Agenda

County of Inyo
Board of Supervisors

Board of Supervisors Room
County Administrative Center
224 North Edwards
Independence, California

All members of the public are encouraged to participate in the discussion of any items on the Agenda. Anyone wishing to speak, please obtain a card from the Board Clerk and indicate each item you would like to discuss. Return the completed card to the Board Clerk before the Board considers the item (s) upon which you wish to speak. You will be allowed to speak about each item before the Board takes action on it.

Any member of the public may also make comments during the scheduled "Public Comment" period on this agenda concerning any subject related to the Board of Supervisors or County Government. No card needs to be submitted in order to speak during the "Public Comment" period.

Public Notices: *(1)* In Compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting please contact the Clerk of the Board at (760) 878-0373. (28 CFR 35.102-35.104 ADA Title II). Notification 48 hours prior to the meeting will enable the County to make reasonable arrangements to ensure accessibility to this meeting. Should you because of a disability require appropriate alternative formatting of this agenda, please notify the Clerk of the Board 72 hours prior to the meeting to enable the County to make the agenda available in a reasonable alternative format. (Government Code Section 54954.2). *(2)* If a writing, that is a public record relating to an agenda item for an open session of a regular meeting of the Board of Supervisors, is distributed less than 72 hours prior to the meeting, the writing shall be available for public inspection at the Office of the Clerk of the Board of Supervisors, 224 N. Edwards, Independence, California and is available per Government Code § 54957.5(b)(1).

Note: Historically the Board does break for lunch, the timing of a lunch break is made at the discretion of the Chairperson and at the Board's convenience.

July 12, 2016

8:30 a.m. 1. ***PUBLIC COMMENT***

CLOSED SESSION

2. ***CONFERENCE WITH LABOR NEGOTIATORS*** – (Government Code Section 54957.6). Employee organizations: Deputy Sheriff's Association (DSA); Elected Officials Assistant Association (EOAA); Inyo County Correctional Officers Association (ICCOA); Inyo County Employees Association (ICEA); Inyo County Probation Peace Officers Association (ICPPOA); Law Enforcement Administrators' Association (LEAA). Unrepresented employees: all. Agency designated representatives - County Administrative Officer Kevin Carunchio, Assistant County Administrator Rick Benson, Deputy Personnel Director Sue Dishion, Information Services Director Brandon Shults, County Counsel Marshall Rudolph and Assistant County Counsel John Vallejo.

3. ***PUBLIC EMPLOYEE PERFORMANCE EVALUATION*** (Government Code Section 54957)
Title: County Administrator

4. ***PUBLIC EMPLOYEE PERFORMANCE EVALUATION*** (Government Code Section 54957)
Title: Public Works Director

OPEN SESSION

10:00 a.m. ***PLEDGE OF ALLEGIANCE***

5. ***REPORT ON CLOSED SESSION***

6. ***PUBLIC COMMENT***

7. ***COUNTY DEPARTMENT REPORTS*** *(Reports limited to two minutes)*

CONSENT AGENDA (Approval recommended by the County Administrator)

COUNTY ADMINISTRATOR

8. ***Integrated Waste Management*** – Request Board authorize the issuance of a blanket purchase order to Dave's Auto Parts in the amount of $17,000 from the Solid Waste Budget Unit #045700, Object Code 5173, contingent upon the adoption of the Fiscal Year 2016-2017 budget.

ENVIRONMENTAL HEALTH

9. Request Board: A) Declare IDEXX Laboratories, Inc. as the sole-source provider of certain water laboratory supplies for the period of July 1, 2016 through June 30, 2017; and B) Approve the purchase of water testing supplies by the Department from IDEXX Laboratories, Inc. by use of a blanket purchase order not to exceed $11,000 for the period of July 1, 2016 through June 30, 2017 and contingent upon adoption of the Fiscal Year 2016-2017 budget.

HEALTH AND HUMAN SERVICES

10. Request Board approve and ratify Amendment No. 1 of the Agreement between the County of Inyo and Plumas County for the period of July 1, 2016 through June 30, 2018 for hosting Medi-Cal Administrative Activities (MAA) and Targeted Case Management (TCM) for the Local Government Agency (LGA) Consortium and authorize HHS Director to sign, and transmit a copy of the signed document to the Clerk of the Board for the Board's files.

11. ***Behavioral Health*** – Request Board approve the contract between Inyo County Mental Health and the State of California, Department of Health Care Services for the provision of County mental health services for the one-year period of July 1, 2016 through June 30, 2017 and designate HHS Deputy Director of Behavioral Health, in her role as the County Mental Health Director, to sign both copies of each contract as well as complete the Certification Clause, and transmit a copy of the signed documents to the Clerk of the Board for the Board's files

PLANNING DEPARTMENT

12. Request Board approve Amendment No. 4 to the contract between the County of Inyo and Willdan Engineering extending the term of the contract to December 31, 2017 and increasing the contract limit by $10,000 for a total amount not to exceed $90,500; and authorize the Chairperson to sign, contingent upon the adoption of future budgets and obtaining appropriate signatures.

PROBATION DEPARTMENT

13. Request Board approve a Proclamation declaring July 17-23, 2016 as Probation Services Week in Inyo County.

COUNTY ADMINISTRATOR

14. ***Motor Pool*** – Request Board authorize the issuance of blanket purchase orders to the following vendors in the amounts indicated from the Motor Pool Budget Unit #200100, contingent upon the adoption of 2016-2017 budget: Bishop Automotive Center, $30,000; Britt's Diesel, $10,000; Bishop Ford, $20,000; and Warren's Auto Repair, $20,000.

15. ***Motor Pool*** – Request Board approve an agreement between the County of Inyo and the Bishop Museum and Historical Society for the provision of maintenance services at the Laws Museum in exchange for the donation of one surplus 2004 Chevy Silverado (Asset Number 8347, License Number 1184593)

WATER DEPARTMENT

16. Request Board: A) Declare Tetra Tech, Inc. a sole-source provider of Aerial Photo Services; and B) approve a contract between the County of Inyo and Tetra Tech Inc. for the provision of Aerial Photo Services in an amount not to exceed $33,700 for the period of July 1, 2016 to June 30, 2017, contingent upon the Board's adoption of the Fiscal Year 2016-2017 budget; and authorize the Chairperson to sign, contingent upon the appropriate signatures being obtained.

DEPARTMENTAL

17. ***TREASURER-TAX COLLECTOR*** – Request Board approve Resolution 2016-_____ entitled "A Resolution of the Inyo County Board of Supervisors Approving an Interim Loan to the Southern Inyo Fire Protection District from the Inyo County Treasury Pursuant to Article XVI, Section 6 of the California Constitution," thereby approving an interim loan from the county treasury to the Southern Inyo Fire Protection District (District) in the aggregate amount of $23,000 for the purpose of financing the District's operational costs during the 2016-2017 Fiscal Year prior to receipt of their annual property tax apportionment.

18. ***PUBLIC WORKS*** – Request Board receive a Draft Multi-Jurisdiction Hazard Mitigation Plan overview presentation from staff and consultant Michael Baker International, and provide input.

19. ***BOARD OF SUPERVISORS – Clerk of the Board*** – Request Board approve Resolution 2016-_____ entitled "Resolution of the Board of Supervisors of the County of Inyo to Make Applicable to the Kern Community College District the Provisions of the Education Code of the State of California Permitting Formation of School Facilities Improvement Districts."

20. ***PLANNING DEPARTMENT – Natural Resource Advisory Committee*** – Request Board appoint Doug Thompson and Linda Emerson to the Natural Resource Advisory Committee and specify who should be appointed as a voting member and who should be appointed as an alternate.

21. ***COUNTY ADMINISTRATOR – Library*** – Request Board: A) Approve the revised plan to automate the library and B) Authorize the Assistant County Administrator to sign a sole source contract, contingent upon obtaining all necessary signatures, with Backstage Library Works in an amount not to exceed $25,000 for retrospective conversion of the library's shelflist cards into machine readable cataloging (MARC) records.

22. ***WATER DEPARTMENT*** – Request Board consider and approve a Joint Exercise of Powers Agreement that will form the Indian Wells Valley Groundwater Authority for the purpose of forming a groundwater sustainability agency in the Indian Wells Valley Groundwater Basin, and direct the Chairperson to sign.

23. ***COUNTY ADMINISTRATOR – Emergency Services*** – Request Board discuss and consider staff's recommendation regarding continuation of the local emergency, known as the "Gully Washer Emergency" that resulted in flooding in the central, south and southeastern portion of Inyo County during the month of July, 2013.

24. ***COUNTY ADMINISTRATOR – Emergency Services*** – Request Board discuss and consider staff's recommendation regarding continuation of the local emergency, known as the "Land of EVEN Less Water Emergency" that was proclaimed as a result of extreme drought conditions that exist in the County.

25. ***COUNTY ADMINISTRATOR – Emergency Services*** – Request Board discuss and consider staff's recommendation regarding continuation of the local emergency, known as the "Death Valley Down But Not Out Emergency" that was proclaimed as a result of flooding in the central, south and southeastern portion of Inyo County during the month of October, 2015.

26. ***CLERK OF THE BOARD*** – Request approval of the minutes of the Board of Supervisors regular meetings of June 14, 2016.

TIMED ITEMS (Items will not be considered before scheduled time)

11:30 a.m. 27. ***AGRICULTURAL COMMISSIONER*** – Request Board: A) Hold a ***public hearing*** for the proposed continuance of the assessments for the "Owens Valley Mosquito Abatement Program Assessment" and the "Mosquito Control and Disease Prevention Assessment" in order to receive any public input on the proposed continuation of the assessments, the proposed assessment budget for Fiscal Year 2016-2017 and the services and programs, the assessments fund, and any other issues related to the assessments; and B) After close of public hearing, adopt a Resolution 2016-_____ entitled "A Resolution of the Board of Supervisors of the County of Inyo Administering the Owens Valley Mosquito Abatement Program Approving the Engineer's Report, Confirming the Assessment Diagram and Assessment, and Ordering the Levy of Assessments for Fiscal Year 2016-2017 for the Owens Valley Mosquito Abatement Program Assessment (Assessment No. 1) and the Mosquito Control and Disease Prevention Assessment (Assessment No. 2).

1:30 p.m. 28. ***COUNTY ADMINISTRATOR*** – Request your Board receive ***presentation*** regarding the Community Project Sponsorship Program grant application evaluation criteria, and program alternatives, and provide direction to staff.

CORRESPONDENCE – ACTION (To be considered at the Board's convenience)

29. ***CITY OF BISHOP*** – Request Board consolidate the General Municipal Election with the Statewide General

Election to be held on November 8, 2016.

30. ***NORTHERN INYO HEALTHCARE DISTRICT*** – Request Board consolidate the Healthcare District Election of Directors with the Statewide General Election to be held on November 8, 2016.

31. ***INYO COUNCIL FOR THE ARTS*** – Request Board approve the closure of Millpond Recreation Area to the public from Friday, September 16 at 6 a.m. through Sunday, September 18, 2016 at midnight, so that ICA can hold the 25th Annual Millpond Music Festival.

32. ***INYO FISH AND WILDLIFE COMMISSION*** – Request Board send recommended letter to the California Fish and Game Commission, the State Department of Fish and Wildlife, and the Governor requesting improved fish stocking activities in the Eastern Sierra.

COMMENT (Portion of the Agenda when the Board takes comment from the public and County staff)

33. ***PUBLIC COMMENT***

BOARD MEMBERS AND STAFF REPORTS

CORRESPONDENCE - INFORMATIONAL

34. ***BIG PINE PAIUTE TRIBE OF THE OWENS VALLEY*** – Big Pine Tribe's California Public Records Act Request sent to LADWP Aqueduct Manager Jim Yannotta for Documentation of Changes to Project Description for the Proposed Bell Canyon Well in Big Pine.

35. ***GOVERNOR OF THE STATE OF CALIFORNIA*** – Proclamation calling for the Statewide General Election on Tuesday, Nov. 8, 2016.

AGENDA REQUEST FORM

BOARD OF SUPERVISORS
COUNTY OF INYO

For Clerk's Use Only:
AGENDA NUMBER
8

☒ Consent ☐ Departmental ☐ Correspondence Action ☐ Public Hearing
☐ Scheduled Time for ☐ Closed Session ☐ Informational

FROM: Solid Waste

FOR THE BOARD MEETING OF: July 12, 2016

SUBJECT: Authorization to issue blanket purchase order to Dave's Auto Parts for maintenance of Landfill Equipment.

DEPARTMENTAL RECOMMENDATION:
Authorize the issuance of blanket purchase order to Dave's Auto Parts in the amount of $17,000 from the Solid Waste Budget 045700, Object Code 5173 contingent upon the adoption of the 2016/2017 budget.

SUMMARY DISCUSSION:
Inyo County Integrated Waste Management (Waste Management) requests authorization to open blanket purchase orders for those vendors that typically exceed $10,000 in annual purchases or services provided to Waste Management. The issuance of this purchase order will not negate the requirement of getting verbal or written quotes for individual purchases, in accordance with the County Purchasing Policy.

ALTERNATIVES:
Your Board could choose not to authorize the issuance of a blanket purchase order or modify the amount. In the event that blanket purchase order is not issued, the procedure of preparing purchase orders for the individual purchase would be used.

OTHER AGENCY INVOLVEMENT: Auditor/Controller

FINANCING: Included in the Solid Waste budget 045700 for the requested 2016/2017 fiscal year budget, Object Code 5173.

APPROVALS

COUNTY COUNSEL: N/A	AGREEMENTS, CONTRACTS AND ORDINANCES AND CLOSED SESSION AND RELATED ITEMS *(Must be reviewed and approved by county counsel prior to submission to the board clerk.)* Approved: _____ Date_____
AUDITOR/CONTROLLER:	ACCOUNTING/FINANCE AND RELATED ITEMS (*Must be reviewed and approved by the auditor-controller prior to submission to the board clerk.)* Approved: yes Date 6/7/2016
PERSONNEL DIRECTOR: N/A	PERSONNEL AND RELATED ITEMS (Must be reviewed and approved by the director of personnel services prior to submission to the board clerk.) Approved:_____ Date_____

DEPARTMENT HEAD SIGNATURE:
(Not to be signed until all approvals are received) Richard J. Bauer Date: 6/6/16

AGENDA REQUEST FORM

BOARD OF SUPERVISORS
COUNTY OF INYO

For Clerk's Use Only:
AGENDA NUMBER
9

☒ Consent ☐ Departmental ☐ Correspondence Action ☐ Public Hearing

☐ Scheduled Time for ☐ Closed Session ☐ Informational

FROM: Marvin Moskowitz, Director, Environmental Health Services

FOR THE BOARD MEETING OF: **July 5, 2016**

SUBJECT: Water Laboratory Supplies Purchase

DEPARTMENTAL RECOMMENDATION:

A. Request the Board declare IDEXX Laboratories, Inc. as the sole source provider of certain water laboratory supplies for the period of July 1, 2016 through June 30, 2017, AND

B. Approve the purchase of water testing supplies by the Department from IDEXX Laboratories, Inc. by use of a blanket purchase order not to exceed $11,000.00 for the period of July 1, 2016 through June 30, 2017 and contingent upon the adoption of the 2016/2017 budget.

CAO RECOMMENDATION:

SUMMARY DISCUSSION:

IDEXX Laboratories, Inc. is the sole distributer of the "Colilert" reagent and other laboratory supplies utilized in the enzyme substrate method of determining total and escheria coliform bacteria content in water. All water testing conducted in our lab is done via the enzyme substrate method. Laboratory procedures must adhere to the Standard Operating Procedures Manual, which specifies the utilization of the Colilert reagent for the enzyme substrate analyses. The lab is certified by the State of California every two years and must adhere strictly to the Standard Operating Procedures Manual in order to maintain certification.

Revenue from the water lab exceeds $100,000 annually. This revenue is credited to the Environmental Health Services budget, which in turn provides adequate funding to operate the lab. This is an annual request presented to your Board.

ALTERNATIVES:

As stated above, IDEXX is the sole source of these products. Utilization of a different product would jeopardize continued State certification of the lab, which would result in a dramatic drop in revenues, and the discontinuation of a valuable service to the community.

Discontinuation of the enzyme substrate method would require substitute analytical methods including multiple tube fermentation and/or heterotrophic plate counts. These methods are much more costly, have longer turnaround times and are much more labor intensive.

OTHER AGENCY INVOLVEMENT:

None

FINANCING:

The laboratory supplies order will be paid through the Environmental Health Services budget (045400) and this amount has been included in our Fiscal Year 2016/2017 budget request.

APPROVALS	
COUNTY COUNSEL:	AGREEMENTS, CONTRACTS AND ORDINANCES AND CLOSED SESSION AND RELATED ITEMS *(Must be reviewed and approved by county counsel prior to submission to the board clerk.)* Approved: _____ Date_____
AUDITOR/CONTROLLER:	ACCOUNTING/FINANCE AND RELATED ITEMS (*Must be reviewed and approved by the auditor-controller prior to submission to the board clerk.)* Approved: eyes Date 6/9/2016
PERSONNEL DIRECTOR:	PERSONNEL AND RELATED ITEMS (Must be reviewed and approved by the director of personnel services prior to submission to the board clerk.) Approved:_____ Date_____

DEPARTMENT HEAD SIGNATURE:
(Not to be signed until all approvals are received) M. Moskowitz /Assist Date: 6/13/16

Sole Source Justification Form

Sole Source: Is awarded for a commodity or services, which can only be purchased from one supplier, usually because of its specific technological requirements, availability or unique patented manufacture. The lack of planning is not an overriding circumstance.

This is a sole source because:

☒ There is only one known source because:

☒ This is a sole provider of a licensed, copyrighted, or patented good or service.

☐ This is a sole provider of items compatible with existing equipment or systems.

☐ This is a sole provider of factory-authorized warranty service.

☐ This is a sole provider of goods or services that perform the intended function or meet the specialized needs of the County (Please detail in an attachment).

☐ The requested product is used or demonstration equipment available at a lower – than-new-cost.

☐ One source is the only practical way to respond to overriding circumstances that make compliance with competitive procedures under the Authority's policies not in the best interest of the Authority (Please detail in an attachment).

Please attach a memorandum to explain why the goods or services are not available elsewhere, include names and phone numbers of firms contacted.

- Other brands/manufacturers considered
- Other suppliers considered
- Other (i.e., emergency)

Describe the item or service, its function and the total cost estimate (if practical, separate labor and materials) in the space below or in a separate attached label: Description of Item or Service. See attached.	
DEPARTMENT CONTACT PERSON & TITLE Marvin Moskowitz, Director	
DEPARTMENT NAME Environmental Health Services	PHONE (760)878-0238
REQUESTED SUPPLIER/CONSULTANT NAME Idexx Laboratories	SUPPLIER CONTACT PERSON Dave Jefferson
SUPPLIER ADDRESS One Idexx Drive, Westbrook, Maine 04092	SUPPLIER CONTACT'S PHONE NUMBER (800) 321-0207, Ex. 68846

The County's Purchasing Policy Manual Section III.(E), Exceptions to the Competitive Process/Sole Source and Section IV.(I), Sole Source Requests for Independent Contractors, describe when sole sourcing is permitted. By signing below, Requestor acknowledges that he/she has read and understands the County's policy on sole source procurements

M. Moskowitz / S Aust
Signature of Requestor

6/13/16
Date

President/CEO Approval

Date

IDEXX

ISO 9001:2008 CERTIFIED

Sheri Aust
Inyo County Environmental Health

June 8, 2016

Ms. Aust,

Please accept this letter as confirmation that IDEXX Distribution, Inc. (FEIN # 35-2186625) is a wholly owned subsidiary of IDEXX Laboratories, Inc. and is the ***sole supplier*** of the following products to the Water Market:

Product	**Sole Manufacturer**	**Sole Supplier in US Water Testing Market**
Colilert* reagent	Yes	Yes
Colilert* Comparator	Yes	Yes
Colilert*-18 reagent	Yes	Yes
Colisure* reagent	Yes	Yes
Enterolert* reagent	Yes	Yes
IDEXX Vessel	Yes	Yes
Quanti-Tray* Sealer	Yes	Yes
Quanti-Tray*	Yes	Yes
All Colilert* Starter Kits	Yes	Yes
All 20-pack, 100-pack, and 200-pack Combo Packs	Yes	Yes
IDEXX-QC		Yes
Colilert* Quanti-Cult™ QC kit	Yes	Yes
SimPlate* for HPC test kit	Yes	Yes
Filta-Max* Automatic Wash Station	Yes	Yes

Please note that IDEXX Distribution, Inc. was formed as a wholly owned subsidiary of IDEXX Laboratories, Inc. because our shipping location moved from Westbrook, Maine to Memphis, Tennessee.

I hope this information is of assistance. If you have any questions, please call Dave Jefferson at 1-800-321-0207 ext. 68846.

Sincerely,

David R. Jeff

Dave Jefferson
Western States Accounts

*Colilert, Colilert-18, Colisure, Enterolert, Quanti-Tray, SimPlate, IDEXX-QC and Filta-Max are trademarks or registered trademarks of IDEXX Laboratories, Inc. or its affiliates in the United States and/or other countries.

IDEXX LABORATORIES

EXPIRES 12/31/16

Number / Date
20155437 / June/08/2016

Ship to Address
INYO COUNTY ENVIRON. HEALTH DE
ATTN: WATER LAB, FIRST FLOOR
168 NORTH EDWARDS ST
INDEPENDENCE CA 93526
UNITED STATES
UNITED STATES

Sold to Address
INYO COUNTY ENVIRONMENTAL HEALTH
PO Box 427
INDEPENDENCE CA 93526-0427
UNITED STATES
UNITED STATES

Bill-to Customer 22432

Net weight : 13.694

Material ID *Commodity/COO*	*Description* *Batch*	*Exp.Date*	*Quantity* *Backorder item*	*UnitPrice*	*Total Value*
98-21378-00 3926909910/US	WQT100 QUANTI-TRAY DISPOS		1	110.00	110.00
98-09221-00 3926909910/US	WV120SBST-200,VESSELS W/S		1	110.00	110.00
98-12973-00 3822005090/US	WP200I GAMMA IRRAD COLILE		1	653.00	653.00
98-21675-00 3926909910/US	WQT2K QUANTI-TRAY 2000 DI		1	150.00	150.00
98-11682-00 3822005090/US	WP104 COLI P/A COMPARATOR		1	12.37	12.37
98-09227-00 3822005090/US	WQT2KC, PRE-DISP.QT 2000		1	23.62	23.62
95-29039-00 /	WPT-WS MICROBIOLOGICAL PT		1	230.32	230.32
95-29041-00 /	WPT-QUANTITATIVE COLIFORM		1	106.73	106.73
98-20959-00 8539490040/US	WL201, 4WATT UV TUBE 6		1	29.24	29.24
98-20748-01 3822001090/US	UN3373-WKIT 1001, QUANTI-		1	199.04	199.04

Items total		1,624.32
Freight Value		66.49
Tax total		129.95
Total amount	**USD**	**1,820.76**

All local taxes at customer charge

For Clerk's Use Only:
AGENDA NUMBER

10

AGENDA REQUEST FORM
BOARD OF SUPERVISORS
COUNTY OF INYO

☒ Consent ☐ Departmental ☐ Correspondence Action ☐ Public Hearing
☐ Scheduled Time for ☐ Closed Session ☐ Informational

FROM: HEALTH & HUMAN SERVICES

FOR THE BOARD MEETING OF: July 12, 2016

SUBJECT: Approval and ratification of Amendment #1 of the Agreement between the County of Inyo and Plumas County for hosting the Medi-Cal Administrative Activities (MAA) and Targeted Case Management (TCM) Trust Fund for the Local Governmental Association Consortium

DEPARTMENTAL RECOMMENDATION:
Request that your Board approve and ratify Amendment #1 of the Agreement between the County of Inyo and Plumas County for the period of July 1, 2016 through June 30, 2018 for hosting the Medi-Cal Administrative Activities (MAA) and Targeted Case Management (TCM) Local Government Agency (LGA) Consortium and authorize Jean Turner, Health and Human Services Director to sign.

CAO RECOMMENDATION:

SUMMARY DISCUSSION:
This agreement is coming to you late as the agreement was just emailed to HHS on June 13, 2016 due to staffing vacancies and turnover in Plumas County.

Plumas County acts as the host county for the LGA Consortium for the purpose of collecting and disbursing funds for the MAA/TCM trust fund. The State Department of Health Services (DHS) coordinates with the Host County (Plumas) to coordinate administration of the MAA/TCM programs for the LGA. This allows DHS to coordinate with just one county, instead of all of the counties that participate in MAA and TCM, relieving administrative costs for all involved. This amendment is to extend the time of the agreement with Plumas County for the next two fiscal years.

ALTERNATIVES:
Your Board could choose not to approve the agreement between the County of Inyo and Plumas County. The County of Inyo will lose access to consulting and legal services that the Consortium provides.

OTHER AGENCY INVOLVEMENT:
County of Plumas, California State Department of Health Services

FINANCING:
There is no current funding request at this time. We do pay participation fees but those have not been determined for FY 2016/17 or FY 2017/18.

APPROVALS	
COUNTY COUNSEL:	**AGREEMENTS, CONTRACTS AND ORDINANCES AND CLOSED SESSION AND RELATED ITEMS** *(Must be reviewed and approved by County Counsel prior to submission to the Board Clerk.)* Approved: 06/22/16 Date:

DEPARTMENT HEAD SIGNATURE:

(Not to be signed until all approvals are received) Jean Turner Date: 6-28-16

FIRST AMENDMENT TO AGREEMENT
BY AND BETWEEN
PLUMAS COUNTY AND INYO COUNTY

This First Amendment to Agreement #MAA1416INYO ("Amendment") is made on this 1st day of July, 2016, between PLUMAS COUNTY, a political subdivision of the State of California, hereinafter referred to as "COUNTY", and INYO COUNTY, a political subdivision of the State of California, hereinafter referred to as "CONTRACTOR" who agrees as follows:

1. **Recitals:** This Amendment is made with reference to the following facts and objectives:

   a. COUNTY and CONTRACTOR have entered into a written Agreement dated July 1, 2014, (the "Agreement"), in which COUNTY is the "HOST ENTITY" for CONTRACTOR for the purposes of collecting and disbursing funds for the Medi-Cal Administrative Activities (MAA) and Targeted Case Management (TCM) trust fund, and CONTRACTOR agrees to pay COUNTY an annual fee for participation in County based Medi-Cal Administrative Activities (CMAA), Targeted Case Management (TCM), and School-Based Medi-Cal Administrative Activities (SMAA).

   b. County and Contractor have agreed to extend the agreement through June 30, 2017.

2. **Amendments:** The parties agree to amend the Agreement as follows:

   a. Paragraph X, **EFFECTIVE DATE**, is amended to read as follows:

X. Effective Date of AGREEMENT: This AGREEMENT will be effective upon Execution by HOST ENTITY and LGA for the period beginning July 1, 2014 through June 30, 2017

   b. Exhibit A, **SCOPE OF WORK, Sections 1, 4 and 5** are amended to read as follows:

HOST ENTITY will:

1. Prepare and transmit Host Entity/LGA AGREEMENT and Participation Fee invoice to the LGA in the amount identified pursuant to Exhibit B, due and payable no later than October 31, 2014 for the fiscal year 2014/2015, October 31, 2015 for fiscal year 2015/2016, and October 31, 2016 for fiscal year 2016/2017.

4. Pay the California State Department of Health Care Services (DHCS) for FY 2014/2015 , FY 2015/2016 and FY 2016/2017 MAA/TCM administrative costs pursuant to the agreement between DHCS and HOST ENTITY and as agreed to by the LGA Consortium, within sixty (60) days of Executive Committee Approval of the State's invoices for reimbursement of documented costs incurred by DHCS.

5. Pay the MAA/TCM LGA consultants of FY 2014/2015 , 2015/2016 and FY 2016-2017 costs

pursuant to the contracts between LGA consultants and HOST ENTITY and as agreed to by LGA Consortium, within twenty-one (21) days of Executive Committee approval of invoices submitted by the MAA/TCM LGA Consultant.

c. Exhibit A, **SCOPE OF WORK, is** amended to add Paragraph 6 on Page 6 of 12 to read as follows:

LGA will:

6. Pay MAA/TCM Participation Fee to HOST ENTITY by October 31, 2016 for FY 2016/2017 or immediately upon receipt of invoice, whichever is later.

d. Exhibit B, **PAYMENT AND FEE STRUCTURE, Paragraph 2, Ongoing Participation Fee**, is amended to add paragraph c., to read as follows :

Fiscal Year 2016-2017

c. Each LGA will be assessed a percentage rate of its County based Medi-Cal Administrative Activities (CMAA), School Based Medi-Cal Administrative Activities (SMAA), Targeted Case Management (TCM) and Mental Health Medi-Cal Administrative Activities (MHMAA) payments received by each LGA from the California Department of Health Care Services (DHCS) during July 1 – June 30 of the prior fiscal year.

d. Fees will be determined based on percentage of revenue received by each program in which the LGA participates. The rate for 2016-2017 participation fees will calculated by September 30, 2016, and will be based on 1) the approved Local Government Agency Consortium 2016-2017 Budget, 2) each LGA's actual CMAA, SMAA, TCM, and MHMAA payments from DHCS as confirmed by DHCS and the LGA and 3) direct costs related to implementing Random Moment Time Survey methodology, for LGA's participating in SMAA.

