 002875 002876 002877 002878 002879 002880 002881 002882 002883		11/12/2019 11/12/2019 11/12/2019 11/12/2019 11/12/2019 11/12/2019 11/12/2019 11/12/2019 11/12/2019 11/12/2019	101-5774-452.74-20 101-1020-413.70-01 101-1025-415.70-01 101-1030-414.70-01 101-1035-416.70-01 101-1040-417.70-01 101-2025-424.70-01 101-2030-423.70-01 101-3010-431.70-01 510-4410-405.70-01	107.00 31.45 31.45 50.32 31.45 31.45 31.45 31.45 12.58 62.92 421.52 *	421.52
9289	3842	XIO, INC.	002887		11/12/2019	502-4710-471.31-90	113.00	113.00

PREPARED 10/24/2019, 10:39:58  
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 BANK 04 WELLS FARGO BANK - CITY GENERAL CHECKING

ACCOUNTS PAYABLE CHECK REGISTER BY BANK NUMBER

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CHECK NO	VENDOR NO	VENDOR NAME	VOUCHER NO	P.O. NO	DATE	ACCOUNT	REMITTANCE AMOUNT (NET OF DISC/RETAIN)	CHECK TOTAL
9289	3842	XIO, INC.					113.00 *	113.00
9290	3828	3D-NETWORKS LLC	002868		11/12/2019	509-4910-479.31-90	1,650.00	
			002943		11/12/2019	503-4720-475.43-40	2,845.00	
			002983		11/12/2019	509-4910-479.31-90	2,000.00	
							6,495.00 *	6,495.00
BANK/CHECK TOTAL							273,496.05	273,496.05
ALL BANKS/CHECKS TOTAL							273,496.05	273,496.05



MINUTES OF THE  
REGULAR MEETING OF THE CITY COUNCIL,  
NEEDLES PUBLIC UTILITY AUTHORITY  
CITY OF NEEDLES, CALIFORNIA  
**TUESDAY, OCTOBER 8, 2019**

The 5:00 p.m. portion of the City Council meeting was recessed by the City Clerk to 5:45 p.m.

**Call to Order**

Mayor Williams called the meeting to order at 5:45 p.m. in the Council Chambers at 1111 Bailey.

**Roll Call**

Present: Mayor Jeff Williams; Council Members Shawn Gudmundson, Tim Terral, Clayton Hazlewood, Edward Paget M.D., Tona Belt and Zachery Longacre. Also present City Manager Rick Daniels; City Attorney John Pinkney and City Clerk Dale Jones.

**Public Comments** - None

**Meeting Recessed for Executive Session Item**

Mayor Williams recessed the meeting for the purpose of Executive Session at 5:35 p.m.

- a) Conference with legal counsel pursuant to Government Code Section 54956.9(d)(1). (One matter related to National Opiate Litigation listing all US Cities as class members, including Needles, which action is titled "In re: National Prescription Opiate Litigation, MDL No. 2804 (N.D. Ohio)

**Meeting Reconvened**

Mayor Williams reconvened the meeting at 6:02 p.m. with all persons heretofore mentioned present.

**Report Out of Executive Session by City Attorney**

City Attorney Pinkney reported there was a motion made by Councilmember Gudmundson, second by Councilmember Terral to remain in the Class lawsuit. Motion carried by the following roll call vote:

Ayes:	Council Members Gudmundson, Terral, Paget, Belt and Longacre
Noes:	Councilmember Hazlewood
Absent:	None

**Roll Call**

Present: Mayor Jeff Williams; Council Members Shawn Gudmundson, Tim Terral, Clayton Hazlewood, Edward Paget M.D., Tona Belt and Zachery Longacre. Also present City Manager Rick Daniels; City Attorney John Pinkney and City Clerk Dale Jones.

**Invocation** given by Mayor Williams

**Pledge of Allegiance** led by Vice Mayor Paget

**Approval of Agenda**

Councilmember Gudmundson moved, seconded by Councilmember Paget, to approve the agenda as submitted. Motion carried by the following roll call vote:

Ayes:	Council Members Gudmundson, Terral, Hazlewood, Paget, Belt and Longacre
Noes:	None
Absent:	None

**Conflict of Interest** None

**Correspondence** None

**Introductions** None

**Public Appearance** None

**1) Don Olsen, Epic Engineering, gave a PowerPoint Presentation regarding a 15-year Needles Pavement Management Plan – Waived the reading and adopted resolution No. 2019-68**

City Manager Daniels reported from staff report, and Mr. Don Olsen gave a PowerPoint presentation. Discussion ensued resulting in the following action.

Councilmember Terral moved, seconded by Councilmember Gudmundson, to waive the reading and adopt Resolution No. 2019-68 adding item #6 to the Public Works Capital Improvement Plan Construction of Year 1 Pavement Management Plan Projects excluding Front Street.

Motion carried by the following roll call vote:

Ayes: Council Members Gudmundson, Terral, Hazlewood, Paget, Belt and Longacre  
Noes: None  
Absent: None

City Attorney Pinkney announced that Front Street was excluded because Councilmember Longacre lives on Front Street and wishes to excuse himself from the vote. Councilmember Longacre left the room at 6:38 p.m.

Councilmember Gudmundson moved, seconded by Councilmember Paget, to waive the reading and adopt Resolution No. 2019-68 adding item #6 to the Public Works Capital Improvement Plan Construction of Year 1 Pavement Management Plan Projects including Front Street.

Motion carried by the following roll call vote:

Ayes: Council Members Gudmundson, Terral, Hazlewood, Paget and Belt  
Noes: None  
Absent: Councilmember Longacre was out of the room

Councilmember Longacre returned to the meeting at 6:40 p.m.

**2) Public hearing held – Waived the reading and adopted Resolution No. 2019-69**

A public hearing was noticed to consider all evidence and testimony for or against adoption of a Proposed Negative Declaration and adoption of the City of Needles 2013-2021 Housing Element Amendment.

Legal notice as provided to the City Clerk's Office by staff had been published and posted.

PowerPoint Presentation was made by Patrick Martinez, Director of Development Services and CEQA consultant Joe Gibson, Meridian Consultants, discussion ensued.

Mayor Williams declared the public hearing open at 6:54 p.m.

There being no persons present to speak further on the matter and there being no protests filed, either written or oral, the Mayor declared the public hearing closed at 6:54 p.m.

Councilmember Belt moved, seconded by Councilmember Gudmundson, to waive the reading and adopt Resolution No. 2019-69 amending and adopting an update to the Housing Element of the City of Needles General Plan and adoption of a Negative Declaration in compliance with the California Environmental Quality Act (CEQA). Motion carried by the following roll call vote:

Ayes: Council Members Gudmundson, Terral, Hazlewood, Paget, Belt and Longacre  
Noes: None  
Absent: None

Mayor Williams declared a 5-minute break at 6: 55 p.m., meeting resumed at 7:00 p.m.

**Recessed the City Council meeting and convened a joint City Council and NPUA meeting**

Mayor Williams recessed the City Council meeting and convened a joint meeting with the NPUA at 7:00 p.m. Roll call previously taken.

**3) NPUA / COUNCIL: Waived the reading and adopted NPUA Resolution No. 10-08-2019-NPUA and Council Resolution No. 2019-67 as amended**

City Manager Daniels reported. Mayor Paget pointed out three minor spelling corrections.

Member / Councilmember Paget moved, seconded by Member / Councilmember Longacre, to waive the reading and adopt Resolution No. 10-08-2019-NPUA and Council Resolution No. 2019-67, as amended, adopting a Needles Public Utility Authority Annual Wildfire Mitigation Plan.

Motion carried by the following roll call vote:

Ayes: Members / Council Members Gudmundson, Terral, Hazlewood, Paget, Belt, Longacre and Williams

Noes: None

Absent: None

**Mayor Williams adjourned the joint meeting and reconvened the City Council Meeting at 7:03 p.m.**

**Consent Calendar**

Councilmember Gudmundson moved, seconded by Councilmember Terral, to approve the Consent Calendar as submitted. Motion carried by the following roll call vote:

Ayes: Council Members Gudmundson, Terral, Hazlewood, Paget, Belt and Longacre

Noes: None

Absent: None

**4) Approved the warrants register through October 8, 2019**

**5) Waived the reading and adopted Resolution No. 2019-65 authorizing filing of an application for federal funding under FTA Section 5311 (49 U.S.C. Section 5311), the federal program providing assistance to rural transit programs, with the California Department of Transportation**

**6) Approved an Amended Credit Card Policies and Procedures Statement and authorize the Finance Department to pay credit card statements prior to Council approval**

**7) Waived the reading and adopted Resolution No. 2019-64 approving application(s) for per capita grant funds through the California Department of Parks and Recreation**

**8) Waived the reading and adopted Resolution No. 2019-66 accepting the Purchase Offer from Greens Needles, LLC for city right-of-way consisting of a portion of Market Street section west of "O" Street terminating at the base of Interstate 40**

**9) Authorized \$21,200 from the Public Works Reserve Fund for the purchase of one (1) 2019 Chevrolet 2500HD 4WD with 8" Rock King Plow (purchase approved May 14, 2019) and the balance using Public Works vehicle replacement funds**

**10) Accepted the resignation of Jeremy Smith from the Parks and Recreation Commission and directed the city clerk to advertise all vacancies on various Boards and Commissions**

**End of Consent Calendar**

**11) Approved installation of pedestrian traffic control measures on Bailey Avenue and J Street**  
City Manager Daniels reported from staff report.

Councilmember Hazlewood moved, seconded by Councilmember Gudmundson, to install flashing stop signs and pedestrian crossing lights as traffic control measures on Bailey Avenue and J Street.

Motion carried by the following roll call vote:

Ayes: Council Members Gudmundson, Terral, Hazlewood, Paget, Belt and Longacre  
Noes: None  
Absent: None

**City Attorney's Report - None**

**City Manager's Report**

City Manager Daniels reviewed the projects that he and city staff are working on.

**Council Requests**

Councilmember Gudmundson voiced his opinion that the city should do everything they can to keep the underpass open, he is excited about the Housing Element and reminder October is Breast Cancer Awareness Month.

Councilmember Terral questioned if the Economic Development Fund included home building.

Vice Mayor Paget reminded everyone of the Ten-Ten celebration.

Councilmember Belt requested an excused absence from the October 22 council meeting, and she has an appointment with Congressman Cook on November 7 to discuss the Needles Bridge project.

Councilmember Longacre requested Needles Cemetery plot maps as he has volunteers to photograph all of the head stones to be placed on a cemetery website, hold off on erecting the stop sign on Front Street until the City Manager meets with BNSF and could the city possibly donate a couple of K rails to the Needles Towne Center as they are currently using rocks to block traffic .

Mayor Williams declared the regular meeting of the City Council held on the 8th day of October 2019, adjourned at 7:12 p.m.

ATTEST: \_\_\_\_\_  
Mayor Jeff Williams

\_\_\_\_\_  
City Clerk Dale Jones, CMC

MINUTES OF THE  
REGULAR MEETING OF THE CITY COUNCIL,  
CITY OF NEEDLES, CALIFORNIA

TUESDAY, OCTOBER 22, 2019

The 5:00 p.m. portion of the City Council meeting was recessed by the City Clerk to 5:30 p.m.

**Call to Order**

Mayor Williams called the meeting to order at 5: 33 p.m. in the Council Chambers at 1111 Bailey.

**Roll Call**

Present: Mayor Jeff Williams; Council Members Shawn Gudmundson, Tim Terral, Edward Paget and Zachery Longacre. Also present City Manager Rick Daniels; Acting City Attorney Lena Wade and City Clerk Dale Jones.

**Excused Absence**

Councilmember Terral moved, seconded by Councilmember Longacre, to grant an excused absence to Councilmember Belt and Hazlewood. Motion carried by the following roll call vote:

Ayes: Council Members Gudmundson, Terral, Paget and Longacre  
Noes: None  
Absent: Councilmembers Belt and Hazlewood

**Public Comments - None**

**Meeting Recessed for Executive Session Item**

Mayor Williams recessed the meeting for the purpose of Executive Session at 5:35 p.m.

- a) Conference with legal Counsel regarding significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2) and/or (3) (One potential case related to October 11, 2019 letter from legal Counsel for Rio Buena Vista Association related to Association water and sewer facilities). Attorney Patterson participated via teleconference.

**Meeting Reconvened**

Mayor Williams reconvened the meeting at 6:00 p.m. with all persons heretofore mentioned present.

**Report Out of Executive Session by City Attorney**

Acting City Attorney Wade reported that there was no reportable action.

**Roll Call**

Mayor Jeff Williams; Council Members Shawn Gudmundson, Tim Terral, Edward Paget and Zachery Longacre. Also present City Manager Rick Daniels, Acting City Attorney Lena Wade and City Clerk Dale Jones.

**INVOCATION – Led by Mayor Williams**

**PLEDGE OF ALLEGIANCE – Given by Mayor Williams**

**APPROVAL OF AGENDA**

Councilmember Gudmundson moved, seconded by Councilmember Terral, to approve the agenda and pulled item 3 (CUP extension for marijuana cultivation, distribution and manufacturing facilities located at 1100 E. Broadway), item 4 (Tax Field Audit(s) cultivation) and item 10 ( Employee Holiday Event budget). Motion carried by the following roll call vote:



Ayes: Council Members Gudmundson, Terral, Paget and Longacre  
Noes: None  
Absent: Councilmembers Belt and Hazlewood

**CONFLICT OF INTEREST** – None

**CORRESPONDENCE** – None

**INTRODUCTIONS** - None

**PUBLIC APPEARANCE**

George DeLeon, Chamber of Commerce, reported on the Dancing with the Stars fundraiser and the California Welcome Center.

Jared Johnson informed Council that on Monterey Street and Needles Highway the large trucks traveling through town are parking, sleeping and leaving behind human waste on the street, the residents are very upset, and it is a health concern.

Cheryl Lewell, The Healing Center, informed Council that they will be having a two-day sale this Saturday and Sunday at their location.

**1) Public hearing noticed to consider all evidence and testimony for or against amending Section 13-33(d) of the Needles Municipal Code (NMC) to erect a stop sign at the northeast corner of North K Street and Front Street has been continued to November 12, 2019**

**CONSENT CALENDAR**

Councilmember Terral moved, seconded by Councilmember Gudmundson, to approve the Consent Calendar items 2, 5, 6, 7 and 8 as submitted. Motion carried by the following roll call vote:

Ayes: Council Members Gudmundson, Terral, Paget and Longacre  
Noes: None  
Absent: Councilmembers Belt and Hazlewood

**2) Approved the warrants register through October 22, 2019**

**5) Approved the Needles Rodeo Association Daily License Application for the Department of Alcoholic Beverage Control for their Needles Rodeo Association Jeep Dinner, November 2, 2019 at the Needles Rodeo Grounds**

**6) Waived the reading and adopted Resolution No. 2019-70 authorizing the City to file an application for SB2 Grant Funds and Acknowledging Receipt of the funds when received**

**7) Declared miscellaneous equipment and vehicles as surplus and authorized staff to advertise for bids and to award the bid to the highest bidder**

**8) Waived the reading and adopted resolution No. 2019-74 authorizing destruction of certain city records pursuant to Government Code Section 34090**  
**End of Consent Calendar**

**9) Authorized the Mayor to send a letter to Supervisor Lovingood and the San Bernardino County Voter Registrar to require voter identification at all elections**

City Manager Daniels reported. Councilmember Terral voiced his concern about voter fraud.

Councilmember Terral moved, seconded by Councilmember Paget, to authorize the Mayor to send a letter to Supervisor Lovingood and the San Bernardino County Voter Registrar to require voter identification at all elections. Motion carried by the following roll call vote:

Ayes: Council Members Gudmundson, Terral, Paget and Longacre

Noes: None  
Absent: Councilmembers Belt and Hazlewood

**City Attorney's Report - None**

**City Manager's Report**

City Manager Daniels reviewed the projects that he and city staff are working on and informed Council of the upcoming ribbon cutting ceremony for the Needles Highway project.

**Council Requests**

Councilmember Gudmundson requested staff to find out what the weight limit restrictions are on Monterey to enable the city to post signs to eliminate the truck parking situation.

Vice Mayor Paget announced that he, Mayor Williams and Councilmember Terral attended the League of California Cities conference and it was very informative.

Councilmember Longacre thanked Councilmember Gudmundson and City Manager Daniels for the trash can at the bus stop on J Street.

Mayor Williams declared the regular meeting of the City Council held on the 22nd day of October 2019, adjourned at 6:18 p.m.

ATTEST: \_\_\_\_\_  
Mayor Jeff Williams

\_\_\_\_\_  
City Clerk Dale Jones, CMC



## City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA

☐ Regular ☐ Special

**Meeting Date:** November 12, 2019

**Title:** Declare miscellaneous equipment and vehicles as surplus and authorize staff to advertise for bids

**Background:** The following items are no longer in use and staff would like to solicit for bids for the sale of these items and award the bid to the highest bidder.

1 Bucket Truck – 1985 Chevy Model 70 minimum bid \$1,000  
2 Dell computer towers minimum bid \$100 each

**Fiscal Impact:** Additional revenue

**Environmental:** N/A

**Recommendation:** I MOVE to declare miscellaneous equipment and vehicles as surplus and authorize staff to advertise for bids and to award the bid to the highest bidder.

**Submitted By:**

**City Management Review:**

Rick

**Date:**

11/9/19

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 12



## City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA

☐ Regular ☐ Special

**Meeting Date:** November 12, 2019

**Title:** Extend the lease with Tri-State Alano Club for property at 801 Third Street.

**Background:** On July 11, 2017 the City Council extended a lease with the Tri-State Alano Club to use the City owned property at 801 Third Street for \$1/year in consideration for the contributions they make to public health and public safety and the lease was extended. The Alano Club is requesting an additional 3 year extension. The Council has directed that the Alano Club share the facility with Narcotics Anonymous, a similar private, non-profit organization assisting with addiction. The City Attorney has prepared a Lease.

**Fiscal Impact:** \$1/year

**Recommendation:** Approve a 3 year extension

**Submitted By:**

**City Management Review:** Rick

**Date:** 11/9/19

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 13





**RESOLUTION NO. 2019-76**

**A RESOLUTION OF THE CITY OF NEEDLES, CALIFORNIA,  
APPROVING A LEASE EXTENSION WITH TRI-STATE ALANO CLUB  
FOR THE BUILDING AT 801 THIRD STREET**

WHEREAS, Tri-State Alano Club, an organization dedicated to community service, has been leasing the city-owned building at 801 Third Street since 1991 to conduct Club business and hold Club meetings; and

WHEREAS, the existing lease agreement has by its terms expired and the parties wish to extend its term until November 12, 2022; and,

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Needles, California hereby approves a Lease Extension with Tri-State Alano Club for the lease of the building at 801 Third Street for an additional three year period and authorizes the Mayor to sign said Lease Extension for and on behalf of the City of Needles.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Needles, California, held on the 12th day of November, 2019 by the following roll call vote:

AYES: Council Members

NOES:

ABSENT:

ABSTAIN:

Mayor:

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City Clerk

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APPROVED AS TO FORM:

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City Attorney, John Pinkney



## LEASE EXTENSION

THIS LEASE EXTENSION dated this 12th day of November, 2019, is entered into by and between the CITY OF NEEDLES, a Charter City and Municipal Corporation, hereinafter called "Lessor", and the TRI-STATE ALANO CLUB OF NEEDLES, INC., a California nonprofit public benefit corporation, hereinafter called "Lessee."

### WITNESSETH:

1. The parties executed that certain Lease Agreement dated July 11, 2017 for the premises commonly known as 801 Third Street, Needles.

2. Term. The term of the lease is hereby extended from its prior expiration through November 12, 2022 ("Term"). Notwithstanding the forgoing and notwithstanding anything in the lease or any amendments to the contrary, either party may terminate the lease upon thirty (30) days written notice, in which case this lease will terminate at the expiration of said 30 days. Lessee has proposed and offered to make the premises available as a meeting space on mutually agreed upon times and dates to Narcotics Anonymous. City consents to the use of the premises by Narcotics Anonymous provided Narcotics Anonymous signs an agreement to defend and indemnify the City of Needles in a form acceptable to the City and provided Narcotics Anonymous obtains insurance and provides proof of insurance coverage required by Section 7 of the lease naming the City of Needles as an additional insured.

All other terms and provision of the lease not specifically amended hereby shall remain full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Lease the day and year first above written.