3. **Effectiveness of Agreement**: Except as set forth in this First Amendment of Agreement, all provisions of the Agreement dated July 1, 2014, shall remain unchanged and in full force and effect.

{SIGNATURES TO FOLLOW ON NEXT PAGE}

IN WITNESS WHEREOF, this Agreement has been executed as of the date set forth below.

SUBCONTRACTOR:

INYO COUNTY:

Jean Turner, Director Health and Human Services	Date

COUNTY OF PLUMAS:

Mimi Khin Hall, Director of Public Health Agency	

AGENDA REQUEST FORM
BOARD OF SUPERVISORS
COUNTY OF INYO

For Clerk's Use Only:
AGENDA NUMBER
11

☒ Consent ☐ Departmental ☐ Correspondence Action
☐ Public Hearing ☐ Scheduled Time for ☐ Closed Session ☐ Informational

FROM: HEALTH & HUMAN SERVICES – Behavioral Health Division

FOR THE BOARD MEETING OF: 12 July 5, 2016

SUBJECT: Approval of Mental Health Performance Contract (16-93115) with the State Department of Health Care Services for the period July 1, 2016 through June 30, 2017.

DEPARTMENTAL RECOMMENDATION:

Request Board approve the performance contract between Inyo County Mental Health and the State of California, Department of Health Care Services for the provision of county mental health services for the one-year period of July 1, 2016 and June 30, 2017 and designate the HHS Deputy Director of Behavioral Health, in her role as the County Mental Health Director, to sign both copies of each contract as well as complete the Certification Clause.

CAO RECOMMENDATION:

SUMMARY DISCUSSION:

The Standard Performance contract sets forth the conditions that the Counties must meet to receive funds as related to the Mental Health Services Act (MHSA), Projects for Assistance in Transition from Homelessness (not accessed in Inyo), Community Mental Health Services Grant (MHSBG), and community mental health services provided with realignment funds not related to Medi-Cal services. The contract reflects the mental health programs in the Governor's mental health budget. It is the agreement by the County to comply with the statutory regulations and requirements that govern the planning, use, tracking and reporting of the mental health funds. The program specifications as related to MHSA are spelled out in detail. There are also general provisions such as maintenance of effort, program principles, reimbursement methods, quality assurance and improvement, performance outcomes, patients' rights, and record keeping as well as reference to the regulations that govern these areas. The performance contract includes exhibits that address information confidentiality and security requirements, including the HIPAA Business Associate's Agreement, and two copies of the contract certification clause. The contract also includes the signed agreement for information exchange between DHCS and the Social Security Administration. The Performance contract was received via email at the end of the day on 6-9-16 with a request to be received back to the State by 6-30-16.

ALTERNATIVES:

Your Board could deny approval of the performance contract. They are, however, the standard performance agreement that allows the County to access the various Mental Health funds.

OTHER AGENCY INVOLVEMENT:

Mental Health and Substance Use Disorder programs are integrated as the Behavioral Health division of the HHS Department. Behavioral Health works with other HHS divisions as well as other county and community agencies such as health care, law enforcement, and schools.

FINANCING:

There is no actual dollar amount specified in this contract as it is a performance contract that outlines the conditions under which funds will be released. The funds referred to in this contract are brought in as revenue into the Mental Health budget (045200).

APPROVALS	
COUNTY COUNSEL:	**AGREEMENTS, CONTRACTS AND ORDINANCES AND CLOSED SESSION AND RELATED ITEMS** *(Must be reviewed and approved by County Counsel prior to submission to the Board Clerk.)* Approved: Yes Date: 6/17/16
AUDITOR/CONTROLLER:	**ACCOUNTING/FINANCE AND RELATED ITEMS** *(Must be reviewed and approved by the Auditor/Controller prior to submission to the Board Clerk.)* Approved: _____ Date:
PERSONNEL DIRECTOR:	**PERSONNEL AND RELATED ITEMS** *(Must be reviewed and approved by the Director of Personnel Services prior to submission to the Board Clerk.)* Approved: _____ Date:

DEPARTMENT HEAD SIGNATURE:

(Not to be signed until all approvals are received) Jean Turner by M Mann Date: 6/20/16

Exhibit A
Program Specifications

1. Service Overview

The California Department of Health Care Services (hereafter referred to as DHCS or Department) administers the Mental Health Services Act, Projects for Assistance in Transition from Homelessness (PATH) and Community Mental Health Services Grant (MHBG) programs and oversees county provision of community mental health services provided with realignment funds. Contractor (hereafter referred to as County in this Exhibit) must meet certain conditions and requirements to receive funding for these programs and community mental health services. This Agreement, which is County's performance contract, as required by Welfare and Institutions Code (W&I) sections 5650(a), 5651, 5666 5897, and Title 9, California Code of Regulations (CCR), section 3310, sets forth conditions and requirements that County must meet in order to receive this funding. This Agreement does not cover federal financial participation or State general funds as they relate to Medi-Cal services provided through the Mental Health Plan Contracts. County agrees to comply with all of the conditions and requirements described herein.

DHCS shall monitor this Agreement to ensure compliance with applicable federal and State law and applicable regulations. (Government Code sections 11180-11182; W&I §§ 5614, 5651(c), 5717(b), 14124.2(a))

2. Service Location

The services shall be performed at appropriate sites as described in this contract.

3. Service Hours

The services shall be provided during times required by this contract.

4. Project Representatives

A. The project representatives during the term of this Agreement will be:

Department of Health Care Services	**Contractor Name**
Contract Manager: Erika Cristo Telephone: (916) 552-9055 Fax: (916) 440-7620 Email: Erika.Cristo@dhcs.ca.gov	Contract Manager: Gail Zwier, PhD Telephone: (760) 873-6533 Fax: (760) 873-3277 Email: gzwier@inyocounty.us

B. Direct all inquiries to:

Exhibit A
Program Specifications

Department of Health Care Services	**Contractor's Name**
Mental Health Services Division/Program Policy Unit Attention: Guy Stewart 1500 Capitol Avenue, MS 2702 P.O. Box Number 997413 Sacramento, CA, 95899-7413	Attention: Gail Zwier, PhD 162 J Grove Street Bishop, CA 93514
Telephone: (916) 449-5997 Fax: (916) 440-7620 Email: Guy.Stewart@dhcs.ca.gov	Telephone: (760) 873-6533 Fax: (760) 873-3277 Email: gzwier@inyocounty.us

C. Either party may make changes to the information above by giving written notice to the other party. Said changes shall not require an amendment to this Agreement.

5. Services to be Performed

County shall adhere to the program principles and, to the extent funds are available, County shall provide the array of treatment options in accordance with Welfare and Institutions Code sections 5600.2 through 5600.9, inclusive.

A. GENERAL REQUIREMENTS FOR AGREEMENT

County shall comply with all of the requirements in Section A.1 of this Provision for all County mental health programs, including those specified in Sections B, C and D. County shall comply with all of the data and information reporting requirements in Section A.2 for each County mental health program, including those specified in Sections B, C and D of this Provision, for which it receives federal or State funds.

1) W&I section 5651 provides specific assurances, which are listed below, that must be included in this Agreement. County shall:

   a. Comply with the expenditure requirements of W&I Section 17608.05,

   b. Provide services to persons receiving involuntary treatment as required by Part 1 (commencing with Section 5000) and Part 1.5 (commencing with Section 5585) of Division 5 of the Welfare and Institution Code,

   c. Comply with all of the requirements necessary for Medi–Cal reimbursement for mental health treatment services and case management programs provided to Medi-Cal eligible individuals, including, but not limited to, the provisions set forth in Chapter 3 (commencing with Section 5700) of the Welfare and Institutions Code, and submit cost reports and other data to DHCS in the form and manner determined by the DHCS,

Exhibit A
Program Specifications

d. Ensure that the Local Mental Health Advisory Board has reviewed and approved procedures ensuring citizen and professional involvement at all stages of the planning process pursuant to W&I section 5604.2,

e. Comply with all provisions and requirements in law pertaining to patient rights,

f. Comply with all requirements in federal law and regulation pertaining to federally funded mental health programs,

g. Provide all data and information set forth in Sections 5610 and 5664 of the Welfare and Institutions Code,

h. If the County elects to provide the services described in Chapter 2.5 (commencing with Section 5670) of Division 5 of the Welfare and Institution Code, comply with guidelines established for program initiatives outlined in this chapter, and

i. Comply with all applicable laws and regulations for all services delivered, including all laws, regulations, and guidelines of the Mental Health Services Act.

2) County shall comply with all data and information submission requirements specified in this Agreement.

a. County shall provide all applicable data and information required by federal and/or State law in order to receive any funds to pay for its mental health programs and services, including but not limited to its MHSA programs, PATH grant (if the County receives funds from this grant) or MHBG grant. These federal and State laws include, Title 42, United States Code, sections 290cc-21 through 290cc-35 and 300x through 300x-9, inclusive, W&I sections 5610 and 5664 and the regulations that implement, interpret or make specific, these federal and State laws and any DHCS-issued guidelines that relate to the programs or services.

b. County shall comply with the reporting requirements set forth in W&I section 5845(d)(6), Division 1 of Title 9 of the California Code of Regulations (CCR) and any other reporting requirements related to the County's receipt of federal or State funding for mental health programs. County shall submit complete and accurate information to DHCS, and as applicable the Mental Health Services Oversight and Accountability Commission, including, but not limited, to the following:

i. Client and Service Information (CSI) System Data (See Subparagraph c of this Paragraph)

ii. MHSA Quarterly Progress Reports, as specified in Title 9, CCR, section 3530.20. MHSA Quarterly Progress Reports provide the actual number of

Exhibit A
Program Specifications

clients served by MHSA-funded program. Reports are submitted on a quarterly basis.

iii. Full Service Partnership Performance Outcome data, as specified in Title 9, CCR, section 3530.30.

iv. Consumer Perception Survey data, as specified in Title 9, CCR, section 3530.40.

v. The Annual Mental Health Services Act Revenue and Expenditure Report, as specified in W&I section 5899(a) and Title 9, CCR, sections 3510, 3510.010, 3510.020 and DHCS-issued guidelines.

vi. Innovative Project Reports (annual, final and supplements), as specified in title 9, CCR, sections 3580-3580.020.

vii. The Annual Prevention and Early Intervention report, as specified in Title 9, CCR, sections 3560 and 3560.010.

viii. Three Year Program and Evaluation Reports, as specified in Title 9, CCR, sections 3560 and 3560.020.

c. County shall submit CSI data to DHCS, in accordance with the requirements set forth in DHCS' CSI Data Dictionary. County shall:

i. Report monthly CSI data to DHCS within 60 calendar days after the end of the month in which services were provided.

ii. Report within 60 calendar days or be in compliance with an approved plan of correction the DHCS's CSI Unit.

iii. Make diligent efforts to minimize errors on the CSI error file.

iv. Notify DHCS 90 calendar days prior to any change in reporting system and/or change of automated system vendor.

d. In the event that DHCS or County determines that, due to federal or state law changes or business requirements, an amendment is needed of either County's or DHCS' obligations under this contract relating to either DHCS' or County's information needs both DHCS and County agree to provide notice to the other party as soon as practicable prior to implementation. This notice shall include information and comments regarding the anticipated requirements and impacts of the projected changes. DHCS and County agree to meet and discuss the design, development, and costs of the anticipated changes prior to implementation.

Exhibit A
Program Specifications

e. If applicable to a specific federal or State funding source covered by this Agreement, County shall require each of its subcontractors to submit a fiscal year-end cost report to DHCS no later than December 31 following the close of the fiscal year, in accordance with applicable federal and State laws, regulations, and DHCS-issued guidelines.

f. If applicable to a specific federal or State funding source covered by this Agreement, County shall comply with W&I section 5751.7 and ensure that minors are not admitted into inpatient psychiatric treatment with adults. If the health facility does not have specific separate housing arrangements, treatment staff, and treatment programs designed to serve children or adolescents it must request a waiver of this requirement from DHCS as follows:

   i. If this requirement creates an undue hardship on County, County may request a waiver of this requirement. County shall submit the waiver request on Attachment I of this Agreement, to DHCS.

   ii. DHCS shall review County's waiver request and provide a written notice of approval or denial of the waiver. If County's waiver request is denied, County shall comply with the provision of W&I section 5751.7.

   iii. County shall submit, the waiver request to DHCS at the time County submits this Agreement, signed by County, to DHCS for execution. County shall complete Attachment I, including responses to items 1 through 4 and attach it to this Agreement. See Exhibit A, Attachment I, entitled "Request For Waiver" of this Agreement for additional submission information.

   Execution of this Agreement by DHCS shall not constitute approval of a waiver submitted pursuant to this section.

   Any waiver granted in the prior fiscal year's contract shall be deemed to continue until either party chooses to discontinue it. Execution of this contract shall continue independently of the waiver review and approval process.

   iv. In unusual or emergency circumstances, when County needs to request waivers after the annual Performance Contract has been executed, these requests should be sent immediately to: Licensing and Certification Section, Program Oversight and Compliance Branch, California Department of Health Care Services, P.O. Box 997413, MS 2703, Sacramento, CA 95899-7413, Phone: (916) 319-0985.

   v. Each admission of a minor to a facility that has an approved waiver shall be reported to the Local Mental Health Director.

g. If County chooses to participate in the Assisted Outpatient Treatment program (AOT) Demonstration Project Act of 2002 it shall be required to comply with all applicable statutes including, but not limited to, W&I sections 5345 through

Exhibit A
Program Specifications

5349.5, inclusive. In addition, County shall submit to DHCS any documents that DHCS requests as part of its statutory responsibilities in accordance with DMH Letter No.: 03-01 dated March 20, 2003.

h. For all mental health funding sources received by County that require submission of a cost report, County shall submit a fiscal year-end cost report by December 31st following the close of the fiscal year in accordance with applicable federal and State law, regulations and DHCS-issued guidelines. (W&I section 5705, 9 CCR sections 3500, 3505). The cost report shall be certified as true and correct, by the mental health director and one of the following: the County mental health departments chief financial officer (or equivalent), and individual who has delegated authority to sign for, and reports directly to the county mental health department's chief financial officer (or equivalent), or the county's auditor-controller (or equivalent). Data submitted shall be full and complete. The County shall also submit a reconciled cost report certified by the mental health director and the county's auditor-controller as being true and correct no later than 18 months after the close of the following fiscal year.

   If the County does not submit the cost reports by the reporting deadlines or does not meet the other requirements, DHCS shall request a plan of correction with specific timelines (W&I §5897 (d)). If County does not submit cost reports by the reporting deadlines or the County does not meet the other requirements, DHCS may, after a hearing held with no less than 20 days-notice to the county mental health director (W&I § 5655) withhold payments from the MHS Fund until the County is in compliance with W&I section 5664.

B. THE MENTAL HEALTH SERVICES ACT PROGRAM

1) Program Description

Proposition 63, which created the Mental Health Services Act (MHSA), was approved by the voters of California on November 2, 2004. The Mental Health Services (MHS) Fund, which provides funds to counties for the implementation of its MHSA programs, was established pursuant to W&I section 5890. The MHSA was designed to expand California's public mental health programs and services through funding received by a one percent tax on personal incomes in excess of $1 million. Counties use this funding for projects and programs for prevention and early intervention, community services and supports, workforce development and training, innovation, plus capital facilities and technological needs through mental health projects and programs. The State Controller distributes MHS Funds to the counties to plan for and provide mental health programs and other related activities outlined in a county's three-year program and expenditure plan or annual update. MHS Funds are distributed by the State Controller's Office to the counties on a monthly basis.

Exhibit A
Program Specifications

DHCS shall monitor County's use of MHS Funds to ensure that the county meets the MHSA and MHS Fund requirements. (Government Code sections 11180-11182; W&I §§ 5614, 5651(c), 5717(b), 14124.2(a))

2) Issue Resolution Process

County shall have an Issue Resolution Process (Process) to handle client disputes related to the provision of their mental health services. The Process shall be completed in an expedient and appropriate manner. County shall develop a log to record issues submitted as part of the Process. The log shall contain the date the issue was received; a brief synopsis of the issue; the final issue resolution outcome; and the date the final issue resolution was reached.

3) Revenue and Expenditure Report

County shall submit its Revenue and Expenditure Report (RER) by December 31st following the close of the fiscal year in accordance with W&I sections 5705 and 5899, regulations and DHCS-issued guidelines. The RER shall be certified by the mental health director and the County's auditor-controller (or equivalent), using the DHCS-issued certification form. Data submitted shall be full and complete.

If County does not submit the RER by the reporting deadlines or the RER does not meet the requirements, DHCS shall request a plan of correction with specific timelines. (W&I § 5897(d)) If the RER is not timely submitted, or does not meet the requirements, DHCS may, after a hearing held with no less than 20 days- notice to the county mental health director withhold payments from the MHS Fund until the County submits a complete RER. (WIC 5655, 9 CCR 3510(c))

4) Distribution and Use of Local Mental Health Services Funds:

a. W&I section 5891(c) provides that commencing July 1, 2012 on or before the 15th day of each month, pursuant to a methodology provided by DHCS, the State Controller shall distribute to County's Local Mental Health Services Fund (MHS Fund), established by County pursuant to W&I section 5892(f), all unexpended and unreserved funds on deposit as of the last day of the prior month in the Mental Health Services Fund for the provision of specified programs and other related activities.

b. County shall allocate the monthly Local MHS Fund in accordance with W&I section 5892 as follows :

i. Twenty percent of the funds shall be used for prevention and early intervention (PEI) programs in accordance with W&I section 5840. The expenditure for PEI may be increased by County if DHCS determines that the increase will decrease the need and cost for additional services to severely mentally ill persons in County by an amount at least commensurate with the proposed increase.

Exhibit A
Program Specifications

ii. The balance of funds shall be distributed to County's mental health programs for services to persons with severe mental illnesses pursuant to Part 4 of Division 5 of the W&I,(commencing with Section 5850), for the children's system of care and Part 3 of Division 5 of the Welfare and Institutions Code (commencing with Section 5800), for the adult and older adult system of care.

iii. Five percent of the total funding for the County's mental health programs established pursuant to Part 3 of Division 5 of the W&I (commencing with Section 5800), Part 3.6 of Division 5 of the W&I (commencing with Section 5840), and Part 4 of Division 5 of the W&I (commencing with Section 5850) shall be utilized for innovative programs in accordance with W&I sections 5830, 5847 and 5848.

iv. Programs for services pursuant to Part 3 of Division 5 of the W&I (commencing with Section 5800), and Part 4 of Division 5 of the W&I (commencing with Section 5850) may include funds for technological needs and capital facilities, human resource needs, and a prudent reserve to ensure services do not have to be significantly reduced in years in which revenues are below the average of previous years. The total allocation for these purposes shall not exceed 20 percent of the average amount of funds allocated to County for the previous five years.

v. Allocations in Subparagraphs i. through iii. above, include funding for annual planning costs pursuant to W&I section 5848. The total of these costs shall not exceed five percent of the total annual revenues received for the Local MHS Fund. The planning costs shall include moneys for County's mental health programs to pay for the costs of having consumers, family members, and other stakeholders participate in the planning process and for the planning and implementation required for private provider contracts to be significantly expanded to provide additional services.

c. County shall use Local MHS Fund monies to pay for those portions of the mental health programs/services for children and adults for which there is no other source of funds available. (W&I §§ 5813.5(b), 5878.3(a) and 9 CCR 3610(d)).

d. County shall only use Local MHS Funds to expand mental health services. These funds shall not be used to supplant existing state or county funds utilized to provide mental health services. These funds shall only be used to pay for the programs authorized in W&I section 5892. These funds may not be used to pay for any other program and may not be loaned to County's general fund or any other County fund for any purpose. (W&I § 5891(a))

e. All expenditures for County mental health programs shall be consistent with a currently approved three-year program and expenditure plan or annual update pursuant to W&I section 5847. (W&I § 5892(g))

5) Three-Year Program and Expenditure Plan and Annual Updates:

Exhibit A
Program Specifications

a. County shall prepare and submit a three-year program and expenditure plan, and annual updates, adopted by County's Board of Supervisors, to the Mental Health Services Oversight and Accountability Commission (MHSOAC) within 30 calendar days after adoption. (W&I § 5847 (a)) The three-year program and expenditure plan and annual updates shall include all of the following:

   i. A program for Prevention and Early Intervention (PEI) in accordance with Part 3.6 of Division 5 of the Welfare and Institutions Code (commending with Section 5840). (W&I § 5847 (b)(1))

   ii. A program for services to children in accordance with Part 4 of Division 5 of the Welfare and Institutions Code (commencing with Section 5850), to include a wraparound program pursuant to Chapter 4 of Part 6 of Division 9 of the Welfare and Institutions Code (commencing with Section 18250), or provide substantial evidence that it is not feasible to establish a wraparound program in the County. (W&I § 5847 (b)(2))

   iii. A program for services to adults and seniors in accordance with Part 3 of Division 5 of the Welfare and Institutions Code (commencing with Section 5800). (W&I § 5847 (b)(3))

   iv. A program for innovations in accordance with Part 3.2 of Division 5 of the Welfare and Institutions Code (commencing with Section 5830). (W&I § 5847 (b)(4)) Counties shall expend funds for their innovation programs upon approval by the Mental Health Services Oversight and Accountability Commission.

   v. A program for technological needs and capital facilities needed to provide services pursuant to Part 3 of Division 5 of the Welfare and Institutions Code (commencing with Section 5800), Part 3.6 of Division 5 of the Welfare and Institutions Code (commencing with Section 5840), and Part 4 of Division 5 of the Welfare and Institutions Code (commencing with Section 5850). All plans for proposed facilities with restrictive settings shall demonstrate that the needs of the people to be served cannot be met in a less restrictive or more integrated setting. (W&I § 5847 (b)(5))

   vi. Identification of shortages in personnel to provide services pursuant to the above programs and the additional assistance needed from the education and training programs established pursuant to Part 3.1 of Division 5 of the Welfare and Institutions Code (commencing with Section 5820) and Title 9, CCR, section 3830(b). (W&I § 5847 (b)(6))

   vii. Establishment and maintenance of a prudent reserve to ensure the County program will continue to be able to serve children, adults, and seniors that it is currently serving pursuant to Part 3 of Division 5 of the Welfare and Institutions Code (commencing with Section 5800), Part 3.6 of Division 5 of

Exhibit A
Program Specifications

the Welfare and Institutions Code (commencing with Section 5840), and Part 4 of Division 5 of the Welfare and Institutions Code (commencing with Section 5850), during years in which revenues for the MHS Fund are below recent averages adjusted by changes in the state population and the California Consumer Price Index. (W&I § 5847 (b)(7))

viii. Certification by County's mental health director, which ensures that County has complied with all pertinent regulations, laws, and statutes of the MHSA, including stakeholder participation and non-supplantation requirements. (W&I § 5847 (b)(8))

ix. Certification by County's Mental Health Director and County's Auditor-Controller that the County has complied with any fiscal accountability requirements as directed by DHCS, and that all expenditures are consistent with the requirements of the MHSA. (W&I § 5847 (b)(9))

b. County shall include services in the programs described in Subparagraphs 5.a.i. through 5.a.v., inclusive, to address the needs of transition age youth between the ages of 16 and 25 years old, including the needs of transition age foster youth. (W&I § 5847(c))

c. County shall prepare expenditure plans for the programs described in Subparagraphs 5.a.i. through 5.a.v., inclusive, and annual expenditure updates. Each expenditure plan update shall indicate the number of children, adults, and seniors to be served, and the cost per person. (W&I § 5847(e))

d. County's three-year program and expenditure plan and annual updates shall include reports on the achievement of performance outcomes for services provided pursuant to the Adult and Older Adult Mental Health System of Care Act, Prevention and Early Intervention, and the Children's Mental Health Services Act, which are funded by the MHS Fund and established jointly by DHCS and the MHSOAC, in collaboration with the California Mental Health Director's Association (W&I § 5848(c)) County contracts with providers shall include the performance goals from the County's three-year program and expenditure plan and annual updates that apply to each provider's programs and services.

e. County's three-year program and expenditure plan and annual update shall consider ways to provide services that are similar to those established pursuant to the Mentally Ill Offender Crime Reduction Grant Program. Funds shall not be used to pay for persons incarcerated in state prison or parolees from state prisons. (W&I § 5813.5(f))

6) Planning Requirements and Stakeholder Involvement:

a. County shall develop its three-year program and expenditure plan and annual update with local stakeholders, including adults and seniors with severe mental illness, families of children, adults, and seniors with severe mental illness,

Exhibit A
Program Specifications

providers of services, law enforcement agencies, education, social services agencies, veterans, representatives from veterans organizations, providers of alcohol and drug services, health care organizations, and other important interests. Counties shall demonstrate a partnership with constituents and stakeholders throughout the process that includes meaningful stakeholder involvement on mental health policy, program planning, and implementation, monitoring, quality improvement, evaluation, and budget allocations. County shall prepare and circulate a draft plan and update for review and comment for at least 30 calendar days to representatives of stakeholder interests and any interested party who has requested a copy of the draft plans. (W&I § 5848(a))

b. County's mental health board, established pursuant to W&I section 5604, shall conduct a public hearing on the County's draft three-year program and expenditure plan and annual updates at the close of the 30 calendar day comment period. Each adopted three-year program and expenditure plan or annual update shall summarize and analyze substantive recommendations and describe substantive changes to the three-year program and expenditure plan and annual updates. The County's mental health board shall review the adopted three-year program and expenditure plan and annual updates and make recommendations to County's mental health department for amendments. (W&I § 5848(b) and Title 9, CCR, § 3315)

7) County Requirements for Handling MHSA Funds

a. County shall place all funds received from the State MHS Fund into a Local MHS Fund. The Local MHS Fund balance shall be invested consistent with other County funds and the interest earned on the investments shall be transferred into the Local MHS Fund. (W&I § 5892(f))

b. The earnings on investment of these funds shall be available for distribution from the fund in future years. (W&I § 5892 (f))

c. Other than funds placed in a reserve in accordance with an approved plan, any funds allocated to County which it has not spent for the authorized purpose within the three years shall revert to the State. County may retain MSHA Funds for capital facilities, technological needs, or education and training for up to 10 years before reverting to the State. (W&I § 5892(h))

d. When accounting for all receipts and expenditures of MHSA funds, County must adhere to uniform accounting standards and procedures that conform to the Generally Accepted Accounting Principles (GAAP), as prescribed by the State Controller in Title 2, CCR, Div. 2, Ch. 2, Subchapter 1, Accounting Procedures for Counties, sections 901-949, and a manual, which is currently entitled "Accounting Standards and Procedures for Counties" and available at http://www.sco.ca.gov/pubs_guides.html. (Government Code section 30200)

8) Department Compliance Investigations:

Exhibit A
Program Specifications

DHCS may investigate County's performance of the Mental Health Services Act related provisions of this Agreement and compliance with the provisions of the Mental Health Services Act, and relevant regulations. In conducting such an investigation DHCS may inspect and copy books, records, papers, accounts, documents and any writing as defined by Evidence Code Section 250 that is pertinent or material to the investigation of the County. For purposes of this Paragraph "provider" means any person or entity that provides services, goods, supplies or merchandise, which are directly or indirectly funded pursuant to MHSA. (Gov. Code §§ 11180, 11181, 11182 and W&I Code § 14124.2)

9) County Breach, Plan of Correction and Withholding of State Mental Health Funds:

a. If DHCS determines that County is out-of-compliance with the Mental Health Services Act related provisions of this Agreement, DHCS may request that County submit a plan of correction, including a specific timeline to correct the deficiencies, to DHCS. (W&I § 5897(d))

b. In accordance with Welfare and Institutions Code Section 5655, if DHCS considers County to be substantially out-of-compliance with any provision of the Mental Health Services Act or relevant regulations, including all reporting requirements, the director shall order County to appear at a hearing before the Director or the Director's designee to show cause why the Department should not take administrative action. County shall be given at least twenty (20) days notice before the hearing.

c. If the Director determines that there is or has been a failure, in a substantial manner, on the part of County to comply with any provision of the W&I code or its implementing regulations, and that administrative sanctions are necessary, the Department may invoke any, or any combination of, the following sanctions:

1) Withhold part or all state mental health funds from County.

2) Require County to enter into negotiations with DHCS to agree on a plan for County to address County's non-compliance. (W&I § 5655.)

C. PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS (PATH) PROGRAM (Title 42, United States Code, sections 290cc-21 through 290cc-35, inclusive)

Pursuant to Title 42, United State Code, sections 290cc-21 through 290cc-35, inclusive, the State of California has been awarded federal homeless funds through the federal McKinney Projects for Assistance in Transition from Homelessness (PATH) formula grant. The PATH grant funds community based outreach, mental health and substance abuse referral/treatment, case management and other support services, as well as a limited set of housing services for the homeless mentally ill.

Exhibit A
Program Specifications

While county mental health programs serve thousands of homeless persons with realignment funds and other local revenues, the PATH grant augments these programs by providing services to approximately 8,300 additional persons annually. The county determines its use of PATH funds based on county priorities and needs.

If County wants to receive PATH funds, it shall submit its Request for Application (RFA) responses and required documentation specified in DHCS' RFA. County shall complete its RFA responses in accordance with the instructions, enclosures and attachments available on the DHCS website at: http://www.dhcs.ca.gov/services/MH/Pages/PATH.aspx.

If County applied for and DHCS approved its request to receive PATH grant funds, the RFA, County's RFA responses and required documentation, and DHCS' approval constitute provisions of this Agreement and are incorporated by reference herein. County shall comply with all provisions of the RFA and the County's RFA responses in order to receive its PATH grant funds.

D. COMMUNITY MENTAL HEALTH SERVICES GRANT (MHBG) PROGRAM (Title 42, United States Code section 300x-1 et seq.)

DHCS awards federal Community Mental Health Services Block Grant funds (known as Mental Health Block Grant (MHBG)) to counties in California. The county mental health agencies provide a broad array of mental health services within their mental health system of care (SOC) programs. These programs provide services to the following target populations: children and youth with serious emotional disturbances (SED) and adults and older adults with serious mental illnesses (SMI).

The MHBG funds provide the counties with a stable, flexible, and non-categorical funding base that the counties can use to develop innovative programs or augment existing programs within their SOC. The MHBG funds also assist the counties in providing an appropriate level of community mental health services to the most needy individuals in the target populations who have a mental health diagnosis, and/or individuals who have a mental health diagnosis with a co-occurring substance abuse disorder.

If County wants to receive MHBG funds, it shall submit its RFA responses and required documentation specified in DHCS' RFA. County shall complete its RFA responses in accordance with the instructions, enclosures and attachments available on the DHCS website at: http://www.dhcs.ca.gov/services/MH/Pages/MHBG.aspx.

If County applied for and DHCS approved its request to receive MHBG grant funds, the RFA, County's RFA responses and required documentation, and DHCS' approval constitute provisions of this Agreement and are incorporated by reference herein. County shall comply with all provisions of the RFA and the County's RFA responses in order to receive its MHBG grant funds.

Exhibit A
Program Specifications

E. SPECIAL TERMS AND CONDITIONS

1. Audit and Record Retention

(Applicable to agreements in excess of $10,000)

a. County and/or Subcontractor(s) shall maintain books, records, documents, and other evidence, accounting procedures and practices, sufficient to properly support all direct and indirect costs of whatever nature claimed to have been incurred in the performance of this Agreement, including any matching costs and expenses. The forgoing constitutes "records" for the purpose of this provision.

b. County's and/or Subcontractor's facility or office or such part thereof as may be engaged in the performance of this Agreement and his/her records shall be subject at all reasonable times to inspection, audit, and reproduction.

c. County agrees that DHCS, the Department of General Services, the Bureau of State Audits, or their designated representatives including the Comptroller General of the United States shall have the right to review and copy any records and supporting documentation pertaining to the performance of this Agreement. County agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, County agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement.

d. County and/or Subcontractor(s) shall preserve and make available his/her records (1) for a period of three years from the date of final payment under this Agreement, and (2) for such longer period, if any, as is required by applicable statute, by any other provision of this Agreement, or by subparagraphs (1) or (2) below.
    1) If this Agreement is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of three years from the date of any resulting final settlement.
    2) If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the three-year period, the records shall be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular three-year period, whichever is later.

e. County and/or Subcontractor(s) shall comply with the above requirements and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in Public Contract Code § 10115.10, if applicable.

f. County and/or Subcontractor(s) may, at its discretion, following receipt of final payment under this Agreement, reduce its accounts, books, and records related to this Agreement to microfilm, computer disk, CD ROM, DVD, or other data storage medium. Upon request by an authorized representative to inspect, audit or obtain copies of said records, County and/or Subcontractor(s) must supply or make available applicable devices, hardware, and/or software necessary to view, copy, and/or print said records. Applicable devices may include, but are not limited to, microfilm readers and microfilm printers, etc.

Exhibit A
Program Specifications

g. County shall, if applicable, comply with the Single Audit Act and the audit reporting requirements set forth in OMB Circular A-133.

2. Dispute Resolution Process

a. A Contractor/County grievance exists whenever there is a dispute arising from DHCS' action in the administration of an Agreement. If there is a dispute or grievance between County and DHCS, County must seek resolution using the procedure outlined below.
   1) County should first informally discuss the problem with the DHCS Program Contract Manager. If the problem cannot be resolved informally, County shall direct its grievance together with any evidence, in writing, to the program Branch Chief. The grievance shall state the issues in dispute, the legal authority or other basis for County's position and the remedy sought. The Branch Chief shall render a decision within ten (10) working days after receipt of the written grievance from County. The Branch Chief shall respond in writing to County indicating the decision and reasons therefore. If County disagrees with the Branch Chief's decision, County may submit an appeal to the second level.
   2) When appealing to the second level, County must prepare an appeal indicating the reasons for disagreement with Branch Chief's decision. The County shall include a copy of the County's original statement of dispute along with any supporting evidence and a copy of the Branch Chief's decision. The appeal shall be addressed to the Deputy Director of the division in which the branch is organized within ten (10) working days from receipt of the Branch Chief's decision. The Deputy Director of the division in which the branch in organized or his/her designee shall meet with County to review the issues raised. A written decision signed by the Deputy Director of the division in which the branch is organized or his/her designee shall be directed to County within twenty (20) working days of receipt of the County's second level appeal.

b. If County wishes to appeal the decision of the Deputy Director of the division in which the branch is organized or his/her designee, County shall follow the procedures set forth in Health and Safety Code Section 100171.
c. Unless otherwise stipulated in writing by DHCS, all dispute, grievance and/or appeal correspondence shall be directed to the DHCS Program Contract Manager.
d. There are organizational differences within DHCS' funding programs and the management levels identified in this dispute resolution provision may not apply in every contractual situation. When a grievance is received and organizational differences exist, County shall be notified in writing by the DHCS Program Contract Manager of the level, name, and/or title of the appropriate management official that is responsible for issuing a decision.

3. Novation

Exhibit A
Program Specifications

a. If County proposes any novation agreement, DHCS shall act upon the proposal within 60 days after receipt of the written proposal. DHCS may review and consider the proposal, consult and negotiate with County, and accept or reject all or part of the proposal. Acceptance or rejection of the proposal may be made orally within the 60-day period and confirmed in writing within five days of said decision. Upon written acceptance of the proposal, DHCS will initiate an amendment to this Agreement to formally implement the approved proposal.

Exhibit A, Attachment I
Request for Waiver

Request for Waiver Pursuant To Section 5751.7 of the Welfare and Institutions Codes

_____ hereby requests a waiver for the following public or private health facilities pursuant to Section 5751.7 of the Welfare and Institutions Code for the term of this contract. These are facilities where minors may be provided psychiatric treatment with nonspecific separate housing arrangements, treatment staff, and treatment programs designed to serve minors. However, no minor shall be admitted for psychiatric treatment into the same treatment ward as an adult receiving treatment who is in the custody of any jailor for a violent crime, is a known registered sex offender, or has a known history of, or exhibits inappropriate sexual or other violent behavior which would present a threat to the physical safety of others.

The request for waiver must include, as an attachment, the following:

1. A description of the hardship to the County/City due to inadequate or unavailable alternative resources that would be caused by compliance with the state policy regarding the provision of psychiatric treatment to minors.

2. The specific treatment protocols and administrative procedures established by the County/City for identifying and providing appropriate treatment to minors admitted with adults.

3. Name, address, and telephone number of the facility

    - Number of the facility's beds designated for involuntary treatment
    - Type of facility, license(s), and certification(s) held (including licensing and certifying agency and license and certificate number)
    - A copy of the facility's current license or certificate and description of the program, including target population and age groups to be admitted to the designated facility.

4. The County Board of Supervisors' decision to designate a facility as a facility for evaluation and treatment pursuant to Welfare and Institutions Codes 5150, 5585.50, and 5585.55.

Execution of this Agreement shall not constitute approval of this waiver. Full execution of this contract will continue independently of the waiver review and approval process.

Any waiver granted in the prior fiscal year's Agreement shall be deemed to continue until either party chooses to discontinue it.

To rescind the county's designation of a designated facility, the county shall send a letter to the Department on official letterhead signed by the County Behavioral Health Director or his or her designee indicating that the county no longer designates the particular facility. If not otherwise specified by the host county in the letter to the Department, the discontinuance shall be effective the date the letter to the Department is postmarked and the facility shall no longer be approved as a designated facility as of this date.

Exhibit D
Information Confidentiality and Security Requirements

1. **Definitions**. For purposes of this Exhibit, the following definitions shall apply:

   A. **Public Information:** Information that is not exempt from disclosure under the provisions of the California Public Records Act (Government Code sections 6250-6265) or other applicable state or federal laws.

   B. **Confidential Information:** Information that is exempt from disclosure under the provisions of the California Public Records Act (Government Code sections 6250-6265) or other applicable state or federal laws.

   C. **Sensitive Information:** Information that requires special precautions to protect from unauthorized use, access, disclosure, modification, loss, or deletion. Sensitive Information may be either Public Information or Confidential Information. It is information that requires a higher than normal assurance of accuracy and completeness. Thus, the key factor for Sensitive Information is that of integrity. Typically, Sensitive Information includes records of agency financial transactions and regulatory actions.

   D. **Personal Information:** Information that identifies or describes an individual, including, but not limited to, their name, social security number, physical description, home address, home telephone number, education, financial matters, and medical or employment history. **It is DHCS' policy to consider all information about individuals private unless such information is determined to be a public record.** This information must be protected from inappropriate access, use, or disclosure and must be made accessible to data subjects upon request. Personal Information includes the following:

      Notice-triggering Personal Information: Specific items of personal information (name plus Social Security number, driver license/California identification card number, or financial account number) that may trigger a requirement to notify individuals if it is acquired by an unauthorized person. For purposes of this provision, identity shall include, but not be limited to name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print or a photograph. See Civil Code sections 1798.29 and 1798.82.

2. **Nondisclosure**. The Contractor and its employees, agents, or subcontractors shall protect from unauthorized disclosure any Personal Information, Sensitive Information, or Confidential Information (hereinafter identified as PSCI).

3. The Contractor and its employees, agents, or subcontractors shall not use any PSCI for any purpose other than carrying out the Contractor's obligations under this Agreement.

4. The Contractor and its employees, agents, or subcontractors shall promptly transmit to the DHCS Program Contract Manager all requests for disclosure of any PSCI not emanating from the person who is the subject of PSCI.

5. The Contractor shall not disclose, except as otherwise specifically permitted by this Agreement or authorized by the person who is the subject of PSCI, any PSCI to anyone other than DHCS without prior written authorization from the DHCS Program Contract Manager, except if disclosure is required by State or Federal law.

Exhibit D
Information Confidentiality and Security Requirements

6. The Contractor shall observe the following requirements:

A. Safeguards. The Contractor shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the PSCI, including electronic PSCI that it creates, receives, maintains, uses, or transmits on behalf of DHCS. Contractor shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the Contractor's operations and the nature and scope of its activities, Including at a minimum the following safeguards:

1) Personnel Controls

a. ***Employee Training.*** All workforce members who assist in the performance of functions or activities on behalf of DHCS, or access or disclose DHCS PSCI, must complete information privacy and security training, at least annually, at Business Associate's expense. Each workforce member who receives information privacy and security training must sign a certification, indicating the member's name and the date on which the training was completed. These certifications must be retained for a period of six (6) years following contract termination.

b. ***Employee Discipline.*** Appropriate sanctions must be applied against workforce members who fail to comply with privacy policies and procedures or any provisions of these requirements, including termination of employment where appropriate.

c. ***Confidentiality Statement.*** All persons that will be working with DHCS PHI or PI must sign a confidentiality statement that includes, at a minimum, General Use, Security and Privacy Safeguards, Unacceptable Use, and Enforcement Policies. The statement must be signed by the workforce member prior to access to DHCS PHI or PI. The statement must be renewed annually. The Contractor shall retain each person's written confidentiality statement for DHCS inspection for a period of six (6) years following contract termination.

d. ***Background Check.*** Before a member of the workforce may access DHCS PHI or PI, a thorough background check of that worker must be conducted, with evaluation of the results to assure that there is no indication that the worker may present a risk to the security or integrity of confidential data or a risk for theft or misuse of confidential data. The Contractor shall retain each workforce member's background check documentation for a period of three (3) years following contract termination.

2) Technical Security Controls

a. ***Workstation/Laptop encryption.*** All workstations and laptops that process and/or store DHCS PHI or PI must be encrypted using a FIPS 140-2 certified algorithm which is 128bit or higher, such as Advanced Encryption Standard (AES). The encryption solution must be full disk unless approved by the DHCS Information Security Office.

b. ***Server Security.*** Servers containing unencrypted DHCS PHI or PI must have sufficient administrative, physical, and technical controls in place to protect that data, based upon a risk assessment/system security review.

Exhibit D
Information Confidentiality and Security Requirements

c. ***Minimum Necessary.*** Only the minimum necessary amount of DHCS PHI or PI required to perform necessary business functions may be copied, downloaded, or exported.

d. ***Removable media devices.*** All electronic files that contain DHCS PHI or PI data must be encrypted when stored on any removable media or portable device (i.e. USB thumb drives, floppies, CD/DVD, smartphones, backup tapes etc.). Encryption must be a FIPS 140-2 certified algorithm which is 128bit or higher, such as AES.

e. ***Antivirus software.*** All workstations, laptops and other systems that process and/or store DHCS PHI or PI must install and actively use comprehensive anti-virus software solution with automatic updates scheduled at least daily.

f. ***Patch Management.*** All workstations, laptops and other systems that process and/or store DHCS PHI or PI must have critical security patches applied, with system reboot if necessary. There must be a documented patch management process which determines installation timeframe based on risk assessment and vendor recommendations. At a maximum, all applicable patches must be installed within 30 days of vendor release.

g. ***User IDs and Password Controls.*** All users must be issued a unique user name for accessing DHCS PHI or PI. Username must be promptly disabled, deleted, or the password changed upon the transfer or termination of an employee with knowledge of the password, at maximum within 24 hours. Passwords are not to be shared. Passwords must be at least eight characters and must be a non-dictionary word. Passwords must not be stored in readable format on the computer. Passwords must be changed every 90 days, preferably every 60 days. Passwords must be changed if revealed or compromised. Passwords must be composed of characters from at least three of the following four groups from the standard keyboard:

- Upper case letters (A-Z)
- Lower case letters (a-z)
- Arabic numerals (0-9)
- Non-alphanumeric characters (punctuation symbols)

h. ***Data Destruction.*** When no longer needed, all DHCS PHI or PI must be cleared, purged, or destroyed consistent with NIST Special Publication 800-88, Guidelines for Media Sanitization such that the PHI or PI cannot be retrieved.

i. ***System Timeout.*** The system providing access to DHCS PHI or PI must provide an automatic timeout, requiring re-authentication of the user session after no more than 20 minutes of inactivity.

j. ***Warning Banners.*** All systems providing access to DHCS PHI or PI must display a warning banner stating that data is confidential, systems are logged, and system use is for business purposes only by authorized users. User must be directed to log off the system if they do not agree with these requirements.

k. ***System Logging.*** The system must maintain an automated audit trail which can identify the user or system process which initiates a request for DHCS PHI or PI, or which alters DHCS PHI or PI. The audit trail must be date and time stamped, must log both successful and failed accesses, must be read only, and must be restricted to authorized users. If

Exhibit D
Information Confidentiality and Security Requirements

DHCS PHI or PI is stored in a database, database logging functionality must be enabled. Audit trail data must be archived for at least 3 years after occurrence.

l. ***Access Controls.*** The system providing access to DHCS PHI or PI must use role based access controls for all user authentications, enforcing the principle of least privilege.

m. ***Transmission encryption.*** All data transmissions of DHCS PHI or PI outside the secure internal network must be encrypted using a FIPS 140-2 certified algorithm which is 128bit or higher, such as AES. Encryption can be end to end at the network level, or the data files containing PHI can be encrypted. This requirement pertains to any type of PHI or PI in motion such as website access, file transfer, and E-Mail.

n. ***Intrusion Detection.*** All systems involved in accessing, holding, transporting, and protecting DHCS PHI or PI that are accessible via the Internet must be protected by a comprehensive intrusion detection and prevention solution.

3) Audit Controls

a. ***System Security Review.*** All systems processing and/or storing DHCS PHI or PI must have at least an annual system risk assessment/security review which provides assurance that administrative, physical, and technical controls are functioning effectively and providing adequate levels of protection. Reviews should include vulnerability scanning tools.

b. ***Log Reviews.*** All systems processing and/or storing DHCS PHI or PI must have a routine procedure in place to review system logs for unauthorized access.

c. ***Change Control.*** All systems processing and/or storing DHCS PHI or PI must have a documented change control procedure that ensures separation of duties and protects the confidentiality, integrity and availability of data.

4) Business Continuity / Disaster Recovery Controls

a. ***Emergency Mode Operation Plan.*** Contractor must establish a documented plan to enable continuation of critical business processes and protection of the security of electronic DHCS PHI or PI in the event of an emergency. Emergency means any circumstance or situation that causes normal computer operations to become unavailable for use in performing the work required under this Agreement for more than 24 hours.

b. ***Data Backup Plan.*** Contractor must have established documented procedures to backup DHCS PHI to maintain retrievable exact copies of DHCS PHI or PI. The plan must include a regular schedule for making backups, storing backups offsite, an inventory of backup media, and an estimate of the amount of time needed to restore DHCS PHI or PI should it be lost. At a minimum, the schedule must be a weekly full backup and monthly offsite storage of DHCS data.

5) Paper Document Controls

a. ***Supervision of Data.*** DHCS PHI or PI in paper form shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk or office. Unattended means that

Exhibit D
Information Confidentiality and Security Requirements

information is not being observed by an employee authorized to access the information. DHCS PHI or PI in paper form shall not be left unattended at any time in vehicles or planes and shall not be checked in baggage on commercial airplanes.

b. ***Escorting Visitors.*** Visitors to areas where DHCS PHI or PI is contained shall be escorted and DHCS PHI or PI shall be kept out of sight while visitors are in the area.

c. ***Confidential Destruction.*** DHCS PHI or PI must be disposed of through confidential means, such as cross cut shredding and pulverizing.

d. ***Removal of Data.*** DHCS PHI or PI must not be removed from the premises of the Contractor except with express written permission of DHCS.

e. ***Faxing.*** Faxes containing DHCS PHI or PI shall not be left unattended and fax machines shall be in secure areas. Faxes shall contain a confidentiality statement notifying persons receiving faxes in error to destroy them. Fax numbers shall be verified with the intended recipient before sending the fax.

f. ***Mailing.*** Mailings of DHCS PHI or PI shall be sealed and secured from damage or inappropriate viewing of PHI or PI to the extent possible. Mailings which include 500 or more individually identifiable records of DHCS PHI or PI in a single package shall be sent using a tracked mailing method which includes verification of delivery and receipt, unless the prior written permission of DHCS to use another method is obtained.

B. ***Security Officer.*** The Contractor shall designate a Security Officer to oversee its data security program who will be responsible for carrying out its privacy and security programs and for communicating on security matters with DHCS.

Discovery and Notification of Breach. Notice to DHCS:

(1) To notify DHCS **immediately** upon the discovery of a suspected security incident that involves data provided to DHCS by the Social Security Administration. This notification will be **by telephone call plus email or fax** upon the discovery of the breach. (2) To notify DHCS **within 24 hours by email or fax** of the discovery of unsecured PHI or PI in electronic media or in any other media if the PHI or PI was, or is reasonably believed to have been, accessed or acquired by an unauthorized person, any suspected security incident, intrusion or unauthorized access, use or disclosure of PHI or PI in violation of this Agreement and this Addendum, or potential loss of confidential data affecting this Agreement. A breach shall be treated as discovered by the contractor as of the first day on which the breach is known, or by exercising reasonable diligence would have been known, to any person (other than the person committing the breach) who is an employee, officer or other agent of the contractor..

Notice shall be provided to the DHCS Program Contract Manager, the DHCS Privacy Officer and the DHCS Information Security Officer. If the incident occurs after business hours or on a weekend or holiday and involves data provided to DHCS by the Social Security Administration, notice shall be provided by calling the DHCS EITS Service Desk. Notice shall be made using the "DHCS Privacy Incident Report" form, including all information known at the time. The contractor shall use the most current version of this form, which is posted on the DHCS Privacy Office website (www.dhcs.ca.gov, then select "Privacy" in the left column and then

Exhibit D
Information Confidentiality and Security Requirements

"Business Use" near the middle of the page) or use this link: http://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/DHCSBusinessAssociatesOnly.aspx

C. Upon discovery of a breach or suspected security incident, intrusion or unauthorized access, use or disclosure of PHI or PI, the Contractor shall take:
   1) Prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment and
   2) Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.

D. ***Investigation of Breach***. The Contractor shall immediately investigate such security incident, breach, or unauthorized use or disclosure of PSCI. If the initial report did not include all of the requested information marked with an asterisk, then within seventy-two (72) hours of the discovery, The Contractor shall submit an updated "DHCS Privacy Incident Report" containing the information marked with an asterisk and all other applicable information listed on the form, to the extent known at that time, to the DHCS Program Contract Manager, the DHCS Privacy Officer, and the DHCS Information Security Officer:

E. ***Written Report***. The Contractor shall provide a written report of the investigation to the DHCS Program Contract Manager, the DHCS Privacy Officer, and the DHCS Information Security Officer, if all of the required information was not included in the DHCS Privacy Incident Report, within ten (10) working days of the discovery of the breach or unauthorized use or disclosure. The report shall include, but not be limited to, the information specified above, as well as a full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the improper use or disclosure.

F. ***Notification of Individuals***. The Contractor shall notify individuals of the breach or unauthorized use or disclosure when notification is required under state or federal law and shall pay any costs of such notifications, as well as any costs associated with the breach. The DHCS Program Contract Manager, the DHCS Privacy Officer, and the DHCS Information Security Officer shall approve the time, manner and content of any such notifications.

7. **Affect on lower tier transactions.** The terms of this Exhibit shall apply to all contracts, subcontracts, and subawards, regardless of whether they are for the acquisition of services, goods, or commodities. The Contractor shall incorporate the contents of this Exhibit into each subcontract or subaward to its agents, subcontractors, or independent consultants.

8. **Contact Information**. To direct communications to the above referenced DHCS staff, the Contractor shall initiate contact as indicated herein. DHCS reserves the right to make changes to the contact information below by giving written notice to the Contractor. Said changes shall not require an amendment to this Exhibit or the Agreement to which it is incorporated.

DHCS Program Contract Manager	DHCS Privacy Officer	DHCS Information Security Officer

Exhibit D
Information Confidentiality and Security Requirements

See the Scope of Work exhibit for Program Contract Manager information	Privacy Officer c/o Office of Legal Services Department of Health Care Services P.O. Box 997413, MS 0011 Sacramento, CA 95899-7413 Email: privacyofficer@dhcs.ca.gov Telephone: (916) 445-4646	Information Security Officer DHCS Information Security Office P.O. Box 997413, MS 6400 Sacramento, CA 95899-7413 Email: iso@dhcs.ca.gov Telephone: ITSD Help Desk (916) 440-7000 or (800) 579-0874

9. **Audits and Inspections.** From time to time, DHCS may inspect the facilities, systems, books and records of the Contractor to monitor compliance with the safeguards required in the Information Confidentiality and Security Requirements (ICSR) exhibit. Contractor shall promptly remedy any violation of any provision of this ICSR exhibit. The fact that DHCS inspects, or fails to inspect, or has the right to inspect, Contractor's facilities, systems and procedures does not relieve Contractor of its responsibility to comply with this ICSR exhibit.

Exhibit B
Funds Provision

1. Budget Contingency Clause

A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, DHCS shall have no liability to pay any funds whatsoever to Inyo County Mental Health or to furnish any other considerations under this Agreement and Inyo County Mental Health shall not be obligated to perform any provisions of this Agreement.

B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, DHCS shall have the option to either cancel this Agreement with no liability occurring to DHCS, or offer an agreement amendment to Inyo County Mental Health to reflect the reduced amount.

STATE OF CALIFORNIA
STANDARD AGREEMENT
STD 213_DHCS (Rev. 09/14)

REGISTRATION NUMBER	AGREEMENT NUMBER
	16-93115

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME (Also known as DHCS, CDHS, DHS or the State)
Department of Health Care Services

CONTRACTOR'S NAME (Also referred to as Contractor)
Inyo County Mental Health

2. The term of this Agreement is: July 1, 2016 through June 30, 2017

3. The maximum amount of this Agreement is: $ 0 Zero dollars

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of this Agreement.

Exhibit A – Program Specifications (including Special Terms and Conditions)	16 pages
Exhibit A – Attachment I – Request for Waiver	1 page
Exhibit B – Funds Provision	1 page
Exhibit C * – General Terms and Conditions	GTC 610
Exhibit D – Information Confidentiality and Security Requirements	7 pages
Exhibit E – Privacy and Information Security Provisions (including Attachment A)	31 pages
Exhibit E – Attachment B – Information Security Exchange Agreement betwee the Social Security Administration (SSA) and the California Department of Health Care Services (DHCS)	70 pages

Items shown above with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.
These documents can be viewed at http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

CONTRACTOR'S NAME *(if other than an individual, state whether a corporation, partnership, etc.)*
Inyo County Mental Health

BY *(Authorized Signature)* ✍ | DATE SIGNED *(Do not type)*

PRINTED NAME AND TITLE OF PERSON SIGNING
Gail Zwier, PhD, Director

ADDRESS
162 J Grove Street
Bishop, CA 93514

STATE OF CALIFORNIA

AGENCY NAME
Department of Health Care Services

BY *(Authorized Signature)* ✍ | DATE SIGNED *(Do not type)*

PRINTED NAME AND TITLE OF PERSON SIGNING
Don Rodriguez, Chief, Contract Management Unit

ADDRESS
1501 Capitol Avenue, Suite 71.5195, MS 1403, P.O. Box 997413,
Sacramento, CA 95899-7413

California Department of General Services Use Only

[X] Exempt per: W&I Code §14703

STATE OF CALIFORNIA
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CONTRACTOR'S NAME *(if other than an individual, state whether a corporation, partnership, etc.)*
Inyo County Mental Health

BY *(Authorized Signature)* | DATE SIGNED *(Do not type)*

PRINTED NAME AND TITLE OF PERSON SIGNING
Gail Zwier, PhD, Director

ADDRESS
162 J Grove Street
Bishop, CA 93514

STATE OF CALIFORNIA

AGENCY NAME
Department of Health Care Services

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California Department of General Services Use Only

[X] Exempt per: W&I Code §14703

CCC-307

CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

Contractor/Bidder Firm Name (Printed)	*Federal ID Number*
By (Authorized Signature)	
Printed Name and Title of Person Signing	
Date Executed	*Executed in the County of*

CONTRACTOR CERTIFICATION CLAUSES

1. STATEMENT OF COMPLIANCE: Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 8103) (Not applicable to public entities.)