CITY OF NEEDLES, a Charter City and  
Municipal Corporation

By:

Mayor; \_\_\_\_\_

Date: \_\_\_\_\_

TRI-STATE ALANO CLUB OF NEEDLES, INC., a California Nonprofit Public  
Benefit Corporation

By: Mike Madala

Title: Director

Date: 11-6-19



RESOLUTION NO. 2017- 51

A RESOLUTION OF THE CITY OF NEEDLES, CALIFORNIA, RESCINDING  
RESOLUTION NO. 2014-47 AND APPROVING A LEASE AGREEMENT WITH TRI-  
STATE ALANO CLUB FOR LEASE OF THE BUILDING AT 801 THIRD STREET

WHEREAS, Tri-State Alano Club, an organization dedicated to community service, has been leasing the city-owned building at 801 Third Street since 1991 to conduct Club business and hold Club meetings; and

WHEREAS, the existing lease agreement expires as of August 4, 2017 and after negotiations between the City Manager and an authorized Tri-State Alano representative, both parties desire to continue the lease of the premises for an additional three years, ending August 4, 2020;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Needles, California hereby rescinds Resolution No. 2014-47 and approves a Lease Agreement with Tri-State Alano Club for the lease of the building at 801 Third Street for an additional three year period and authorizes the Mayor to sign said Lease Agreement for and on behalf of the City of Needles.

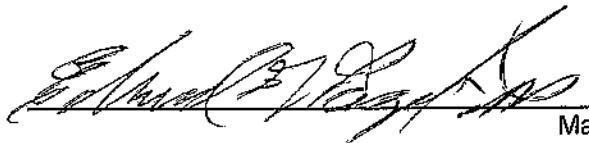
PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Needles, California, held on the 11th day of July, 2017, by the following roll call vote:

AYES: Council Members Gudmundson, Hazlewood, Williams, Belt and  
Richardson


NOES: None

ABSENT: Councilmember Evans

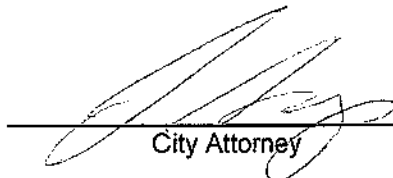
ABSTAIN: None

  
Mayor

(SEAL)

ATTEST:   
City Clerk

APPROVED AS TO FORM:

  
City Attorney





## LEASE AGREEMENT

THIS LEASE AGREEMENT ("lease"), dated this 11<sup>th</sup> day of July, 2017, is entered into by and between the CITY OF NEEDLES, a Charter City and Municipal Corporation, hereinafter called "Lessor", and the TRI-STATE ALANO CLUB OF NEEDLES, INC., a California nonprofit public benefit corporation, hereinafter called "Lessee."

### WITNESSETH:

1. **Lease.** Lessor hereby leases to Lessee, and Lessee hires from Lessor those certain premises described as follows:

801 Third Street, Needles (a concrete block building with 25-five (25) foot frontage on Third Street. Sixty (60) feet in depth, for a total of fifteen hundred (1500) square feet building area) (the "Premises")

2. **Use.** The Premises are to be used for business and meetings of the Tri-State Alano Club of Needles, Inc. and for no other purposes. Assignment or sublet of the premises to any other organization shall be in accordance with Section subsection 9 of this Agreement.

3. **Term.** The term of this lease shall be for a period of three years, commencing on the 4th day of August, 2017, and ending on the 4th day of August, 2020. ("Term") Notwithstanding the forgoing, either party may give the other party thirty (30) days written notice of intent to vacate or the need to have the other vacate the Premises, in which case this lease will terminate at the expiration of said 30 days.

4. **Rent.** Lessee agrees to pay Lessor the sum of One Dollar and 00/100 (\$1.00) per annum.

5. **Utilities.** The payment of all utilities utilized on the Premises or in the operation of the Tri-State Alano Club shall be the responsibility of Lessee.

6. **Indemnity.** Lessee shall indemnify, protect, defend and hold harmless the Lessor from and against any and all claims, damages, liens, judgments, penalties, reasonable attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by Lessee.

7. **Insurance.** Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of Lessee's use of the Premises. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$1,000,000 per occurrence with an annual aggregate of not less than \$1,000,000. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "insured contract" for the performance of Lessee's indemnity obligations under this Lease. The Limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. Lessee shall provide Lessor a copy of a Certificate of Insurance and an endorsement



on its liability policy(ies) which provides that its insurance shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only. Said insurance shall not be subject to cancelation, termination or change with first giving Lessor at least 30 days written notice of the same. In the event of cancellation or termination Lessee shall secure substitute insurance in the same amount.

8. **Unlawful Uses.** The Premises shall not be used except for the purposes specified in Section 2 above. Lessee shall not do or permit anything to be done in or about the premises which will in any way conflict with any law, ordinance, rule or regulation or in any way obstruct or interfere with the rights of Lessor, its patrons and employees or other tenants, allow the Premises to be used for any unlawful or objectionable purpose, or do or permit to be done anything to disturb the occupants of neighboring properties.

9. **Assignment.** Lessee shall not assign or sublet the Premises or any part thereof without obtaining the prior written approval of the Lessor, which approval may be given or withheld in the sole and absolute discretion of the Lessor.

10. **Condition.** Lessee agrees to maintain the premises in good condition and repair at its own expense, ordinary wear and tear and damage by fire and the elements excepted. Lessee agrees to commit no waste during the term of the Lease. Any repairs or alterations made upon the Premises shall remain upon and be surrendered at the expiration or other termination of this Lease.

11. **Parking.** Lessee acknowledges that the parking spaces on the east side of the City Hall building are not being leased under this Lease Agreement and that such parking is reserved exclusively for the use of City of Needles personnel during normal business hours of Monday through Friday 7:00 a.m. to 5:00 p.m., excluding designated holidays. Lessee agrees to keep these parking spaces clear and to advise participants and visitors that parking is prohibited in these designated parking spaces during normal business hours of the City of Needles.

12. **Inspection.** Lessor may inspect the Premises at all reasonable times.

13. **Notices.** Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this Lease or by law to be served on or given to either party by the other party shall be in writing and shall be deemed duly served and given when delivered by hand delivery, or by recognized overnight courier, addressed to Lessee at

TRI STATE ALANO CLUB OF NEEDLES, INC.  
153 Victory Drive  
Needles, CA 92363  
Attention: Carol Brown

CITY OF NEEDLES  
817 Third Street  
Needles, CA 92363  
Attention: City Manager





Either party may change its address for the purpose of this paragraph by giving written notice of the change to the other party in the manner provided in this paragraph.

**14. Successors.** This Lease and each of its provisions shall be binding on and shall inure to the benefit of the respective heirs, devisees, legatees, executors, administrators, trustees, successors, and assigns of the parties to this Lease.

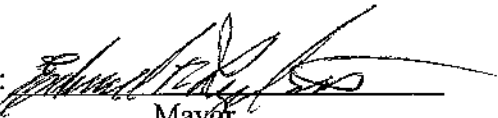
**15. Entire Agreement.** This instrument constitutes the sole and only agreement between Lessor and Lessee respecting the Premises, the leasing of the Premises to Lessee, or the lease Term created under this Lease, and correctly sets forth the obligations of Lessor and Lessee to each other as of its date. Any agreements or representations respecting the Premises or their leasing by Lessor to Lessee not expressly set forth in this instrument are null and void. This Lease may not be extended, amended, modified, altered, or changed, except in a writing signed by Lessor and Lessee.

**16. Removal of Mechanics' Liens.** Lessee shall give Lessor not less than ten (10) days' notice prior to the commencement of any work in the Premises such that Lessor may record and post notices of non-responsibility. Lessee shall remove any mechanics' or materialmans' lien or encumbrance arising out of work performed by Lessee by bond or otherwise within twenty (20) days after notice by Lessor, and if Lessee fails to do so, Lessor may pay the amount necessary to remove such lien or encumbrance at Lessee's expense.

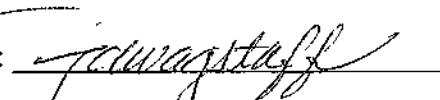
**17. Authority.** Each of the parties executing this Lease represents and warrants that he or she has the authority to execute this Lease on behalf of the entity on whose behalf he or she is executing this Lease and that all actions have been taken to make this Lease binding on such entity.

IN WITNESS WHEREOF, the parties hereto have executed this Lease the day and year first above written.

CITY OF NEEDLES, a Charter City and  
Municipal Corporation

By:   
Mayor  
Date: July 11, 2017

TRI-STATE ALANO CLUB OF  
NEEDLES, INC., a California Nonprofit  
Public Benefit Corporation

By:   
Date: July 14, 2017





## City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA

☐ Regular ☐ Special

**Meeting Date:** November 12, 2019

**Title:** Approve an Administrative Support Clerk Job Description

**Background:** The 2019-2020 City Budget includes funding for part time assistance in the City Clerk's Department. Attached is the position description. The position range begins at fifty cents above the minimum wage as of January 2020 and increases concurrent with the minimum wage schedule thereafter. The hours are set based on the maximum per year an individual can work without having to contribute to CalPERS.

**Fiscal Impact:** Included in the 2019-2020 Budget - \$20,000

**Environmental:** N/A

**Recommendation:** I MOVE to approve an Administrative Support Clerk Job Description to be added to the Authorized Positions in the 2019-2020 budget

**Submitted By:** City Clerk Jones

**City Management Review:** Rick

**Date:** 11/9/19

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 14

## **NEW**

### **POSITION DESCRIPTION**

**Position Title:** Administrative Support Clerk  
**Job Classification:** Part Time (maximum 1039 hours per year)  
**Department:** City Clerk **Position Range:** \$13.50/hr through Dec 2020  
2021 forward - Minimum Wage

**POSITION PURPOSE:** Provides administrative clerical assistance including typing, filing, processes business licenses, answering phones, processes incoming and outgoing mail, participates in the maintenance of official City documents and records, assists in the preparation of the agenda packet for meetings of the City Council, and responsible for general administrative functions at the direction of the City Clerk.

**REPORTS TO:** City Clerk

**EXAMPLES OF RESPONSIBILITIES** (may include but not limited to):

- Assist in maintaining orderly office activities by performing administrative typing and document preparation in accordance with department policies or from general instructions.
- Maintain a listing of resolutions, ordinances, minutes, agreements and other records and documents as required.
- Filing and retrieval of documents.
- Prepare agenda packets and scans the packets for placement on the webpage for all scheduled City Council/NPUA/NPFA meetings:
- Processes and issues City business licenses according to City Code (Chapter 12)
- Customer service emphasis

**MINIMUM QUALIFICATIONS:**

- Ability to type a minimum of 40 words per minute and proofread with accuracy.
- Considerable knowledge of proper English usage, grammar, spelling, vocabulary and punctuation.
- Knowledge of and ability to operate a computer; office equipment and various software applications.

**EDUCATION/EXPERIENCE REQUIRED:**

Any combination equivalent to experience and education that would provide the required knowledge and abilities as stated above. A typical way to obtain the knowledge and abilities would be:

- High School diploma / GED required.
- Proficient in the use of computers and applicable software applications.
- Modern office practices and procedures including business correspondence, records management, and standard office equipment operation, and an understanding of electronic data processing.

**OTHER REQUIREMENTS:**

- Valid and appropriate driver's license.
- Pass pre-employment physical and drug test.

**ESSENTIAL PHYSICAL REQUIREMENTS:**

Physical requirements may vary from light to heavy consisting of frequent sitting, standing, walking, bending and stooping.

**ENVIRONMENTAL EXPOSURES:**

Moderate: Noise intensity levels, chemicals (office supplies), and lighting.

**GENERAL:**

This position description is not intended to be all-inclusive, and employee will also perform other reasonable related duties as assigned by management as required. The city reserves the right to revise or change classification duties and responsibilities as the need arises. This description does not constitute a written or implied contract of employment.

=====

Job Description Modification History

Created October 2019

Approved by City Council:





## City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA

☒ Regular ☐ Special

**Meeting Date:** November 12, 2019

**Title:** Agreement to Issue H- Street Patient Care a Temporary Certificate of Occupancy for the building located at 101 W Spikes Road, Also known as APN# 0650-431-10-0000

**Background:** May 30, 2017, the City Council approved Resolution 2017-42 also known as Conditional Use Permit No. 04-05-2017-1 PC and Resolution 2017-43 also known as Conditional Use Permit No. 04-05-2017-2 PC, approving a medical marijuana manufacturing and cultivation facility at the Property subject to Conditions of Approval described in Exhibit "B" attached hereto in the agreement.

On May 29, 2018, the City Council approved Resolution 2018-24 also known as Conditional Use Permit No. 04-18-2018-1 PC approving a medical marijuana distribution facility at the Property subject to Conditions of Approval described in Exhibit "B" attached hereto in the agreement.

The property as of November 5, 2019 has two (2) Conditions of Approval which are not life or safety conditions that still be completed.

H- Street Patient Care has requested a Certificate of Occupancy for the building to certify the Property is compliant and is suitable for occupancy. City Staff has reviewed with H- Street Patient Care, Inc each of the two (2) Conditions and City Staff has agreed to provide Owner a six (6) month time period during the term of the temporary Certificate of Occupancy to correct all remaining conditions by May 12, 2020. H- Street Patient Care has agreed to the estimated costs of to correct all conditions attached hereto as Exhibit "D" in the agreement.

The City has identified the following costs to remedy each of the two (2) Conditions to be Fifty-Two Thousand Seven Hundred Twenty-Six Dollars (\$57,526.25). H- Street Patient Care, shall provide financial assurance in the amount of Fifty-Two Thousand Seven Hundred Twenty-Six Dollars (\$57,526.25), in a form that is acceptable to City in City's sole and absolute discretion, before issuance of the six (6) month temporary Certificate of Occupancy, to assure that the Work is timely completed. The City has agreed to hold the financial assurance funds, solely and exclusively for the assurance of completion of the Conditions of Approval. As each of the two (2) Conditions of Approval are completed to the satisfaction of the City the Owner will have the bond returned within 30 days of such satisfactory completion according to the costs that are described in the proposed





## City of Needles, California Request for City Council Action

Agreement (Exhibit "D"), on the property identified in Exhibit "A" by May 12, 2020 attached hereto and incorporated herein by this reference.

**Fiscal Impact:** Full cost recovery of remaining two (2) Conditions if work is not completed by H- Street Patient Care.

**Environmental Impact:** This project is categorically exempt under the California Environmental Quality Act, CEQA Guidelines, Section 15301(a), (Existing Facilities, interior or exterior alterations involving such things as interior partitions, plumbing, and electrical conveyances). The proposed use will involve tenant improvements to an existing commercial building facility.

**Recommended Action:** Approve the Agreement H- Street Patient Care a Temporary Certificate of Occupancy for the building located at 101 W Spikes Road, Also known as APN# 0650-431-10-0000

**Submitted By:** Patrick Martinez, Director of Development Services

**City Management Review:** Rick

**Date:** 11/9/19

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 15



**CITY OF NEEDLES  
AGREEMENT  
(H-Street Patient Care)**

This Agreement ("Agreement") is entered into this 12<sup>th</sup> day of November 2019, by and between the City of Needles, California, a charter city (hereinafter "City"), and Harry Ezajian a representative for H-Street Patient Care, a California corporation, (hereinafter referred to as "Owner").

**I. RECITALS**

The parties hereto have entered into this Agreement based upon and in reliance on the following facts:

**A. WHEREAS**, Owner is the owner of the following property located in the City of Needles and referred to as the "Property":

1. APN# 0650-431-10-0000  
101W Spikes Road, Needles, California
  - TRACT 12731 LOT 1 BLOCK 4Described in **Exhibit "A"** attached hereto and incorporated herein by this reference.

**B. WHEREAS**, commencing on May 30, 2017, the City Council approved Resolution 2017-42 also known as Conditional Use Permit No. 04-05-2017-1 PC and Resolution 2017-43 also known as Conditional Use Permit No. 04-05-2017-2 PC, approving a medical marijuana manufacturing and cultivation facility at the Property subject to Conditions of Approval described in **Exhibit "B"** attached hereto and incorporated herein by this reference.

**C. WHEREAS**, commencing on May 29, 2018, the City Council approved Resolution 2018-24 also known as Conditional Use Permit No. 04-18-2018-1 PC approving a medical marijuana distribution facility at the Property subject to Conditions of Approval described in **Exhibit "B"** attached hereto and incorporated herein by this reference.

**D. WHEREAS**, Owner signed acknowledged and fully understood the Conditions of Approval for the Conditional Use Permit No. 04-05-2017-1 PC and 04-18-2018-1 PC in an Affidavit Acknowledging Acceptance of Conditions of Approval for Conditional Use Permit described in **Exhibit "C"** attached hereto and incorporated herein by this reference.

**E. WHEREAS**, the property as of November 4, 2019, has two (2) Conditions of Approval which are not life or safety conditions that still need to be completed.

**F. WHEREAS**, a true and correct copy of the two (2) conditions remaining after completion of those in Recital "E" ("Work") is attached hereto as **Exhibit "D"** and incorporated herein by this reference;



G. **WHEREAS**, Owner has requested a conditional and temporary Certificate of Occupancy for the Property to certify the Property is compliance and is suitable for occupancy.

H. **WHEREAS**, City Staff has reviewed with the Owner/applicant the remaining two (2) Conditions of Approval and is prepared to issue a six (6) month temporary Certificate of Occupancy to the Owner for the Property in accordance with this Agreement.

I. **WHEREAS**, City has agreed to provide Owner time during the term of the temporary Certificate of Occupancy to correct all conditions described in **Exhibit "D"** attached hereto and incorporated herein by this reference and as further set forth in this Agreement.

J. **WHEREAS**, Owner has agreed to the estimated costs to correct all conditions described in **Exhibit "D"** attached hereto and incorporated herein by this reference, by the time set forth herein pursuant to the terms set forth in this Agreement.

## II. SETTLEMENT TERMS

Now, therefore, for valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows.

1. Recitals. The recitals set forth above are incorporated into this Agreement for all purposes.
2. Owner's Obligations to Abate Conditions on the Property.

a. Owner shall provide financial assurance in the amount of Fifty Two Thousand Seven Hundred Twenty-Six Dollars (\$57,526.25) by means of cash, letter of credit or performance bond satisfactory to City ("Improvement Security"), in a form that is acceptable to City in City's sole and absolute discretion, before issuance of the six (6) month temporary Certificate of Occupancy, to assure that the Work is timely completed. The City will hold the financial assurance bond, solely and exclusively for the assurance of completion of the Conditions of Approval. Once the two (2) Conditions of Approval are completed to the satisfaction of the City the City will release the Improvement Security within 30 days of such satisfactory completion according to the costs that are described in **Exhibit "D"** attached hereto and incorporated herein by this reference.

- b. Owner shall complete the Work, as approved by City no later than May 12, 2020 unless the deadline for completion of the Work is extended in writing by City in City's sole and absolute discretion. In the event the Owner does not complete the Work the City may, but shall not be required to, use the Improvement Security, or any portion of the Improvement Security, to address any issues involving compliance with the CUP, Needles Municipal or to complete the Work, or any part thereof, and the Temporary Certificate of Occupancy will revoked and operations must cease. Upon completion of all of the Conditions of Approval as certified by the City within the term of the six month Certificate of Occupancy a permanent Certificate of Occupancy will be issued.

3. City's Remedies for Default of Owner. In the event that Owner fails to fulfill the obligations set forth in Paragraph 2 above, City may immediately terminate this Agreement and seek any and all available remedies in law and/or equity regarding the Property, including but not limited to seeking an Abatement Warrant from the Court.

4. Compliance with Laws. Owner agrees to comply with all governmental laws and regulations, including City zoning, building, business licensing and tax laws pertaining to the Property and to any business operated thereon.

5. Applicable Law. The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

6. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be effective upon delivery by hand or email or three (3) business days after deposit in the United States mail, postage prepaid, certified or registered, and addressed to CITY or Owner at the addresses below. Notice of change of address shall be effective only when accomplished in accordance with this Section.

CITY's Notice Address:

City of Needles  
817 Third Street  
Needles, CA 92363  
Attn: Director of Development Services  
[ndlsdds@frontier.com](mailto:ndlsdds@frontier.com)

OWNER's Notice Address:

Harry Ezajian  
6245 Elmer Avenue  
North Hollywood, CA 91606  
[harryezajian@yahoo.com](mailto:harryezajian@yahoo.com) (Email Address)

7. Consideration. Each of the parties hereto acknowledges and admits to the sufficiency of the consideration provided in exchange for the releases and other covenants contained in this Agreement.