2. DRUG-FREE WORKPLACE REQUIREMENTS: Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

b. Establish a Drug-Free Awareness Program to inform employees about:

1) the dangers of drug abuse in the workplace;
2) the person's or organization's policy of maintaining a drug-free workplace;
3) any available counseling, rehabilitation and employee assistance programs; and,
4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed Agreement will:

1) receive a copy of the company's drug-free workplace policy statement; and,
2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the

certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES $50,000 OR MORE- PRO BONO REQUIREMENT: Contractor hereby certifies that contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lessor of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

5. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

6. SWEATFREE CODE OF CONDUCT:

a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.

b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations,

or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

7. DOMESTIC PARTNERS: For contracts over $100,000 executed or amended after January 1, 2007, the contractor certifies that contractor is in compliance with Public Contract Code section 10295.3.

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. CONFLICT OF INTEREST: Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.

2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.

2). For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

2. LABOR CODE/WORKERS' COMPENSATION: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

3. AMERICANS WITH DISABILITIES ACT: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. CONTRACTOR NAME CHANGE: An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.

b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.

c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. RESOLUTION: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. AIR OR WATER POLLUTION VIOLATION: Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

8. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all contractors that are not another state agency or other governmental entity.

EXHIBIT E

PRIVACY AND INFORMATION SECURITY PROVISIONS

This Exhibit E is intended to protect the privacy and security of specified Department information that Contractor may access, receive, or transmit under this Agreement. The Department information covered under this Exhibit E consists of: (1) Protected Health Information as defined under the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA")(PHI): and (2) Personal Information (PI) as defined under the California Information Practices Act (CIPA), at California Civil Code Section 1798.3. Personal Information may include data provided to the Department by the Social Security Administration.

Exhibit E consists of the following parts:

1. Exhibit E-1, HIPAA Business Associate Addendum, which provides for the privacy and security of PHI.

2. Exhibit E-2, which provides for the privacy and security of PI in accordance with specified provisions of the Agreement between the Department and the Social Security Administration, known as the Information Exchange Agreement (IEA) and the Computer Matching and Privacy Protection Act Agreement between the Social Security Administration and the California Health and Human Services Agency (Computer Agreement) to the extent Contractor access, receives, or transmits PI under these Agreements. Exhibit E-2 further provides for the privacy and security of PI under Civil Code Section 1798.3(a) and 1798.29.

3. Exhibit E-3, Miscellaneous Provision, sets forth additional terms and conditions that extend to the provisions of Exhibit E in its entirety.

EXHIBIT E-1

HIPAA Business Associate Addendum

1. Recitals.

A. A business associate relationship under the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 ("the HITECH Act"), 42 U.S.C. Section 17921 et seq., and their implementing privacy and security regulations at 45 CFR Parts 160 and 164 ("the HIPAA regulations") between Department and Contractor arises only to the extent that Contractor creates, receives, maintains, transmits, uses or discloses PHI or ePHI on the Department's behalf, or provides services, arranges, performs or assists in the performance of functions or activities on behalf of the Department that are included in the definition of "business associate" in 45 C.F.R. 160.103 where the provision of the service involves the disclosure of PHI or ePHI from the Department, including but not limited to, utilization review, quality assurance, or benefit management. To the extent Contractor performs these services, functions, and activities on behalf of Department, Contractor is the Business Associate of the Department, acting on the Department's behalf. The Department and Contractor are each a party to this Agreement and are collectively referred to as the "parties."

B. The Department wishes to disclose to Contractor certain information pursuant to the terms of this Agreement, some of which may constitute Protected Health Information ("PHI"), including protected health information in electronic media ("ePHI"), under federal law, to be used or disclosed in the course of providing services and activities as set forth in Section 1.A. of Exhibit E-1 of this Agreement. This information is hereafter referred to as "Department PHI".

C. The purpose of this Exhibit E-1 is to protect the privacy and security of the PHI and ePHI that may be created, received, maintained, transmitted, used or disclosed pursuant to this Agreement, and to comply with certain standards and requirements of HIPAA, the HITECH Act, and the HIPAA regulations, including, but not limited to, the requirement that the Department must enter into a contract containing specific requirements with Contractor prior to the disclosure of PHI to

Contractor, as set forth in 45 CFR Parts 160 and 164 and the HITECH Act. To the extent that data is both PHI or ePHI and Personally Identifying Information, both Exhibit E-2 (including Attachment B, the SSA Agreement between SSA, CHHS and DHCS, referred to in Exhibit E-2) and this Exhibit E-1 shall apply.

D. The terms used in this Exhibit E-1, but not otherwise defined, shall have the same meanings as those terms have in the HIPAA regulations. Any reference to statutory or regulatory language shall be to such language as in effect or as amended.

2. Definitions.

A. Breach shall have the meaning given to such term under HIPAA, the HITECH Act, and the HIPAA regulations.

B. Business Associate shall have the meaning given to such term under HIPAA, the HITECH Act, and the HIPAA regulations.

C. Covered Entity shall have the meaning given to such term under HIPAA, the HITECH Act, and the HIPAA regulations.

D. Department PHI shall mean Protected Health Information or Electronic Protected Health Information, as defined below, accessed by Contractor in a database maintained by the Department, received by Contractor from the Department or acquired or created by Contractor in connection with performing the functions, activities and services on behalf of the Department as specified in Section 1.A. of Exhibit E-1 of this Agreement. The terms PHI as used in this document shall mean Department PHI.

E. Electronic Health Records shall have the meaning given to such term in the HITECH Act, including, but not limited to, 42 U.S.C. Section 17921 and implementing regulations.

F. Electronic Protected Health Information (ePHI) means individually identifiable health information transmitted by electronic media or maintained in electronic media, including but not limited to electronic media as set forth under 45 CFR section 160.103.

G. Individually Identifiable Health Information means health information, including demographic information collected from an individual, that is created or received by a health care provider, health plan, employer or health care clearinghouse, and relates to the past, present or future physical or mental health or condition of an individual, the provision of

health care to an individual, or the past, present, or future payment for the provision of health care to an individual, that identifies the individual or where there is a reasonable basis to believe the information can be used to identify the individual, as set forth under 45 CFR Section 160.103.

H. Privacy Rule shall mean the HIPAA Regulations that are found at 45 CFR Parts 160 and 164, subparts A and E.

I. Protected Health Information (PHI) means individually identifiable health information that is transmitted by electronic media, maintained in electronic media, or is transmitted or maintained in any other form or medium, as set forth under 45 CFR Section 160.103 and as defined under HIPAA.

J. Required by law, as set forth under 45 CFR Section 164.103, means a mandate contained in law that compels an entity to make a use or disclosure of PHI that is enforceable in a court of law. This includes, but is not limited to, court orders and court-ordered warrants, subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or an administrative body authorized to require the production of information, and a civil or an authorized investigative demand. It also includes Medicare conditions of participation with respect to health care providers participating in the program, and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing public benefits.

K. Secretary means the Secretary of the U.S. Department of Health and Human Services ("HHS") or the Secretary's designee.

L. Security Incident means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of Department PHI, or confidential data utilized by Contractor to perform the services, functions and activities on behalf of Department as set forth in Section 1.A. of Exhibit E-1 of this Agreement; or interference with system operations in an information system that processes, maintains or stores Department PHI.

M. Security Rule shall mean the HIPAA regulations that are found at 45 CFR Parts 160 and 164.

N. Unsecured PHI shall have the meaning given to such term under the HITECH Act, 42 U.S.C. Section 17932(h), any guidance issued by the

Secretary pursuant to such Act and the HIPAA regulations.

3. Terms of Agreement.

A. **Permitted Uses and Disclosures of Department PHI by Contractor.**

Except as otherwise indicated in this Exhibit E-1, Contractor may use or disclose Department PHI only to perform functions, activities or services specified in Section 1.A of Exhibit E-1 of this Agreement, for, or on behalf of the Department, provided that such use or disclosure would not violate the HIPAA regulations or the limitations set forth in 42 CFR Part 2, or any other applicable law, if done by the Department. Any such use or disclosure, if not for purposes of treatment activities of a health care provider as defined by the Privacy Rule, must, to the extent practicable, be limited to the limited data set, as defined in 45 CFR Section 164.514(e)(2), or, if needed, to the minimum necessary to accomplish the intended purpose of such use or disclosure, in compliance with the HITECH Act and any guidance issued pursuant to such Act, and the HIPAA regulations.

B. **Specific Use and Disclosure Provisions**. Except as otherwise indicated in this Exhibit E-1, Contractor may:

1) **Use and Disclose for Management and Administration**. Use and disclose Department PHI for the proper management and administration of the Contractor's business, provided that such disclosures are required by law, or the Contractor obtains reasonable assurances from the person to whom the information is disclosed, in accordance with section D(7) of this Exhibit E-1, that it will remain confidential and will be used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies the Contractor of any instances of which it is aware that the confidentiality of the information has been breached.

2) **Provision of Data Aggregation Services**. Use Department PHI to provide data aggregation services to the Department to the extent requested by the Department and agreed to by Contractor. Data aggregation means the combining of PHI created or received by the Contractor, as the Business Associate, on behalf of the Department with PHI received by the Business Associate in its capacity as the Business Associate of another covered entity, to permit data analyses that relate to the health care operations of the Department

C. **Prohibited Uses and Disclosures**

1) Contractor shall not disclose Department PHI about an individual to a health plan for payment or health care operations purposes if the Department PHI pertains solely to a health care item or service for which the health care provider involved has been paid out of pocket in full and the individual requests such restriction, in accordance with 42 U.S.C. Section 17935(a) and 45 CFR Section 164.522(a).

2) Contractor shall not directly or indirectly receive remuneration in exchange for Department PHI.

D. **Responsibilities of Contractor**

Contractor agrees:

1) **Nondisclosure**. Not to use or disclose Department PHI other than as permitted or required by this Agreement or as required by law, including but not limited to 42 CFR Part 2.

2) **Compliance with the HIPAA Security Rule**. To implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Department PHI, including electronic PHI, that it creates, receives, maintains, uses or transmits on behalf of the Department, in compliance with 45 CFR Sections 164.308, 164.310 and 164.312, and to prevent use or disclosure of Department PHI other than as provided for by this Agreement. Contractor shall implement reasonable and appropriate policies and procedures to comply with the standards, implementation specifications and other requirements of 45 CFR Section 164, subpart C, in compliance with 45 CFR Section164.316. Contractor shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the Contractor's operations and the nature and scope of its activities, and which incorporates the requirements of section 3, Security, below. Contractor will provide the Department with its current and updated policies upon request.

3) **Security**. Contractor shall take any and all steps necessary to ensure the continuous security of all computerized data systems containing PHI and/or PI, and to protect paper documents containing PHI and/or PI. These steps shall include, at a minimum:

   a. Complying with all of the data system security precautions

listed in Attachment A, Data Security Requirements;

b. Achieving and maintaining compliance with the HIPAA Security Rule (45 CFR Parts 160 and 164), as necessary in conducting operations on behalf of DHCS under this Agreement; and

c. Providing a level and scope of security that is at least comparable to the level and scope of security established by the Office of Management and Budget in OMB Circular No. A-130, Appendix III- Security of Federal Automated Information Systems, which sets forth guidelines for automated information systems in Federal agencies.

4) **Security Officer**. Contractor shall designate a Security Officer to oversee its data security program who shall be responsible for carrying out the requirements of this section and for communicating on security matters with the Department.

5) **Mitigation of Harmful Effects**. To mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of Department PHI by Contractor or its subcontractors in violation of the requirements of this Exhibit E.

6) **Reporting Unauthorized Use or Disclosure.** To report to Department any use or disclosure of Department PHI not provided for by this Exhibit E of which it becomes aware.

7) **Contractor's Agents and Subcontractors**.

a. To enter into written agreements with any agents, including subcontractors and vendors to whom Contractor provides Department PHI, that impose the same restrictions and conditions on such agents, subcontractors and vendors that apply to Contractor with respect to such Department PHI under this Exhibit E, and that require compliance with all applicable provisions of HIPAA, the HITECH Act and the HIPAA regulations, including the requirement that any agents, subcontractors or vendors implement reasonable and appropriate administrative, physical, and technical safeguards to protect such PHI. As required by HIPAA, the HITECH Act and the HIPAA regulations, including 45 CFR Sections 164.308 and 164.314, Contractor shall incorporate, when applicable, the relevant provisions of this Exhibit E-1 into each subcontract or subaward to such

agents, subcontractors and vendors, including the requirement that any security incidents or breaches of unsecured PHI be reported to Contractor.

b. In accordance with 45 CFR Section 164.504(e)(1)(ii), upon Contractor's knowledge of a material breach or violation by its subcontractor of the agreement between Contractor and the subcontractor, Contractor shall:

i) Provide an opportunity for the subcontractor to cure the breach or end the violation and terminate the agreement if the subcontractor does not cure the breach or end the violation within the time specified by the Department; or

ii) Immediately terminate the agreement if the subcontractor has breached a material term of the agreement and cure is not possible.

8) **Availability of Information to the Department and Individuals to Provide Access and Information:**

a. To provide access as the Department may require, and in the time and manner designated by the Department (upon reasonable notice and during Contractor's normal business hours) to Department PHI in a Designated Record Set, to the Department (or, as directed by the Department), to an Individual, in accordance with 45 CFR Section 164.524. Designated Record Set means the group of records maintained for the Department health plan under this Agreement that includes medical, dental and billing records about individuals; enrollment, payment, claims adjudication, and case or medical management systems maintained for the Department health plan for which Contractor is providing services under this Agreement; or those records used to make decisions about individuals on behalf of the Department. Contractor shall use the forms and processes developed by the Department for this purpose and shall respond to requests for access to records transmitted by the Department within fifteen (15) calendar days of receipt of the request by producing the records or verifying that there are none.

b. If Contractor maintains an Electronic Health Record with

PHI, and an individual requests a copy of such information in an electronic format, Contractor shall provide such information in an electronic format to enable the Department to fulfill its obligations under the HITECH Act, including but not limited to, 42 U.S.C. Section 17935(e) and the HIPAA regulations.

9) **Amendment of Department PHI**. To make any amendment(s) to Department PHI that were requested by a patient and that the Department directs or agrees should be made to assure compliance with 45 CFR Section 164.526, in the time and manner designated by the Department, with the Contractor being given a minimum of twenty (20) days within which to make the amendment.

10) **Internal Practices**. To make Contractor's internal practices, books and records relating to the use and disclosure of Department PHI available to the Department or to the Secretary, for purposes of determining the Department's compliance with the HIPAA regulations. If any information needed for this purpose is in the exclusive possession of any other entity or person and the other entity or person fails or refuses to furnish the information to Contractor, Contractor shall provide written notification to the Department and shall set forth the efforts it made to obtain the information.

11) **Documentation of Disclosures**. To document and make available to the Department or (at the direction of the Department) to an individual such disclosures of Department PHI, and information related to such disclosures, necessary to respond to a proper request by the subject Individual for an accounting of disclosures of such PHI, in accordance with the HITECH Act and its implementing regulations, including but not limited to 45 CFR Section 164.528 and 42 U.S.C. Section 17935(c). If Contractor maintains electronic health records for the Department as of January 1, 2009 and later, Contractor must provide an accounting of disclosures, including those disclosures for treatment, payment or health care operations. The electronic accounting of disclosures shall be for disclosures during the three years prior to the request for an accounting.

12) **Breaches and Security Incidents.** During the term of this Agreement, Contractor agrees to implement reasonable systems for the discovery and prompt reporting of any breach or security incident, and to take the following steps:

a. **Initial Notice to the Department.** (1) To notify the Department **immediately by telephone call or email or fax** upon the discovery of a breach of unsecured PHI in electronic media or in any other media if the PHI was, or is reasonably believed to have been, accessed or acquired by an unauthorized person. (2) To notify the Department **within 24 hours (one hour if SSA data) by email or fax** of the discovery of any suspected security incident, intrusion or unauthorized access, use or disclosure of PHI in violation of this Agreement or this Exhibit E-1, or potential loss of confidential data affecting this Agreement. A breach shall be treated as discovered by Contractor as of the first day on which the breach is known, or by exercising reasonable diligence would have been known, to any person (other than the person committing the breach) who is an employee, officer or other agent of Contractor.

Notice shall be provided to the Information Protection Unit, Office of HIPAA Compliance. If the incident occurs after business hours or on a weekend or holiday and involves electronic PHI, notice shall be provided by calling the Information Protection Unit (916.445.4646, 866-866-0602) or by emailing privacyofficer@dhcs.ca.gov). Notice shall be made using the DHCS "Privacy Incident Report" form, including all information known at the time. Contractor shall use the most current version of this form, which is posted on the DHCS Information Security Officer website (www.dhcs.ca.gov, then select "Privacy" in the left column and then "Business Partner" near the middle of the page) or use this link: http://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/DHCSBusinessAssociatesOnly.aspx

Upon discovery of a breach or suspected security incident, intrusion or unauthorized access, use or disclosure of Department PHI, Contractor shall take:

i) Prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment; and

ii) Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.

b. **Investigation and Investigation Report**. To immediately investigate such suspected security incident, security incident, breach, or unauthorized access, use or disclosure of PHI . Within 72 hours of the discovery, Contractor shall submit an updated "Privacy Incident Report" containing the information marked with an asterisk and all other applicable information listed on the form, to the extent known at that time, to the Information Protection Unit.

c. **Complete Report**. To provide a complete report of the investigation to the Department Program Contract Manager and the Information Protection Unit within ten (10) working days of the discovery of the breach or unauthorized use or disclosure. The report shall be submitted on the "Privacy Incident Report" form and shall include an assessment of all known factors relevant to a determination of whether a breach occurred under applicable provisions of HIPAA, the HITECH Act, and the HIPAA regulations. The report shall also include a full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the improper use or disclosure. If the Department requests information in addition to that listed on the "Privacy Incident Report" form, Contractor shall make reasonable efforts to provide the Department with such information. If, because of the circumstances of the incident, Contractor needs more than ten (10) working days from the discovery to submit a complete report, the Department may grant a reasonable extension of time, in which case Contractor shall submit periodic updates until the complete report is submitted. If necessary, a Supplemental Report may be used to submit revised or additional information after the completed report is submitted, by submitting the revised or additional information on an updated "Privacy Incident Report" form. The Department will review and approve the determination of whether a breach occurred and whether individual notifications and a corrective action plan are required.

d. **Responsibility for Reporting of Breaches.** If the cause of a breach of Department PHI is attributable to Contractor or its agents, subcontractors or vendors, Contractor is responsible for all required reporting of the breach as specified in 42 U.S.C. section 17932 and its implementing regulations,

including notification to media outlets and to the Secretary (after obtaining prior written approval of DHCS). If a breach of unsecured Department PHI involves more than 500 residents of the State of California or under its jurisdiction, Contractor shall first notify DHCS, then the Secretary of the breach immediately upon discovery of the breach. If a breach involves more than 500 California residents, Contractor shall also provide, after obtaining written prior approval of DHCS, notice to the Attorney General for the State of California, Privacy Enforcement Section. If Contractor has reason to believe that duplicate reporting of the same breach or incident may occur because its subcontractors, agents or vendors may report the breach or incident to the Department in addition to Contractor, Contractor shall notify the Department, and the Department and Contractor may take appropriate action to prevent duplicate reporting.

e. **Responsibility for Notification of Affected Individuals.** If the cause of a breach of Department PHI is attributable to Contractor or its agents, subcontractors or vendors and notification of the affected individuals is required under state or federal law, Contractor shall bear all costs of such notifications as well as any costs associated with the breach. In addition, the Department reserves the right to require Contractor to notify such affected individuals, which notifications shall comply with the requirements set forth in 42U.S.C. section 17932 and its implementing regulations, including, but not limited to, the requirement that the notifications be made without unreasonable delay and in no event later than 60 calendar days after discovery of the breach. The Department Privacy Officer shall approve the time, manner and content of any such notifications and their review and approval must be obtained before the notifications are made. The Department will provide its review and approval expeditiously and without unreasonable delay.

f. **Department Contact Information**. To direct communications to the above referenced Department staff, the Contractor shall initiate contact as indicated herein. The Department reserves the right to make changes to the contact information below by giving written notice to the Contractor. Said changes shall not require an amendment to this Addendum or the Agreement to which it is incorporated.

Department Program Contract Manager	DHCS Privacy Officer	DHCS Information Security Officer
See the Exhibit A, Scope of Work for Program Contract Manager information	Information Protection Unit c/o: Office of HIPAA Compliance Department of Health Care Services P.O. Box 997413, MS 4722 Sacramento, CA 95899-7413 (916) 445-4646; (866) 866-0602 Email: privacyofficer@dhcs.ca.gov Fax: (916) 440-7680	Information Security Officer DHCS Information Security Office P.O. Box 997413, MS 6400 Sacramento, CA 95899-7413 Email: iso@dhcs.ca.gov Telephone: ITSD Service Desk (916) 440-7000; (800) 579-0874 Fax: (916)440-5537

13) **Termination of Agreement.** In accordance with Section 13404(b) of the HITECH Act and to the extent required by the HIPAA regulations, if Contractor knows of a material breach or violation by the Department of this Exhibit E-1, it shall take the following steps:

a. Provide an opportunity for the Department to cure the breach or end the violation and terminate the Agreement if the Department does not cure the breach or end the violation within the time specified by Contractor; or

b. Immediately terminate the Agreement if the Department has breached a material term of the Exhibit E-1 and cure is not possible.

14) **Sanctions and/or Penalties**. Contractor understands that a failure to comply with the provisions of HIPAA, the HITECH Act and the HIPAA regulations that are applicable to Contractors may result in the imposition of sanctions and/or penalties on Contractor under HIPAA, the HITECH Act and the HIPAA regulations.

E. Obligations of the Department.

The Department agrees to:

1) **Permission by Individuals for Use and Disclosure of PHI**. Provide the Contractor with any changes in, or revocation of, permission by an Individual to use or disclose Department PHI, if such changes affect the Contractor's permitted or required uses and disclosures.

2) **Notification of Restrictions**. Notify the Contractor of any restriction to the use or disclosure of Department PHI that the Department has agreed to in accordance with 45 CFR Section 164.522, to the extent that such restriction may affect the Contractor's use or disclosure of PHI.

3) **Requests Conflicting with HIPAA Rules**. Not request the Contractor to use or disclose Department PHI in any manner that would not be permissible under the HIPAA regulations if done by the Department.

4) **Notice of Privacy Practices**. Provide Contractor with the web link to the Notice of Privacy Practices that DHCS produces in accordance with 45 CFR Section 164.520, as well as any changes to such notice. Visit the DHCS website to view the most current Notice of Privacy Practices at: http://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/NoticeofPrivacyPractices.aspx or the DHCS website at www.dhcs.ca.gov (select "Privacy in the right column and "Notice of Privacy Practices" on the right side of the page).

F. Audits, Inspection and Enforcement

If Contractor is the subject of an audit, compliance review, or complaint investigation by the Secretary or the Office for Civil Rights, U.S. Department of Health and Human Services, that is related to the performance of its obligations pursuant to this HIPAA Business Associate Exhibit E-1,Contractor shall immediately notify the Department. Upon request from the Department, Contractor shall provide the Department with a copy of any Department PHI that Contractor, as the Business Associate, provides to the Secretary or the Office of Civil Rights concurrently with providing such PHI to the Secretary. Contractor is responsible for any civil penalties assessed due to an audit or investigation of Contractor, in accordance with 42 U.S.C. Section 17934(c).

G. Termination.

1) **Term.** The Term of this Exhibit E-1 shall extend beyond the termination of the Agreement and shall terminate when all Department PHI is destroyed or returned to the Department, in accordance with 45 CFR Section 164.504(e)(2)(ii)(J).

2) **Termination for Cause**. In accordance with 45 CFR Section 164.504(e)(1)(iii), upon the Department's knowledge of a material breach or violation of this Exhibit E-1 by Contractor, the Department shall:

   a. Provide an opportunity for Contractor to cure the breach or end the violation and terminate this Agreement if Contractor does not cure the breach or end the violation within the time specified by the Department; or

   b. Immediately terminate this Agreement if Contractor has breached a material term of this Exhibit E-1 and cure is not possible.

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EXHIBIT E-2

Privacy and Security of Personal Information and Personally Identifiable Information Not Subject to HIPAA

1. Recitals.

A. In addition to the Privacy and Security Rules under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) the Department is subject to various other legal and contractual requirements with respect to the personal information (PI) and personally identifiable information (PII) it maintains. These include:

1) The California Information Practices Act of 1977 (California Civil Code §§1798 et seq.),

2) The Agreement between the Social Security Administration (SSA) and the Department, known as the Information Exchange Agreement (IEA), which incorporates the Computer Matching and Privacy Protection Act Agreement (CMPPA) between the SSA and the California Health and Human Services Agency. The IEA, including the CMPPA is attached to this Exhibit E as Attachment B and is hereby incorporated in this Agreement.

3) Title 42 Code of Federal Regulations, Chapter I, Subchapter A, Part 2.

B. The purpose of this Exhibit E-2 is to set forth Contractor's privacy and security obligations with respect to PI and PII that Contractor may create, receive, maintain, use, or disclose for or on behalf of Department pursuant to this Agreement. Specifically this Exhibit applies to PI and PII which is not Protected Health Information (PHI) as defined by HIPAA and therefore is not addressed in Exhibit E-1 of this Agreement, the HIPAA Business Associate Addendum; however, to the extent that data is both PHI or ePHI and PII, both Exhibit E-1 and this Exhibit E-2 shall apply.

C. The IEA Agreement referenced in A.2) above requires the Department to extend its substantive privacy and security terms to subcontractors who receive data provided to DHCS by the Social Security Administration. If Contractor receives data from DHCS that includes data provided to DHCS by the Social Security Administration, Contractor must comply with the following specific sections of the IEA Agreement: E. Security Procedures, F. Contractor/Agent Responsibilities, and G. Safeguarding and Reporting Responsibilities for Personally Identifiable Information ("PII"), and in Attachment 4 to the IEA, Electronic Information Exchange Security Requirements, Guidelines and Procedures for Federal, State and Local

Agencies Exchanging Electronic Information with the Social Security Administration. Contractor must also ensure that any agents, including a subcontractor, to whom it provides DHCS data that includes data provided by the Social Security Administration, agree to the same requirements for privacy and security safeguards for such confidential data that apply to Contractor with respect to such information.

D. The terms used in this Exhibit E-2, but not otherwise defined, shall have the same meanings as those terms have in the above referenced statute and Agreement. Any reference to statutory, regulatory, or contractual language shall be to such language as in effect or as amended.

2. Definitions.

A. "Breach" shall have the meaning given to such term under the IEA and CMPPA. It shall include a "PII loss" as that term is defined in the CMPPA.

B. "Breach of the security of the system" shall have the meaning given to such term under the California Information Practices Act, Civil Code section 1798.29(f).

C. "CMPPA Agreement" means the Computer Matching and Privacy Protection Act Agreement between the Social Security Administration and the California Health and Human Services Agency (CHHS).

D. "Department PI" shall mean Personal Information, as defined below, accessed in a database maintained by the Department, received by Contractor from the Department or acquired or created by Contractor in connection with performing the functions, activities and services specified in this Agreement on behalf of the Department.

E. "IEA" shall mean the Information Exchange Agreement currently in effect between the Social Security Administration (SSA) and the California Department of Health Care Services (DHCS).

F. "Notice-triggering Personal Information" shall mean the personal information identified in Civil Code section 1798.29 whose unauthorized access may trigger notification requirements under Civil Code section 1798.29. For purposes of this provision, identity shall include, but not be limited to, name, address, email address, identifying number, symbol, or other identifying particular assigned to the individual, such as a finger or voice print, a photograph or a biometric identifier. Notice-triggering Personal Information includes PI in electronic, paper or any other medium.

G. "Personally Identifiable Information" (PII) shall have the meaning given to such term in the IEA and CMPPA.

H. "Personal Information" (PI) shall have the meaning given to such term in California Civil Code Section 1798.3(a).

I. "Required by law" means a mandate contained in law that compels an entity to make a use or disclosure of PI or PII that is enforceable in a court of law. This includes, but is not limited to, court orders and court-ordered warrants, subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or an administrative body authorized to require the production of information, and a civil or an authorized investigative demand. It also includes Medicare conditions of participation with respect to health care providers participating in the program, and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing public benefits.

J. "Security Incident" means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of PI, or confidential data utilized in complying with this Agreement; or interference with system operations in an information system that processes, maintains or stores PI.

3. Terms of Agreement

A. **Permitted Uses and Disclosures of Department PI and PII by Contractor**

Except as otherwise indicated in this Exhibit E-2, Contractor may use or disclose Department PI only to perform functions, activities or services for or on behalf of the Department pursuant to the terms of this Agreement provided that such use or disclosure would not violate the California Information Practices Act (CIPA) if done by the Department.

B. **Responsibilities of Contractor**

Contractor agrees:

1) **Nondisclosure.** Not to use or disclose Department PI or PII other than as permitted or required by this Agreement or as required by applicable state and federal law.

2) **Safeguards.** To implement appropriate and reasonable administrative, technical, and physical safeguards to protect the security, confidentiality and integrity of Department PI and PII, to protect against anticipated threats or hazards to the security or integrity of Department PI and PII, and to prevent use or disclosure of Department PI or PII other than as provided for by this Agreement. Contractor shall develop and maintain a written information privacy and security program that include administrative, technical and physical safeguards appropriate to the size and complexity of Contractor's operations and the nature and scope of its activities, which incorporate the requirements of section 3, Security, below. Contractor will provide DHCS with its current policies upon request.

3) **Security.** Contractor shall take any and all steps necessary to ensure the continuous security of all computerized data systems containing PHI and/or PI, and to protect paper documents containing PHI and/or PI. These steps shall include, at a minimum:

   a. Complying with all of the data system security precautions listed in Attachment A, Business Associate Data Security Requirements;

   b. Providing a level and scope of security that is at least comparable to the level and scope of security established by the Office of Management and Budget in OMB Circular No. A-130, Appendix III- Security of Federal Automated Information Systems, which sets forth guidelines for automated information systems in Federal agencies; and

   c. If the data obtained by Contractor from DHCS includes PII, Contractor shall also comply with the substantive privacy and security requirements in the Computer Matching and Privacy Protection Act Agreement between the SSA and the California Health and Human Services Agency (CHHS) and in the Agreement between the SSA and DHCS, known as the Information Exchange Agreement, which are attached as Attachment B and incorporated into this Agreement. The specific sections of the IEA with substantive privacy and security requirements to be complied with are sections E, F, and G, and in Attachment 4 to the IEA, Electronic Information Exchange Security Requirements, Guidelines and Procedures for Federal, State and Local Agencies Exchanging Electronic Information with the SSA. Contractor also agrees to ensure that any agents, including a subcontractor to whom it provides

DHCS PII, agree to the same requirements for privacy and security safeguards for confidential data that apply to Contractor with respect to such information.

4) **Mitigation of Harmful Effects.** To mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of Department PI or PII by Contractor or its subcontractors in violation of this Exhibit E-2.

5) **Contractor's Agents and Subcontractors.** To impose the same restrictions and conditions set forth in this Exhibit E-2 on any subcontractors or other agents with whom Contractor subcontracts any activities under this Agreement that involve the disclosure of Department PI or PII to the subcontractor.

6) **Availability of Information to DHCS.** To make Department PI and PII available to the Department for purposes of oversight, inspection, amendment, and response to requests for records, injunctions, judgments, and orders for production of Department PI and PII. If Contractor receives Department PII, upon request by DHCS, Contractor shall provide DHCS with a list of all employees, contractors and agents who have access to Department PII, including employees, contractors and agents of its subcontractors and agents.

7) **Cooperation with DHCS.** With respect to Department PI, to cooperate with and assist the Department to the extent necessary to ensure the Department's compliance with the applicable terms of the CIPA including, but not limited to, accounting of disclosures of Department PI, correction of errors in Department PI, production of Department PI, disclosure of a security breach involving Department PI and notice of such breach to the affected individual(s).

8) **Confidentiality of Alcohol and Drug Abuse Patient Records.** Contractor agrees to comply with all confidentiality requirements set forth in Title 42 Code of Federal Regulations, Chapter I, Subchapter A, Part 2. Contractor is aware that criminal penalties may be imposed for a violation of these confidentiality requirements.

9) **Breaches and Security Incidents.** During the term of this Agreement, Contractor agrees to implement reasonable systems for the discovery and prompt reporting of any breach or security incident, and to take the following steps:

a. Initial Notice to the Department. (1) To notify the Department

immediately by telephone call or email or fax upon the discovery of a breach of unsecured Department PI or PII in electronic media or in any other media if the PI or PII was, or is reasonably believed to have been, accessed or acquired by an unauthorized person, or upon discovery of a suspected security incident involving Department PII. (2) To notify the Department **within one (1) hour by email or fax** if the data is data subject to the SSA Agreement; and **within 24 hours by email or fax** of the discovery of any suspected security incident, intrusion or unauthorized access, use or disclosure of Department PI or PII in violation of this Agreement or this Exhibit E-1 or potential loss of confidential data affecting this Agreement. A breach shall be treated as discovered by Contractor as of the first day on which the breach is known, or by exercising reasonable diligence would have been known, to any person (other than the person committing the breach) who is an employee, officer or other agent of Contractor.

b. Notice shall be provided to the Information Protection Unit, Office of HIPAA Compliance. If the incident occurs after business hours or on a weekend or holiday and involves electronic Department PI or PII, notice shall be provided by calling the Department Information Security Officer. Notice shall be made using the DHCS "Privacy Incident Report" form, including all information known at the time. Contractor shall use the most current version of this form, which is posted on the DHCS Information Security Officer website (www.dhcs.ca.gov, then select "Privacy" in the left column and then "Business Partner" near the middle of the page) or use this link: http://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/DHCSBusinessAssociatesOnly.aspx .

c. Upon discovery of a breach or suspected security incident, intrusion or unauthorized access, use or disclosure of Department PI or PII, Contractor shall take:

i. Prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment; and

ii. Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and

regulations.

d. **Investigation and Investigation Report**. To immediately investigate such suspected security incident, security incident, breach, or unauthorized access, use or disclosure of PHI. Within 72 hours of the discovery, Contractor shall submit an updated "Privacy Incident Report" containing the information marked with an asterisk and all other applicable information listed on the form, to the extent known at that time, to the Department Information Security Officer.

e. **Complete Report**. To provide a complete report of the investigation to the Department Program Contract Manager and the Information Protection Unit within ten (10) working days of the discovery of the breach or unauthorized use or disclosure. The report shall be submitted on the "Privacy Incident Report" form and shall include an assessment of all known factors relevant to a determination of whether a breach occurred. The report shall also include a full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the improper use or disclosure. If the Department requests information in addition to that listed on the "Privacy Incident Report" form, Contractor shall make reasonable efforts to provide the Department with such information. If, because of the circumstances of the incident, Contractor needs more than ten (10) working days from the discovery to submit a complete report, the Department may grant a reasonable extension of time, in which case Contractor shall submit periodic updates until the complete report is submitted. If necessary, a Supplemental Report may be used to submit revised or additional information after the completed report is submitted, by submitting the revised or additional information on an updated "Privacy Incident Report" form. The Department will review and approve the determination of whether a breach occurred and whether individual notifications and a corrective action plan are required.

f. **Responsibility for Reporting of Breaches.** If the cause of a breach of Department PI or PII is attributable to Contractor or its agents, subcontractors or vendors, Contractor is responsible for all required reporting of the breach as specified in CIPA, section 1798.29and as may be required under the IEA. Contractor shall bear all costs of required

notifications to individuals as well as any costs associated with the breach. The Privacy Officer shall approve the time, manner and content of any such notifications and their review and approval must be obtained before the notifications are made. The Department will provide its review and approval expeditiously and without unreasonable delay.

g. If Contractor has reason to believe that duplicate reporting of the same breach or incident may occur because its subcontractors, agents or vendors may report the breach or incident to the Department in addition to Contractor, Contractor shall notify the Department, and the Department and Contractor may take appropriate action to prevent duplicate reporting.

h. **Department Contact Information**. To direct communications to the above referenced Department staff, the Contractor shall initiate contact as indicated herein. The Department reserves the right to make changes to the contact information below by giving written notice to the Contractor. Said changes shall not require an amendment to this Addendum or the Agreement to which it is incorporated.

Department Program Contract	**DHCS Privacy Officer**	**DHCS Information Security Officer**
See the Exhibit A, Scope of Work for Program Contract Manager information	Information Protection Unit c/o: Office of HIPAA Compliance Department of Health Care Services P.O. Box 997413, MS 4722 Sacramento, CA 95899-7413 (916) 445-4646 Email: privacyofficer@dhcs.ca.gov Telephone:(916) 445-4646	Information Security Officer DHCS Information Security Office P.O. Box 997413, MS 6400 Sacramento, CA 95899-7413 Email: iso@dhcs.ca.gov Telephone: ITSD Service Desk (916) 440-7000 or (800) 579-0874

10) Designation of Individual Responsible for Security

Contractor shall designate an individual, (e.g., Security Officer), to oversee its data security program who shall be responsible for carrying out the requirements of this Exhibit E-2 and for communicating on security matters with the Department.

EXHIBIT E-3

Miscellaneous Terms and Conditions

Applicable to Exhibit E

1) **Disclaimer**. The Department makes no warranty or representation that compliance by Contractor with this Exhibit E, HIPAA or the HIPAA regulations will be adequate or satisfactory for Contractor's own purposes or that any information in Contractor's possession or control, or transmitted or received by Contractor, is or will be secure from unauthorized use or disclosure. Contractor is solely responsible for all decisions made by Contractor regarding the safeguarding of the Department PHI, PI and PII.

2) **Amendment**. The parties acknowledge that federal and state laws relating to electronic data security and privacy are rapidly evolving and that amendment of this Exhibit E may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HITECH Act, and the HIPAA regulations, and other applicable state and federal laws. Upon either party's request, the other party agrees to promptly enter into negotiations concerning an amendment to this Exhibit E embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, and the HIPAA regulations, and other applicable state and federal laws. The Department may terminate this Agreement upon thirty (30) days written notice in the event:

   a) Contractor does not promptly enter into negotiations to amend this Exhibit E when requested by the Department pursuant to this section; or

   b) Contractor does not enter into an amendment providing assurances regarding the safeguarding of Department PHI that the Department deems is necessary to satisfy the standards and requirements of HIPAA and the HIPAA regulations.

3) **Judicial or Administrative Proceedings**. Contractor will notify the Department if it is named as a defendant in a criminal proceeding for a violation of HIPAA or other security or privacy law. The Department may terminate this Agreement if Contractor is found guilty of a criminal violation of HIPAA. The Department may terminate this Agreement if a finding or stipulation that the Contractor has violated any standard or requirement of HIPAA, or other security or privacy laws is made in any administrative or civil proceeding in which the Contractor is a party or

has been joined. DHCS will consider the nature and seriousness of the violation in deciding whether or not to terminate the Agreement.

4) **Assistance in Litigation or Administrative Proceedings**. Contractor shall make itself and any subcontractors, employees or agents assisting Contractor in the performance of its obligations under this Agreement, available to the Department at no cost to the Department to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against the Department, its directors, officers or employees based upon claimed violation of HIPAA, or the HIPAA regulations, which involves inactions or actions by the Contractor, except where Contractor or its subcontractor, employee or agent is a named adverse party.

5) **No Third-Party Beneficiaries**. Nothing express or implied in the terms and conditions of this Exhibit E is intended to confer, nor shall anything herein confer, upon any person other than the Department or Contractor and their respective successors or assignees, any rights, remedies, obligations or liabilities whatsoever.

6) **Interpretation**. The terms and conditions in this Exhibit E shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, and the HIPAA regulations. The parties agree that any ambiguity in the terms and conditions of this Exhibit E shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act and the HIPAA regulations, and, if applicable, any other relevant state and federal laws.

7) **Conflict.** In case of a conflict between any applicable privacy or security rules, laws, regulations or standards the most stringent shall apply. The most stringent means that safeguard which provides the highest level of protection to PHI, PI and PII from unauthorized disclosure. Further, Contractor must comply within a reasonable period of time with changes to these standards that occur after the effective date of this Agreement.

8) **Regulatory References**. A reference in the terms and conditions of this Exhibit E to a section in the HIPAA regulations means the section as in effect or as amended.

9) **Survival.** The respective rights and obligations of Contractor under Section 3, Item D of Exhibit E-1, and Section 3, Item B of Exhibit E-2, Responsibilities of Contractor, shall survive the termination or expiration of this Agreement.

10) **No Waiver of Obligations**. No change, waiver or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.

11) **Audits, Inspection and Enforcement.** From time to time, and subject to all applicable federal and state privacy and security laws and regulations, the Department may conduct a reasonable inspection of the facilities, systems, books and records of Contractor to monitor compliance with this Exhibit E. Contractor shall promptly remedy any violation of any provision of this Exhibit E. The fact that the Department inspects, or fails to inspect, or has the right to inspect, Contractor's facilities, systems and procedures does not relieve Contractor of its responsibility to comply with this Exhibit E. The Department's failure to detect a non-compliant practice, or a failure to report a detected non-compliant practice to Contractor does not constitute acceptance of such practice or a waiver of the Department's enforcement rights under this Agreement, including this Exhibit E.

12) **Due Diligence.** Contractor shall exercise due diligence and shall take reasonable steps to ensure that it remains in compliance with this Exhibit E and is in compliance with applicable provisions of HIPAA, the HITECH Act and the HIPAA regulations, and other applicable state and federal law, and that its agents, subcontractors and vendors are in compliance with their obligations as required by this Exhibit E.

13) **Term.** The Term of this Exhibit E-1 shall extend beyond the termination of the Agreement and shall terminate when all Department PHI is destroyed or returned to the Department, in accordance with 45 CFR Section 164.504(e)(2)(ii)(I), and when all Department PI and PII is destroyed in accordance with Attachment A.

14) **Effect of Termination**. Upon termination or expiration of this Agreement for any reason, Contractor shall return or destroy all Department PHI, PI and PII that Contractor still maintains in any form, and shall retain no copies of such PHI, PI or PII. If return or destruction is not feasible, Contractor shall notify the Department of the conditions that make the return or destruction infeasible, and the Department and Contractor shall determine the terms and conditions under which Contractor may retain the PHI, PI or PII. Contractor shall continue to extend the protections of this Exhibit E to such Department PHI, PI and PII, and shall limit further use of such data to those purposes that make the return or destruction of such data infeasible. This provision shall apply to Department PHI, PI and PII that is in the possession of subcontractors or agents of Contractor.

Attachment A
Data Security Requirements

1. Personnel Controls

A. **Employee Training**. All workforce members who assist in the performance of functions or activities on behalf of the Department, or access or disclose Department PHI or PI must complete information privacy and security training, at least annually, at Contractor's expense. Each workforce member who receives information privacy and security training must sign a certification, indicating the member's name and the date on which the training was completed. These certifications must be retained for a period of six (6) years following termination of this Agreement.

B. **Employee Discipline**. Appropriate sanctions must be applied against workforce members who fail to comply with privacy policies and procedures or any provisions of these requirements, including termination of employment where appropriate.

C. **Confidentiality Statement**. All persons that will be working with Department PHI or PI must sign a confidentiality statement that includes, at a minimum, General Use, Security and Privacy Safeguards, Unacceptable Use, and Enforcement Policies. The statement must be signed by the workforce member prior to access to Department PHI or PI. The statement must be renewed annually. The Contractor shall retain each person's written confidentiality statement for Department inspection for a period of six (6) years following termination of this Agreement.

D. **Background Check**. Before a member of the workforce may access Department PHI or PI, a background screening of that worker must be conducted. The screening should be commensurate with the risk and magnitude of harm the employee could cause, with more thorough screening being done for those employees who are authorized to bypass significant technical and operational security controls. The Contractor shall retain each workforce member's background check documentation for a period of three (3) years.

2. Technical Security Controls

A. **Workstation/Laptop encryption**. All workstations and laptops that store Department PHI or PI either directly or temporarily must be encrypted using a FIPS 140-2 certified algorithm which is 128bit or higher, such as

Advanced Encryption Standard (AES). The encryption solution must be full disk unless approved by the Department Information Security Office.

B. **Server Security**. Servers containing unencrypted Department PHI or PI must have sufficient administrative, physical, and technical controls in place to protect that data, based upon a risk assessment/system security review.

C. **Minimum Necessary**. Only the minimum necessary amount of Department PHI or PI required to perform necessary business functions may be copied, downloaded, or exported.

D. **Removable media devices**. All electronic files that contain Department PHI or PI data must be encrypted when stored on any removable media or portable device (i.e. USB thumb drives, floppies, CD/DVD, Blackberry, backup tapes etc.). Encryption must be a FIPS 140-2 certified algorithm which is 128bit or higher, such as AES.

E. **Antivirus software**. All workstations, laptops and other systems that process and/or store Department PHI or PI must install and actively use comprehensive anti-virus software solution with automatic updates scheduled at least daily.

F. **Patch Management**. All workstations, laptops and other systems that process and/or store Department PHI or PI must have critical security patches applied, with system reboot if necessary. There must be a documented patch management process which determines installation timeframe based on risk assessment and vendor recommendations. At a maximum, all applicable patches must be installed within 30 days of vendor release. Applications and systems that cannot be patched within this time frame due to significant operational reasons must have compensatory controls implemented to minimize risk until the patches can be installed. Applications and systems that cannot be patched must have compensatory controls implemented to minimize risk, where possible.

G. **User IDs and Password Controls**. All users must be issued a unique user name for accessing Department PHI or PI. Username must be promptly disabled, deleted, or the password changed upon the transfer or termination of an employee with knowledge of the password. Passwords are not to be shared. Passwords must be at least eight characters and must be a non-dictionary word. Passwords must not be stored in readable format on the computer. Passwords must be changed at least every 90 days, preferably every 60 days. Passwords must be changed if revealed or compromised. Passwords must be composed of characters from at least three of the following four groups from the standard keyboard:

1) Upper case letters (A-Z)
2) Lower case letters (a-z)
3) Arabic numerals (0-9)
4) Non-alphanumeric characters (punctuation symbols)

H. **Data Destruction**. When no longer needed, all Department PHI or PI must be wiped using the Gutmann or US Department of Defense (DoD) 5220.22-M (7 Pass) standard, or by degaussing. Media may also be physically destroyed in accordance with NIST Special Publication 800-88. Other methods require prior written permission of the Department Information Security Office.

I. **System Timeout**. The system providing access to Department PHI or PI must provide an automatic timeout, requiring re-authentication of the user session after no more than 20 minutes of inactivity.

J. **Warning Banners**. All systems providing access to Department PHI or PI must display a warning banner stating that data is confidential, systems are logged, and system use is for business purposes only by authorized users. User must be directed to log off the system if they do not agree with these requirements.

K. **System Logging**. The system must maintain an automated audit trail which can identify the user or system process which initiates a request for Department PHI or PI, or which alters Department PHI or PI. The audit trail must be date and time stamped, must log both successful and failed accesses, must be read only, and must be restricted to authorized users. If Department PHI or PI is stored in a database, database logging functionality must be enabled. Audit trail data must be archived for at least 3 years after occurrence.

L. **Access Controls**. The system providing access to Department PHI or PI must use role based access controls for all user authentications, enforcing the principle of least privilege.

M. **Transmission encryption**. All data transmissions of Department PHI or PI outside the secure internal network must be encrypted using a FIPS 140-2 certified algorithm which is 128bit or higher, such as AES. Encryption can be end to end at the network level, or the data files containing Department PHI can be encrypted. This requirement pertains to any type of Department PHI or PI in motion such as website access, file transfer, and E-Mail.

N. **Intrusion Detection**. All systems involved in accessing, holding, transporting, and protecting Department PHI or PI that are accessible via the Internet must be protected by a comprehensive intrusion detection and prevention solution.

3. Audit Controls

A. **System Security Review**. Contractor must ensure audit control mechanisms that record and examine system activity are in place. All systems processing and/or storing Department PHI or PI must have at least an annual system risk assessment/security review which provides assurance that administrative, physical, and technical controls are functioning effectively and providing adequate levels of protection. Reviews should include vulnerability scanning tools.

B. **Log Reviews**. All systems processing and/or storing Department PHI or PI must have a routine procedure in place to review system logs for unauthorized access.

C. **Change Control**. All systems processing and/or storing Department PHI or PI must have a documented change control procedure that ensures separation of duties and protects the confidentiality, integrity and availability of data.

4. Business Continuity / Disaster Recovery Controls

A. **Emergency Mode Operation Plan**. Contractor must establish a documented plan to enable continuation of critical business processes and protection of the security of Department PHI or PI held in an electronic format in the event of an emergency. Emergency means any circumstance or situation that causes normal computer operations to become unavailable for use in performing the work required under this Agreement for more than 24 hours.

B. **Data Backup Plan**. Contractor must have established documented procedures to backup Department PHI to maintain retrievable exact copies of Department PHI or PI. The plan must include a regular schedule for making backups, storing backups offsite, an inventory of backup media, and an estimate of the amount of time needed to restore Department PHI or PI should it be lost. At a minimum, the schedule must be a weekly full backup and monthly offsite storage of Department data.

5. Paper Document Controls

A. **Supervision of Data**. Department PHI or PI in paper form shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk or office. Unattended means that information is not being observed by an employee authorized to access the information. Department PHI or PI in paper form shall not be left unattended at any time in vehicles or planes and shall not be checked in baggage on commercial airplanes.

B. **Escorting Visitors**. Visitors to areas where Department PHI or PI is contained shall be escorted and Department PHI or PI shall be kept out of sight while visitors are in the area.

C. **Confidential Destruction**. Department PHI or PI must be disposed of through confidential means, such as cross cut shredding and pulverizing.

D. **Removal of Data**. Only the minimum necessary Department PHI or PI may be removed from the premises of the Contractor except with express written permission of the Department. Department PHI or PI shall not be considered "removed from the premises" if it is only being transported from one of Contractor's locations to another of Contractors locations.

E. **Faxing**. Faxes containing Department PHI or PI shall not be left unattended and fax machines shall be in secure areas. Faxes shall contain a confidentiality statement notifying persons receiving faxes in error to destroy them. Fax numbers shall be verified with the intended recipient before sending the fax.

F. **Mailing**. Mailings containing Department PHI or PI shall be sealed and secured from damage or inappropriate viewing of such PHI or PI to the extent possible. Mailings which include 500 or more individually identifiable records of Department PHI or PI in a single package shall be sent using a tracked mailing method which includes verification of delivery and receipt, unless the prior written permission of the Department to use another method is obtained.

Exhibit E, Attachment B
SSA - IEA

INFORMATION EXCHANGE AGREEMENT
BETWEEN
THE SOCIAL SECURITY ADMINISTRATION (SSA)
AND
THE CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES (STATE AGENCY)

A. PURPOSE: The purpose of this Information Exchange Agreement ("IEA") is to establish terms, conditions, and safeguards under which SSA will disclose to the State Agency certain information, records, or data (herein "data") to assist the State Agency in administering certain federally funded state-administered benefit programs (including state-funded state supplementary payment programs under Title XVI of the Social Security Act) identified in this IEA. By entering into this IEA, the State Agency agrees to comply with:

- the terms and conditions set forth in the Computer Matching and Privacy Protection Act Agreement ("CMPPA Agreement") attached as **Attachment 1**, governing the State Agency's use of the data disclosed from SSA's Privacy Act System of Records; and
- all other terms and conditions set forth in this IEA.

B. PROGRAMS AND DATA EXCHANGE SYSTEMS: (1) The State Agency will use the data received or accessed from SSA under this IEA for the purpose of administering the federally funded, state-administered programs identified in **Table 1** below. In **Table 1**, the State Agency has identified: (a) each federally funded, state-administered program that it administers; and (b) each SSA data exchange system to which the State Agency needs access in order to administer the identified program. The list of SSA's data exchange systems is attached as **Attachment 2**:

TABLE 1

FEDERALLY FUNDED BENEFIT PROGRAMS	
Program	**SSA Data Exchange System(s)**
[X] Medicaid	BENDEX/SDX/EVS/SVES/SOLQ/SVES I-Citizenship /Quarters of Coverage/Prisoner Query
☐ Temporary Assistance to Needy Families (TANF)	
☐ Supplemental Nutrition Assistance Program (SNAP- formally Food Stamps)	
☐ Unemployment Compensation (Federal)	
☐ Unemployment Compensation (State)	
☐ State Child Support Agency	
☐ Low-Income Home Energy Assistance Program (LI-HEAP)	
☐ Workers Compensation	
☐ Vocational Rehabilitation Services	

☐ Foster Care (IV-E)	
☐ State Health Insurance Program (S-CHIP)	
☐ Women, Infants and Children (W.I.C.)	
[X] Medicare Savings Programs (MSP)	LIS File
[X] Medicare 1144 (Outreach)	Medicare 1144 Outreach File
☐ *Other Federally Funded, State-Administered Programs (List Below)*	
Program	SSA Data Exchange System(s)

(2) The State Agency will use each identified data exchange system ***only*** for the purpose of administering the specific program for which access to the data exchange system is provided. SSA data exchange systems are protected by the Privacy Act and federal law prohibits the use of SSA's data for any purpose other than the purpose of administering the specific program for which such data is disclosed. In particular, the State Agency will use: (a) the **tax return data** disclosed by SSA only to determine individual eligibility for, or the amount of, assistance under a state plan pursuant to Section 1137 programs and child support enforcement programs in accordance with 26 U.S.C. § 6103(1)(8); and (b) the **citizenship status data** disclosed by SSA under the Children's Health Insurance Program Reauthorization Act of 2009, Pub. L. 111-3, only for the purpose of determining entitlement to Medicaid and CHIP program for new applicants. The State Agency also acknowledges that SSA's citizenship data may be less than 50 percent current. Applicants for SSNs report their citizenship data at the time they apply for their SSNs; there is no obligation for an individual to report to SSA a change in his or her immigration status until he or she files a claim for benefits.

C. **PROGRAM QUESTIONNAIRE:** Prior to signing this IEA, the State Agency will complete and submit to SSA a program questionnaire for each of the federally funded, state-administered programs checked in **Table 1** above. SSA will not disclose any data under this IEA until it has received and approved the completed program questionnaire for each of the programs identified in **Table 1** above.

D. TRANSFER OF DATA: SSA will transmit the data to the State Agency under this IEA using the data transmission method identified in **Table 2** below:

TABLE 2

TRANSFER OF DATA
☐ Data will be transmitted directly between SSA and the State Agency.
[X] Data will be transmitted directly between SSA and the California Office of Technology (State Transmission/Transfer Component ("STC")) by the File Transfer Management System, a secure mechanism approved by SSA. The STC will serve as the conduit between SSA and the State Agency pursuant to the State STC Agreement.
☐ Data will be transmitted directly between SSA and the Interstate Connection Network ("ICON"). ICON is a wide area telecommunications network connecting state agencies that administer the state unemployment insurance laws. When receiving data through ICON, the State Agency will comply with the "Systems Security Requirements for SSA Web Access to SSA Information Through the ICON," attached as **Attachment 3**.

E. SECURITY PROCEDURES: The State Agency will comply with limitations on use, treatment, and safeguarding of data under the Privacy Act of 1974 (5 U.S.C. 552a), as amended by the Computer Matching and Privacy Protection Act of 1988, related Office of Management and Budget guidelines, the Federal Information Security Management Act of 2002 (44 U.S.C. § 3541, et seq.), and related National Institute of Standards and Technology guidelines. In addition, the State Agency will comply with SSA's "Information System Security Guidelines for Federal, State and Local Agencies Receiving Electronic Information from the Social Security Administration," attached as **Attachment 4**. For any tax return data, the State Agency will also comply with the "Tax Information Security Guidelines for Federal, State and Local Agencies," Publication 1075, published by the Secretary of the Treasury and available at the following Internal Revenue Service (IRS) website: http://www.irs.gov/pub/irs-pdf/p1075.pdf. This IRS Publication 1075 is incorporated by reference into this IEA.

F. CONTRACTOR/AGENT RESPONSIBILITIES: The State Agency will restrict access to the data obtained from SSA to only those authorized State employees, contractors, and agents who need such data to perform their official duties in connection with purposes identified in this IEA. At SSA's request, the State Agency will obtain from each of its contractors and agents a current list of the employees of its contractors and agents who have access to SSA data disclosed under this IEA. The State Agency will require its contractors, agents, and all employees of such contractors or agents with authorized access to the SSA data disclosed under this IEA, to comply with the terms and conditions set forth in this IEA, and not to duplicate, disseminate, or disclose such data without obtaining SSA's prior written approval. In addition, the State Agency will comply with the limitations on use, duplication, and redisclosure of SSA data set forth in Section IX. of the CMPPA Agreement, especially with respect to its contractors and agents.

G. SAFEGUARDING AND REPORTING RESPONSIBILITIES FOR PERSONALLY IDENTIFIABLE INFORMATION ("PII"):

1. The State Agency will ensure that its employees, contractors, and agents:
   a. properly safeguard PII furnished by SSA under this IEA from loss, theft or inadvertent disclosure;
   b. understand that they are responsible for safeguarding this information at all times, regardless of whether or not the State employee, contractor, or agent is at his or her regular duty station;
   c. ensure that laptops and other electronic devices/media containing PII are encrypted and/or password protected;
   d. send emails containing PII only if encrypted or if to and from addresses that are secure; and
   e. limit disclosure of the information and details relating to a PII loss only to those with a need to know.