8. No Assignment. Owner shall not assign any rights or obligations under this Agreement except with the prior written approval by the City.

9. Counterparts. This Agreement may be executed in several counterparts and by fax copies and, as so executed, will constitute one agreement, binding on the parties to this Agreement, notwithstanding that such parties are not signatories to the original or the same counterparts.

10. Warranties of Comprehension, Consent and Authority. Each person executing this Agreement warrants that he or she comprehends the terms of this Agreement, and further warrants that he or she is executing this Agreement freely on the advice of legal counsel and that, if signing on behalf of an entity, he or she has the right and authority to execute the Agreement on that entity's behalf.

11. Waiver. Failure to exercise any right under this Agreement shall not constitute a waiver of such right.

12. Severability. If any court of competent jurisdiction holds any provision of this Agreement to be invalid, unenforceable, or void, the remainder of this Agreement shall remain in full force and effect.

13. Governing Law. This Agreement is entered into and to be performed in San Bernardino County and shall be governed by and construed in accordance with the laws of the State of California and the Parties agree that venue shall be in San Bernardino County, California.

14. Interpretation. This Agreement shall be construed as a whole, according to its fair meaning, and not in favor of or against any party. By way of example and not in limitation, this Agreement shall not be construed in favor of the party receiving a benefit or against the party responsible for any particular language in this Agreement. Captions are used for reference purposes only and should be ignored in the interpretation of the Agreement. This Agreement may be altered, amended or modified only by an instrument in writing; executed by the parties to this Agreement and by no other means. Each party waives their future right to claim, contest, or assert that this Agreement was modified, canceled superseded or changed by any oral Agreement, course of conduct, waiver or estoppel. The recitals to this Agreement are deemed incorporated in this Agreement and made a part hereof by this reference.

15. Mistake. The parties fully understand and declare that if the facts under which this Agreement is executed are found hereafter to be different from the facts now believed by them to be true they assume the risk of such possible differences in facts and hereby agree that this Agreement shall be, and will remain, effective, notwithstanding such differences in facts.

16. Headings. The language in all parts of this Agreement shall be in all cases construed simply according to its fair meaning and not strictly for or against any of the Parties hereto. Section headings of this Agreement are solely for the convenience of reference and shall not govern the interpretation of any of the provisions of this Agreement.

[Remainder of page intentional left blank.]

IN WITNESS WHEREOF, the undersigned hereby warrant that they are legally authorized and entitled to settle and to release every claim herein released and to agree to the above.

**CITY**

DATED: \_\_\_\_\_

CITY OF NEEDLES

By: \_\_\_\_\_  
Jeff Williams, Mayor

**ATTEST:**

\_\_\_\_\_  
Dale Jones, City Clerk

**APPROVED AS TO FORM:**

SLOVAK BARON EMPEY MURPHY & PINKNEY LLP

\_\_\_\_\_  
John O. Pinkney, City Attorney

DATED: \_\_\_\_\_

**OWNER**

H-Street Patient Care

By: 

Title: Owner

DATED: 11/8/19

**EXHIBIT "A"**  
**(Property Description)**



Exhibit "A"





**RESOLUTION 2017-42**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
NEEDLES APPROVING A CONDITIONAL USE PERMIT FOR A  
MEDICAL MARIJUANA MANUFACTURING FACILITY LOCATED  
AT 101 EAST SPIKE'S ROAD ALSO KNOWN AS APN 0650-431-10.**

**WHEREAS**, January 10, 2017 City Council Ordinance No. 588 was approved allowing medical marijuana manufacturing facilities in zones C1, C2, C3, M1 and M2, with a Conditional Use Permit and Regulatory Permit; and

**WHEREAS**, Applicant, Harry Ezajian, representative for H-Street Patient Care, as agent/owner, recently filed an application requesting a Conditional Use Permit for a medical marijuana manufacturing facility, proposed to be located at 101 East Spike's Road Needles Highway within the subject parcel known as APN 0650-431-10; and

**WHEREAS**, the parcel being considered for medical marijuana manufacturing is currently zoned C-3 "Highway Commercial" for APN 0650-431-10; and

**WHEREAS**, Section 96.01 of the Needles City Code allows these types of projects to occur in the Highway Commercial (C-3) zone, subject to the approval of a Conditional Use Permit; and

**WHEREAS**, a public hearing notice for the Needles Planning Commission meeting was published in the Needles Desert Star on March 15, 2017, 21 days prior to said meeting, and notices were sent to property owners within a 300-foot radius of the subject property specifying the date, time and location of the public hearing; and

**WHEREAS**, on April 5, 2017, the Needles Planning Commission held a duly noticed and advertised public hearing to receive oral and written testimony relative to RESOLUTION 04-05-2017-1 PC; and

**WHEREAS**, on April 5, 2017, the Needles Planning Commission approved RESOLUTION 04-05-2017-1 PC recommending City Council approval of a Conditional Use Permit; and,

**WHEREAS**, a public hearing notice for the Needles City Council meeting was published in the Needles Desert Star on April 15, 10 days prior to said meeting, and notices were sent to property owners within a 300-foot radius of the subject property specifying the date, time and location of the public hearing for a Conditional Use Permit; and

**WHEREAS**, the matter was scheduled for a public hearing on April 25, 2017 City Council meeting; and

**WHEREAS**, on April 25, 2017, the Needles City Council held a duly noticed and advertised public hearing to receive oral and written testimony for a Conditional Use Permit and voted 5-0 to remand the project back to the Needles Planning Commission to further review the City's Ordinance No. 588 with regard to the project and to reconsider its recommendation; and



**WHEREAS**, a public hearing notice for the Needles Planning Commission meeting was published in the Needles Desert Star on May 3, 2017, 10 days prior to said meeting, and notices were sent to property owners within a 300-foot radius of the subject property specifying the date, time and location of the public hearing; and

**WHEREAS**, on May 17, 2017, the Needles Planning Commission held a duly noticed and advertised public hearing to receive oral and written testimony relative to RESOLUTION 05-17-2017-2 PC and recommended City Council approval of a Conditional Use Permit; and

**WHEREAS**, a public hearing notice for the Needles City Council meeting was published in the Needles Desert Star on May 17th, 10 days prior to said meeting, and notices were sent to property owners within a 300-foot radius of the subject property specifying the date, time and location of the public hearing for a Conditional Use Permit; and

**WHEREAS**, the matter was scheduled for a public hearing on May 30, 2017 City Council meeting; and

**WHEREAS**, Section 94.07(d) of the Needles City Code describes the findings required to approve a Conditional Use Permit; and

**WHEREAS**, the Needles City Council has sufficiently considered all testimony and any documentary evidence presented to them in order to make the following determination.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Needles as follows:

**SECTION 1.** The City Council HEREBY FINDS AND DETERMINES that this project is categorically exempt under the California Environmental Quality Act (CEQA) under Section 15301(a), (Existing Facilities, interior or exterior alterations involving such things as interior partitions, plumbing, and electrical conveyances) and Class 5 under Section 15305, Minor Alterations in Land Use Limitations. The proposed use will involve tenant improvements to an existing building facility.

**SECTION 2** The City Council HEREBY FINDS AND DETERMINES, with reports and findings, that facts do exist to approve a Conditional Use Permit, according to the criteria specified in Section 94.07(d) of the Needles City Code:

- A. That the requested permit is within its jurisdiction according to the table of permissible uses.*

**FINDING:** The facility is located in a Highway Commercial (C-3) zoning designation, which under Ordinance No. 588 AC, permits marijuana manufacturing operations to occur within the facility through approval of a Conditional Use Permit and a Regulatory Permit.

*B. The Application is Complete*

**FINDING:** The Applicant has submitted a complete application and has provided the required Site and Floor Plans for the proposed tenant improvements to the existing facility, which have been incorporated into the Staff Report (Attachments B and C).

*C. The development is in general conformity with the Needles General Plan.*

**FINDING:** The proposed project, manufacturing of medical marijuana, is consistent with uses identified in the General Plan Commercial Highway (CH) designation through the adoption of Ordinance No. 588 AC, which allows for medical marijuana manufacturing facilities to operate within the CH designated zone, thereby providing consistency with the General Plan.

*D. The development is in harmony with the area in which it is located.*

**FINDING:** The project site is an existing building formerly utilized by the Bureau of Land Management (BLM) that will involve tenant improvements to the buildings' interior. The conditions of approval require that only manufacturing of medical marijuana may be performed inside Suite "C", a 2,458 square foot facility. No cultivation of products or sales will be permitted to occur within Suite C of the facility. Vehicle trips to- and -from the manufacturing facility involving employee, material supply delivery and product shipping are anticipated to be 10 vehicle trips per day, or 15 percent of the overall total (60 trips) expected for all uses within the building (cultivation, manufacturing and dispensary). The applicant will provide adequate accessibility with two existing driveways: one for public access to the existing parking lot on the north side of the building and one for access to the Ware Yard on the east side of the site for parking and storage. For security purposes, the site is fenced with chain link fenced with barbed wire along the top, and will be monitored with cameras 24-hour a day.

*E. The development will not materially endanger the public health or safety.*

**FINDING:** Conditions of approval have been placed on the project to ensure appropriate lighting, security systems, and ventilation systems for the 2,458 square foot manufacturing facility (contained within Suite B) are in place for health and safety purposes.

*F. The development will not substantially injure the value of adjoining or abutting properties.*

**FINDING:** The project site is zoned C-3 Highway Commercial. The area to the north is zoned Highway Commercial (C-3) and Two Family Residential (R-2), to the south and southeast zoned Open Space (O) and Two Family Residential (R-2), to the east zoned Open Space (O), and to the west zoned Two Family Residential (R-2). As shown in the Site Plans (Attachment B) and from current site photographs (Attachment D), the existing building will continue to maintain its existing



appearance with no expansion, changes or modifications proposed to the buildings' exterior, thereby not substantially injuring the value of adjoining or abutting properties.

*G. That the project overall is consistent with the preceding findings.*

**FINDING:** The overall project with Conditions of Approval as stated herein provides consistency with the preceding findings.

**SECTION 3.** The City Council HEREBY FINDS AND DETERMINES that facts do exist to approve **RESOLUTION 2017-42.**

**SECTION 4.** The City Council HEREBY APPROVES Resolution **2017-42**, Recommending Approval of a Conditional Use Permit for a Medical Marijuana Manufacturing Facility in Suite "C", located at 101 East Spike's Road also Known as APN 0650-431-10.

1. Conditional Use Permit ("CUP") No. 05-17-2017-2 PC conditionally authorizes one Medical Marijuana Manufacturing Facility within Suite C (2,458 sq. ft.) of a 8,455 square foot building located at 101 East Spike's Road also Known as APN 0650-431-10. This CUP does not authorize cultivation to be performed within Suite C of this Building. These Conditions of Approval shall apply to the manufacturing of marijuana and the establishment of the Manufacturing Facility, whether it is classified as medical or recreational.
2. The Applicant/Owner/Operator, and his/her/its successor(s) in interest ("Applicant") shall comply with all conditions of this CUP, the Needles Municipal Code ("Municipal Code") and Chapter 12A thereof, the City Zoning Code, including Article IV and Section 94 thereof, and all applicable laws, policies, rules and regulations of the City, County, and State; and shall comply with any requirements associated with this approval or with the issuance of any Manufacturing Facility License as required by Chapter 12A of the Municipal Code.
3. This CUP is issued in accordance with the provisions of the Municipal Code, and all development subject to the CUP and shall occur strictly in accordance with the CUP plans and applications approved by the City. Failure to implement and maintain all provisions of these conditions of CUP approval shall be deemed grounds for revocation.
4. The CUP is issued contingent upon the Applicant's compliance with the provisions of Municipal Code Chapter 12A, and the issuance of all applicable permits and licenses in connection therewith, including, without limitation, a Marijuana Manufacturing License, prior to the issuance of a Certificate of Occupancy pursuant to this CUP.
5. The approval for CUP No. 05-17-2017-2 PC is subject to the six (6) month expiration provisions of Section 94.13(a) of the City's Zoning Code, and will expire on **11-17-2017**.
6. The permit issuing authority may extend for a period of up to six (6) months, the date when the permit would otherwise expire pursuant to 94.13(a) if it concludes that: (1) the permit



has not yet expired; (2) the permit recipient has proceeded with due diligence and in good faith; and (3) conditions have not changed so substantially as to warrant a new application.

7. The Developer shall indemnify, protect, hold harmless and defend, with counsel selected by the City, the City and any agency or instrumentality thereof, and/or any of its officers, employees and agents from any and all claims, actions, or proceedings against the City to attack, set aside, void, annul and/or seek monetary damages resulting from an approval of the City; or any agency or instrumentality thereof, advisory commission; appeal board or legislative body including actions approved by the voters of the City, concerning Developer's project. The City shall promptly notify the Developer of any claim, action; or proceeding to which this condition is applicable and shall reasonably cooperate in the defense of the action. The City reserves its right to take any and all action the City deems to be in the best interest of the City and its citizens in regard to such defense. As a condition of this approval, the Developer or its authorized representative shall:
  - (a) Execute an agreement to defend (with legal counsel of the City's choice), indemnify and hold the City harmless from any and all claims, damages, legal or enforcement actions, including, but not limited to, any actions or claims associated with violation(s) of federal law associated with the permitting, licensing, approval, and/or operation of the Manufacturing Facility; and
  - (b) Maintain insurance in the minimum amount of \$1 million per claim and \$2 million in the aggregate; and
  - (c) Name the City as an additional insured on all City required insurance policies; and
  - (d) Agree to defend, at its sole expense, any action against the City, its agents, officers, and employees related to the approval of the Manufacturing Facility.
8. All development on the project site shall be in compliance with all applicable provisions of the City's Municipal Code and all applicable provisions of the adopted and applicable Building, Construction and Fire Codes, the Americans with Disabilities Act, and all City building, zoning, business, and health regulations. All new construction shall obtain appropriate building permits and comply with the requirements of the Planning, Building, and Fire Departments.
9. With the exception for amendments and/or modifications that are consistent with Section 94.15 of the City's Zoning Code, anything not shown on the CUP application or in the Site and Floor Plans (Attachment B and C), or which is not specifically approved herein, or which is not in compliance with the CUP, is not approved. Any application and/or plans which are defective as to, but not limited to, omissions, dimensions, scale, use, colors, materials, encroachments, easements, etc., shall render any entitlements granted hereunder null and void. Construction (if any) shall cease until all requirements of this CUP are complied with, and development entitlements may be withheld until any Code violations are abated.

10. No Certificate of Occupancy shall be granted until all Conditions of Approval have been completed and approved by the City and Fire Department unless otherwise identified herein, and all offsite improvements have been completed and accepted by the City.
11. Within fifteen (15) days of final approval by the City Council, the Applicant shall submit a notarized affidavit acknowledging acceptance of the conditions of this CUP. This authorization shall become void, and any privilege, permit, or other authorization granted under these entitlements shall be deemed to have lapsed if compliance with this condition has not been undertaken within the specified time limits.
12. A scanned copy of the signed Conditions of Approval shall be included in the Building Construction Plans submitted for plan check.
13. The Applicant shall pay all established service, permit, impact, environmental, and other applicable fees required by the City as a condition of this CUP.
14. The Applicant shall at all times comply with any applicable State law, including but not limited to: the Compassionate Use Act (Proposition 215), the Medical Marijuana Program Act (Senate Bill 420), the Medical Marijuana Regulation and Safety Act (collectively Assembly Bill 266, Assembly Bill 243, and Senate Bill 643, signed into law by Governor Brown on October 9, 2015, as may be amended from time to time), and any other State of California Constitutional provision, whether now or later adopted, including any location restrictions.
15. The Applicant shall apply for and obtain a Marijuana Manufacturing License prior to operating the Manufacturing Facility as conditionally authorized by this CUP, and shall at all times comply with the provisions of such license and applicable City Codes and regulations. The revocation or suspension of any required regulatory license shall operate to suspend all operations.
16. The Applicant must comply with the recommendations and conditions of the City Manager or his/her designee prior to issuance of any building permits. All development pursuant to this CUP must be kept in full compliance with the County Fire Code to the satisfaction of the County Fire Department.
17. A Management, Operations, and Security Plan including the measures set forth in Municipal Code Chapter 12A-7(F) shall be reviewed, and approved by the City Manager (or Designee) and City Building Official prior to Building Permit Issuance. Installation of security measures, including those listed below (See Condition 37a-e) must be completed, inspected, and approved by the City Manager (or Designee) and City Building Official prior to issuance of a Certificate of Occupancy.
18. The Applicant shall maintain the operability of exterior wall mounted and pole mounted lighting for the property. Lighting shall illuminate the premises from dusk to dawn. All required lighting shall be of sufficient power to illuminate and make easily discernible the appearance and conduct of all persons within lighted areas during operating hours and shall be designed so as to direct light and glare onto the premises only. Said lighting and glare shall be shielded to deflect lighting away from all adjoining properties.



19. The Applicant shall locate outside trash bin(s) or trash cans in a secured, enclosed area; not to be seen by public view and shall be locked at all times.
20. The outdoor manufacturing of marijuana products are prohibited on the project site. No activity involving testing, extraction of cannabinoid oils and packaging of the product shall be performed outside of Suite C or outside of the 8,455 square foot building.
21. The only time in which the product of any type is allowed to be outside of Suite C is for loading and/or transportation/logistic and/or disposal purposes, consistent with the approved Site Plan. Indoor Manufacturing is allowed only within Suite C of the building, which has a complete roof enclosure supported by connecting walls extending from the ground to the roof, is secured against unauthorized entry, provides complete visual screening, is only accessible through doors, and is inaccessible to minors. Other types of activities or special events are prohibited on the premises unless the Applicant has received an approved Temporary Use Permit subject to the provisions of the City Municipal Code.
22. All structures and building walls open to public view shall remain free of graffiti or other extraneous markings, drawing, or signage that was not approved by the City, unless directly related to the business being operated on the premises or otherwise providing pertinent information about said premises. In the event graffiti or other extraneous markings occur, the Applicant shall remove or cover said markings, drawings, or signage within 24 hours of notification of such occurrence, weather permitting. Paint utilized in covering such markings shall be of a color that matches, as closely as possible, the color of the adjacent surface.
23. Prior to occupancy, the Applicant shall prepare and file with the County Fire Department and Sheriff's Department a detailed evacuation plan in the event of an emergency that details how the Building (Suites A, B and C) will be evacuated during an emergency event, and to provide a designated assembly area for those employed at the facility.
24. The Applicant shall comply with the National Pollutant Discharge Elimination System (NPDES) requirements per the California Regional Water Quality Control Board (RWQCB), Colorado Region.
25. If hazardous substances are used and/or stored in connection with the project, that exceed 55 gallons, 500 pounds, or 200 cubic feet (compressed gas) at any one time in the course of a year, a Business Emergency/Contingency Plan shall be prepared prior to issuance of Certificate of Occupancy and shall be in compliance with California Health & Safety Code (CHSC), Division 20, Chapter 6.95, Sections 25500 – 25520, California Code of Regulations (CCR), Title 19, Division 2, Chapter 4, Article 4, Sections 2729 - 2732, Title 40, Code of Federal Regulations (CFR), and EPA (SARA, Title III). A technical opinion and report may be required, identifying and developing methods of protection from the hazards presented by the hazardous materials. This report shall be prepared by a qualified and properly licensed person, firm, or corporation and submitted to the Fire Department for review and approval. This report shall also explain the proposed Facility's intended methods of operation and list all of the proposed materials, their quantities, classifications, and the effects of any chemical (material) inter-mixing in the event of an accident or spill.