2. If an employee of the State Agency or an employee of the State Agency's contractor or agent becomes aware of suspected or actual loss of PII, he or she must immediately contact the State Agency official responsible for Systems Security designated below or his or her delegate. That State Agency official or delegate must then notify the SSA Regional Office Contact and the SSA Systems Security Contact identified below. If, for any reason, the responsible State Agency official or delegate is unable to notify the SSA Regional Office or the SSA Systems Security Contact within 1 hour, the responsible State Agency official or delegate must call SSA's Network Customer Service Center ("NCSC") at 410-965-7777 or toll free at 1-888-772-6661 to report the actual or suspected loss. The responsible State Agency official or delegate will use the worksheet, attached as **Attachment 5**, to quickly gather and organize information about the incident. The responsible State Agency official or delegate must provide to SSA timely updates as any additional information about the loss of PII becomes available.

3. SSA will make the necessary contact within SSA to file a formal report in accordance with SSA procedures. SSA will notify the Department of Homeland Security's United States Computer Emergency Readiness Team if loss or potential loss of PII related to a data exchange under this IEA occurs.

4. If the State Agency experiences a loss or breach of data, it will determine whether or not to provide notice to individuals whose data has been lost of breached and bear any costs associated with the notice or any mitigation.

H. POINTS OF CONTACT:

FOR SSA

San Francisco Regional Office:

Ellery Brown
Data Exchange Coordinator
Frank Hagel Federal Building
1221 Nevin Avenue
Richmond CA 94801
Phone: (510) 970-8243
Fax: (510) 970-8101
Email: Ellery.Brown@ssa.gov

Data Exchange Issues:

Guy Fortson
Office of Electronic Information Exchange
GD10 East High Rise
6401 Security Boulevard
Baltimore, MD 21235
Phone: (410) 597-1103
Fax: (410) 597-0841
Email: guy.fortson@ssa.gov

Systems Issues:

Pamela Riley
Office of Earnings, Enumeration & Administrative Systems
DIVES/Data Exchange Branch
6401 Security Boulevard
Baltimore, MD 21235
Phone: (410) 965-7993
Fax: (410) 966-3147
Email: Pamela.Riley@ssa.gov

Systems Security Issues:

Michael G. Johnson
Acting Director
Office of Electronic Information Exchange
Office of Strategic Services
6401 Security Boulevard
Baltimore, MD 21235
Phone: (410) 965-0266
Fax: (410) 966-0527
Email: Michael.G.Johnson@ssa.gov

FOR STATE AGENCY

Agreement Issues:

Manuel Urbina
Chief, Security Unit
Policy Operations Branch
Medi-Cal Eligibility Division
1501 Capitol Avenue, MS 4607
Sacramento, CA 95814
Phone: (916) 650-0160
Email: Manuel.Urbina@dhcs.ca.gov

Technical Issues:

Fei Collier
Chief, Application Support Branch
Information Technology Services Division
1615 Capitol Ave, MS 6100
Sacramento, CA 95814
Phone: (916) 440-7036
Email: Fei.Collier@dhcs.ca.gov

I. DURATION: The effective date of this IEA is January 1, 2010. This IEA will remain in effect for as long as: (1) a CMPPA Agreement governing this IEA is in effect between SSA and the State or the State Agency; and (2) the State Agency submits a certification in accordance with Section J. below at least 30 days before the expiration and renewal of such CMPPA Agreement.

J. **CERTIFICATION AND PROGRAM CHANGES:** At least 30 days before the expiration and renewal of the State CMPPA Agreement governing this IEA, the State Agency will certify in writing to SSA that: (1) it is in compliance with the terms and conditions of this IEA; (2) the data exchange processes under this IEA have been and will be conducted without change; and (3) it will, upon SSA's request, provide audit reports or other documents that demonstrate review and oversight activities. If there are substantive changes in any of the programs or data exchange processes listed in this IEA, the parties will modify the IEA in accordance with Section K. below and the State Agency will submit for SSA's approval new program questionnaires under Section C. above describing such changes prior to using SSA's data to administer such new or changed program.

K. **MODIFICATION:** Modifications to this IEA must be in writing and agreed to by the parties.

L. **TERMINATION:** The parties may terminate this IEA at any time upon mutual written consent. In addition, either party may unilaterally terminate this IEA upon 90 days advance written notice to the other party. Such unilateral termination will be effective 90 days after the date of the notice, or at a later date specified in the notice.

SSA may immediately and unilaterally suspend the data flow under this IEA, or terminate this IEA, if SSA, in its sole discretion, determines that the State Agency (including its employees, contractors, and agents) has: (1) made an unauthorized use or disclosure of SSA-supplied data; or (2) violated or failed to follow the terms and conditions of this IEA or the CMPPA Agreement.

M. **INTEGRATION:** This IEA, including all attachments, constitutes the entire agreement of the parties with respect to its subject matter. There have been no representations, warranties, or promises made outside of this IEA. This IEA shall take precedence over any other document that may be in conflict with it.

ATTACHMENTS

1 – CMPPA Agreement
2 – SSA Data Exchange Systems
3 – Systems Security Requirements for SSA Web Access to SSA Information Through ICON
4 – Information System Security Guidelines for Federal, State and Local Agencies Receiving Electronic Information from the Social Security Administration
5 – PII Loss Reporting Worksheet

N. **SSA AUTHORIZED SIGNATURE:** The signatory below warrants and represents that he or she has the competent authority on behalf of SSA to enter into the obligations set forth in this IEA.

SOCIAL SECURITY ADMINISTRATION

Mary G Ann Gallagher for

Michael G. Gallagher
Assistant Deputy Commissioner
for Budget, Finance and Management

5/13/08

Date

O. REGIONAL AND STATE AGENCY SIGNATURES:

SOCIAL SECURITY ADMINISTRATION
REGION IX

Peter D. Spencer
San Francisco Regional Commissioner

10/26/09
Date

THE CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES

The signatory below warrants and represents that he or she has the competent authority on behalf of the State Agency to enter into the obligations set forth in this IEA.

Toby Douglas
Chief Deputy Director, Health Care Programs

10/11/09
Date

CERTIFICATION OF COMPLIANCE
FOR
THE INFORMATION EXCHANGE AGREEMENT
BETWEEN
THE SOCIAL SECURITY ADMINISTRATION (SSA)
AND
THE CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES (STATE AGENCY)

(State Agency Level)

In accordance with the terms of the Information Exchange Agreement (IEA/F) between SSA and the State Agency, the State Agency, through its authorized representative, hereby certifies that, as of the date of this certification:

1. The State Agency is in compliance with the terms and conditions of the IEA/F.

2. The State Agency has conducted the data exchange processes under the IEA/F without change, except as modified in accordance with the IEA/F.

3. The State Agency will continue to conduct the data exchange processes under the IEA/F without change, except as may be modified in accordance with the IEA/F.

4. Upon SSA's request, the State Agency will provide audit reports or other documents that demonstrate compliance with the review and oversight activities required under the IEA/F and the governing Computer Matching and Privacy Protection Act Agreement.

5. In compliance with the requirements of the "Electronic Information Exchange Security Requirements and Procedures for State and Local Agencies Exchanging Electronic Information with the Social Security Administration," (last updated April 2014) Attachment 4 to the IEA/F, as periodically updated by SSA, the State Agency has not made any changes in the following areas that could potentially affect the security of SSA data:

    - General System Security Design and Operating Environment
    - System Access Control
    - Automated Audit Trail
    - Monitoring and Anomaly Detection
    - Management Oversight
    - Data and Communications Security
    - Contractors of Electronic Information Exchange Partners

    The State Agency will submit an updated Security Design Plan at least 30 days prior to making any changes to the areas listed above and provide updated contractor employee lists before allowing new employees' access to SSA provided data.

6. The State Agency agrees that use of computer technology to transfer the data is more economical, efficient, and faster than using a manual process. As such, the State Agency will continue to utilize data exchange to obtain data it needs to administer the programs for which it is authorized under the IEA/F. Further, before directing an individual to an SSA field office to obtain data, the State Agency will verify that the information it submitted to SSA via data exchanges is correct, and verify with the individual that the information he/she supplied is accurate. The use of electronic data exchange expedites program administration and limits SSA field office traffic.

The signatory below warrants and represents that he or she is a representative of the State Agency duly authorized to make this certification on behalf of the State Agency.

DEPARTMENT OF HEALTH CARE SERVICES OF CALIFORNIA

Toby Douglas
Director

10/31/14
Date

ATTACHMENT 1

COMPUTER MATCHING AND PRIVACY PROTECTION ACT AGREEMENT

COMPUTER MATCHING AND PRIVACY PROTECTION ACT AGREEMENT BETWEEN THE SOCIAL SECURITY ADMINISTRATION AND THE HEALTH AND HUMAN SERVICES AGENCY OF CALIFORNIA

I. Purpose and Legal Authority

A. Purpose

This Computer Matching and Privacy Protection Act (CMPPA) Agreement between the Social Security Administration (SSA) and the California Health and Human Services Agency (State Agency) sets forth the terms and conditions governing disclosures of records, information, or data (collectively referred to herein as "data") made by SSA to the State Agency that administers federally funded benefit programs, including those under various provisions of the Social Security Act (Act), such as section 1137 (42 U.S.C. § 1320b-7), as well as the state-funded state supplementary payment programs under Title XVI of the Act. The terms and conditions of this Agreement ensure that SSA makes such disclosures of data, and the State Agency uses such disclosed data, in accordance with the requirements of the Privacy Act of 1974, as amended by the CMPPA of 1988, 5 U.S.C. § 552a.

Under section 1137 of the Act, the State Agency is required to use an income and eligibility verification system to administer specified federally funded benefit programs, including the state-funded state supplementary payment programs under Title XVI of the Act. To assist the State Agency in determining entitlement to and eligibility for benefits under those programs, as well as other federally funded benefit programs, SSA discloses certain data about applicants (and in limited circumstances, members of an applicant's household), for state benefits from SSA Privacy Act Systems of Records (SOR) and verifies the Social Security numbers (SSN) of the applicants.

B. Legal Authority

SSA's authority to disclose data and the State Agency's authority to collect, maintain, and use data protected under SSA SORs for specified purposes is:

- Sections 1137, 453, and 1106(b) of the Act (42 U.S.C. §§ 1320b-7, 653, and 1306(b)) (income and eligibility verification data);
- 26 U.S.C. § 6103(l)(7) and (8) (tax return data);
- Section 202(x)(3)(B)(iv) of the Act (42 U.S.C. § 402(x)(3)(B)(iv)) (prisoner data);

- Section 1611(e)(1)(I)(iii) of the Act (42 U.S.C. § 1382(e)(1)(I)(iii) (Supplemental Security Income (SSI));
- Section 205(r)(3) of the Act (42 U.S.C. § 405(r)(3)) and the Intelligence Reform and Terrorism Prevention Act of 2004, Pub. L. 108-458, § 7213(a)(2) (death data);
- Sections 402, 412, 421, and 435 of Pub. L. 104-193 (8 U.S.C. §§ 1612, 1622, 1631, and 1645) (quarters of coverage data);
- Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA), Pub. L. 111-3 (citizenship data); and
- Routine use exception to the Privacy Act, 5 U.S.C. § 552a(b)(3) (data necessary to administer other programs compatible with SSA programs).

This Agreement further carries out section 1106(a) of the Act (42 U.S.C. § 1306), the regulations promulgated pursuant to that section (20 C.F.R. Part 401), the Privacy Act of 1974 (5 U.S.C. § 552a), as amended by the CMPPA, related Office of Management and Budget (OMB) guidelines, the Federal Information Security Management Act of 2002 (FISMA) (44 U.S.C. § 3541, et seq.), and related National Institute of Standards and Technology (NIST) guidelines, which provide the requirements that the State Agency must follow with regard to use, treatment, and safeguarding of data.

II. Scope

A. The State Agency will comply with the terms and conditions of this Agreement and the Privacy Act, as amended by the CMPPA.

B. The State Agency will execute one or more Information Exchange Agreements (IEA) with SSA, documenting additional terms and conditions applicable to those specific data exchanges, including the particular benefit programs administered by the State Agency, the data elements that will be disclosed, and the data protection requirements implemented to assist the State Agency in the administration of those programs.

C. The State Agency will use the SSA data governed by this Agreement to determine entitlement and eligibility of individuals for one or more of the following programs:

1. Temporary Assistance to Needy Families (TANF) program under Part A of Title IV of the Act;
2. Medicaid provided under an approved State plan or an approved waiver under Title XIX of the Act;
3. State Children's Health Insurance Program (CHIP) under Title XXI of the Act, as amended by the Children's Health Insurance Program Reauthorization Act of 2009;

4. Supplemental Nutritional Assistance Program (SNAP) under the Food Stamp Act of 1977 (7 U.S.C. § 2011, et seq.);
5. Women, Infants and Children Program (WIC) under the Child Nutrition Act of 1966 (42 U.S.C. § 1771, et seq.);
6. Medicare Savings Programs (MSP) under 42 U.S.C. § 1396a(10)(E);
7. Unemployment Compensation programs provided under a state law described in section 3304 of the Internal Revenue Code of 1954;
8. Low Income Heating and Energy Assistance (LIHEAP or home energy grants) program under 42 U.S.C. § 8621;
9. State-administered supplementary payments of the type described in section 1616(a) of the Act;
10. Programs under a plan approved under Titles I, X, XIV, or XVI of the Act;
11. Foster Care and Adoption Assistance under Title IV of the Act;
12. Child Support Enforcement programs under section 453 of the Act (42 U.S.C. § 653);
13. Other applicable federally funded programs administered by the State Agency under Titles I, IV, X, XIV, XVI, XVIII, XIX, XX, and XXI of the Act; and
14. Any other federally funded programs administered by the State Agency that are compatible with SSA's programs.

D. The State Agency will ensure that SSA data disclosed for the specific purpose of administering a particular federally funded benefit program is used only to administer that program.

III. Justification and Expected Results

A. Justification

This Agreement and related data exchanges with the State Agency are necessary for SSA to assist the State Agency in its administration of federally funded benefit programs by providing the data required to accurately determine entitlement and eligibility of individuals for benefits provided under these programs. SSA uses computer technology to transfer the data because it is more economical, efficient, and faster than using manual processes.

B. Expected Results

The State Agency will use the data provided by SSA to improve public service and program efficiency and integrity. The use of SSA data expedites the application process and ensures that benefits are awarded only to applicants that satisfy the State Agency's program criteria. A cost-benefit analysis for the exchange made under this Agreement is not required in accordance with the determination by the SSA Data Integrity Board (DIB) to waive such analysis pursuant to 5 U.S.C. § 552a(u)(4)(B).

IV. Record Description

A. Systems of Records

SSA SORs used for purposes of the subject data exchanges include:

- 60-0058 -- Master Files of SSN Holders and SSN Applications;
- 60-0059 -- Earnings Recording and Self-Employment Income System;
- 60-0090 -- Master Beneficiary Record;
- 60-0103 -- Supplemental Security Income Record (SSR) and Special Veterans Benefits (SVB);
- 60-0269 -- Prisoner Update Processing System (PUPS); and
- 60-0321 -- Medicare Part D and Part D Subsidy File.

The State Agency will only use the tax return data contained in **SOR 60-0059** (Earnings Recording and Self-Employment Income System) in accordance with 26 U.S.C. § 6103.

B. Data Elements

Data elements disclosed in computer matching governed by this Agreement are Personally Identifiable Information (PII) from specified SSA SORs, including names, SSNs, addresses, amounts, and other information related to SSA benefits and earnings information. Specific listings of data elements are available at:

http://www.ssa.gov/dataexchange/

C. Number of Records Involved

The number of records for each program covered under this Agreement is equal to the number of Title II, Title XVI, or Title XVIII recipients resident in the State as recorded in SSA's Annual Statistical Supplement found on the Internet at:

http://www.ssa.gov/policy/docs/statcomps/

This number will fluctuate during the term of this Agreement, corresponding to the number of Title II, Title XVI, and Title XVIII recipients added to, or deleted from, SSA databases.

V. Notice and Opportunity to Contest Procedures

A. Notice to Applicants

The State Agency will notify all individuals who apply for federally funded, state-administered benefits under the Act that any data they provide are subject to verification through computer matching with SSA. The State Agency and SSA

will provide such notice through appropriate language printed on application forms or separate handouts.

B. Notice to Beneficiaries/Recipients/Annuitants

The State Agency will provide notice to beneficiaries, recipients, and annuitants under the programs covered by this Agreement informing them of ongoing computer matching with SSA. SSA will provide such notice through publication in the Federal Register and periodic mailings to all beneficiaries, recipients, and annuitants describing SSA's matching activities.

C. Opportunity to Contest

The State Agency will not terminate, suspend, reduce, deny, or take other adverse action against an applicant for or recipient of federally funded, state-administered benefits based on data disclosed by SSA from its SORs until the individual is notified in writing of the potential adverse action and provided an opportunity to contest the planned action. "Adverse action" means any action that results in a termination, suspension, reduction, or final denial of eligibility, payment, or benefit. Such notices will:

1. Inform the individual of the match findings and the opportunity to contest these findings;

2. Give the individual until the expiration of any time period established for the relevant program by a statute or regulation for the individual to respond to the notice. If no such time period is established by a statute or regulation for the program, a 30-day period will be provided. The time period begins on the date on which notice is mailed or otherwise provided to the individual to respond; and

3. Clearly state that, unless the individual responds to the notice in the required time period, the State Agency will conclude that the SSA data are correct and will effectuate the threatened action or otherwise make the necessary adjustment to the individual's benefit or entitlement.

VI. Records Accuracy Assessment and Verification Procedures

Pursuant to 5 U.S.C. § 552a(p)(1)(A)(ii), SSA's DIB has determined that the State Agency may use SSA's benefit data without independent verification. SSA has independently assessed the accuracy of its benefits data to be more than 99 percent accurate when the benefit record is created.

Prisoner and death data, some of which is not independently verified by SSA, does not have the same degree of accuracy as SSA's benefit data. Therefore, the State

Agency must independently verify these data through applicable State verification procedures and the notice and opportunity to contest procedures specified in Section V of this Agreement before taking any adverse action against any individual.

Based on SSA's Office of Quality Performance "FY 2009 Enumeration Quality Review Report #2—The 'Numident' (January 2011)," the SSA Enumeration System database (the Master Files of SSN Holders and SSN Applications System) used for SSN matching is 98 percent accurate for records updated by SSA employees.

Individuals applying for SSNs report their citizenship status at the time they apply for their SSNs. There is no obligation for an individual to report to SSA a change in his or her immigration status until he or she files for a Social Security benefit. The State Agency must independently verify citizenship data through applicable State verification procedures and the notice and opportunity to contest procedures specified in Section V of this Agreement before taking any adverse action against any individual.

VII. Disposition and Records Retention of Matched Items

A. The State Agency will retain all data received from SSA to administer programs governed by this Agreement only for the required processing times for the applicable federally funded benefit programs and will then destroy all such data.

B. The State Agency may retain SSA data in hardcopy to meet evidentiary requirements, provided that they retire such data in accordance with applicable state laws governing the State Agency's retention of records.

C. The State Agency may use any accretions, deletions, or changes to the SSA data governed by this Agreement to update their master files of federally funded, state-administered benefit program applicants and recipients and retain such master files in accordance with applicable state laws governing the State Agency's retention of records.

D. The State Agency may not create separate files or records comprised solely of the data provided by SSA to administer programs governed by this Agreement.

E. SSA will delete electronic data input files received from the State Agency after it processes the applicable match. SSA will retire its data in accordance with the Federal Records Retention Schedule (44 U.S.C. § 3303a).

VIII. Security Procedures

The State Agency will comply with the security and safeguarding requirements of the Privacy Act, as amended by the CMPPA, related OMB guidelines, FISMA, related

NIST guidelines, and the current revision of Internal Revenue Service (IRS) Publication 1075, *Tax Information Security Guidelines for Federal, State and Local Agencies*, available at http://www.irs.gov. In addition, the State Agency will have in place administrative, technical, and physical safeguards for the matched data and results of such matches. Additional administrative, technical, and physical security requirements governing all data SSA provides electronically to the State Agency, including specific guidance on safeguarding and reporting responsibilities for PII, are set forth in the IEAs.

IX. Records Usage, Duplication, and Redisclosure Restrictions

A. The State Agency will use and access SSA data and the records created using that data only for the purpose of verifying eligibility for the specific federally funded benefit programs identified in the IEA.

B. The State Agency will comply with the following limitations on use, duplication, and redisclosure of SSA data:

1. The State Agency will not use or redisclose the data disclosed by SSA for any purpose other than to determine eligibility for, or the amount of, benefits under the state-administered income/health maintenance programs identified in this Agreement.

2. The State Agency will not extract information concerning individuals who are neither applicants for, nor recipients of, benefits under the state-administered income/health maintenance programs identified in this Agreement. In limited circumstances that are approved by SSA, the State Agency may extract information about an individual other than the applicant/recipient when the applicant/recipient has provided identifying information about the individual and the individual's income or resources affect the applicant's/recipient's eligibility for such program.

3. The State Agency will not disclose to an applicant/recipient information about another individual (i.e., an applicant's household member) without the written consent from the individual to whom the information pertains.

4. The State Agency will use the Federal tax information (FTI) disclosed by SSA only to determine individual eligibility for, or the amount of, assistance under a state plan pursuant to section 1137 programs and child support enforcement programs in accordance with 26 U.S.C. § 6103(l)(7) and (8). The State Agency receiving FTI will maintain all FTI from IRS in accordance with 26 U.S.C. § 6103(p)(4) and the IRS Publication 1075. Contractors and agents acting on behalf of the State Agency will only have access to tax return data where specifically authorized by 26 U.S.C. § 6103 and the current revision IRS Publication 1075.

5. The State Agency will use the citizenship status data disclosed by SSA under CHIPRA, Pub. L. 111-3, only for the purpose of determining entitlement to Medicaid and CHIP programs for new applicants.

6. The State Agency will restrict access to the data disclosed by SSA to only those authorized State employees, contractors, and agents who need such data to perform their official duties in connection with the purposes identified in this Agreement.

7. The State Agency will enter into a written agreement with each of its contractors and agents who need SSA data to perform their official duties whereby such contractor or agent agrees to abide by all relevant Federal laws, restrictions on access, use, and disclosure, and security requirements in this Agreement. The State Agency will provide its contractors and agents with copies of this Agreement, related IEAs, and all related attachments before initial disclosure of SSA data to such contractors and agents. Prior to signing this Agreement, and thereafter at SSA's request, the State Agency will obtain from its contractors and agents a current list of the employees of such contractors and agents with access to SSA data and provide such lists to SSA.

8. The State Agency's employees, contractors, and agents who access, use, or disclose SSA data in a manner or purpose not authorized by this Agreement may be subject to civil and criminal sanctions pursuant to applicable Federal statutes.

9. The State Agency will conduct triennial compliance reviews of its contractor(s) and agent(s) no later than three years after the initial approval of the security certification to SSA. The State Agency will share documentation of its recurring compliance reviews with its contractor(s) and agent(s) with SSA. The State Agency will provide documentation to SSA during its scheduled compliance and certification reviews or upon request.

C. The State Agency will not duplicate in a separate file or disseminate, without prior written permission from SSA, the data governed by this Agreement for any purpose other than to determine entitlement to, or eligibility for, federally funded benefits. The State Agency proposing the redisclosure must specify in writing to SSA what data are being disclosed, to whom, and the reasons that justify the redisclosure. SSA will not give permission for such redisclosure unless the redisclosure is required by law or essential to the conduct of the matching program and authorized under a routine use. To the extent SSA approves the requested redisclosure, the State Agency will ensure that any entity receiving the redisclosed data will comply with the procedures and limitations on use, duplication, and redisclosure of SSA data, as well as all administrative, technical, and physical security requirements governing all data SSA provides electronically to the State Agency including specific guidance on safeguarding and reporting

responsibilities for PII, as set forth in this Agreement and the accompanying IEAs.

X. Comptroller General Access

The Comptroller General (the Government Accountability Office) may have access to all records of the State Agency that the Comptroller General deems necessary to monitor and verify compliance with this Agreement in accordance with 5 U.S.C. § 552a(o)(l)(K).

XI. Duration, Modification, and Termination of the Agreement

A. Duration

1. This Agreement is effective from January 1, 2015 (Effective Date) through June 30, 2016 (Expiration Date).

2. In accordance with the CMPPA, SSA will: (a) publish a Computer Matching Notice in the Federal Register at least 30 days prior to the Effective Date; (b) send required notices to the Congressional committees of jurisdiction under 5 U.S.C. § 552a(o)(2)(A)(i) at least 40 days prior to the Effective Date; and (c) send the required report to OMB at least 40 days prior to the Effective Date.

3. Within 3 months prior the Expiration Date, the SSA DIB may, without additional review, renew this Agreement for a period not to exceed 12 months, pursuant to 5 U.S.C. § 552a(o)(2)(D), if:

   - the applicable data exchange will continue without any change; and
   - SSA and the State Agency certify to the DIB in writing that the applicable data exchange has been conducted in compliance with this Agreement.

4. If either SSA or the State Agency does not wish to renew this Agreement, it must notify the other party of its intent not to renew at least 3 months prior to the Expiration Date.

B. Modification

Any modification to this Agreement must be in writing, signed by both parties, and approved by the SSA DIB.

C. Termination

The parties may terminate this Agreement at any time upon mutual written consent of both parties. Either party may unilaterally terminate this Agreement upon 90 days advance written notice to the other party; such unilateral termination will be effective 90 days after the date of the notice, or at a later date specified in the notice.

SSA may immediately and unilaterally suspend the data flow or terminate this Agreement if SSA determines, in its sole discretion, that the State Agency has violated or failed to comply with this Agreement.

XII. Reimbursement

In accordance with section 1106(b) of the Act, the Commissioner of SSA has determined not to charge the State Agency the costs of furnishing the electronic data from the SSA SORs under this Agreement.

XIII. Disclaimer

SSA is not liable for any damages or loss resulting from errors in the data provided to the State Agency under any IEAs governed by this Agreement. Furthermore, SSA is not liable for any damages or loss resulting from the destruction of any materials or data provided by the State Agency.

XIV. Points of Contact

A. SSA Point of Contact

Regional Office

Dolores Dunnachie, Director
San Francisco Regional Office, Center for Programs Support
1221 Nevin Avenue
Richmond CA 94801
Phone: (510) 970-8444 Fax: (510) 970-8101
Dolores.Dunnachie@ssa.gov

B. State Agency Point of Contact

Sonia Herrera
California Health and Human Services Agency
1600 Ninth Street
Sacramento, CA 95814
Phone: (916) 654-3459 Fax: 916-440-5001
Sonia.Herrera@chhs.ca.gov

XV. SSA and Data Integrity Board Approval of Model CMPPA Agreement

The signatories below warrant and represent that they have the competent authority on behalf of SSA to approve the model of this CMPPA Agreement.

SOCIAL SECURITY ADMINISTRATION

Dawn S. Wiggins
Deputy Executive Director
Office of Privacy and Disclosure
Office of the General Counsel

6-12-14
Date

I certify that the SSA Data Integrity Board approved the model of this CMPPA Agreement.

Kirsten J. Moncada
Chair
SSA Data Integrity Board

7-2-14
Date

XVI. Authorized Signatures

The signatories below warrant and represent that they have the competent authority on behalf of their respective agency to enter into the obligations set forth in this Agreement.

SOCIAL SECURITY ADMINISTRATION

Grace M. Kim
Regional Commissioner
San Francisco

11/6/14
Date

HEALTH AND HUMAN SERVICES AGENCY

Diana S. Dooley
Secretary

October 29, 2014
Date

ATTACHMENT 2

AUTHORIZED DATA EXCHANGE SYSTEM(S)

Attachment 2

Authorized Data Exchange System(s)

BEER (Beneficiary Earnings Exchange Record): Employer data for the last calendar year.

BENDEX (Beneficiary and Earnings Data Exchange): Primary source for Title II eligibility, benefit and demographic data.

LIS (Low-Income Subsidy): Data from the Low-Income Subsidy Application for Medicare Part D beneficiaries -- used for Medicare Savings Programs (MSP).

Medicare 1144 (Outreach): Lists of individuals on SSA roles, who may be eligible for medical assistance for: payment of the cost of Medicare cost-sharing under the Medicaid program pursuant to Sections 1902(a)(10)(E) and 1933 of the Act; transitional assistance under Section 1860D-31(f) of the Act; or premiums and cost-sharing subsidies for low-income individuals under Section 1860D-14 of the Act.