26. Indoor Manufacturing within Suite C shall not exceed 2,458 square feet, as authorized pursuant to the CUP. No Manufacturing will occur in Suites A and B as contained within the 8,455 square foot building. In the event that State law further restricts or limits these requirements, the Manufacturing Facility shall comply with all size requirements for such facilities imposed by State law and consistent with any State issued permit or license. A decrease in Indoor Manufacturing below that which is authorized shall not require a new or amended CUP.
27. Indoor Manufacturing shall not adversely affect the health or safety of the nearby residents, businesses or properties by creating offensive odors, dust, glare, heat, noise, smoke, traffic, vibration, or other impacts that are disturbing to people of normal sensitivity residing or present on adjacent or nearby properties or areas open to the public, and shall not be hazardous due to use or storage of materials, processes, products or wastes. All facilities shall operate and maintain sufficient odor absorbing filtration and exhaust systems.
28. The Manufacturing Facility shall comply fully with all applicable restrictions and mandates set forth in State law, including without limitation, the Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use issued by the California Attorney General in August 2008, as may be amended from time to time. The Manufacturing Facility shall not engage in any activities not allowed at Manufacturing Facility pursuant to State law and Chapter 12A of the Municipal Code. The Manufacturing Facility shall comply with all horticultural, labeling, processing, and other standards required by State law and Chapter 12A of the Municipal Code.
29. All marijuana and marijuana products shall be stored in a secured manner within the Manufacturing Facility at all times except when being loaded for transport offsite.
30. On-site smoking, ingestion, or consumption of marijuana or alcohol shall be prohibited on the premises of the Facility. The term "premises" includes the actual building (Suites A, B and C), as well as any accessory structures (i.e., pesticide storage room, tool storage room), and the facility's onsite public parking lot and yard. All entrances to suites contained within the building shall be clearly and legibly posted with a notice indicating that smoking, ingesting, or consuming marijuana on the premises or in the vicinity of the Facility is prohibited.
31. Alcoholic beverages shall not be sold, stored, distributed, or consumed on the premises. A Manufacturing Facility shall not hold or maintain a license from the State Department of Alcohol Beverage Control to sell alcoholic beverages, or operate a business that sells alcoholic beverages. In addition, alcohol shall not be provided, stored, kept, located, sold, dispensed, or used on the premises of the Manufacturing Facility.
32. With the exception of Emergency Medical Care provided in the event of an accident or injury, Physician services shall not be provided on the premises.
33. No physical change, alteration, or modification of the premises is allowed that materially or substantially alters the permitted use or the approved site plans. Material changes include, but are not limited to, an increase or decrease in the total square footage of the



Manufacturing Facility (Suite C), or the addition, sealing of, or relocation of a wall, common entryway, doorway, or other means of ingress and/or egress to the Facility.

34. The Manufacturing Facility shall not distribute, sell, dispense, or administer marijuana out of its Facility to the public. A Manufacturing facility shall not be operated as a Cooperative/Collective.
35. The Applicant shall identify the on-site manager(s) of the Manufacturing Facility to whom notice of operational issues may be provided. The Manufacturing Facility shall make every good faith effort to encourage residents, businesses, or members of the public to call this Facility Manager as a first step to resolving operating problems, if any, before calls or complaints are lodged with the Sheriff's or Planning Department.
36. A security plan shall be clearly detailed on the Site Plan and installed/posted at the Manufacturing Facility, including the following measures:
  - (a) Security cameras shall be installed and maintained in good condition, and used in an on-going manner with at least 240 concurrent hours of digitally recorded documentation in a format approved by the City Manager or his/her designee. The cameras shall be in use 24 hours per day, 7 days per week. The areas to be covered by the security cameras include, but are not limited to, the storage areas, the manufacturing area (Suite C), all doors and corners of the building, the Ware Yard and any other areas as determined by the City Manager or his/her designee. Records shall be maintained for seven (7) years from the date created or longer if required by State or Federal law. Recordings shall be made available to the City Manager or his/her designee upon 24 hours' notice;
  - (b) Suite C shall be alarmed with an alarm system that is operated and monitored by a properly licensed security company. Any security personnel, whether armed or unarmed, employed by the Manufacturing Facility shall have and possess on their person a valid, State issued, licenses (commonly known as a "Guard Card");
  - (c) Entrances to Suite C and any storage areas shall be locked at all times, and under the control of staff of the Manufacturing Facility;
  - (d) Entrances to the Suite C shall be illuminated during evening hours. The Applicant shall comply with the City's lighting standards regarding fixture type, wattage, illumination levels, shielding, etc., and secure the necessary approvals and permits as needed.
  - (e) Entry doors to Suite C shall be appropriately secured and all marijuana securely stored in Suite C, and a reliable, commercial alarm system shall be installed and maintained.
37. The Applicant shall enter into an agreement with the City that fully reimburses the City for all costs incurred by the City, resulting from the existence of the Manufacturing Facility, and provides the City with any applicable impact or other fees, imposed now or hereafter, to offset the potential impacts of the Manufacturing Facility within the City.



38. The City Manager, or the City Manager's designee, shall have the right to enter Suite C from time to time upon 24 hours' notice for the purpose of making reasonable inspections to observe and enforce compliance with these conditions of approval and all laws of the City and State of California.
39. If the Applicant utilizes an average of 125 percent or more of the permitted electricity or water amount based on the electric and water Will-Serve letters, in any one (1) year without prior written approval by the NPUA, all operations must cease immediately and the same shall be grounds for revocation of the CUP. Average electricity and water usage will be monitored on a quarterly basis by NPUA and City of Needles.
40. Operation of the Manufacturing Facility in violation of any condition(s) of this CUP approval or requirements of Chapter 12A of the Municipal Code or other City regulation or ordinance shall constitute a violation of the CUP and shall be enforced pursuant to the provisions of thereof.
41. If any condition of approval of this CUP is held or declared to be invalid by a court of competent jurisdiction, the entire Project and CUP may be reviewed and substitute and/or additional conditions may be imposed.
42. Any violation of these conditions of approval shall constitute grounds for revocation of the CUP. The CUP may be revoked by the permit-issuing authority only in accordance with the requirements of Section 118.04 of the City's Zoning Code. Any such decision is appealable by the Applicant in accordance with Section 118.05 of the City's Zoning Code.
43. The proposed tenant improvements for Suite C shall be performed in conformance to the Project Site Floor Plan drawing as shown in Attachment C dated February 25, 2017. Any deviation from the approved plan shall require Planning Commission approval.
44. The project is required to be handicap accessible, with ADA compliant restrooms.
45. Applicant must comply with the recommendations of the San Bernardino County Fire Department prior to issuance of any building permits. Said recommendations shall include the Applicant's fair share payment fee for the installation of curb, gutter and sidewalk improvements along the entire facility fronting Spike's Road. All development pursuant to this permit must be kept in full compliance with the County Fire Code to the satisfaction of the County Fire Department.
46. Applicant shall provide a desert landscape plan to the City Manager for approval and complete the landscape improvements prior to Certificate of Occupancy.
47. Applicant shall clearly identify each suite as follows: 1) place a directory sign on-site outside, that clearly identifies the suite number/letter associated with each function (dispensary, cultivation, manufacturing); 2) identify on the directory sign where deliveries are to be accepted for each function; 3) place the suite number/letter above each door at the site to identify the function it is affiliated with; and 4) provide separate mailboxes for each suite.

48. Property owner(s) to provide signatures on all documentation comprising an application packet before either a Regulatory Permit or a Conditional Use Permit (CUP) will be issued for the business.

**PASSED, APPROVED AND ADOPTED** at an adjourned regular meeting of the City Council of the City of Needles, California, held on the 30th day of May, 2017, by the following roll call vote:

**AYES:** Councilmembers Gudmundson, Evans, Hazlewood, Belt and  
**NOES:** None Richardson  
**ABSENT:** Vice Mayor Williams  
**ABSTAIN:** None

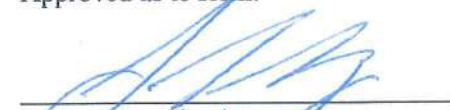
  
Mayor

(Seal)

Attest:

  
City Clerk

Approved as to form:

  
City Attorney



## **RESOLUTION 2017-43**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEEDLES APPROVING A CONDITIONAL USE PERMIT FOR A MEDICAL MARIJUANA CULTIVATION FACILITY LOCATED AT 101 EAST SPIKE'S ROAD ALSO KNOWN AS APN 0650-431-10.**

**WHEREAS**, on January 10, 2017 City Council Ordinance No. 588 was approved allowing medical marijuana cultivation facilities in zones C1, C2, C3, M1 and M2, with a Conditional Use Permit and Regulatory Permit; and

**WHEREAS**, Applicant, Harry Ezajian, representative for H-Street Patient Care, as agent/owner, recently filed an application requesting a Conditional Use Permit for a medical marijuana cultivation facility, proposed to be located at 101 East Spike's Road Needles Highway within the subject parcel known as APN 0650-431-10; and

**WHEREAS**, the parcel being considered for medical marijuana cultivation is currently zoned C-3 "Highway Commercial" for APN 0650-431-10; and

**WHEREAS**, Section 96.01 of the Needles City Code allows these types of projects to occur in the Highway Commercial (C-3) zone, subject to the approval of a Conditional Use Permit; and

**WHEREAS**, a public hearing notice for the Needles Planning Commission meeting was published in the Needles Desert Star on March 15, 2017, 21 days prior to said meeting, and notices were sent to property owners within a 300-foot radius of the subject property specifying the date, time and location of the public hearing; and

**WHEREAS**, on April 5, 2017, the Needles Planning Commission held a duly noticed and advertised public hearing to receive oral and written testimony relative to RESOLUTION 04-05-2017-1 PC; and

**WHEREAS**, on April 5, 2017, the Needles Planning Commission approved RESOLUTION 04-05-2017-1 PC recommending City Council approval of a Conditional Use Permit; and,

**WHEREAS**, a public hearing notice for the Needles City Council meeting was published in the Needles Desert Star on April 15, 10 days prior to said meeting, and notices were sent to property owners within a 300-foot radius of the subject property specifying the date, time and location of the public hearing for a Conditional Use Permit; and

**WHEREAS**, the matter was scheduled for a public hearing on April 25, 2017 City Council meeting; and

**WHEREAS**, on April 25, 2017, the Needles City Council held a duly noticed and advertised public hearing to receive oral and written testimony for a Conditional Use Permit and voted 5-0 to remand the project back to the Needles Planning Commission to further review the City's Ordinance No. 588 with regard to the project and to reconsider its recommendation; and

**WHEREAS**, a public hearing notice for the Needles Planning Commission meeting was published in the Needles Desert Star on May 3, 2017, 10 days prior to said meeting, and notices were sent to property owners within a 300-foot radius of the subject property specifying the date, time and location of the public hearing; and

**WHEREAS**, on May 17, 2017, the Needles Planning Commission held a duly noticed and advertised public hearing to receive oral and written testimony relative to RESOLUTION 05-17-2017-1 PC and recommended City Council approval of a Conditional Use Permit; and

**WHEREAS**, a public hearing notice for the Needles City Council meeting was published in the Needles Desert Star on May 17, 10 days prior to said meeting, and notices were sent to property owners within a 300-foot radius of the subject property specifying the date, time and location of the public hearing for a Conditional Use Permit; and

**WHEREAS**, the matter was scheduled for a public hearing on May 30, 2017 City Council meeting; and

**WHEREAS**, on May 30, 2017, the Needles City Council held a duly noticed and advertised public hearing to receive oral and written testimony for a Conditional Use Permit; and,

**WHEREAS**, Section 94.07(d) of the Needles City Code describes the findings required to approve a Conditional Use Permit; and

**WHEREAS**, the Needles City Council has sufficiently considered all testimony and any documentary evidence presented to them in order to make the following determination.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Needles as follows:

**SECTION 1.** The City Council HEREBY FINDS AND DETERMINES that this project is categorically exempt under the California Environmental Quality Act (CEQA) under Section 15301(a), (Existing Facilities, interior or exterior alterations involving such things as interior partitions, plumbing, and electrical conveyances) and Class 5 under Section 15305, Minor Alterations in Land Use Limitations. The proposed use will involve tenant improvements to an existing building facility.

**SECTION 2** The City Council HEREBY FINDS AND DETERMINES, with reports and findings, that facts do exist to approve a Conditional Use Permit, according to the criteria specified in Section 94.07(d) of the Needles City Code:

*A. That the requested permit is within its jurisdiction according to the table of permissible uses.*

**FINDING:** The facility is located in a Highway Commercial (C-3) zoning designation, which under Ordinance No. 588 AC, permits marijuana cultivation operations to occur within the facility through approval of a Conditional Use Permit and a Regulatory Permit.



*B. The Application is Complete*

**FINDING:** The Applicant has submitted a complete application and has provided the required Site and Floor Plans for the proposed tenant improvements to the existing facility, which have been incorporated into the Staff Report (Attachments B and C).

*C. The development is in general conformity with the Needles General Plan.*

**FINDING:** The proposed project, cultivation of medical marijuana, is consistent with uses identified in the General Plan Commercial Highway (CH) designation through the adoption of Ordinance No. 588 AC, which allows for medical marijuana cultivation facilities to operate within the CH designated zone, thereby providing consistency with the General Plan.

*D. The development is in harmony with the area in which it is located.*

**FINDING:** The project site is an existing building formerly utilized by the Bureau of Land Management (BLM) that will involve tenant improvements to the buildings' interior. The conditions of approval require that only cultivation may be performed inside Suite "B", a 4,491 square foot facility. No manufacturing of products or sales will be permitted to occur within Suite B of the facility. Vehicle trips to- and -from the cultivation facility involving employee, material supply delivery and product shipping are anticipated to be 6 vehicle trips per day, or one-tenth of the overall total (60 trips) expected for all uses within the building (cultivation, manufacturing and dispensary). The applicant will provide adequate accessibility with two existing driveways: one for public access to the existing parking lot on the north side of the building and one for access for to the Ware Yard on the east side of the site for parking and storage. For security purposes, the site will be fenced with chain link topped with barbed wire, and will be monitored with cameras 24-hour a day.

*E. The development will not materially endanger the public health or safety.*

**FINDING:** Conditions of approval have been placed on the project to ensure appropriate lighting, security systems, and ventilation systems for the 4,491 square foot cultivation facility (contained within Suite B) are in place for health and safety purposes.

*F. The development will not substantially injure the value of adjoining or abutting properties.*

**FINDING:** The project site is zoned C-3 Highway Commercial. The area to the north is zoned Highway Commercial (C-3) and Two Family Residential (R-2), to the south and southeast zoned Open Space (O) and Two Family Residential (R-2), to the east zoned Open Space (O), and to the west zoned Two Family Residential (R-2). As shown in the Site Plans (Attachment B) and from current site photographs



(Attachment D), the existing building will continue to maintain its existing appearance with no expansion, changes or modifications proposed to the buildings' exterior, thereby not substantially injuring the value of adjoining or abutting properties.

G. *That the project overall is consistent with the preceding findings.*

**FINDING:** The overall project with Conditions of Approval as stated herein provides consistency with the preceding findings.

**SECTION 3.** The City Council HEREBY FINDS AND DETERMINES that facts do exist to approve **RESOLUTION 2017-43.**

**SECTION 4.** The City Council HEREBY APPROVES Resolution **2017-43**, Recommending Approval of a Conditional Use Permit for a Medical Marijuana Cultivation Facility in Suite "B", located at 101 East Spike's Road also Known as APN 0650-431-10.

1. Conditional Use Permit ("CUP") No. 05-17-2017-1 PC conditionally authorizes one Medical Marijuana Cultivation Facility within Suite B (4,491 sq. ft.) of a 8,455 square foot building located at 101 East Spike's Road also Known as APN 0650-431-10. This CUP does not authorize the use of a Cooperative/Collective, Manufacturing, or Testing Laboratory to be performed within Suite B of this Building. These Conditions of Approval shall apply to the cultivation of marijuana and the establishment of the Cultivation Facility, whether it is classified as medical or recreational.
2. The Applicant/Owner/Operator, and his/her/its successor(s) in interest ("Applicant") shall comply with all conditions of this CUP, the Needles Municipal Code ("Municipal Code") and Chapter 12A thereof, the City Zoning Code, including Article IV and Section 94 thereof, and all applicable laws, policies, rules and regulations of the City, County, and State; and shall comply with any requirements associated with this approval or with the issuance of any Cultivation Facility License as required by Chapter 12A of the Municipal Code.
3. This CUP is issued in accordance with the provisions of the Municipal Code, and all development subject to the CUP and shall occur strictly in accordance with the CUP plans and applications approved by the City. Failure to implement and maintain all provisions of these conditions of CUP approval shall be deemed grounds for revocation.
4. The CUP is issued contingent upon the Applicant's compliance with the provisions of Municipal Code Chapter 12A, and the issuance of all applicable permits and licenses in connection therewith, including, without limitation, a Marijuana Cultivation License, prior to the issuance of a Certificate of Occupancy pursuant to this CUP.
5. The approval for CUP No. 05-17-2017-1 PC is subject to the six (6) month expiration provisions of Section 94.13(a) of the City's Zoning Code, and will expire on 11-17-17.
6. The permit issuing authority may extend for a period of up to six (6) months, the date when the permit would otherwise expire pursuant to 94.13(a) if it concludes that: (1) the permit

has not yet expired; (2) the permit recipient has proceeded with due diligence and in good faith; and (3) conditions have not changed so substantially as to warrant a new application.

7. The Developer shall indemnify, protect, hold harmless and defend, with counsel selected by the City, the City and any agency or instrumentality thereof, and/or any of its officers, employees and agents from any and all claims, actions, or proceedings against the City to attack, set aside, void, annul and/or seek monetary damages resulting from an approval of the City; or any agency or instrumentality thereof, advisory commission; appeal board or legislative body including actions approved by the voters of the City, concerning Developer's project. The City shall promptly notify the Developer of any claim, action; or proceeding to which this condition is applicable and shall reasonably cooperate in the defense of the action. The City reserves its right to take any and all action the City deems to be in the best interest of the City and its citizens in regard to such defense. As a condition of this approval, the Developer or its authorized representative shall:
  - (a) Execute an agreement to defend (with legal counsel of the City's choice), indemnify and hold the City harmless from any and all claims, damages, legal or enforcement actions, including, but not limited to, any actions or claims associated with violation(s) of federal law associated with the permitting, licensing, approval, and/or operation of the Cultivation Facility; and
  - (b) Maintain insurance in the minimum amount of \$1 million per claim and \$2 million in the aggregate; and
  - (c) Name the City as an additional insured on all City required insurance policies; and
  - (d) Agree to defend, at its sole expense, any action against the City, its agents, officers, and employees related to the approval of the Cultivation Facility.
8. All development on the project site shall be in compliance with all applicable provisions of the City's Municipal Code and all applicable provisions of the adopted and applicable Building, Construction and Fire Codes, the Americans with Disabilities Act, and all City building, zoning, business, and health regulations. All new construction shall obtain appropriate building permits and comply with the requirements of the Planning, Building, and Fire Departments.
9. With the exception for amendments and/or modifications that are consistent with Section 94.15 of the City's Zoning Code, anything not shown on the CUP application or in the Site and Floor Plans (Attachment B and C), or which is not specifically approved herein, or which is not in compliance with the CUP, is not approved. Any application and/or plans which are defective as to, but not limited to, omissions, dimensions, scale, use, colors, materials, encroachments, easements, etc., shall render any entitlements granted hereunder null and void. Construction (if any) shall cease until all requirements of this CUP are complied with, and development entitlements may be withheld until any Code violations are abated.



10. No Certificate of Occupancy shall be granted until all Conditions of Approval have been completed and approved by the City and Fire Department unless otherwise identified herein, and all offsite improvements have been completed and accepted by the City.
11. Within fifteen (15) days of final approval by the City Council, the Applicant shall submit a notarized affidavit acknowledging acceptance of the conditions of this CUP. This authorization shall become void, and any privilege, permit, or other authorization granted under these entitlements shall be deemed to have lapsed if compliance with this condition has not been undertaken within the specified time limits.
12. A scanned copy of the signed Conditions of Approval shall be included in the Building Construction Plans submitted for plan check.
13. The Applicant shall pay all established service, permit, impact, environmental, and other applicable fees required by the City as a condition of this CUP.
14. The Applicant shall at all times comply with any applicable State law, including but not limited to: the Compassionate Use Act (Proposition 215), the Medical Marijuana Program Act (Senate Bill 420), the Medical Marijuana Regulation and Safety Act (collectively Assembly Bill 266, Assembly Bill 243, and Senate Bill 643, signed into law by Governor Brown on October 9, 2015, as may be amended from time to time), and any other State of California Constitutional provision, whether now or later adopted, including any location restrictions.
15. The Applicant shall apply for and obtain a Marijuana Cultivation License prior to operating the Cultivation Facility as conditionally authorized by this CUP, and shall at all times comply with the provisions of such license and applicable City Codes and regulations. The revocation or suspension of any required regulatory license shall operate to suspend all operations.
16. The Applicant must comply with the recommendations and conditions of the City Manager or his/her designee prior to issuance of any building permits. All development pursuant to this CUP must be kept in full compliance with the County Fire Code to the satisfaction of the County Fire Department.
17. A Management, Operations, and Security Plan including the measures set forth in Municipal Code Chapter 12A-7(F) shall be reviewed, and approved by the City Manager (or Designee) and City Building Official prior to Building Permit Issuance. Installation of security measures, including those listed below (See Condition 37a-e) must be completed, inspected, and approved by the City Manager (or Designee) and City Building Official prior to issuance of a Certificate of Occupancy.
18. The Applicant shall maintain the operability of exterior wall mounted and pole mounted lighting for the property. Lighting shall illuminate the premises from dusk to dawn. All required lighting shall be of sufficient power to illuminate and make easily discernible the appearance and conduct of all persons within lighted areas during operating hours and shall be designed so as to direct light and glare onto the premises only. Said lighting and glare shall be shielded to deflect lighting away from all adjoining properties.

19. The Applicant shall locate outside trash bin(s) or trash cans in a secured, enclosed area; not to be seen by public view and shall be locked at all times.
20. The outdoor cultivation of marijuana products are prohibited on the project site. No activity including, but not limited to, seeding, growing, or processing shall be performed outside of Suite B or outside of the 8,455 square foot building.
21. The only time in which the product of any type is allowed to be outside of Suite B is for loading and/or transportation/logistic and/or disposal purposes, consistent with the approved Site Plan. Indoor Cultivation is allowed only within Suite B of the building, which has a complete roof enclosure supported by connecting walls extending from the ground to the roof, is secured against unauthorized entry, provides complete visual screening, is only accessible through doors, and is inaccessible to minors. Other types of activities or special events are prohibited on the premises unless the Applicant has received an approved Temporary Use Permit subject to the provisions of the City Municipal Code.
22. All structures and building walls open to public view shall remain free of graffiti or other extraneous markings, drawing, or signage that was not approved by the City, unless directly related to the business being operated on the premises or otherwise providing pertinent information about said premises. In the event graffiti or other extraneous markings occur, the Applicant shall remove or cover said markings, drawings, or signage within 24 hours of notification of such occurrence, weather permitting. Paint utilized in covering such markings shall be of a color that matches, as closely as possible, the color of the adjacent surface.
23. Prior to occupancy, the Applicant shall prepare and file with the County Fire Department and Sheriff's Department a detailed evacuation plan in the event of an emergency that details how the Building (Suites A, B and C) will be evacuated during an emergency event, and to provide a designated assembly area for those employed at the facility.
24. The Applicant shall comply with the National Pollutant Discharge Elimination System (NPDES) requirements per the California Regional Water Quality Control Board (RWQCB), Colorado Region.
25. If hazardous substances are used and/or stored in connection with the project, that exceed 55 gallons, 500 pounds, or 200 cubic feet (compressed gas) at any one time in the course of a year, a Business Emergency/Contingency Plan shall be prepared prior to issuance of Certificate of Occupancy and shall be in compliance with California Health & Safety Code (CHSC), Division 20, Chapter 6.95, Sections 25500 – 25520, California Code of Regulations (CCR), Title 19, Division 2, Chapter 4, Article 4, Sections 2729 - 2732, Title 40, Code of Federal Regulations (CFR), and EPA (SARA, Title III). A technical opinion and report may be required, identifying and developing methods of protection from the hazards presented by the hazardous materials. This report shall be prepared by a qualified and properly licensed person, firm, or corporation and submitted to the Fire Department for review and approval. This report shall also explain the proposed Facility's intended methods of operation and list all of the proposed materials, their quantities, classifications, and the effects of any chemical (material) inter-mixing in the event of an accident or spill.



26. Indoor Cultivation within Suite B shall not exceed 4,491 square feet, as authorized pursuant to the CUP. No Cultivation will occur in Suites A and C as contained within the 8,455 square foot building. In the event that State law further restricts or limits these requirements, the Cultivation Facility shall comply with all size requirements for such facilities imposed by State law and consistent with any State issued permit or license. A decrease in Indoor Cultivation below that which is authorized shall not require a new or amended CUP.
27. Indoor Cultivation shall not adversely affect the health or safety of the nearby residents, businesses or properties by creating offensive odors, dust, glare, heat, noise, smoke, traffic, vibration, or other impacts that are disturbing to people of normal sensitivity residing or present on adjacent or nearby properties or areas open to the public, and shall not be hazardous due to use or storage of materials, processes, products or wastes. All facilities shall operate and maintain sufficient odor absorbing filtration and exhaust systems.
28. The Cultivation Facility shall comply fully with all applicable restrictions and mandates set forth in State law, including without limitation, the Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use issued by the California Attorney General in August 2008, as may be amended from time to time. The Cultivation Facility shall not engage in any activities not allowed at Cultivation Facility pursuant to State law and Chapter 12A of the Municipal Code. The Cultivation Facility shall comply with all horticultural, labeling, processing, and other standards required by State law and Chapter 12A of the Municipal Code.
29. All marijuana and marijuana products shall be stored in a secured manner within the Cultivation Facility at all times except when being loaded for transport offsite.
30. On-site smoking, ingestion, or consumption of marijuana or alcohol shall be prohibited on the premises of the Facility. The term "premises" includes the actual building (Suites A, B and C), as well as any accessory structures (i.e., pesticide storage room, tool storage room), and the facility's onsite public parking lot and yard. All entrances to suites contained within the building shall be clearly and legibly posted with a notice indicating that smoking, ingesting, or consuming marijuana on the premises or in the vicinity of the Facility is prohibited.
31. Alcoholic beverages shall not be sold, stored, distributed, or consumed on the premises. A Cultivation Facility shall not hold or maintain a license from the State Department of Alcohol Beverage Control to sell alcoholic beverages, or operate a business that sells alcoholic beverages. In addition, alcohol shall not be provided, stored, kept, located, sold, dispensed, or used on the premises of the Cultivation Facility.
32. With the exception of Emergency Medical Care provided in the event of an accident or injury, Physician services shall not be provided on the premises.
33. No physical change, alteration, or modification of the premises is allowed that materially or substantially alters the permitted use or the approved site plans. Material changes include, but are not limited to, an increase or decrease in the total square footage of the Cultivation



Facility (Suite B), or the addition, sealing of, or relocation of a wall, common entryway, doorway, or other means of ingress and/or egress to the Facility.

34. The Cultivation Facility shall not distribute, sell, dispense, or administer marijuana out of its Facility to the public. A Cultivation facility shall not be operated as a Cooperative/Collective.
35. The Applicant shall identify the on-site manager(s) of the Cultivation Facility to whom notice of operational issues may be provided. The Cultivation Facility shall make every good faith effort to encourage residents, businesses, or members of the public to call this Facility Manager as a first step to resolving operating problems, if any, before calls or complaints are lodged with the Sheriff's or Planning Department.
36. A security plan shall be clearly detailed on the Site Plan and installed/posted at the Cultivation Facility, including the following measures:
  - (a) Security cameras shall be installed and maintained in good condition, and used in an on-going manner with at least 240 concurrent hours of digitally recorded documentation in a format approved by the City Manager or his/her designee. The cameras shall be in use 24 hours per day, 7 days per week. The areas to be covered by the security cameras include, but are not limited to, the storage areas, the cultivation area (Suite B), all doors and corners of the building, the Ware Yard, and any other areas as determined by the City Manager or his/her designee. Records shall be maintained for seven (7) years from the date created or longer if required by State or Federal law. Recordings shall be made available to the City Manager or his/her designee upon 24 hours' notice;
  - (b) Suite B shall be alarmed with an alarm system that is operated and monitored by a properly licensed security company. Any security personnel, whether armed or unarmed, employed by the Cultivation Facility shall have and possess on their person a valid, State issued, licenses (commonly known as a "Guard Card");
  - (c) Entrances to Suite B and any storage areas shall be locked at all times, and under the control of staff of the Cultivation Facility;
  - (d) Entrances to Suite B shall be illuminated during evening hours. The Applicant shall comply with the City's lighting standards regarding fixture type, wattage, illumination levels, shielding, etc., and secure the necessary approvals and permits as needed.
  - (e) Entry doors to Suite B shall be appropriately secured and all marijuana securely stored in Suite B, and a reliable, commercial alarm system shall be installed and maintained.
37. The Applicant shall enter into an agreement with the City that fully reimburses the City for all costs incurred by the City, resulting from the existence of the Cultivation Facility, and provides the City with any applicable impact or other fees, imposed now or hereafter, to offset the potential impacts of the Cultivation Facility within the City.

38. The City Manager, or the City Manager's designee, shall have the right to enter Suite B from time to time upon 24 hours' notice for the purpose of making reasonable inspections to observe and enforce compliance with these conditions of approval and all laws of the City and State of California.
39. If the Applicant utilizes an average of 125 percent or more of the permitted electricity or water amount based on the electric and water Will-Serve letters, in any one (1) year without prior written approval by the NPUA, all operations must cease immediately and the same shall be grounds for revocation of the CUP. Average electricity and water usage will be monitored on a quarterly basis by NPUA and City of Needles.
40. Operation of the Cultivation Facility in violation of any condition(s) of this CUP approval or requirements of Chapter 12A of the Municipal Code or other City regulation or ordinance shall constitute a violation of the CUP and shall be enforced pursuant to the provisions of thereof.
41. If any condition of approval of this CUP is held or declared to be invalid by a court of competent jurisdiction, the entire Project and CUP may be reviewed and substitute and/or additional conditions may be imposed.
42. Any violation of these conditions of approval shall constitute grounds for revocation of the CUP. The CUP may be revoked by the permit-issuing authority only in accordance with the requirements of Section 118.04 of the City's Zoning Code. Any such decision is appealable by the Applicant in accordance with Section 118.05 of the City's Zoning Code.
43. The project is required to be handicap accessible, with ADA compliant restrooms.
44. The project shall install a secured trash receptacle for green waste next to the east entrance door to Suite B.
45. Applicant must comply with the recommendations of the San Bernardino County Fire Department prior to issuance of any building permits. Said recommendations shall include the Applicant's fair share payment fee for the installation of curb, gutter and sidewalk improvements along the entire facility fronting Spike's Road. All development pursuant to this permit must be kept in full compliance with the County Fire Code to the satisfaction of the County Fire Department.
46. Applicant shall provide a desert landscape plan to the City Manager for approval and complete the landscape improvements prior to Certificate of Occupancy.
47. Applicant shall clearly identify each suite as follows: 1) place a directory sign on-site outside, that clearly identifies the suite number/letter associated with each function (dispensary, cultivation, manufacturing); 2) identify on the directory sign where deliveries are to be accepted for each function; 3) place the suite number/letter above each door at the site to identify the function it is affiliated with; and 4) provide separate mailboxes for each suite.



48. Property owner(s) to provide signatures on all documentation comprising an application packet before either a Regulatory Permit or a Conditional Use Permit (CUP) will be issued for the business.

**PASSED, APPROVED AND ADOPTED** at an adjourned regular meeting of the City Council of the City of Needles, California, held on the 30th day of May, 2017, by the following roll call vote:

**AYES:** Councilmembers Gudmundson, Evans, Hazlewood, Belt and  
**NOES:** None Richardson  
**ABSENT:** Vice Mayor Williams  
**ABSTAIN:** None

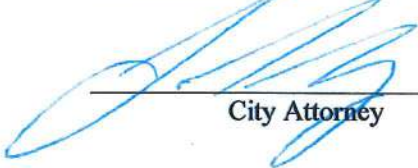
  
Mayor

(Seal)

Attest:

  
City Clerk

Approved as to form:

  
City Attorney

**RESOLUTION 2018-24**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEEDLES  
APPROVING A CONDITIONAL USE PERMIT FOR A MEDICAL MARIJUANA  
DISTRIBUTION FACILITY LOCATED AT 101 E. SPIKE'S ROAD, SUITE "D",  
ALSO KNOWN AS APN 0650-431-10**

**WHEREAS**, on January 10, 2017, City Council Ordinance No. 588 was approved allowing medical marijuana distribution in zones C1, C2, C3, M1 and M2, with a Conditional Use Permit and Regulatory Permit; and

**WHEREAS**, applicant Harry Ezajian, representative for "H Street Patient Care", as agent/owner, recently filed an application requesting a Conditional Use Permit for a medical marijuana distribution facility, proposed to be located at 101 E. Spike's Road, Suite "D"; and

**WHEREAS**, a public hearing notice for the Needles Planning Commission meeting was published in the Needles Desert Star on March 28, 2018, at least 10 days prior to said meeting, and notices were sent to property owners within a 300-foot radius of the subject property specifying the date, time and location of the public hearing; and

**WHEREAS**, on April 18, 2018, the Needles Planning Commission held a duly noticed and advertised public hearing to receive oral and written testimony relative to RESOLUTION 04-18-2018-1 PC; and

**WHEREAS**, on April 18, 2018 the Needles Planning Commission approved Resolution No. 04-18-2018-1 PC recommending City council approval of a Conditional Use Permit for a Medical Marijuana Distribution Facility, Suite "D"; and

**WHEREAS**, a public hearing notice for the Needles City Council meeting was published in the Needles Desert Star on March 28, 2018, at least 10 days prior to said meeting, and notices were sent to property owners within a 300-foot radius of the subject property specifying the date, time and location of the public hearing for the May 8, 2018 City Council meeting, with the matter being continued to an adjourned regular meeting scheduled for May 29, 2018; and

**WHEREAS**, on May 29, 2018 the Needles City Council held a duly noticed and advertised public hearing to receive oral and written testimony for a Conditional Use Permit for a medical marijuana distribution facility, Suite "D"; and

**WHEREAS**, Section 94.07(d) of the Needles City Code describes the findings required to approve a Conditional Use Permit; and

**WHEREAS**, the Needles CITY COUNCIL has sufficiently considered all testimony and any documentary evidence presented to them in order to make the following determination.

**NOW, THEREFORE, BE IT RESOLVED** by the CITY COUNCIL of the City of Needles as follows:

**SECTION 1.** The City Council HEREBY FINDS AND DETERMINES that this project is categorically exempt under the California Environmental Quality Act (CEQA) under Section 15301(a), (Existing Facilities, interior or exterior alterations involving such things as interior partitions, plumbing, and electrical conveyances) and Class 5 under Section 15305, Minor Alterations in Land Use Limitations. The proposed

use will involve tenant improvements to an existing building facility.

**SECTION 2** The CITY COUNCIL HEREBY FINDS AND DETERMINES, with reports and findings, that facts do exist to approve a Conditional Use Permit, according to the criteria specified in Section 94.07(d) of the Needles City Code:

- A. *That the requested permit is within its jurisdiction according to the table of permissible uses.*

**FINDING:** The project site is zoned Highway Commercial (C-3) and medical marijuana distribution is permitted in the C-3 zone with a Conditional Use Permit (CUP) and a Regulatory Permit in accordance with Ordinance No. 588 AC.

- B. *The Application is Complete.*

**FINDING:** The applicant has submitted a complete application for the proposed 738 square foot medical marijuana distribution facility.

- C. *The development is in general conformity with the Needles General Plan.*

**FINDING:** The proposed project, distribution of medical marijuana, is consistent with uses identified in the General Plan Commercial Highway (CH) designation through the adoption of Ordinance No. 588 AC, which allows for distribution facilities to operate within the Highway Commercial (C-3) designated zone, thereby providing consistency with the General Plan.

- D. *The development is in harmony with the area in which it is located.*

**FINDING:** The project site is an existing building formerly utilized by the Bureau of Land Management (BLM). The conditions of approval require that only distribution may be performed inside Suite "D", a 738 square foot facility. The applicant will provide adequate accessibility with two existing driveways: one for public access to the existing parking lot on the north side of the building and one access to the Ware Yard on the east side of the site for parking and storage. For security purposes, the site is fenced with chain link, and will be monitored with cameras 24-hour a day. For security purposes, the site is fenced with chain link topped with barbed wire, and will be monitored with cameras 24-hour a day.

- E. *The development will not materially endanger the public health or safety.*

**FINDING:** Conditions of approval have been placed on the project to ensure appropriate lighting, security systems, fencing for the 738 square foot facility are in place for health and safety purposes.

- F. *The development will not substantially injure the value of adjoining or abutting properties.*

**FINDING:** The proposed project site has been conditioned to ensure that the buildings blend with surrounding soils and topography, and that all building mounted lighting to be shielded in order to contain light and glare from spilling onto adjacent properties, thereby maintaining the value to adjoining and surrounding properties.



**SECTION 3.** The CITY COUNCIL HEREBY FINDS AND DETERMINES that facts do exist to approve Resolution No. 2018-24 approving a Conditional Use Permit for a Medical Marijuana Distribution facility located at 101 E. Spike's Road, Suite D, also known as APN 0650-431-10.

**SECTION 4.** The CITY COUNCIL HEREBY APPROVES Resolution 2018-24, approving a Conditional Use Permit for a Medical Marijuana Distribution Facility located at 101 E. Spikes Road, Suite "D", with the following conditions:

1. Conditional Use Permit ("CUP") No. 04-18-2018-1 PC conditionally authorizes one Medical Marijuana Distribution Facility to operate within Suite "D" of the 8,596 square feet building located at 101 E. Spike's Road, also known as APN 0650-431-10. This CUP does not authorize the use of a Cooperative/Collective, Cultivation, Manufacturing, or Testing Laboratory within Suite "D" of the building. These Conditions of Approval shall apply to the distribution of marijuana and the establishment of the Medical Marijuana Distribution Facility only, whether it is classified as medical or, in the event it is legalized or otherwise provided immunity from prosecution within the State or by the Federal Government, recreational.
2. The Applicant/Owner/Operator, and his/her/its successor(s) in interest ("Applicant") shall comply with all conditions of this CUP, including the Needles Municipal Code ("Municipal Code") and Chapter 12A thereof, the City Zoning Code, including Article IV and Section 94 thereof, and all applicable laws, policies, rules and regulations of the City, County, and State; and shall comply with any requirements associated with this approval or with the issuance of any Medical Marijuana Distribution Facility License as required by Chapter 12A of the Municipal Code.
3. This CUP is issued in accordance with the provisions of the Municipal Code, and all development subject to the CUP shall occur strictly in accordance with the CUP plans and applications approved by the City. Failure to implement and maintain all provisions of these conditions of the CUP approval shall be deemed grounds for revocation.
4. The CUP is issued contingent upon the Applicant's compliance with the provisions of Municipal Code Chapter 12A, and the issuance of all applicable permits and licenses in connection therewith, including, without limitation, a Medical Marijuana Distribution License, prior to the issuance of a Certificate of Occupancy pursuant to this CUP.
5. The approval for CUP No.04-18-2018-1 PC is subject to the six (6) month expiration provisions of Section 94.13(a) of the City's Zoning Code, and will expire on **11-29-2018**.
6. The permit issuing authority may extend for a period of up to six (6) months, the date when the permit would otherwise expire pursuant to 94.13(a) if it concludes that: (1) the permit has not yet expired; (2) the permit recipient has proceeded with due diligence and in good faith; and (3) conditions have not changed so substantially as to warrant a new application.
7. The Applicant shall indemnify, protect, hold harmless and defend, with counsel selected by the City, the City and any agency or instrumentality thereof, and/or any of its officers, employees and agents from any and all claims, actions, or proceedings against the City to

attack, set aside, void, annul and/or seek monetary damages resulting from an approval of the City; or any agency or instrumentality thereof, advisory commission; appeal board or legislative body including actions approved by the voters of the City, concerning Applicant's proposed project. The City shall promptly notify the Applicant of any claim, action, or proceeding to which this condition is applicable, and shall reasonably cooperate in the defense of the action. The City reserves its right to take any and all action the City deems to be in the best interest of the City and its citizens in regard to such defense. As a condition of this approval, the Applicant or its authorized representative shall:

- (a) Execute an agreement to defend (with legal counsel of the City's choice), indemnify and hold the City harmless from any and all claims, damages, legal or enforcement actions, including, but not limited to, any actions or claims associated with violation(s) of federal law associated with the permitting, licensing, approval, and/or operation of the Medical Marijuana Distribution Facility;
  - (b) Maintain insurance in the minimum amount of \$1 million per claim and \$2 million in the aggregate;
  - (c) Name the City as an additional insured on all City required insurance policies; and
  - (d) Agree to defend, at its sole expense, any action against the City, its agents, officers, and employees related to the approval of the Medical Marijuana Distribution Facility.
8. All development on the project site shall be in compliance with all applicable provisions of the City's Municipal Code and all applicable provisions of the adopted and applicable Building, Construction and Fire Codes, the Americans with Disabilities Act, and all City building, zoning, business, and health regulations. All new construction shall obtain appropriate building permits and comply with the requirements of the Planning, Building, and Fire Departments.
9. With the exception for amendments and/or modifications that are consistent with Section 94.15 of the City's Zoning Code, anything not shown on the CUP application or the Site Plan, or which is not specifically approved herein, or which is not in compliance with the CUP, is not approved. Any application and/or plans which are defective as to, but not limited to, omissions, dimensions, scale, use, colors, materials, encroachments, easements, etc., shall render any entitlements granted hereunder null and void. Construction (if any) shall cease until all requirements of this CUP are complied with, and development entitlements may be withheld until any Code violations are abated.
10. No Certificate of Occupancy shall be granted until all Conditions of Approval have been completed and approved by the City and County of San Bernardino (County) Fire Department unless otherwise identified herein, and all offsite improvements have been completed and accepted by the City.
11. Within fifteen (15) days of final approval by the CITY COUNCIL the Applicant shall submit a notarized affidavit acknowledging acceptance of the Conditions of Approval of this CUP. This authorization shall become void, and any privilege, permit, or other

authorization granted under these entitlements shall be deemed to have lapsed if compliance with this condition has not been undertaken within the specified time limits.