PUPS (Prisoner Update Processing System): Confinement data received from over 2000 state and local institutions (such as jails, prisons, or other penal institutions or correctional facilities) -- PUPS matches the received data with the MBR and SSR benefit data and generates alerts for review/action.

QUARTERS OF COVERAGE (QC): Quarters of Coverage data as assigned and described under Title II of the Act -- The term "quarters of coverage" is also referred to as "credits" or "Social Security credits" in various SSA public information documents, as well as to refer to "qualifying quarters" to determine entitlement to receive Food Stamps.

SDX (SSI State Data Exchange): Primary source of Title XVI eligibility, benefit and demographic data as well as data for Title VIII Special Veterans Benefits (SVB).

SOLQ/SOLQ-I (State On-line Query/State On-line Query-Internet): A real-time online system that provides SSN verification and MBR and SSR benefit data similar to data provided through SVES.

Attachment 2

SVES (State Verification and Exchange System): A batch system that provides SSN verification, MBR benefit information, and SSR information through a uniform data response based on authorized user-initiated queries. The SVES types are divided into five different responses as follows:

SVES I:	This batch provides strictly SSN verification.
SVES I/Citizenship*	This batch provides strictly SSN verification and citizenship data.
SVES II:	This batch provides strictly SSN verification and MBR benefit information
SVES III:	This batch provides strictly SSN verification and SSR/SVB.
SVES IV:	This batch provides SSN verification, MBR benefit information, and SSR/SVB information, which represents all available SVES data.

** Citizenship status data disclosed by SSA under the Children's Health Insurance Program Reauthorization Act of 2009, Pub. L. 111-3 is only for the purpose of determining entitlement to Medicaid and CHIP program for new applicants.*

ATTACHMENT 3 OMITTED

SENSITIVE DOCUMENT

ATTACHMENT 4

ELECTRONIC INFORMATION EXCHANGE SECURITY REQUIREMENTS AND PROCEDURES

This document is SENSITIVE and should not be released to the public without prior authorization from DHCS.

ELECTRONIC INFORMATION EXCHANGE SECURITY REQUIREMENTS AND PROCEDURES FOR STATE AND LOCAL AGENCIES EXCHANGING ELECTRONIC INFORMATION WITH THE SOCIAL SECURITY ADMINISTRATION

SENSITIVE DOCUMENT

VERSION 6.0.2
April 2014

Table of Contents

1. Introduction

2. Electronic Information Exchange Definition

3. Roles and Responsibilities

4. General Systems Security Standards

5. Systems Security Requirements
   - 5.1 Overview
   - 5.2 General System Security Design and Operating Environment
   - 5.3 System Access Control
   - 5.4 Automated Audit Trail
   - 5.5 Personally Identifiable Information
   - 5.6 Monitoring and Anomaly Detection
   - 5.7 Management Oversight and Quality Assurance
   - 5.8 Data and Communications Security
   - 5.9 Incident Reporting
   - 5.10 Security Awareness and Employee Sanctions
   - 5.11 Contractors of Electronic Information Exchange Partners

6. General--Security Certification and Compliance Review Programs
   - 6.1 The Security Certification Program
   - 6.2 Documenting Security Controls in the Security Design Plan
     - 6.2.1 When the SDP and Risk Assessment are Required
   - 6.3 The Certification Process
   - 6.4 The Compliance Review Program and Process
     - 6.5.1 EIEP Compliance Review Participation
     - 6.5.2 Verification of Audit Samples
   - 6.6 Scheduling the Onsite Review

7. Additional Definitions

8. Regulatory References

9. Frequently Asked Questions

10. Diagrams
    - Flow Chart of the OIS Certification Process
    - Flow Chart of the OIS Compliance Review Process
    - Compliance Review Decision Matrix

RECEIVING ELECTRONIC INFORMATION FROM THE SOCIAL SECURITY ADMINISTRATION

1. Introduction

The law requires the Social Security Administration (SSA) to maintain oversight and assure the protection of information it provides to its *Electronic Information Exchange Partners* (EIEP). EIEPs are entities that have information exchange agreements with SSA.

The overall aim of this document is twofold. First, to ensure that SSA can properly certify EIEPs as compliant by the SSA security requirements, standards, and procedures expressed in this document before we grant access to SSA information in a production environment. Second, to ensure that EIEPs continue to adequately safeguard electronic information provided to them by SSA.

This document (which SSA considers SENSITIVE[1] and should only be shared with those who need it to ensure SSA-provided information is safeguarded), describes the security requirements, standards, and procedures EIEPs must meet and implement to obtain information from SSA electronically. This document helps EIEPs understand criteria that SSA uses when evaluating and certifying the system design and security features used for electronic access to SSA-provided information.

The addition, elimination, and modification of security control factors determine which level of security and due diligence SSA requires for the EIEP to mitigate risks. The emergence of new threats, attack methods, and the availability of new technology warrants frequent reviews and revisions to our System Security Requirements (SSR). Consequently, EIEPs should expect SSA's System Security Requirements to evolve in concert with the industry.

EIEPs must comply with SSA's most current SSRs to gain access to SSA-provided data. SSA will work with its partners to resolve deficiencies that occur subsequent to, and after, approval for access if updates to our security requirements cause an agency to be uncompliant. EIEPs may proactively ensure their ongoing compliance with the SSRs by periodically requesting the most current SSR package from their SSA contact. Making periodic adjustments is often necessary.

2. Electronic Information Exchange Definition

For discussion purposes herein, Electronic Information Exchange (EIE) is any electronic process in which SSA discloses information under its control to any third party for any purpose, without the specific consent of the subject individual or agent acting on his or her behalf. EIE involves individual data transactions and data files processed within the systems of parties to electronic information sharing agreements with SSA. These processes include direct terminal access or DTA to SSA systems, batch processing, and variations thereof (e.g., online query) regardless of the systematic method used to accomplish the activity or to interconnect SSA with the EIEP.

[1] Sensitive data - "any information, the loss, misuse, or unauthorized access to or modification of which could adversely affect the national interest or the conduct of Federal programs, or the privacy to which individuals are entitled under 5 U.S.C. Section 552a (The Privacy Act), but that has not been specifically authorized under criteria established by an Executive Order or an Act of Congress to be kept classified in the interest of national defense or foreign policy but is to be protected in accordance with the requirements of the Computer Security Act of 1987 (P.L.100-235)."

3. Roles and Responsibilities

The SSA ***Office of Information Security (OIS)*** has agency-wide responsibility for interpreting, developing, and implementing security policy; providing security and integrity review requirements for all major SSA systems; managing SSA's fraud monitoring and reporting activities; developing and disseminating security training and awareness materials; and providing consultation and support for a variety of agency initiatives. SSA's security reviews ensure that external systems receiving information from SSA are secure and operate in a manner consistent with SSA's Information Technology (IT) security policies and in compliance with the terms of electronic information sharing agreements executed by SSA with outside entities. Within the context of SSA's security policies and the terms of electronic information sharing agreements with SSA's EIEPs, OIS exclusively conducts and brings to closure initial security certifications and periodic security compliance reviews of EIEPs that process, maintain, transmit, or store SSA-provided information in accordance with pertinent Federal requirements which include the following (see also ***Regulatory References***):

a. The **Federal Information Security Management Act (FISMA)** requires the protection of "Federal information in contractor systems, including those systems operated by state and local governments."

b. The Social Security Administration requires EIEPs to adhere to the policies, standards, procedures, and directives published in this Systems Security Requirements (SSR) document.

   Personally Identifiable Information (PII), covered under several Federal laws and statutes, is information about an individual including, but not limited to, personal identifying information including the Social Security Number (SSN).

   The data (last 4 digits of the SSN) that SSA provides to its EIEPs for purposes of the Help America Vote Act (HAVA) does not identify a specific individual; therefore, is not "PII" as defined by the Act.

   However, SSA is diligent in discharging its responsibility for establishing *appropriate* administrative, technical, and physical safeguards to ensure the security, confidentiality, and availability of its records and to protect against any anticipated threats or hazards to their security or integrity.

   ***NOTE: Disclosure of Federal Tax Information (FTI) is limited to certain Federal agencies and state programs supported by federal statutes under Sections 1137, 453, and 1106 of the Social Security Act. For information regarding safeguards for protecting FTI, consult IRS Publication 1075,* Tax Information Security Guidelines for Federal, State, and Local Agencies.**

   The SSA Regional ***Data Exchange Coordinators*** (DECs) serve as a bridge between SSA and state EIEPs. In the security arena, DECs assist OIS in coordinating data exchange security review activities with state and local EIEPs; e.g., they provide points of contact with state agencies, assist in setting up security reviews, etc. DECs are also the first points of contact for states if an employee of a state agency or an employee of a state agency's contractor or

agent becomes aware of a suspected or actual loss of SSA-provided Personally Identifiable Information (PII).

4. General Systems Security Standards

EIEPs that request and receive information electronically from SSA must comply with the following general systems security standards concerning access to and control of SSA-provided information.

NOTE: EIEPs may not create separate files or records comprised solely of the information provided by SSA.

a. EIEPs must ensure that means, methods, and technology used to process, maintain, transmit, or store SSA-provided information neither prevents nor impedes the EIEP's ability to

- safeguard the information in conformance with SSA requirements,
- efficiently investigate fraud, data breaches, or security events that involve SSA-provided information, or
- detect instances of misuse or abuse of SSA-provided information

For example, utilization of cloud computing may have the potential to jeopardize an EIEP's compliance with the terms of their agreement or SSA's associated system security requirements and procedures.

b. EIEPs must use the electronic connection established between the EIEP and SSA only in support of the current agreement(s) between the EIEP and SSA.

c. EIEPs must use the software and/or devices provided to the EIEP only in support of the current agreement(s) between the EIEP and SSA.

d. SSA prohibits modifying any software or devices provided to the EIEPs by SSA.

e. EIEPs must ensure that SSA-provided information is not processed, maintained, transmitted, or stored in or by means of data communications channels, electronic devices, computers, or computer networks located in geographic or virtual areas not subject to U.S. law.

f. EIEPs must restrict access to the information to authorized users who need it to perform their official duties.

NOTE: Contractors and agents (hereafter referred to as contractors) of the EIEP who process, maintain, transmit, or store SSA-provided information are held to the same security requirements as employees of the EIEP. Refer to the section Contractors of Electronic Information Exchange Partners in the Systems Security Requirements for additional information.

g. EIEPs must store information received from SSA in a manner that, at all times, is physically and electronically secure from access by unauthorized persons.

h. The EIEP must process SSA-provided information under the immediate supervision and control of authorized personnel.

i. EIEPs must employ both physical and technological safeguards to prevent unauthorized retrieval of SSA-provided information via computer, remote terminal, or other means.

j. EIEPs must have formal PII incident response procedures. When faced with a security incident caused by malware, unauthorized access, software issues, or acts of nature, the EIEP must be able to respond in a manner that protects SSA-provided information affected by the incident.

k. EIEPs must have an active and robust employee security awareness program, which is mandatory for all employees who access SSA-provided information.

l. EIEPs must advise employees with access to SSA-provided information of the confidential nature of the information, the safeguards required to protect the information, and the civil and criminal sanctions for non-compliance contained in the applicable Federal and state laws.

m. At its discretion, SSA or its designee must have the option to conduct onsite security reviews or make other provisions to ensure that EIEPs maintain adequate security controls to safeguard the information we provide.

5. Systems Security Requirements

5.1 Overview

SSA must certify that the EIEP has implemented controls that meet the requirements and work as intended, before we will authorize initiating transactions to and from SSA through batch data exchange processes or online processes such as State Online Query (SOLQ) or Internet SOLQ (SOLQ-I).

The Technical Systems Security Requirements (TSSRs) address management, operational, and technical aspects of security safeguards to ensure only the authorized disclosure and use of SSA-provided information by SSA's EIEPs.

SSA recommends that the EIEP develop and publish a comprehensive Systems Security Policy document that specifically addresses:

- the classification of information processed and stored within the network,
- administrative controls to protect the information stored and processed within the network,
- access to the various systems and subsystems within the network,
- Security Awareness Training,
- Employee Sanctions Policy,

- Incident Response Policy, and

- the disposal of protected information and sensitive documents derived from the system or subsystems on the network.

SSA's systems security requirements represent the current state-of-the-practice security controls, safeguards, and countermeasures required for Federal information systems by Federal regulations, statutes, standards, and guidelines. Additionally, SSA's systems security requirements also include organizationally defined interpretations, policies, and procedures mandated by the authority of the Commissioner of Social Security in areas when or where other cited authorities may be silent or non-specific.

5.2 General System Security Design and Operating Environment

EIEPs must provide descriptions and explanations of their overall system design, configuration, security features, and operational environment and include explanations of how they conform to SSA's requirements. Explanations must include the following:

- Descriptions of the operating environment(s) in which the EIEP will utilize, maintain, and transmit SSA-provided information

- Descriptions of the business process(es) in which the EIEP will use SSA-provided information

- Descriptions of the physical safeguards employed to ensure that unauthorized personnel cannot access SSA-provided information and details of how the EIEP keeps audit information pertaining to the use and access to SSA-provided information and associated applications readily available

- Descriptions of electronic safeguards, methods, and procedures for protecting the EIEP's network infrastructure and for protecting SSA-provided information while in transit, in use within a process or application, and at rest (stored or not in use)

- Descriptions of how the EIEP prevents unauthorized retrieval of SSA-provided information by computer, remote terminal, or other means, including descriptions of security software other than access control software (e.g., security patch and anti-malware software installation and maintenance, etc.)

- Descriptions of how the configurations of devices (e.g., servers, workstations, and portable devices) involving SSA-provided information comply with recognized industry standards and SSA's system security requirements

- Description of how the EIEP implements adequate security controls (e.g., passwords enforcing sufficient construction strength to defeat or minimize risk-based identified vulnerabilities)

5.3 System Access Control

EIEPs must utilize and maintain technological (logical) access controls that limit access to SSA-provided information and associated transactions and functions to only those users, processes acting on behalf of authorized users, or devices (including other information systems) authorized for such access based on their official duties or purpose(s). EIEPs must employ a recognized user access security software package (e.g. RAC-F, ACF-2, TOP SECRET) or a security software design which is equivalent to such products. The access control software must utilize personal identification numbers (PIN) and passwords or Biometric identifiers in combination with the user's system identification code (userID). The access control software must employ and enforce (1) PIN/password, and/or (2) PIN/biometric identifier, and/or (3) SmartCard/biometric identifier, etc., for authenticating users).

Depending on the computing platform (e.g., client/server (PC), mainframe) and the access software implementation, the terms "PIN" and "user system identification code (userID)" may be, for practical purposes, synonymous. For example, the PIN/password combination may be required for access to an individual's PC after which, the userID/password combination may be required for access to a mainframe application. A biometric identifier may supplant one element in the pair of those combinations. **SSA strongly recommends Two-Factor Authentication.**

The EIEP's implementation of the control software must comply with recognized industry standards. Password policies should enforce sufficient construction strength (length and complexity) to defeat or minimize risk-based identified vulnerabilities and ensure limitations for password repetition. Technical controls should enforce periodic password changes based on a risk-based standard (e.g., maximum password age of 90 days, minimum password age of 3 – 7 days) and enforce automatic disabling of user accounts that have been inactive for a specified period of time (e.g., 90 days).

The EIEP's password policies must also require more stringent password construction (e.g., passwords greater than eight characters in length requiring upper and lower case letters, numbers, and special characters; password phrases) for the user accounts of persons, processes, or devices whose functions require access privileges in excess of those of ordinary users.

EIEPs must have management control and oversight of the function of authorizing individual user access to SSA-provided information and to oversee the process of issuing and managing access control PINs, passwords, biometric identifiers, etc. for access to the EIEP's system.

The EIEP's systems access rules must cover least privilege and individual accountability. The EIEP's rules should include procedures for access to sensitive information and transactions and functions related to it. Procedures should include control of transactions by permissions module, the assignment and limitation of system privileges, disabling accounts of separated employees (e.g., within 24 hours), individual accountability, work at home, dial-up access, and connecting to the Internet.

5.4 Automated Audit Trail

SSA requires EIEPs to implement and maintain a fully automated audit trail system (ATS). The system must be capable of creating, storing, protecting, and efficiently retrieving and collecting records identifying the individual user who initiates a request for information from SSA or accesses SSA-provided information. At a minimum, individual audit trail records must contain the data needed (including date and time stamps) to associate each query transaction or access to SSA-provided information with its initiator, their action, if any, and the relevant business purpose/process (e.g., SSN verification for Medicaid). Each entry in the audit file must be stored as a separate record, not overlaid by subsequent records. The Audit Trail System must create transaction files to capture all input from interactive internet applications which access or query SSA-provided information.

If a State Transmission Component (STC) handles and audits the EIEP's transactions with SSA, the EIEP is responsible for ensuring that the STC's audit capabilities meet SSA's requirements for an automated audit trail system. The EIEP must also establish a process to obtain specific audit information from the STC regarding the EIEP's SSA transactions.

Access to the audit file must be restricted to authorized users with a "need to know." Audit file data must be unalterable (read-only) and maintained for a minimum of three (preferably seven) years. Information in the audit file must be retrievable by an automated method. EIEPs must have the capability to make audit file information available to SSA upon request. EIEPs must back-up audit trail records on a regular basis to ensure their availability. EIEPs must apply the same level of protection to backup audit files that apply to the original files.

If the EIEP retains SSA-provided information in a database (e.g., Access database, SharePoint, etc.), or if certain data elements within the EIEP's system indicate to users that SSA verified the information, the EIEP's system must also capture an audit trail record of users who viewed SSA-provided information stored within the EIEP's system. The retrieval requirements for SSA-provided information at rest and the retrieval requirements for regular transactions are identical.

5.5 Personally Identifiable Information (PII)

PII is any information about an individual maintained by an agency, including (1) any information that can be used to distinguish or trace an individual's identity, such as name, social security number, date and place of birth, mother's maiden name, or biometric records; and (2) any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information. An item such as date and place of birth, mother's maiden name, or father's surname is PII, regardless of whether combined with other data.

SSA defines ***a PII loss*** as a circumstance when SSA has reason to believe that information on hard copy or in electronic format, which contains PII provided by SSA, left the EIEP's custody or the EIEP disclosed it to an unauthorized individual or entity. PII loss is a reportable incident (refer to ***Incident Reporting***).

If a PII loss involving SSA-provided information occurs or is suspected, the EIEP must be able to quantify the extent of the loss and compile a complete list of the individuals potentially affected by the incident (refer to ***Incident Reporting***).

5.6 Monitoring and Anomaly Detection

SSA recommends that EIEPs use an Intrusion Protection System (IPS) or an Intrusion Detection System (IDS). The EIEP must establish and/or maintain continuous monitoring of its network infrastructure and assets to ensure the following:

- The EIEP's security controls continue to be effective over time
- Only authorized individuals, devices, and processes have access to SSA-provided information
- The EIEP detects efforts by external and internal entities, devices, or processes to perform unauthorized actions (i.e., data breaches, malicious attacks, access to network assets, software/hardware installations, etc.) as soon as they occur
- The necessary parties are immediately alerted to unauthorized actions performed by external and internal entities, devices, or processes
- Upon detection of unauthorized actions, measures are immediately initiated to prevent or mitigate associated risk
- In the event of a data breach or security incident, the EIEP can efficiently determine and initiate necessary remedial actions
- The trends, patterns, or anomalous occurrences and behavior in user or network activity that may be indicative of potential security issues are readily discernible

The EIEP's system must include the capability to prevent employees from unauthorized browsing of SSA records. SSA strongly recommends the use of a transaction-driven **permission module design**, whereby employees are unable to initiate transactions not associated with the normal business process. If the EIEP uses such a design, they then need anomaly detection to detect and monitor employee's unauthorized attempts to gain access to SSA-provided information and attempts to obtain information from SSA for clients not in the EIEP's client system. The EIEP should employ measures to ensure the permission module's integrity. Users should not be able to create a bogus case and subsequently delete it in such a way that it goes undetected.

If the EIEP's design does not ***currently*** use a permission module ***and*** is not transaction-driven, until at least one of these security features exists, the EIEP must develop and implement **compensating security controls** to deter employees from browsing SSA records. These controls must include monitoring and anomaly detection features, either systematic, manual, or a combination thereof. Such features must include the capability to detect anomalies in the volume and/or type of transactions or queries requested or initiated by individuals and include systematic or manual procedures for verifying that requests and queries of SSA-provided information comply with valid official business purposes. The system must also produce reports that allow management and/or supervisors to monitor user activity, such as the following:

- **User ID Exception Reports:**

  This type of report captures information about users who enter incorrect user IDs when attempting to gain access to the system or to the transaction that initiates requests for information from SSA, including failed attempts to enter a password.

- **Inquiry Match Exception Reports:**

  This type of report captures information about users who may be initiating transactions for SSNs that have no client case association within the EIEP's system **(the EIEP's management should review 100 percent of these cases).**

- **System Error Exception Reports:**

  This type of report captures information about users who may not understand or may be violating proper procedures for access to SSA-provided information.

- **Inquiry Activity Statistical Reports:**

  This type of report captures information about transaction usage patterns among authorized users and is a tool which enables the EIEP's management to monitor typical usage patterns in contrast to extraordinary usage patterns.

The EIEP must have a process for distributing these monitoring and exception reports to appropriate local managers/supervisors or to local security officers. The process must ensure that only those whose responsibilities include monitoring anomalous activity of users, to include those who have exceptional system rights and privileges, use the reports.

5.7 Management Oversight and Quality Assurance

The EIEP must establish and/or maintain ongoing management oversight and quality assurance capabilities to ensure that only authorized employees have access to SSA-provided information. They must ensure ongoing compliance with the terms of the EIEP's electronic information sharing agreement with SSA and the SSRs established for access to SSA-provided information. The entity responsible for management oversight must consist of one or more of the EIEP's management officials whose job functions include responsibility to ensure that the EIEP only grants access to the appropriate employees and position types which require SSA-provided information to do their jobs.

The EIEP must ensure that employees granted access to SSA-provided information receive adequate training on the sensitivity of the information, associated safeguards, operating procedures, and the penalties for misuse.

SSA recommends that EIEPs establish the following job functions and require that employees tasked with these job functions do not also share the same job functions as personnel who request or use information from SSA.

- Perform periodic self-reviews to monitor the EIEP's ongoing usage of SSA-provided information.

- Perform random sampling of work activity that involves SSA-provided information to determine if the access and usage comply with SSA's requirements.

5.8 Data and Communications Security

EIEPs must encrypt PII and SSA-provided information when transmitting across dedicated communications circuits between its systems, intrastate communications between its local office locations, and on the EIEP's mobile computers, devices and removable media. The EIEP's encryption methods should align with the Standards established by the National Institute of Standards and Technology (NIST). SSA recommends the Advanced Encryption Standard (AES) or triple DES (Data Encryption Standard 3), if AES is unavailable, encryption method for securing SSA-provided information during transport. Files encrypted for external users (when using tools such as Microsoft WORD encryption,) require a key length of nine characters. We also recommend that the key (also referred to as a *password*) contain both special characters and a number. SSA requires that the EIEP deliver the key so that the key does not accompany the media. The EIEP must secure the key when not in use or unattended.

SSA discourages the use of the public Internet for transmission of SSA-provided information. If however, the EIEP uses the public Internet or other electronic communications, such as emails and faxes to transmit SSA-provided information, they must use a secure encryption protocol such as Secure Socket Layer (SSL) or Transport Layer Security (TLS). SSA also recommends 256-bit encryption protocols or more secure methods such as Virtual Private Network technology. The EIEP should only send data to a secure address or device to which the EIEP can control and limit access to only specifically authorized individuals and/or processes. **SSA recommends that EIEPs use Media Access Control (MAC) Filtering and Firewalls to protect access points from unauthorized devices attempting to connect to the network.**

EIEPs should not retain SSA-provided information any longer than business purpose(s) dictate. The Information Exchange Agreement with SSA stipulates a time for data retention. The EIEP should delete, purge, destroy, or return SSA-provided information when the business purpose for retention no longer exists.

The EIEP may not save or create separate files comprised solely of information provided by SSA. The EIEP may apply specific SSA-provided information to the EIEP's matched record from a preexisting data source. Federal law prohibits duplication and redisclosure of SSA-provided information without written approval. The prohibition applies to both internal and external sources who do not have a "need-to-know[2]." **SSA recommends that EIEPs use either Trusted Platform Module (TPM) or Hardware Security Module (HSM) technology solutions to encrypt data at rest on hard drives and other data storage media.**

EIEPs must prevent unauthorized disclosure of SSA-provided information after they complete processing and after the EIEP no longer requires the information. The EIEP's operational processes must ensure that no residual SSA-provided information remains on the hard drives of user's workstations after the user exits the application(s) that use SSA-provided information. If the EIEP must send a computer, hard drive, or other computing or storage device offsite for repair, the EIEP must have a non-disclosure clause in their contract with the vendor. If the EIEP used the item in connection with a business process that involved SSA-provided information and the vendor will retrieve or may view SSA-provided information during servicing, SSA reserves the right to inspect

[2] Need-to-know - access to the information must be necessary for the conduct of one's official duties.

the EIEP's vendor contract. The EIEP must remove SSA-provided information from electronic devices before sending it to an external vendor for service. SSA expects the EIEP to render it unrecoverable or destroy the electronic device if they do not need to recover the data. The same applies to excessed, donated, or sold equipment placed into the custody of another organization.

To sanitize media, the EIEP should use one of the following methods:

- **Overwriting**

Overwrite utilities can only be used on working devices. Overwriting is appropriate only for devices designed for multiple reads and writes. The EIEP should overwrite disk drives, magnetic tapes, floppy disks, USB flash drives, and other rewriteable media. The overwrite utility must completely overwrite the media. SSA recommends the use of ***purging*** media sanitization to make the data irretrievable and to protect data against laboratory attacks or forensics. Please refer to ***Definitions*** for more information regarding ***Media Sanitization***). Reformatting the media does not overwrite the data.

- **Degaussing**

Degaussing is a sanitization method for magnetic media (e.g., disk drives, tapes, floppies, etc.). Degaussing is not effective for purging non-magnetic media (e.g., optical discs). Degaussing requires a certified tool designed for particular types of media. Certification of the tool is required to ensure that the magnetic flux applied to the media is strong enough to render the information irretrievable. The degaussing process must render data on the media irretrievable by a laboratory attack or laboratory forensic procedures (refer to ***Definitions*** for more information regarding ***Media Sanitization***).

- **Physical destruction**

Physical destruction is the method when degaussing or over-writing cannot be accomplished (for example, CDs, floppies, DVDs, damaged tapes, hard drives, damaged USB flash drives, etc.). Examples of physical destruction include shredding, pulverizing, and burning.

State agencies may retain SSA-provided information in hardcopy only if required to fulfill evidentiary requirements, provided the agencies retire such data in accordance with applicable state laws governing retention of records. The EIEP must control print media containing SSA-provided information to restrict its access to authorized employees who need such access to perform their official duties. EIEPs must destroy print media containing SSA-provided information in a secure manner when it is no longer required for business purposes. The EIEP should destroy paper documents that contain SSA-provided information by burning, pulping, shredding, macerating, or other similar means that ensure the information is unrecoverable.

NOTE: Hand tearing or lining through documents to obscure information does not meet SSA's requirements for appropriate destruction of PII.

The EIEP must employ measures to ensure that communications and data furnished to SSA contain no viruses or other malware.

Special Note: **If SSA-provided information will be stored in a commercial**

cloud, please provide the name and address of the cloud provider. Also, please describe the security features contractually required of the cloud provider to protect SSA-provided information.