12. A scanned copy of the signed Conditions of Approval shall be included in the Building Construction Plans submitted for plan check.
13. The Applicant shall pay all established service, permit, impact, environmental, and other applicable fees required by the City as a condition of this CUP.
14. The Applicant shall at all times comply with any applicable State law, including but not limited to: the Compassionate Use Act (Proposition 215), the Medical Marijuana Program Act (Senate Bill 420), the Medical Marijuana Regulation and Safety Act (collectively Assembly Bill 266, Assembly Bill 243, and Senate Bill 643, signed into law by Governor Brown on October 9, 2015, as may be amended from time to time), and any other State or California Constitutional provision, whether now or later adopted, including any location restrictions.
15. The Applicant shall apply for and obtain a Medical Marijuana Distribution License prior to operating the Medical Marijuana Distribution Facility conditionally authorized by this CUP, and shall at all times comply with the provisions of such license and applicable City Codes and regulations. The revocation or suspension of any required regulatory license shall operate to suspend all operations.
16. The Applicant must comply with the recommendations and conditions of the City Manager or his/her designee prior to issuance of any building permits. All development pursuant to this CUP must be kept in full compliance with the County Fire Code to the satisfaction of the County Fire Department.
17. A Management, Operations, and Security Plan including the measures set forth in Municipal Code Chapter 12A-7(F) shall be reviewed and approved by the City Manager (or Designee) and City Building Official prior to Building Permit Issuance. Installation of security measures must be completed, inspected, and approved by the City Manager (or Designee) and City Building Official prior to issuance of a Certificate of Occupancy.
18. The Applicant shall provide adequate lighting above all entrances and exits to the proposed buildings, as well as all parking areas and walkways that are under the control of the Applicant.
19. All required lighting shall be of sufficient power to illuminate and make easily discernible the appearance and conduct of all persons within lighted areas during operating hours and shall be designed so as to direct light and glare onto the premises only. Said lighting and glare shall be shielded to deflect lighting away from all adjoining properties.
20. The Applicant shall locate outside trash bin(s) or trash cans in a secured, enclosed area not to be seen by public view, and shall be locked at all times.
21. The outdoor distribution and/or sale of marijuana and/or marijuana products are prohibited on the project site, except for the Suite "A" medical marijuana dispensary. The only time in



which the product of any type is allowed to be outside of Suite "D" is for loading and/or transportation/logistic and/or disposal purposes, consistent with the approved Site Plan. The indoor Medical Marijuana Distribution Facility is allowed only within a fully enclosed and secure structure of the building which has a complete roof enclosure supported by connecting walls extending from the ground to the roof, is secured against unauthorized entry, provides complete visual screening, is only accessible through secured doors, and is inaccessible to minors. Other types of activities or special events are prohibited on the project site unless the applicant has received an approved Temporary Use Permit subject to the provisions of the City Municipal Code.

22. All structures and building walls open to public view shall remain free of graffiti or other extraneous markings, drawing, or signage that was not approved by the City, unless directly related to the business being operated on the premises or otherwise providing pertinent information about said premises. In the event graffiti or other extraneous markings occur, the Applicant shall remove or cover said markings, drawings, or signage within 24 hours of notification of such occurrence, weather permitting. Paint utilized in covering such markings shall be of a color that matches, as closely as possible, the color of the adjacent surface.
23. Prior to occupancy, the Applicant shall prepare and file with the County Fire Department and Sheriff's Department a detailed evacuation plan in the event of an emergency that details how the building will be secured and how first responders will gain access to the project site and to the building.
24. No nuisance water shall escape the project site onto public streets or adjacent properties.
25. If hazardous substances are used and/or stored in connection with the proposed project, that exceed 55 gallons, 500 pounds, or 200 cubic feet (compressed gas) at any one time in the course of a year, a Business Emergency/Contingency Plan shall be prepared prior to issuance of Certificate of Occupancy and shall be in compliance with California Health & Safety Code (CHSC), Division 20, Chapter 6.95, Sections 25500 – 25520, California Code of Regulations (CCR), Title 19, Division 2, Chapter 4, Article 4, Sections 2729 - 2732, Title 40, Code of Federal Regulations (CFR), and EPA (SARA, Title III). A technical opinion and report may be required, identifying and developing methods of protection from the hazards presented by the hazardous materials. This report shall be prepared by a qualified and properly licensed person, firm, or corporation and submitted to the Fire Department. This report shall also explain the proposed Facility's intended methods of operation and list all of the proposed materials, their quantities, classifications, and the effects of any chemical (material) inter-mixing in the event of an accident or spill.
26. Indoor Medical Marijuana Distribution shall not exceed 738 square feet of interior floor space as contained within the Medical Marijuana Distribution Facility of the proposed building and as authorized pursuant to the CUP. In the event that State law further restricts or limits these requirements, the Medical Marijuana Distribution Facility shall comply with all building size requirements for such facilities imposed by State law and consistent with any State issued permit or license. A decrease in indoor floor area for the Medical Marijuana Distribution Facility, below that which is authorized, shall not require a new or amended CUP.

27. Indoor Medical Marijuana Distribution shall not adversely affect the health or safety of the nearby residents, businesses or properties by creating offensive odors, dust, glare, heat, noise, smoke, traffic, vibration, or other impacts that are disturbing to people of normal sensitivity residing or present on adjacent or nearby properties or areas open to the public, and shall not be hazardous due to use or storage of materials, processes, products or wastes. The building shall incorporate, operate and maintain sufficient odor absorbing ventilation through the use of charcoal lined filtration and exhaust systems.
28. The Medical Marijuana Distribution Facility shall comply fully with all applicable restrictions and mandates set forth in State law, including without limitation, the Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use issued by the California Attorney General in August 2008, as may be amended from time to time. The Medical Marijuana Distribution Facility shall not engage in any activities not allowed at such facilities pursuant to State law and Chapter 12A of the Municipal Code. The Medical Marijuana Distribution Facility shall comply with all horticultural, labeling, processing, and other standards required by State law and Chapter 12A of the Municipal Code.
29. All marijuana and marijuana products shall be stored in a secured manner within the Medical Marijuana Distribution Facility during business and non-business hours.
30. On-site smoking, ingestion, or consumption of marijuana or alcohol shall be prohibited on the premises of the Medical Marijuana Distribution Facility. The term "premises" includes the actual buildings, as well as parking areas. The building entrance to the Medical Marijuana Distribution Facility shall be clearly and legibly posted with a notice indicating that smoking, ingesting, or consuming marijuana on the premises or in the vicinity of the Facility is prohibited.
31. Alcoholic beverages shall not be sold, stored, distributed, or consumed on the premises. A Medical Marijuana Distribution Facility shall not hold or maintain a license from the State Department of Alcohol Beverage Control to sell alcoholic beverages, or operate a business that sells alcoholic beverages. In addition, alcohol shall not be provided, stored, kept, located, sold, dispensed, or used on the premises of the Medical Marijuana Distribution Facility.
32. With the exception of Emergency Medical Care provided in the event of an accident or injury, Physician services shall not be provided on the premises.
33. No physical change, alteration, or modification of the premises of the Medical Marijuana Distribution Facility is allowed that materially or substantially alters the permitted use or the approved Site Plan. Material changes include, but are not limited to, an increase or decrease in the total square footage of the Medical Marijuana Distribution Facility, or the addition, sealing of, or relocation of a wall, common entryway, doorway, or other means of ingress and/or egress to the Facility.
34. The Medical Marijuana Distribution Facility shall not distribute, sell, dispense, or administer marijuana out of its Facility to the public. A Medical Marijuana Distribution Facility shall not be operated as a Cooperative/Collective.



35. The Applicant shall identify the onsite manager(s) of the Facility to whom notice of operational issues shall be provided. The Medical Marijuana Distribution Facility shall make every good faith effort to encourage residents, businesses, or members of the public to call this Facility Manager as a first step to resolving operating problems, if any, before calls or complaints are lodged with the County Sheriff's or City Planning Department.
36. A security plan shall be clearly detailed on the Site Plan and installed at the Facility, including the following measures:
- (a) Security cameras shall be installed and maintained in good condition, and used in an on-going manner with at least 240 concurrent hours of digitally recorded documentation in a format approved by the City Manager or his/her designee. The cameras shall be in use 24 hours per day, seven (7) days per week. The areas to be covered by the security cameras include, but are not limited to, the storage areas, distribution areas, all doors and corners of the building, and any other areas as determined by the City Manager or his/her designee. These records shall be maintained for seven (7) years from the date created or longer if required by State or Federal law. Recordings shall be made available to the City Manager or his/her designee upon 24 hours' notice;
  - (b) The Medical Marijuana Distribution Facility shall be alarmed with an alarm system that is operated and monitored by a properly licensed security company. Any security personnel, whether armed or unarmed, employed by the Medical Marijuana Distribution Facility, shall have and possess on their person a valid, State issued, licenses (commonly known as a "Guard Card");
  - (c) Entrance to the Medical Marijuana Distribution Facility and any storage areas shall be locked at all times, and under the control of staff of the Medical Marijuana Distribution Facility;
  - (d) The entrance(s) shall be illuminated during evening hours. The Applicant shall comply with the City's lighting standards regarding fixture type, wattage, illumination levels, and shielding, and secure the necessary approvals and permits, as needed.
  - (e) Entry doors to the building shall be appropriately secured and all marijuana securely stored, and a reliable commercial alarm system shall be installed and maintained.
37. The Applicant shall enter into an agreement with the City that fully reimburses the City for all costs incurred by the City, resulting from the existence of the Facility, and provides the City with any applicable impact or other fees, imposed now or hereafter, to offset the potential impacts of the Medical Marijuana Distribution Facility within the City.
38. The City Manager, or the City Manager's designee, shall have the right to enter the Medical Marijuana Distribution Facility from time to time upon 24 hours' notice for the purpose of making reasonable inspections to observe and enforce compliance with these Conditions of Approval and all laws of the City and State of California.

39. If the Applicant utilizes an average of 125 percent or more of the permitted electricity or water amount based on the electric and water Will-Serve letters, in any one (1) year without prior written approval by the NPUA, all operations must cease immediately and the same shall be grounds for revocation of the CUP. Average electricity and water usage will be monitored on a quarterly basis by NPUA and the City of Needles.
40. Operation of the Medical Marijuana Distribution Facility in violation of any Conditions of Approval of this CUP or requirements of Chapter 12A of the Municipal Code or other City regulation or ordinance shall constitute a violation of the CUP and shall be enforced pursuant to the provisions of thereof.
41. If any of the Conditions of Approval of this CUP are held or declared to be invalid by a court of competent jurisdiction, the entire proposed project and CUP may be reviewed and substituted and/or additional conditions may be imposed.
42. Any violation of these Conditions of Approval shall constitute grounds for revocation of the CUP. The CUP may be revoked by the permit-issuing authority only in accordance with the requirements of Section 118.04 of the City's Zoning Code. Any such decision is appealable by the Applicant in accordance with Section 118.05 of the City's Zoning Code.
43. The proposed project is required to be handicap accessible, with Americans with Disabilities Act (ADA) compliant restrooms prior to release of the building permit.
44. The Applicant shall comply with the recommendations of the County Fire Department prior to issuance of the building permit. All development pursuant to this permit must be kept in full compliance with the County Fire Code to the satisfaction of the County Fire Department.

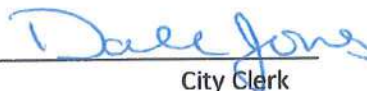
**PASSED, APPROVED AND ADOPTED** this 29<sup>th</sup> day of May, 2018, by the following roll call vote:

**AYES:** Councilmembers Gudmundson, Evans, Hazlewood, Belt and  
**NOES:** None Darcy  
**ABSENT:** Vice Mayor Williams  
**ABSTAIN:** None

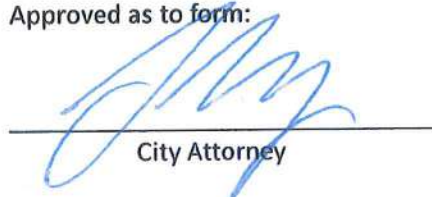
  
Mayor

(Seal)

Attest:

  
City Clerk

Approved as to form:

  
City Attorney

**EXHIBIT "C"**  
**(Affidavit)**



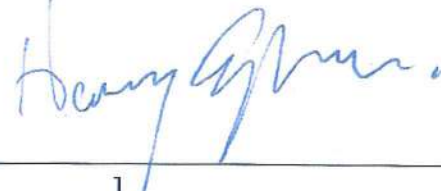
AFFIDAVIT ACKNOWLEDGING ACCEPTANCE OF  
CONDITIONS OF APPROVAL FOR  
CONDITIONAL USE PERMIT

I, Harry Erazian, declare and state as follows:

1. I am the Applicant for Conditional Use Permit No. \_\_\_\_\_.
2. I hereby acknowledge that I have read and fully understand the Conditions of Approval for CUP No. \_\_\_\_\_ (attached hereto as Exhibit "A") and agree to be bound by the same.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on 6-1, 2018, at Needles, California.

By:   
[                      ]  
Its:

Distribution

AFFIDAVIT ACKNOWLEDGING ACCEPTANCE OF  
CONDITIONS OF APPROVAL FOR  
CONDITIONAL USE PERMIT

I, Harry Erazim, declare and state as follows:

1. I am the Applicant for Conditional Use Permit No. 04-18-2018-1 PC
2. I hereby acknowledge that I have read and fully understand the Conditions of Approval for CUP No. \_\_\_\_\_ (attached hereto as Exhibit "A") and agree to be bound by the same.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on 6-1, 2018, at Needles, California.

By: \_\_\_\_\_

[  
Its:



AFFIDAVIT ACKNOWLEDGING ACCEPTANCE OF  
CONDITIONS OF APPROVAL FOR  
CONDITIONAL USE PERMIT

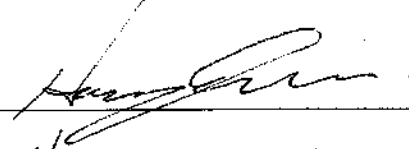
I, Harry Erazian, declare and state as follows:

1. I am the Applicant for Conditional Use Permit No. 04-05-2017-2 PC

2. I hereby acknowledge that I have read and fully understand the Conditions of Approval for  
CUP No. \_\_\_\_\_ (attached hereto as Exhibit "A") and agree to be bound by the same.

I declare under penalty of perjury under the laws of the State of California that the foregoing is  
true and correct.

Executed on NOV, 4, 2019.  
04-05-19, 2019, at Needles, California.

By:   
Harry Erazian (Print)  
Its:

[NOTARY ACKNOWLEDGMENT ATTACHED]

**EXHIBIT "D"**  
**(Remaining Incomplete Conditions of Approval)**

**(EXHIBIT D) REMAINING CONDITIONS for CUP No. 2017-42 & 2017-43**

<b>CUP Item #</b>	<b>Conditions of CUP</b>	<b>Costs</b>
45	Applicant must comply with the recommendations of the San Bernardino County Fire Department prior to issuance of any building permits. Said recommendations shall include the Applicant's fair share pavement fee for the installation of curb, gutter and sidewalk improvements along the entire facility fronting Spike's Road. All development pursuant to this permit must be kept in full compliance with the County Fire Code to the satisfaction of the County Fire Department	\$ 52,526
46	Applicant shall provide a desert landscape plan to the City Manager for approval and complete the landscape improvements prior to Certificate of Occupancy.	\$ 5,000
<b>Total Financial Assurance</b>		<b>\$ 57,526</b>





## City of Needles, California Request for Council Action

☒ CITY COUNCIL      ☐ NPUA      ☐ BOARD OF PUBLIC UTILITIES  
☒ Regular      ☐ Special

**Meeting Date:** November 12, 2019

**Title:** Tax Field Audits for Marijuana Cultivation and Lessee Facilities

**Background:** In September 2019 the City sent out Request for Proposals (RFP) for Tax Field Audits for Marijuana and Lessee Facilities to the following companies:

- |                                  |                      |
|----------------------------------|----------------------|
| 1) Johnson Advisors              | Las Vegas, NV        |
| 2) Coblenz-Biehle & Cramer, CPA  | Paso Robles, CA      |
| 3) New ERA, CPA                  | San Diego, CA        |
| 4) Andrew Hay, CPA, EA           | Woodlands, CA        |
| 5) King Accounting Services, LLC | Fort Collins, CO     |
| 6) 420 CPA                       | Los Angeles, CA      |
| 7) Cannabiz Accounting           | Huntington Beach, CA |
| 8) Michael P. Burger, CPA        | Needles, CA          |

Advertising was also published in the local newspaper and posted on the City website. The proposal period closed on September 17, 2019 and the following sealed bid was received:

- |                        |             |                            |
|------------------------|-------------|----------------------------|
| 1) Michael Burger, CPA | Needles, CA | Maximum \$6,500 per entity |
|------------------------|-------------|----------------------------|

**Fiscal Impact:** A maximum estimated cost of \$6,500 per Marijuana facility and \$3,000 for the Lessee.

**Recommended Action:** Award of contract to Michael P. Burger, MBA, CGMA, CPA to perform Tax Field Audit(s) for two cultivation facilities and one Lessee for a total cost not to exceed \$16,000

**Submitted By:** Sylvia Miledi, Director of Finance

**City Management Review:** Rick

**Date:** 11/9/19

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 16



City of Needles  
Tax Field Audit(s) Auditing Services  
Request for Proposal

*Sealed Dollar Cost Bid*

For the calendar years ended

December 31, 2018 and 19

Submitted September 16, 2019

Michael P. Burger, MBA, CGMA, CPA  
121 F Street, Suite 1  
Needles, CA 92363  
Tel: (760) 326-4386  
Fax: (760) 326-2503  
Email: [mike@michaelburgercpa.com](mailto:mike@michaelburgercpa.com)

**City of Needles RFP  
Tax Field Audits**

September 16, 2019

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Michael P. Burger  
Certified Public Accountant  
121 F Street, Suite 1  
Needles, CA 92363  
(760) 326-4386

September 16, 2019

Ms. Sylvia Miledi, Finance Director  
City of Needles  
817 Third Street  
Needles, CA 92363

Re: Request for Tax Field Audits Proposal

Dear Ms. Miledi:

We are pleased to present this proposal to perform full scope financial statement audits on the 4 Marijuana dispensaries, 3 Cannabis cultivation facilities and one lessee located in the City of Needles (City) as of and for the calendar years ending December 31, 2018 & 2019. Per Section IV. Proposal Requirements, Subsection A. General Requirements, we affirm the following: 1) Our understanding of the work to be completed is detailed under the heading of "Scope" below, 2) We commit to issuing our reports based upon a mutually agreed upon time-line with the City of Needles, 3) we believe our Firm to be "best qualified" to conduct these engagements and we have stated our unique qualifications under "Qualifications" below, and 4) this proposal is a firm and irrevocable offer for the period covered.

By signing this transmittal letter below, we affirm and agree to the terms of the Request for Proposal for Tax Field Audit(s) Auditing Services.

Sincerely,

*Michael P. Burger, CPA*

Michael P. Burger, MBA, CGMA, CPA

## TECHNICAL PROPOSAL

The following highlights of our proposal will assist in your decision-making.

### EXECUTIVE SUMMARY

- Local Firm -** We are a local Firm that has been exposed to the Medical Marijuana business in the Mohave Valley, Arizona and Needles, California areas from inception.
- Proven Ability -** The Request for Proposal requests a full scope financial audit that has a primary focus on the Auditee's compliance with City Ordinance No. 543-AC requiring a 10% gross receipts tax on all revenues from the Medical Marijuana facility. We have audited all 4 dispensaries located in Needles in prior years. We have performed well in excess of 100 gross-receipts audits and 100 Income Tax audits. In addition, we refer to all seventeen Bureau of Land Management (BLM) Parks located along the banks of the Colorado River which were audited by our firm for compliance with gross-receipts taxes due the BLM. We have also either audited or performed the accounting for the lessee noted in the request for proposal for over 20 years.
- Experience -** The engagement team consists of two licensed CPAs, including a former KPMG Peat Marwick partner, one CPA with "Fortune 100" experience. We have been a "Peer Reviewed Firm since 1992 and we are licensed in the States of California, Arizona and Colorado. Our most recently completed Peer Review is on file with the City of Needles.
- Availability -** Since we are based in Needles, we have proven that we can meet with City personnel face to face whenever the need arises. This is much more effective than a phone call for resolving issues.

### SCOPE OF AUDIT

We understand that the audit includes the 4 Marijuana dispensaries, three cultivation sites and one lessee located within the City of Needles for the purpose of expressing an opinion on the financial statements and or gross receipts tax paid in accordance with accounting principles generally accepted in the United States of America, and assessing compliance with the City of Needles Medical Marijuana Ordinance No. 543-AC. The audit period selected is for calendar years ending 12/31/2018 and 12/31/2019 with an option to extend the contract for two additional years.

Our audit will include tests of the accounting records and such other procedures we consider necessary to enable us to express an opinion on the Marijuana Gross Receipts Tax assessed, collected and remitted to the City of Needles. If our opinion is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reasons, we are unable to complete the audit, we will not issue a report as a result of this engagement.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts. Our Firm maintains an expertise in various forms of software used extensively in the industry. We are knowledgeable in the areas of industry specific performance standards and industry specific yields (product per plant, plants per light, etc.).

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Because of the concept of reasonable assurance, and because we will not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us. However, we will inform you of any material errors and any fraud that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our audit is not specifically designed and cannot be relied on to disclose reportable conditions; that is, significant deficiencies in the design or operation of the internal



control structure. However, during the audit, if we become aware of such reportable conditions or ways that we believe management practices can be improved, we will communicate them to you in a separate letter.

### GENERAL REQUIREMENTS

We understand that we will prepare the following reports:

- Full Scope Financial Audit per entity selected
- Reportable conditions report or management letter
- Schedule of Gross Receipts (Supplementary Information)
- Further, we understand that we will provide our reports based upon a timeline acceptable to the City of Needles
- Independence – Our Firm is Independent of the City of Needles, the four dispensaries, the three cultivators, and the one lessee as defined by Rule 103 of the AICPA's Code of Professional Conduct.

We also understand that we may be called upon throughout the year for technical advice regarding accounting procedures or financial reporting matters or "Other Audit Services". Fees for "Other Audit Services" are listed under fees below.

### QUALIFICATIONS

We hereby set forth our qualifications as follows:

Current Gross Receipts Auditing Experience – We currently perform Gross Receipts Audits for the Chemehuevi Indian Tribe and Arizona Parks Department. A sample report has previously been provided to Sylvia Miledi and Rick Daniels.

1. Experience with the Medical Marijuana Industry – We have been involved with the Medical Marijuana business in Needles, California and Mohave Valley, Arizona from the beginning. Specifically, we created the Chart of Accounts (Books) for Herbal Assist, Inc. (now "Debbie's Dispensary" and acted as the liaison with the Las Vegas Audit Firm (they are not licensed in California) for 3 years. With our guidance, the Dispensary passed its audits that were submitted to the Arizona Department of Health Services. In addition, it should be noted that our Firm corrected the Dispensary's audit with a journal entry in excess of \$100,000 that was missed by the Audit Firm. In addition to creating, maintaining and issuing financial statements for Herbal Assist, Inc., we have worked for the following Medical Marijuana Industries: a) OPG, b) the Healing Center, c) H Street, 4) Paradise Wellness Center, 5) Mohave Green, 6) CG Retail, 7) Ice House Rd LLC, 8) Ice House Holdings LLC, 9) Green Management

LLC, and 10) Arizona Agriculture, Inc. Our primary role with these entities has been as a Consultant, specifically in the areas of taxation (income tax, gross receipts tax). We have consulted with the preeminent attorney in this field (Mr. Wykowski) and have taken many hours of continuing education pertaining to this industry.

2. Experience with Gross Receipts/Cannabis Auditing – The Federal Bureau of Land Management, Chemeluevi Indian Tribe, Arizona Parks Department and California Franchise Tax Board have all relied or currently rely on our audits of Gross Receipts. As a former Revenue Agent with the Franchise Tax Board, Michael P. Burger, CPA conducted in excess of 100 income tax audits for the purpose of assessing the correct tax owed. In addition, our Firm has audited the four dispensaries located in Needles on multiple occasions. Because of this, Michael P. Burger, CPA has specialized and unique training in the auditing of gross receipts and the assessing of any tax.
3. Experience in Manufacturing – the cultivation and extraction segments of the Medical Marijuana business require a specified knowledge in the area of Management Accounting or Cost Accounting which covers manufacturing cost principles. Michael P. Burger, CPA was recruited by Pfizer Pharmaceuticals and worked as a “Manufacturing or Cost” Accountant for 4 years. Because of this, Michael P. Burger, CPA is considered an expert in the area of Manufacturing and maintains the credential of “CGMA” or Chartered Global Management Accountant as proof of this.
4. Medical Experience – our firm is the current and past auditor for “Community Healthcare Partner Inc.” which is doing business as the “Colorado River Medical Center”. Once again, this type of audit requires specialized Healthcare Knowledge which we maintain. Please contact Bing Lum, CEO or Steve Lopez, CFO as a reference.
5. Government and Nonprofit Experience – We currently perform work for the following Government and nonprofit entities: 1) The City of Needles, 2) Needles Public Financing Authority, 3) Colorado River Medical Center, 4) Willow Valley Club, 5) Needles Youth Development and Education Foundation, 5) Needles Chamber of Commerce, 6) Needles Rodeo Association, 7) St. Vincent DePaul, 8) Arizona Fire Bells, 9) Needles Swim Team, 10) Needles Elks Lodge, 11) Needles Eagles Lodge and 12) Needles Housing Authority. This list is not all inclusive and additional government and nonprofit clients can be provided upon request.
6. Firm Qualifications – The Firm of Michael P. Burger, CPA was originally licensed November 29, 1989 or twenty-nine years ago. We are licensed in the following States: a.) California – license No. 57811E, b.) Arizona – license No. 7572-R, and c.) Colorado – License No. 12222. Our Firm is a Peer Reviewed Firm and our most

recent Peer Review Report has been provided to the City of Needles as required by Generally Accepted Government Auditing Standards. We have been peer reviewed from 1992 through the present and we have never failed the peer review process. We have 5 full time staff members and we joint venture with "Burger, Comer and Magliari" which has 3 partners and 25 accountants. All of my employees live in Needles and contribute to the local economy.

7. Individual Experience – Michael P. Burger, MBA, CGMA, CPA is the anticipated lead on these engagements. He has an MBA with a cumulative GPA throughout all college of 3.86, is a "Chartered Global Management Accountant" and has been a practicing Certified Public Accountant in "Downtown Needles" for 29 years. A resume with detailed accomplishments can be provided upon request.

### FEE ESTIMATE

Because this is a relatively new industry, we would like to provide a comparative price point as a reference for the City of Needles. Rick Daniels, Councilmember Darcy and former councilmember Kidd toured the cultivation business known as Arizona Agriculture Inc., and the Dispensary known as Herbal Assist, Inc. Herbal Assist, Inc., is a Medical Marijuana Dispensary that is required to have an annual audit that must be submitted to the Arizona Department of Health Services. Herbal Assist, Inc. is significantly greater in size (sales volume) than the current Dispensaries existing in Needles, CA. The Calendar year 2014 audit fee paid by Herbal Assist Inc. was \$7,000 and that audit was conducted by a sole proprietor based in Las Vegas.

From our experience, we base our fee proposal on the following:

- 1) These audits will take a minimum of 80 hours but will most likely take 100 hours to complete because of complexities due to the nature of the industry.
- 2) We try to achieve a blended rate of \$65 per hour for auditing.
- 3) **Based on the previous two assumptions, our fee estimate is \$4,500 per entity as a minimum and \$6,500 as a maximum assuming difficulties are encountered and the City approves any increase over \$4,500 in advance of the work being performed. The fee quote of \$4,500 per entity applies only to the Cannabis entities. The fee quote for the lessee gross receipts audit is \$3,000 which is based on the price quoted in 2017 for this entity. There are no travel costs contained in this proposal because we are a local Needles Business.** The all-inclusive price per year, assuming the 4 dispensaries, 3 cultivators, and one lessee are audited in one year would be  $(\$4,500 \times 7 \text{ Cannabis entities} = \$31,500 + \$3,000 \text{ per lessee} = \$34,500$ .
- 4) The RFP also requests a fee quote for "Other Auditing Services". For this we propose a general consulting rate of \$100 per hour.

We understand that invoices are requested to be rendered in agreement with the terms of the RFP. We further understand that in the event of extraordinary circumstances that

Ms. Sylvia Miledi  
City of Needles  
September 16, 2019  
Page 7

warrant more intensive and detailed services beyond those in the contractual agreement, we will notify you in advance, in writing, the reasons for the additional services and a cost estimate for those services for consideration and approval by the City of Needles.

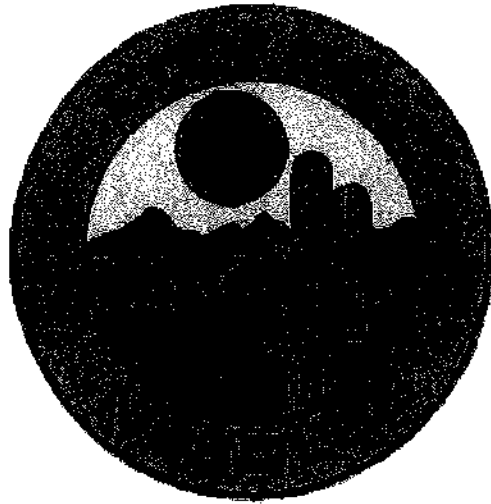
We further understand that we are to provide continuity of personnel and the City reserves the right to replace auditors if the circumstances warrant it.

Conflict of Interest Statement: We represent that we currently do not work for any of the Marijuana facilities located within the City of Needles that are subject to the Marijuana Gross Receipts Tax.

Very truly yours,

*Michael P. Burger, CPA*

Michael P. Burger, MBA, CGMA, CPA



## **CITY OF NEEDLES**

REQUEST FOR PROPOSALS

FOR

TAX FIELD AUDIT(S)



**City of Needles**  
**REQUEST FOR PROPOSALS**  
**FOR TAX FIELD AUDIT(S)**

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**City of Needles  
REQUEST FOR PROPOSALS  
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**City of Needles  
REQUEST FOR PROPOSALS  
FOR AUDITING SERVICES**

**I. INTRODUCTION**

**A. General Information**

The City of Needles is requesting proposals from qualified firms of certified public accountants to conduct tax field audits with the City of Needles.

One of the tax field audits is for the City's Cannabis industry. On November 6, 2012 voters approved to add a new Article VIII to Chapter 20 of the Code of the City of Needles, to impose a tax on marijuana businesses in the City at a rate of up to 10% of gross receipts. Historically auditing the 10% gross receipts has proven difficult due to the all-cash nature of the business. A sheriff raid of the current four dispensaries seemed to indicate that there was considerable more product than was being reported. A receipt audit was conducted which increased tax revenue approximately 30%. A more thorough and aggressive audit approach is necessary to assure Needles Voters that their measure is being effectively implemented.

While dispensaries have been in existence since 2010 and taxed since 2012, the City Council adopted a new marijuana ordinance that permits all aspects of the industry including cultivating and manufacturing. To date over twenty potential applicants have expressed interest in establishing facilities. To date the City has three (3) fully operational cultivation facilities.

The audit contract will be awarded for two years with the option by City Council to extend the agreement two additional years (2020CY and 2021CY). The audit is to be performed in accordance with Generally Accepted Accounting Principles (GAAP).

In addition to Cannabis Tax Field Audit(s), the City would also like to perform a gross receipts audit of a lessee.

To be considered the City of Needles, City Clerk must receive sealed bid proposals by **September 17, 2019**. The proposals will be reviewed by the City Manager, Finance Director and the City Council. It is anticipated the selection of a firm will be completed by **September 24, 2019**. Following the notification of the selected firm it is expected an engagement letter will be executed between both parties within 30 days of approval.

There is no expressed or implied obligation for the City of Needles to reimburse firms for any expenses incurred in preparing proposals in response to this request.

**B. Terms of Engagement**

The audit contract will be awarded for two years with the option by City Council to extend the agreement two additional years (2020 and 2021). The professional services contact template (*Attachment 1*) will be the basis of the engagement. Please review. Any desired exceptions to

**City of Needles  
REQUEST FOR PROPOSALS  
FOR AUDITING SERVICES**

those general requirements should be noted as part of the response to this RFP.

City of Needles anticipates Marijuana Business Tax has the potential to increase in terms of composition and amount. Should substantial changes occur with respect to either funding or demand, City of Needles reserves the right to amend the contract based on terms mutually satisfactory to both the auditing firm and the City of Needles.

**C. Reporting and Timeline for Audited Financials**

The City and the selected auditor will draft a proposed timeline which is subject to change based on demand and or workload but agreeable by both parties beforehand. The auditor shall meet with the City Council to present the audited financial statements and conclude any findings.

**II. CONTACT INFORMATION**

**A. General**

The auditor's principal contact with the City of Needles will be Sylvia Miledi, Finance Director, who will coordinate the assistance to be provided to the auditor. The auditor will be provided an opportunity to meet with a representative of the City Council to best understand their expectations.

Phone: (760) 326-2115 ext. 336  
[smiledi@cityofneedles.com](mailto:smiledi@cityofneedles.com)

**III. NATURE OF SERVICES REQUIRED**

**A. Qualifying Requirements**

**1. Relevant Experience**

The firms submitting proposals must be qualified to perform independent audits of related medical marijuana entities.

**2. Availability of Staff with Professional Qualifications**

Members of the audit team should be Certified Public Accountants and have experience auditing related medical marijuana entities. Medical Marijuana auditing experience and knowledge desired.

**3. Similar Engagements with Other Medical Marijuana Entities and/or lessee**

**City of Needles  
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FOR AUDITING SERVICES**

4. The firms should have significant experience auditing related Medical Marijuana facilities.
5. Non-Discrimination

No person shall be denied or subjected to discrimination on account of any services, or activities made possible by or resulting from this agreement on the grounds of sex, race, color, creed, national origin, age, religion, disability, and genetics. Any violation of this provision shall be considered a violation of a material provision of this agreement and shall be grounds for cancellation, termination or suspension in whole or in part of the agreement and may result in ineligibility for further contracts. The Proposer shall at all times in the proposal and contract process comply with all applicable state, and federal anti-discrimination laws, rules, regulations and requirements thereof.

**B. Scope of Work to be Performed**

**Part 1: Marijuana Gross Receipts Audit**

The City of Needles desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles. The auditor is required to conduct an audit of each facility individually.

Per the City of Needles Ordinance No. 549-AC I Attachment 2 Section 20-40.36 the following documentation of each Medical Marijuana facility will be provided and reviewed during the audit process;

- 1) BOE-401-A, State and local Sales and Use Tax Returns with copies of cancelled checks for all quarters since commencement of operations.
- 2) Recently filed Form 1220, U.S. Corporation Income Tax Return
- 3) Corporate books and records
- 4) Patient Records
- 5) Product purchased records including parties involved
- 6) Payroll Records
- 7) Sale Records

The primary focus of each Marijuana facility audit is to comply with the City of Needles Ordinance No. 543-AC and ensure each business is submitting the true amount of gross



**City of Needles  
REQUEST FOR PROPOSALS  
FOR AUDITING SERVICES**

receipts. This includes an audit of each point of sale (POS) system.

The selected firm will audit four (4) dispensaries located within the City who's gross receipts payments range from \$30,000 to \$80,000 and three (3) cultivation facilities who's gross receipts range from \$20,000 to \$260,000 for calendar year 2018.

**Part II: Lessee's Gross Receipt Audit**

The City of Needles desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles. The auditor is required to conduct an audit of the lessee.

The City is authorized to audit the Lessee's book and records to ensure the total gross receipts is being correctly produced. The Lessee is required to obtain;

- 1) California Board of Equalization Sales Tax Reports
- 2) Keep adequate records of all sales including food, drinks and other merchandise
- 3) Records sales in the following three categories;
  - a) Food, beverages and alcohol of any type
  - b) Any and all taxes upon the sale of said beverages, foods, or services imposed by the United States of America, State of California, City of Needles, or such other
  - c) Any other sales of goods or services not herein enumerated
- 4) Produce a validated cash receipt

The selected firm will audit the one (1) Lessee located within the City.

**C. Auditing Standards to be Followed**

To meet the requirements of this request for proposals, the audit shall be performed in accordance with Generally Accepted Accounting Principles (GAAP).

**D. Reports to be Issued**

The selected firm will be required to provide a timeline to each desired audit.

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue, as required by generally accepted auditing standards, all applicable reports. The auditor should determine the format and quality of information expected from each business being

**City of Needles  
REQUEST FOR PROPOSALS  
FOR AUDITING SERVICES**

audited.

The auditor shall communicate in a letter to the City Council any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

**E. Working Paper Retention and Access to Working Papers**

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the City of Needles of the need to extend the retention period. The auditor will be required to make working papers available, upon request by the City of Needles.

In addition, the firm shall respond to the reasonable inquiries of successor Auditors and allow successor Auditors to review working papers relating to matters of continuing accounting significance.

**F. Other Audit Services**

Occasionally, the City of Needles is required to have other accounting work performed. The Auditor will be expected to perform these engagements and any other audit services requested by the City of Needles outside of the standard audit at an hourly rate stated in the auditor's proposal.

**IV. PROPOSAL REQUIREMENTS**

**A. General Requirements**

**1. Inquiries**

Inquiries concerning the request for proposals and the subject of the request for proposals must be made in writing to Rainie Torrance, Finance.

Phone: (760) 326-2115 ext. 140  
[rtorrance@cityofneedles.com](mailto:rtorrance@cityofneedles.com)

**2. Submission of Proposals**

The following material is required by **3:30 p.m. PST on September 17, 2019** for a

**City of Needles  
REQUEST FOR PROPOSALS  
FOR AUDITING SERVICES**

proposing firm to be considered;

a. The Proposal is to include the following:

- Title Page - Title page showing the request for proposal's subject; the firm's name; the name, address, email address, and telephone number of a contact person; and the date of the proposal.
- Table of Contents
- Transmittal Letter - A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for the period covered.
- Detail Proposal – As stated in Section IV B; Technical Proposal and C; Professional Fees stated below.

b. Proposers should send the completed proposal in a sealed envelope to the following address:

City of Needles  
Attention: Dale Jones, City Clerk  
817 3<sup>rd</sup> Street  
Needles, CA 92363

**Failure to submit a proposal by the deadline will be cause for dismissal from future consideration.**

**B. Technical Proposal**

1. General Requirements

The purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit for the City of Needles in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The technical proposal should demonstrate the qualifications of the firm and of the staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposal requirements.

**City of Needles  
REQUEST FOR PROPOSALS  
FOR AUDITING SERVICES**

The technical proposal should address all the points outlined in the request for proposals. The proposal should be prepared simply, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional items may be presented, the following subjects, items Nos. 2 through 6, must be included. They represent the criteria against which the proposal will be evaluated. Specific experience and expertise with Medical Marijuana operations will be given special consideration.

**2. Independence**

The firm should provide an affirmative statement that it is independent of the City of Needles as defined by generally accepted accounting standards.

**3. Firm Qualifications and Experience**

The proposal should state the size of the firm, the size of the firm's non-profit/governmental audit staff, the location of the office from which the work on this engagement is to be performed.

**4. Partner, Supervisory and Staff Qualifications and Experience**

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in California.

**5. Similar Engagements with Other Governmental Entities**

For the firm's office that will be assigned responsibility for the audit, provide at least three current governmental references and one previous governmental reference. References to similar Medical Marijuana auditing working is allowable.

**6. Audit Approach**

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section IV of this request for proposal.

**C. Professional Fees**

**1. Professional Fees**

**City of Needles  
REQUEST FOR PROPOSALS  
FOR AUDITING SERVICES**

The proposal should include a schedule of professional fees; presented in the format encompassing all costs that supports the total all-inclusive price for each of the four years (two year contract with the option by the City of Needles to extend two additional years).

2. Rates for Additional Professional Services

A separate quote should be given for the proposed occasionally other accounting work to be performed. The Auditor will be expected to perform these engagements and any other audit services requested by the City of Needles outside of the standard audit at an hourly rate stated in the auditor's proposal.

**VII. EVALUATION PROCEDURES**

The City Council, City Manager and Finance Director will evaluate proposals submitted. All final selections are made solely by the City Council.

**A. Evaluation Criteria**

The following represent the principal selection criteria, which will be considered during the evaluation process of proposals.

**Mandatory Elements**

1. The audit firm is independent and licensed to practice in California.
2. The firm has no conflict of interest with regard to any other work performed by the firm for the City of Needles.
3. The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal.

**Technical Requirements**

1. Expertise and Experience especially in auditing Medical Marijuana facilities.
2. The firm's past experience and performance on comparable engagements.
3. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for consultation.
4. Audit approach describes how the firm intends to conduct the audit.

**B. Final Selection**

It is anticipated that a firm will be selected by September 10, 2019 subject to City Council approval. Following notification of the firm selected, it is expected the professional services contract will be executed between both parties within thirty-days of approval.



**City of Needles  
REQUEST FOR PROPOSALS  
FOR AUDITING SERVICES**

**C. Right to Reject Proposals**

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Needles and the firm selected.

The City of Needles reserves the right without prejudice to reject any or all proposals or parts thereof for any reason, to negotiate changes to proposal terms, to waive minor inconsistencies with the request for proposal and to waive formalities.



## City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA

☐ Regular ☐ Special

**Meeting Date:** November 12, 2019

**Title:** City Council Resolution 2019-71, 2019-72, 2019-73  
Three (3) Resolutions of the City Council of the City of Needles  
Requesting an Additional 6-month Extension to Expire on May 12, 2020  
"Dollar Tree" Facility at 1100 E. Broadway, also known as APN 0186-224-02  
Cannabis Cultivation, Distribution, Manufacturing

**Background:** Applicant "Dag Top Shelf" received City Council approval for three Conditional Use Permits for cannabis cultivation, manufacturing and distribution at the site of the former "Dollar Tree" Store on September 25, 2018. An additional 6-month extension was approved and recently expired on September 25, 2019.

In an effort to continue the progress that the applicants are making in moving forward, including the design of the drawings to support the interior tenant improvements, the contract with Cal-Zon Fencing Co. for the installation of the wrought iron fencing, and the recent receipt of the State licenses, the applicant is requesting an additional six-month extension be attached to each of the three Conditional Use Permits, as follows:

Suite "A"	Marijuana Cultivation Facility	Approved via 2018-55
Suite "B"	Marijuana Distribution Facility	Approved via 2018-57
Suite "C"	Marijuana Manufacturing Facility	Approved via 2018-56

**Critical Timeline:** Applicant's timeline is to be in production as outlined on Exhibit "A".

**Fiscal Impact:**

1. The 10% of gross sales of medical marijuana business tax (voter approved (2012).
2. Valuation of new buildings – added to city tax rolls.
3. NPUA – electric/water/sewer usage revenue.
4. Recurring business license and permitting fees.
5. A 25% State tax – a portion of which will be passed to local government, as enacted by the approval of Proposition 64 in November 2016.
6. Statewide 10% sales tax, the city's share is 1%.

**Environmental:** The proposed project was reviewed and determined to have no potential to generate significant adverse impacts on the environment, and therefore is exempt from CEQA pursuant to CEQA Guidelines §15061(b)(3).

**Recommendation:** Approve Resolution 2019-71, 2019-72, 2019-73 approving an additional Six-Month Extension to the life of the three Conditional Use Permits, expiring on May 12, 2020.

**Attachment:** Exhibit "A" work completed

**Submitted By:** Patrick Martinez, Development Director

**City Management Review:** \_\_\_\_\_ **Date:** \_\_\_\_\_

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 17

**CITY COUNCIL RESOLUTION 2019-71**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEEDLES  
APPROVING AN EXTENSION OF TIME FOR A CONDITIONAL USE  
PERMIT (CUP) ISSUED FOR A MARIJUANA CULTIVATION FACILITY,  
SUITE "A" AT 1100 E. BROADWAY, ALSO KNOWN AS APN 0186-224-02  
THAT EXPIRED ON SEPTEMBER 25, 2019**

**WHEREAS**, on January 10, 2017 City Council Ordinance No. 588 was approved allowing marijuana facilities in zones C1, C2, C3, M1 and M2, with a Conditional Use Permit and Regulatory Permit; and

**WHEREAS**, the Conditional Use Permit identified above received initial approval by the City Council on September 25, 2018 and a CUP extension that expired on September 25, 2019; and

**WHEREAS**, an additional six-month extension of the Conditional Use Permit is being requested, thereby extending its life to May 12, 2020.

**WHEREAS**, in accordance with Section 94.13(a) of the City's Zoning Code the applicant has taken actions identifying the work that has been accomplished since City Council approval, identified and attached as Exhibit "A".

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Needles as follows:

**SECTION 1.** The proposed project was reviewed and determined to have no potential to generate significant adverse impacts on the environment, and therefore is exempt from CEQA pursuant to CEQA Guidelines §15061(b)(3).

**SECTION 2** The City Council HEREBY FINDS AND DETERMINES, with reports and findings, that facts do exist to extend the life of the Conditional Use Permit identified above for a period of six months, expiring on May 12, 2020.

**SECTION 3.** The City Council HEREBY APPROVES Resolution **2019-71**, approving a six month extension period for the life of the Conditional Use Permit identified above, expiring on May 12, 2020.

**PASSED, APPROVED AND ADOPTED** at a regular meeting of the City Council of the City of Needles, California, held on the 12<sup>th</sup> day of November, 2019, by the following roll call vote:

**AYES:**  
**NOES:**  
**ABSENT:**  
**ABSTAIN:**

**(Seal)**

**Attest:**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

Approved as to form:

\_\_\_\_\_  
City Attorney

Exhibit "A"

**Second CUP Extension: Work Completed to Authorize CUP Extension – proposed expiration of April 22, 2020**

- Three (3) State Licenses received to move forward with marijuana-related activity
- (Receipt of licenses was delayed – post office lost cashier's check)
- Construction drawings in the process of being designed
- Construction (interior tenant improvements) to begin in December, 2019 with completion in early 2020.
- Delay occurring with the loss of the investor.
- Current investment in project exceeds \$250,000

**Initial CUP Extension: Work Completed to Authorize CUP Extension –expiration of September 25, 2019**

- Architectural, plumbing, mechanical and room layout are complete.
- Cultivation, Distribution & manufacturing temporary licensing is complete and issued.
- Cultivation, Distribution & Manufacturing annual licenses are submitted and awaiting approval from state.
- Exterior painting per the CUP is complete.
- Premises fencing and landscaping is out to bid pending final selection of vendor. Estimated completion September 2019 or sooner.
- Electrical plans are under review, estimated completion May 2019 or sooner.
- Final buildout to start June/July 2019 or sooner.
- Final buildout completion by November/December 2019 or sooner.
- Purchase of building May 2019 or sooner.
- As of 3/25/19 we have invested \$200,000 plus

**CITY COUNCIL RESOLUTION 2019-72**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEEDLES  
APPROVING AN EXTENSION OF TIME FOR A CONDITIONAL USE  
PERMIT (CUP) ISSUED FOR A MARIJUANA DISTRIBUTION FACILITY,  
SUITE "B" AT 1100 E. BROADWAY, ALSO KNOWN AS APN 0186-224-02  
THAT EXPIRED ON SEPTEMBER 25, 2019**

**WHEREAS**, on January 10, 2017 City Council Ordinance No. 588 was approved allowing marijuana facilities in zones C1, C2, C3, M1 and M2, with a Conditional Use Permit and Regulatory Permit; and

**WHEREAS**, the Conditional Use Permit identified above received initial approval by the City Council on September 25, 2018 and a CUP extension that expired on September 25, 2019; and

**WHEREAS**, an additional six-month extension of the Conditional Use Permit is being requested, thereby extending its life to May 12, 2020.

**WHEREAS**, in accordance with Section 94.13(a) of the City's Zoning Code the applicant has taken actions identifying the work that has been accomplished since City Council approval, identified and attached as Exhibit "A".

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Needles as follows:

**SECTION 1.** The proposed project was reviewed and determined to have no potential to generate significant adverse impacts on the environment, and therefore is exempt from CEQA pursuant to CEQA Guidelines §15061(b)(3).

**SECTION 2** The City Council HEREBY FINDS AND DETERMINES, with reports and findings, that facts do exist to extend the life of the Conditional Use Permit identified above for a period of six months, expiring on May 12, 2020.

**SECTION 3.** The City Council HEREBY APPROVES Resolution 2019-72, approving a six month extension period for the life of the Conditional Use Permit identified above, expiring on May 12, 2020.

**PASSED, APPROVED AND ADOPTED** at a regular meeting of the City Council of the City of Needles, California, held on the 12<sup>th</sup> day of November, 2019, by the following roll call vote:

**AYES:  
NOES:  
ABSENT:  
ABSTAIN:**

**(Seal)**

**Attest:**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

Approved as to form:

\_\_\_\_\_  
City Attorney



Exhibit "A"

**Second CUP Extension: Work Completed to Authorize CUP Extension – proposed expiration of April 22, 2020**

- Three (3) State Licenses received to move forward with marijuana-related activity
- (Receipt of licenses was delayed – post office lost cashier's check)
- Construction drawings in the process of being designed
- Construction (interior tenant improvements) to begin in December, 2019 with completion in early 2020.
- Delay occurring with the loss of the investor.
- Current investment in project exceeds \$250,000

**Initial CUP Extension: Work Completed to Authorize CUP Extension –expiration of September 25, 2019**

- Architectural, plumbing, mechanical and room layout are complete.
- Cultivation, Distribution & manufacturing temporary licensing is complete and issued.
- Cultivation, Distribution & Manufacturing annual licenses are submitted and awaiting approval from state.
- Exterior painting per the CUP is complete.
- Premises fencing and landscaping is out to bid pending final selection of vendor. Estimated completion September 2019 or sooner.
- Electrical plans are under review, estimated completion May 2019 or sooner.
- Final buildout to start June/July 2019 or sooner.
- Final buildout completion by November/December 2019 or sooner.
- Purchase of building May 2019 or sooner.
- As of 3/25/19 we have invested \$200,000 plus

**CITY COUNCIL RESOLUTION 2019-73**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEEDLES  
APPROVING AN EXTENSION OF TIME FOR A CONDITIONAL USE  
PERMIT (CUP) ISSUED FOR A MARIJUANA MANUFACTURING FACILITY,  
SUITE "C" AT 1100 E. BROADWAY, ALSO KNOWN AS APN 0186-224-02  
THAT EXPIRED ON SEPTEMBER 25, 2019**

**WHEREAS**, on January 10, 2017 City Council Ordinance No. 588 was approved allowing marijuana facilities in zones C1, C2, C3, M1 and M2, with a Conditional Use Permit and Regulatory Permit; and

**WHEREAS**, the Conditional Use Permit identified above received initial approval by the City Council on September 25, 2018 and a CUP extension that expired on September 25, 2019; and

**WHEREAS**, an additional six-month extension of the Conditional Use Permit is being requested, thereby extending its life to May 12, 2020.

**WHEREAS**, in accordance with Section 94.13(a) of the City's Zoning Code the applicant has taken actions identifying the work that has been accomplished since City Council approval, identified and attached as Exhibit "A".

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Needles as follows:

**SECTION 1.** The proposed project was reviewed and determined to have no potential to generate significant adverse impacts on the environment, and therefore is exempt from CEQA pursuant to CEQA Guidelines §15061(b)(3).

**SECTION 2** The City Council HEREBY FINDS AND DETERMINES, with reports and findings, that facts do exist to extend the life of the Conditional Use Permit identified above for a period of six months, expiring on May 12, 2020.

**SECTION 3.** The City Council HEREBY APPROVES Resolution **2019-73**, approving a six month extension period for the life of the Conditional Use Permit identified above, expiring on May 12, 2020.

**PASSED, APPROVED AND ADOPTED** at a regular meeting of the City Council of the City of Needles, California, held on the 12<sup>th</sup> day of November, 2019, by the following roll call vote:

**AYES:  
NOES:  
ABSENT:  
ABSTAIN:**

\_\_\_\_\_  
Mayor

(Seal)

Attest:

\_\_\_\_\_  
City Clerk

Approved as to form:

\_\_\_\_\_  
City Attorney

**Second CUP Extension: Work Completed to Authorize CUP Extension – proposed expiration of April 22, 2020**

- Three (3) State Licenses received to move forward with marijuana-related activity
- (Receipt of licenses was delayed – post office lost cashier's check)
- Construction drawings in the process of being designed
- Construction (interior tenant improvements) to begin in December, 2019 with completion in early 2020.
- Delay occurring with the loss of the investor.
- Current investment in project exceeds \$250,000

**Initial CUP Extension: Work Completed to Authorize CUP Extension –expiration of September 25, 2019**

- Architectural, plumbing, mechanical and room layout are complete.
- Cultivation, Distribution & manufacturing temporary licensing is complete and issued.
- Cultivation, Distribution & Manufacturing annual licenses are submitted and awaiting approval from state.
- Exterior painting per the CUP is complete.
- Premises fencing and landscaping is out to bid pending final selection of vendor. Estimated completion September 2019 or sooner.
- Electrical plans are under review, estimated completion May 2019 or sooner.
- Final buildout to start June/July 2019 or sooner.
- Final buildout completion by November/December 2019 or sooner.
- Purchase of building May 2019 or sooner.
- As of 3/25/19 we have invested \$200,000 plus



## City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA

☐ Regular ☐ Special

**Meeting Date:** November 12, 2019

**Title:** Lounge/Café with Dispensary Policy Issues

**Background:** Councilor Gudmundson has requested that the current effort to update the Cannabis Ordinance include a provision for:

- 1) Additional dispensary,
- 2) Dispensary by lottery with a deposit, and
- 3) Lounge/Café limited to the new dispensary.

There is no adopted state law for lounges/cafes, although there is a current bill in the Legislature to deal with the matter. The lounges/cafes in Cathedral City, Palm Springs, and West Hollywood were permitted under local authority only. The lounge/café establishments elsewhere are connected to a dispensary and limited to consumption from that dispensary only in order to avoid allowing of unpermitted cannabis from other sources. Staff has secured those ordinances and are prepared to replicate those provisions if the Council so directs. Staff also needs direction on the number of lounge/cafes that will be permitted in that at least two existing dispensaries have indicated that they will seek a lounge/café permit once allowed.

The four existing dispensaries were recognized as pre-existing, non-conforming uses when the 2015 cannabis ordinance was adopted. If the Council wants to allow an additional dispensary a new provision for establishing one would need to be authorized by ordinance. Staff is prepared to add a conditional use permit process similar to establishment of all other cannabis facilities for the establishment of a new dispensary if the Council so directs. Staff also needs direction on the method for selecting the additional dispensary. A lottery with a significant deposit has been suggested.

**Fiscal Impact:** Unknown at this time. An additional dispensary will either dilute the existing dispensary market shares or create additional sales.

**Environmental Impact:** As a result of a new court ruling, the City Attorney is researching whether an environmental review is necessary for the cannabis ordinance or whether the environmental review is appropriate at the time of an application for a specific location.

**Recommendation:** Council direction on adding an additional dispensary, prescribing a method for choosing any additional dispensary, and the number of lounge/cafes to allow.

**Submitted By:**

**City Management Review:**

**Date:** 11/5/19

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 18







## City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA

☒ Regular ☐ Special

**Meeting Date:** November 12, 2019

**Title:** The Gate Way Signage Entrance and Exit to Needles, CA

**Background:** The Department of Public Works has inspected the (Gateway) East and West Entrance to the City of Needles and have met with Jeff Buck with Caltrans who provided bridge entrance signs to other Cities as example of what we could propose to the City of Needles, CA. We had a meeting with Councilmember Zachery Longacre, Councilmember Tim Terral, Jeff Buck Caltrans, Rick Daniels City Manager, and Dave Eledge Director of Public Works to figure how much dose this cost and what type would be best for the City They said that they would contact the other member of the Council and come up a plan.

**Fiscal Impact:** The cost of the Gateway Signage is unknown at this time to the Department of Public Works.

**Environmental Impact:** N/A

**Recommended Action:** Provide Direction of Staff

**Submitted By:** Dave Eledge, Director of Public Works

**City Management Review:**

Rick

**Date:**

11/5/19

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 19



## City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA

☐ Regular ☐ Special

**Meeting Date:** November 12, 2019

**Title:** Employee Appreciation Holiday Event – Christmas Dinner

**Background**

At the Council meeting held on September 10, the City Council approved an expenditure not to exceed \$3,000 for an employee appreciation holiday event. Councilors Belt and Gudmundson are organizing this event and have requested an increase in the budget. The Christmas Dinner will be held on December 6 at 6:00 p.m. inside the El Garces. As of November 4 thirty employees have RSVP'd, most with plus one, and there is still time to sign up for the remaining employees. Attached is an email from Councilor Gudmundson with a funding request.

**Fiscal Impact** Funds were earmarked in this year's Council / Clerk Budget special events

**Recommendation** Discretionary

**Submitted By:** Councilmember Gudmundson and Belt

**City Management Review:**

Rick

**Date:**

11/5/19

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 20

## Re: COUNCIL REQUESTS / INQUIRIES

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**From:** Councilmember Gudmundson [councilmembergudmundson@yahoo.com](mailto:councilmembergudmundson@yahoo.com)

**To:** Rick Daniels [rdaniels@cityofneedles.com](mailto:rdaniels@cityofneedles.com)

**Date:** Tuesday, May 7, 5:47 PM

### COUNCIL REQUESTS / INQUIRIES

General fund budget requests:

Funding for the NAT to make trips up river for shopping for ridership / community members.

Fund \$7500 for a employee Dec Holiday event.

In the NPUA Budget, the planning position needs to be a dual position, an experienced hot tap qualification man.

Operation cost from NPUA to city, is there any saving being the golf course solely pumps from the well with the high nitrates level? This would assist in helping reducing the Golf Course budget.

Shawn Gudmundson

City of Needles // Councilor

817 Third St. Needles, CA 92363

[\(702\) 206-0771](tel:(702)206-0771)

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**From:** Councilmember Gudmundson [councilmembergudmundson@yahoo.com](mailto:councilmembergudmundson@yahoo.com)

**To:** Rick Daniels [rdaniels@cityofneedles.com](mailto:rdaniels@cityofneedles.com)

**Date:** Wednesday, May 8, 2:50 PM

Rick,

As always I thank you for your promptness in responding to the inquiries.

Shawn Gudmundson

City of Needles // Councilor

817 Third St. Needles, CA 92363



## City of Needles, California Request for City Council Action

☒ CITY COUNCIL ☐ NPUA

☐ Regular ☐ Special

**Meeting Date:** November 12, 2019

**Title:** Upcoming Thanksgiving and Christmas Holidays

**Background**

Council consideration of canceling the regular City Council meeting on Tuesday, November 26, 2019 and an adjourned regular meeting on Thursday, December 26 due to a potential lack of quorum because of the Thanksgiving and Christmas Holidays.

Should the Council concur and cancel the meetings, a Special Meeting can be called. There will be one regular meeting held on Tuesday December 10, 2019.

**Fiscal Impact**

**Recommendation** Discretionary

**Submitted By:** City Clerk

**City Management Review:**

Rick

**Date:**

11/5/19

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 21