5.9 Incident Reporting

SSA requires EIEPs to develop and implement policies and procedures to respond to data breaches or PII loses. You must explain how your policies and procedures conform to SSA's requirements. The procedures must include the following information:

If the EIEP experiences or suspects a breach or loss of PII or a security incident, which includes SSA-provided information, they must notify the State official responsible for Systems Security designated in the agreement. That State official or delegate must then notify the SSA Regional Office Contact and the SSA Systems Security Contact identified in the agreement. If, for any reason, the responsible State official or delegate is unable to notify the SSA Regional Office or the SSA Systems Security Contact ***within one hour****, the responsible State Agency official or delegate must report the incident by contacting* ***SSA's National Network Service Center (NNSC) toll free at 877-697-4889*** *(select "Security and PII Reporting" from the options list). The EIEP will provide updates as they become available to the SSA contact, as appropriate. Refer to the worksheet provided in the agreement to facilitate gathering and organizing information about an incident.*

The EIEP must agree to absorb all costs associated with notification and remedial actions connected to security breaches, if SSA determines that the risk presented by the breach or security incident requires the notification of the subject individuals. **SSA recommends that EIEPs seriously consider establishing incident response teams to address PII breaches.**

5.10 Security Awareness and Employee Sanctions

The EIEP must designate a department or party to take the responsibility to provide ongoing security awareness training for employees who access SSA-provided information. Training must include:

- The sensitivity of SSA-provided information and address the Privacy Act and other Federal and state laws governing its use and misuse
- Rules of behavior concerning use and security in systems processing SSA-provided information
- Restrictions on viewing and/or copying SSA-provided information
- The employee's responsibility for proper use and protection of SSA-provided information including its proper disposal
- Security incident reporting procedures
- Basic understanding of procedures to protect the network from malware attacks

- Spoofing, Phishing, and Pharming scam prevention

- The possible sanctions and penalties for misuse of SSA-provided information

SSA requires the EIEP to provide security awareness training to all employees and contractors who access SSA-provided information. The training should be annual, mandatory, and certified by the personnel who receive the training. SSA also requires the EIEP to certify that each employee or contractor who views SSA-provided data also certify that they understand the potential criminal and administrative sanctions or penalties for unlawful disclosure.

5.11 Contractors of Electronic Information Exchange Partners

As previously stated in ***The General Systems Security Standards***, contractors of the EIEP must adhere to the same security requirements as employees of the EIEP. The EIEP is responsible for the oversight of its contractors and the contractor's compliance with the security requirements. The EIEP will enter into a written agreement with each of its contractors and agents who need SSA data to perform their official duties, whereby such contractors or agents agree to abide by all relevant Federal laws, restrictions on access, use, disclosure, and the security requirements in this Agreement.

The EIEP's employees, contractors, and agents who access, use, or disclose SSA data in a manner or purpose not authorized by this Agreement may be subject to both civil and criminal sanctions pursuant to applicable Federal statutes. The EIEP will provide its contractors and agents with copies of this Agreement, related IEAs, and all related attachments before initial disclosure of SSA data to such contractors and agents. Prior to signing this Agreement, and thereafter at SSA's request, the EIEP will obtain from its contractors and agents a current list of the employees of such contractors and agents with access to SSA data and provide such lists to SSA.

The EIEP must be able to provide proof of the contractual agreement If the contractor processes, handles, or transmits information provided to the EIEP by SSA or has authority to perform on the EIEP's behalf, the EIEP should clearly state the specific roles and functions of the contractor. The EIEP will provide SSA written certification that the contractor is meeting the terms of the agreement, including SSA security requirements. The certification will be subject to our final approval before redisclosing our information.

The EIEP must also require that contractors who will process, handle, or transmit information provided to the EIEP by SSA sign an agreement with the EIEP that obligates the contractor to follow the terms of the EIEP's data exchange agreement with SSA. The EIEP or the contractor must provide a copy of the data exchange agreement to each of the contractor's employees before disclosing data and make certain that the contractor's employees receive the same security awareness training as the EIEP's employees. The EIEP should maintain awareness-training records for the contractor's employees and require the same annual certification procedures.

The EIEP will be required to conduct the review of contractors and is responsible for ensuring compliance of its contractors with security and privacy requirements and limitations. As such, the EIEP will subject the contractor to ongoing security compliance

reviews that must meet SSA standards. The EIEP will conduct compliance reviews at least triennially commencing no later than three (3) years after the approved initial security certification to SSA; and must provide SSA with written documentation of recurring compliance reviews, with the contractor, subject to our approval.

If the EIEP's contractor will be involved with the processing, handling, or transmission of information provided to the EIEP by SSA offsite from the EIEP, the EIEP must have the contractual option to perform onsite reviews of that offsite facility to ensure that the following meet SSA's requirements:

- safeguards for sensitive information
- computer system safeguards
- security controls and measures to prevent, detect, and resolve unauthorized access to, use of, and redisclosure of SSA-provided information
- continuous monitoring of the EIEP contractors' network infrastructures and assets

6. General -- Security Certification and Compliance Review Programs

SSA's security certification and compliance review programs are distinct processes. The certification program is a one-time process when an EIEP initially requests electronic access to SSA-provided information. The certification process entails two rigorous stages intended to ensure that technical, management, and operational security measures work as designed. SSA must ensure that the EIEPs fully conform to SSA's security requirements and satisfy both stages of the certification process before SSA will permit online access to its data in a production environment.

The compliance review program, however, ensures that the suite of security measures implemented by an EIEP to safeguard SSA-provided information remains in full compliance with SSA's security standards and requirements. The compliance review program applies to both online and batch access to SSA-provided information. Under the compliance review program, EIEPs are subject to ongoing and periodic security reviews by SSA.

6.1 The Security Certification Program

The security certification process applies to EIEPs that seek online electronic access to SSA information and consists of two general phases:

- Phase One: The Security Design Plan (SDP) phase is a formal written plan authored by the EIEP to comprehensively document its technical and non-technical security controls to safeguard SSA-provided information (refer to ***Documenting Security Controls in the Security Design Plan***).+

  NOTE: **SSA may have legacy EIEPs (EIEPs not certified under the current process) who have not prepared an SDP. OIS strongly recommends that these EIEPs prepare an SDP.**

  The EIEP's preparation and maintenance of a current SDP will aid them in determining potential compliance issues prior to reviews, assuring continued compliance with SSA's security requirements, and providing for

more efficient security reviews.

- Phase 2: The SSA Onsite Certification phase is a formal onsite review conducted by SSA to examine the full suite of technical and non-technical security controls implemented by the EIEP to safeguard data obtained from SSA electronically (refer to ***The Certification Process***).

6.2 Documenting Security Controls in the Security Design Plan (SDP)

6.2.1 When the SDP and Risk Assessment are Required

EIEPs must submit an SDP and a security risk assessment (RA) for evaluation when one or more of the following circumstances apply. The RA must be in electronic format. It must include discussion of the measures planned or implemented to mitigate risks identified by the RA and (as applicable) risks associated with the circumstances below:

- to obtain approval for requested access to SSA-provided information for an initial agreement
- to obtain approval to reestablish previously terminated access to SSA-provided data
- to obtain approval to implement a new operating or security platform that will involve SSA-provided information
- to obtain approval for significant changes to the EIEP's organizational structure, technical processes, operational environment, data recovery capabilities, or security implementations planned or made since approval of their most recent SDP or of their most recent successfully completed security review
- to confirm compliance when one or more security breaches or incidents involving SSA-provided information occurred since approval of the EIEP's most recent SDP or of their most recent successfully completed security review
- to document descriptions and explanations of measures implemented as the result of a data breach or security incident
- to document descriptions and explanations of measures implemented to resolve non-compliancy issue(s)
- to obtain a new approval after SSA revoked approval of the most recent SDP

SSA may require a new SDP if changes occurred (other than those listed above) that may affect the terms of the EIEP's information sharing agreement with SSA.

SSA will not approve the SDP or allow the initiation of transactions and/or access to SSA-provided information before the EIEP complies with the SSRs.

An SDP must satisfactorily document the EIEP's compliance with all of SSA's SSRs in order to provide the minimum level of security acceptable to SSA for its EIEP's access to SSA-provided information.

EIEP's must correct deficiencies identified through the evaluation of the SDP and submit a revised SDP that incorporates descriptions and explanations of the measures implemented to

eliminate the deficiencies. SSA cannot grant access to SSA-provided information until the EIEP corrects the deficiencies, documents the SDP, and SSA approves the revisions. The EIEP will communicate the implementation of corrective actions to SSA on a regular basis. SSA will withhold final approval until the EIEP can rectify all deficiencies.

SSA may revoke the approval of the EIEP's SDP and its access to SSA-provided information if we learn the EIEP is non-compliant with one or more SSRs. The EIEP must submit a revised SDP, which incorporates descriptions and explanations of the measures the EIEP will implement to resolve the non-compliance issue(s). The EIEP must communicate the progress of corrective action(s) to SSA on a regular basis. SSA will consider the EIEP in non-compliant status until resolution of the issue(s), the EIEP's SDP documents the corrections, and we approve the SDP. If, within a reasonable time as determined by SSA, the EIEP is unable to rectify a deficiency determined by SSA to present a substantial risk to SSA-provided information or to SSA, SSA will withhold approval of the SDP and discontinue the flow of SSA-provided information.

NOTE: **EIEPs that function only as an STC, transferring SSA-provided information to other EIEPs must, per the terms of their agreements with SSA, adhere to SSA's System Security Requirements (SSR) and exercise their responsibilities regarding protection of SSA-provided information.**

6.3 The Certification Process

Once the EIEP has successfully satisfied Phase 1, SSA will conduct an onsite certification review. The objective of the onsite review is to ensure the EIEP's non-technical and technical controls safeguard SSA-provided information from misuse and improper disclosure and that those safeguards function and work as intended.

At its discretion, SSA may request that the EIEP participate in an onsite review and compliance certification of their security infrastructure.

The onsite review may address any or all of SSA's security requirements and include, when appropriate:

- a demonstration of the EIEP's implementation of each requirement
- random sampling of audit records and transactions submitted to SSA
- a walkthrough of the EIEP's data center to observe and document physical security safeguards
- a demonstration of the EIEP's implementation of electronic exchange of data with SSA
- discussions with managers/supervisors
- examination of management control procedures and reports (e.g., anomaly detection reports, etc.)
- demonstration of technical tools pertaining to user access control and if appropriate, browsing prevention, specifically:
    - If the design is based on a permission module or similar design, or it is transaction driven, the EIEP will demonstrate how the system triggers requests for information from SSA.

- If the design is based on a permission module, the EIEP will demonstrate how the process for requests for SSA-provided information prevent SSNs not present in the EIEP's system from sending requests to SSA. We will attempt to obtain information from SSA using at least one, randomly created, fictitious number not known to the EIEPs system.

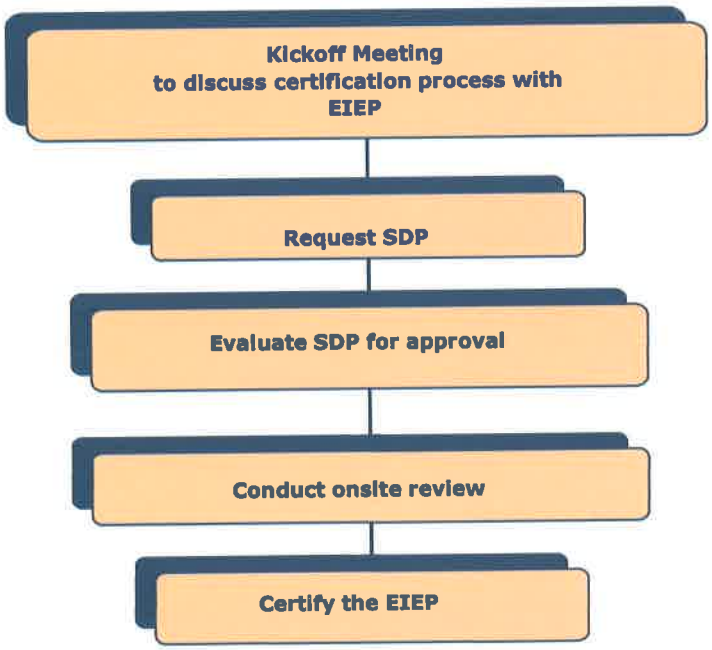
During a certification or compliance review, SSA or a certifier acting on its behalf, may request a demonstration of the EIEP's audit trail system (ATS) and its record retrieval capability. The certifier may request a demonstration of the ATS' capability to track the activity of employees who have the potential to access SSA-provided information within the EIEP's system. The certifier may request more information from those EIEPs who use an STC to handle and audit transactions. We will conduct a demonstration to see how the EIEP obtains audit information from the STC regarding the EIEP's SSA transactions.

If an STC handles and audits an EIEP's transactions, SSA requires the EIEP to demonstrate both their own in-house audit capabilities and the process used to obtain audit information from the STC.

If the EIEP employs a contractor who processes, handles, or transmits the EIEP's SSA-provided information offsite, SSA, at its discretion, may include the contractor's facility in the onsite certification review. The inspection may occur with or without a representative of the EIEP.

Upon successful completion of the onsite certification exercise, SSA will authorize electronic access to production data by the EIEP. SSA will provide written notification of its certification to the EIEP and all appropriate internal SSA components.

The following is a high-level flow chart of the OIS Certification Process:

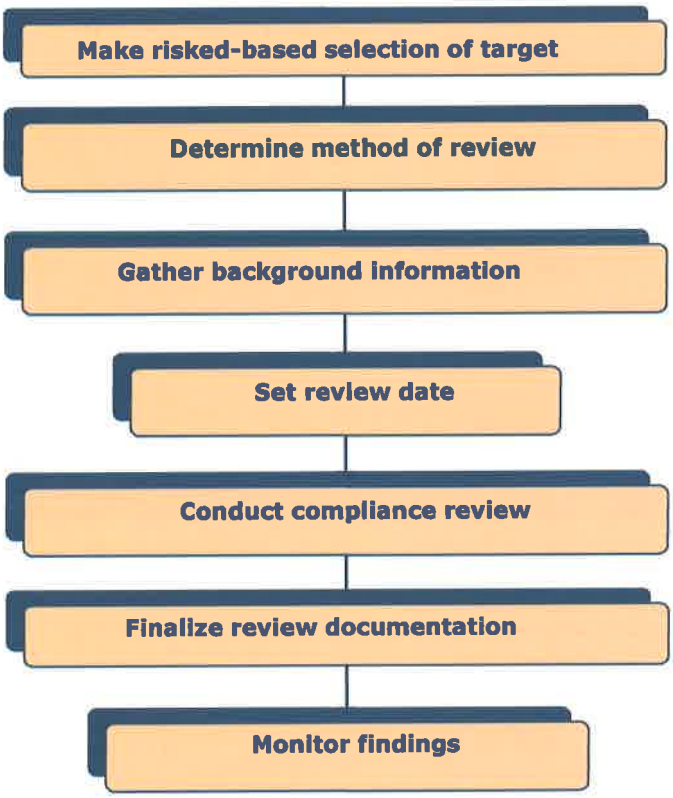


6.5 The Compliance Review Program and Process

Similar to the certification process, the compliance review program entails a rigorous process intended to ensure that EIEPs who receive electronic information from SSA are in full compliance with the Agency's security requirements and standards. As a practice, SSA attempts to conduct compliance reviews following a two to five year periodic review schedule. However, as circumstances warrant, a review may take place at any time. Three prominent examples that would trigger an ad hoc review are:

- a significant change in the outside EIEP's computing platform
- a violation of any of SSA's systems security requirements
- an unauthorized disclosure of SSA information by the EIEP

The following is a high-level flow chart of the OIS Compliance Review Process:



SSA may conduct onsite compliance reviews and include both the EIEP's main facility and a field office.

SSA may, also at its discretion, request that the EIEP participate in an onsite compliance review of their security infrastructure to confirm the implementation of SSA's security requirements.

The onsite review may address any or all of SSA's security requirements and include, where appropriate:

- a demonstration of the EIEP's implementation of each requirement
- random sampling of audit records and transactions submitted to SSA
- a walkthrough of the EIEP's data center to observe and document physical security safeguards
- a demonstration of the EIEP's implementation of online exchange of data with SSA
- discussions with managers/supervisors
- examination of management control procedures and reports (e.g. anomaly detection reports, etc.)
- demonstration of technical tools pertaining to user access control and, if appropriate, browsing prevention:
    - If the design uses a permission module or similar design, or is transaction driven, the EIEP will demonstrate how the system triggers requests for information from SSA.
    - If the design uses a permission module, the EIEP will demonstrate the process used to request SSA-provided information and prevent the EIEP's system from processing SSNs not present in the EIEP's system. We can accomplish this by attempting to obtain information from SSA using at least one, randomly created, fictitious number not known to the EIEP's system.

SSA may, at its discretion, perform an onsite or remote review for reasons including, but not limited to the following:

- the EIEP has experienced a security breach or incident involving SSA-provided information
- the EIEP has unresolved non-compliancy issue(s)
- to review an offsite contractor's facility that processes SSA-provided information
- the EIEP is a legacy organization that has not yet been through SSAs security certification and compliance review programs
- the EIEP requested that SSA perform an IV & V (Independent Verification and Validation review)

During the compliance review, SSA, or a certifier acting on its behalf, may request a demonstration of the system's audit trail and retrieval capability. The certifier may request a demonstration of the system's capability for tracking the activity of employees who view SSA-provided information within the EIEP's system. The certifier may request EIEPs that have STCs that handle and audit transactions with SSA to demonstrate the process used to obtain audit information from the STC.

If an STC handles and audits the EIEP's transactions with SSA, we may require the EIEP to demonstrate both their in-house audit capabilities and the processes used to obtain audit information from the STC regarding the EIEP's transactions with SSA.

If the EIEP employs a contractor who will process, handle, or transmit the EIEP's SSA-provided information offsite, SSA, at its discretion, may include in the onsite compliance review an onsite inspection of the contractor's facility. The inspection may occur with or without a representative of the EIEP. The format of the review in routine circumstances (i.e., the compliance review is not being conducted to address a special circumstance, such as a disclosure violation) will generally consist of reviewing and updating the EIEP's compliance with the systems security requirements described above in this document. At the conclusion of the review, SSA will issue a formal report to appropriate EIEP personnel. The Final Report will address findings and recommendations from SSA's compliance review, which includes a plan for monitoring each issue until closure.

NOTE: SSA handles documentation provided for compliance reviews as sensitive information. The information is only accessible to authorized individuals who have a need for the information as it relates to the EIEP's compliance with its electronic information sharing agreement with SSA and the associated system security requirements and procedures. SSA will not retain the EIEP's documentation any longer than required. SSA will delete, purge, or destroy the documentation when the retention requirement expires.

The following is a high-level example of the analysis that aids SSA in making a preliminary determination as to which review format is appropriate. We may also use additional factors to determine whether SSA will perform an onsite or remote compliance review.

- **High/Medium Risk Criteria**
  - undocumented closing of prior review finding(s)
  - implementation of technical/operational controls that affect security of SSA-provided information (e.g. implementation of new data access method)
  - PII breach
- **Low Risk Criteria**
  - no prior review finding(s) or prior finding(s) documented as closed
  - no implementation of technical/operational controls that impact security of SSA-provided information (e.g. implementation of new data access method)
  - no PII breach

6.5.1 EIEP Compliance Review Participation

SSA may request to meet with the following persons during the compliance review:

- a sample of managers and/or supervisors responsible for enforcing and monitoring ongoing compliance to security requirements and procedures to assess their level of training to monitor their employee's use of SSA-provided information, and for reviewing reports and taking necessary action
- the individuals responsible for performing security awareness and employee sanction functions to learn how you fulfill this requirement
- a sample of the EIEP's employees to assess their level of training and understanding of the requirements and potential sanctions applicable to the use and misuse of SSA-provided information

- the individual(s) responsible for management oversight and quality assurance functions to confirm how your agency accomplishes this requirement
- additional individuals as deemed appropriate by SSA

6.5.2 Verification of Audit Samples

Prior to or during the compliance review, SSA will present to the EIEP a sampling of transactions previously submitted to SSA for verification. SSA requires the EIEP to verify whether each transaction was, per the terms of their agreement with SSA, legitimately submitted by a user authorized to do so.

SSA requires the EIEP to provide a written attestation of the transaction review results. The document must provide:

- confirmation that each sample transaction located in the EIEP's audit file submitted by its employee(s) was for legitimate and authorized business purposes
- an explanation for each sample transaction located in the EIEP's audit file(s) determined to have been unauthorized
- an explanation for each sample transaction not found in the EIEP's ATS

When SSA provides the sample transactions to the EIEP, detailed instructions will be included. Only an official responsible for the EIEP is to provide the attestation.

6.6 Scheduling the Onsite Review

SSA will not schedule the onsite review until we approve the EIEP's SDP. SSA will send approval notification via email. There is no prescribed period for arranging the subsequent onsite review (***certification review*** for an EIEP requesting initial access to SSA-provided information for an initial agreement or ***compliance review*** for other EIEPs). Unless there are compelling circumstances precluding it, the onsite review will follow as soon as reasonably possible.

However, the scheduling of the onsite review may depend on additional factors including:

- the reason for submission of a plan
- the severity of security issues, if any
- circumstances of the previous review, if any
- SSA workload considerations

Although the scheduling of the review is contingent upon approval of the SDP, SSA may perform an onsite review prior to approval if we determine that it is necessary to complete our evaluation of a plan.

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7. Additional Definitions

Back Button:

Refers to a button on a web browser's toolbar, the *backspace button* on a computer keyboard, a programmed keyboard button or mouse button, etc., that returns a user to a previously visited web page or application screen.

Breach:

Refers to actual loss, loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where unauthorized persons have access or potential access to PII or Covered Information, whether physical, electronic, or in spoken word or recording.

Browsing:

Requests for or queries of SSA-provided information for purposes not related to the performance of official job duties.

Choke Point:

The firewall between a local network and the Internet is a choke point in network security, because any attacker would have to come through that channel, which is typically protected and monitored.

Cloud Computing:

The term refers to Internet-based computing derived from the cloud drawing representing the Internet in computer network diagrams. Cloud computing providers deliver on-line and on-demand Internet services. Cloud Services normally use a browser or Web Server to deliver and store information.

Cloud Computing (NIST SP 800-145 Excerpt):

Cloud computing is a model for enabling ubiquitous, convenient, on-demand network access to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications, and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction. This cloud model is composed of five essential characteristics, three service models, and four deployment models.

Essential Characteristics:

On-demand self-service - A consumer can unilaterally provision computing capabilities, such as server time and network storage, as needed automatically without requiring human interaction with each service provider.

Broad network access - Capabilities are available over the network and accessed through standard mechanisms that promote use by heterogeneous thin or thick client platforms (e.g.,

mobile phones, tablets, laptops, and workstations).

Resource pooling - The provider's computing resources are pooled to serve multiple consumers using a multi-tenant model, with different physical and virtual resources dynamically assigned and reassigned according to consumer demand. There is a sense of location independence in that the customer generally has no control or knowledge over the exact location of the provided resources but may be able to specify location at a higher level of abstraction (e.g., country, state, or datacenter). Examples of resources include storage, processing, memory, and network bandwidth.

Rapid elasticity - Capabilities can be elastically provisioned and released, in some cases automatically, to scale rapidly outward and inward commensurate with demand. To the consumer, the capabilities available for provisioning often appear to be unlimited and can be appropriated in any quantity at any time.

Measured service - Cloud systems automatically control and optimize resource use by leveraging a metering capability1 at some level of abstraction appropriate to the type of service (e.g., storage, processing, bandwidth, and active user accounts). Resource usage can be monitored, controlled, and reported, providing transparency for both the provider and consumer of the utilized service.

Service Models:

Software as a Service (SaaS) - The capability provided to the consumer is to use the provider's applications running on a cloud infrastructure2. The applications are accessible from various client devices through either a thin client interface, such as a web browser (e.g., web-based email), or a program interface. The consumer does not manage or control the underlying cloud infrastructure including network, servers, operating systems, storage, or even individual application capabilities, with the possible exception of limited user-specific application configuration settings.

Platform as a Service (PaaS) - The capability provided to the consumer is to deploy onto the cloud infrastructure consumer-created or acquired applications created using programming languages, libraries, services, and tools supported by the provider.3 The consumer does not manage or control the underlying cloud infrastructure including network, servers, operating systems, or storage, but has control over the deployed applications and possibly configuration settings for the application-hosting environment.

Infrastructure as a Service (IaaS) - The capability provided to the consumer is to provision processing, storage, networks, and other fundamental computing resources where the consumer is able to deploy and run arbitrary software, which can include operating systems and applications. The consumer does not manage or control the underlying cloud infrastructure but has control over operating systems, storage, and deployed applications; and possibly limited control of select networking components (e.g., host firewalls).

Deployment Models:

Private cloud - The cloud infrastructure is provisioned for exclusive use by a single organization comprising multiple consumers (e.g., business units). It may be owned, managed, and operated by the organization, a third party, or some combination of them, and it may exist on or off premises.

Community cloud - The cloud infrastructure is provisioned for exclusive use by a specific community of consumers from organizations that have shared concerns (e.g., mission, security requirements, policy, and compliance considerations). It may be owned, managed, and operated by one or more of the organizations in the community, a third party, or some combination of them, and it may exist on or off premises.

Public cloud - The cloud infrastructure is provisioned for open use by the general public. It may be owned, managed, and operated by a business, academic, or government organization, or some combination of them. It exists on the premises of the cloud provider.

Hybrid cloud - The cloud infrastructure is a composition of two or more distinct cloud infrastructures (private, community, or public) that remain unique entities, but are bound together by standardized or proprietary technology that enables data and application portability (e.g., cloud bursting for load balancing between clouds).

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1 Typically this is done on a pay-per-use or charge-per-use basis.

2 A cloud infrastructure is the collection of hardware and software that enables the five essential characteristics of cloud computing. The cloud infrastructure can be viewed as containing both a physical layer and an abstraction layer. The physical layer consists of the hardware resources that are necessary to support the cloud services being provided, and typically includes server, storage and network components. The abstraction layer consists of the software deployed across the physical layer, which manifests the essential cloud characteristics. Conceptually the abstraction layer sits above the physical layer.

3 This capability does not necessarily preclude the use of compatible programming languages, libraries, services, and tools from other sources.

Cloud Drive:

A cloud drive is a Web-based service that provides storage space on a remote server.

Cloud Audit:

Cloud Audit is a specification developed at Cisco Systems, Inc. that provides cloud computing service providers a standard way to present and share detailed, automated statistics about performance and security.

Commingling:

Commingling is the creation of a common database or repository that stores and maintains both SSA-provided and preexisting EIEP PII.

Degaussing:

Degaussing is the method of using a "special device" (i.e., a device that generates a magnetic field) in order to disrupt magnetically recorded information. Degaussing can be effective for purging damaged media and media with exceptionally large storage capacities. Degaussing is not effective for purging non-magnetic media (e.g., optical discs).

Dial-up:

Sometimes used synonymously with *dial-in*, refers to digital data transmission over the wires of a local telephone network.

Function:

One or more persons or organizational components assigned to serve a particular purpose, or perform a particular role. The purpose, activity, or role assigned to one or more persons or organizational components.

Hub:

As it relates to electronic data exchange with SSA, a hub is an organization, which serves as an electronic information conduit or distribution collection point. The term Hub is interchangeable with the terms "StateTransmission Component," "State Transfer Component," or "STC."

ICON:

Interstate Connection Network (various entities use 'Connectivity' rather than 'Connection')

IV & V:

Independent Verification and Validation

Legacy System:

A term usually referring to a corporate or organizational computer system or network that utilizes outmoded programming languages, software, and/or hardware that typically no longer receives support from the original vendors or developers.

Manual Transaction:

A user-initiated operation (also referred to as a "user-initiated transaction"). This is the opposite of a system-generated automated process.

Example: A user enters a client's information including the client's SSN and presses the "ENTER" key to acknowledge that input of data is complete. A new screen appears with multiple options, which include "VERIFY SSN" and

"CONTINUE". The user has the option to verify the client's SSN or perform alternative actions.

Media Sanitization:

- Disposal: Refers to the discarding (e.g., recycling) of media that contains no sensitive or confidential data.

- Clearing: This type of media sanitization is adequate for protecting information from a robust keyboard attack. Clearing must prevent retrieval of information by data, disk, or file recovery utilities. Clearing must be resistant to keystroke recovery attempts executed from standard input devices and from data scavenging tools. For example, overwriting is an acceptable method for clearing media. Deleting items, however, is not sufficient for clearing.

  This process may include overwriting all addressable locations of the data, as well as its logical storage location (e.g., its file allocation table). The aim of the overwriting process is to replace or obfuscate existing information with random data. Most rewriteable media may be cleared by a single overwrite. This method of sanitization is not possible on un-writeable or damaged media.

- Purging: This type of media sanitization is a process that protects information from a laboratory attack. The terms *clearing* and *purging* are sometimes synonymous. However, for some media, clearing is not sufficient for purging (i.e., protecting data from a laboratory attack). Although most re-writeable media requires a single overwrite, purging may require multiple rewrites using different characters for each write cycle.
  This is because a laboratory attack involves threats with the capability to employ non-standard assets (e.g., specialized hardware) to attempt data recovery on media outside of that media's normal operating environment.

  Degaussing is also an example of an acceptable method for purging magnetic media. The EIEP should destroy media if purging is not a viable method for sanitization.

- Destruction: Physical destruction of media is the most effective form of sanitization. Methods of destruction include burning, pulverizing, and shredding. Any residual medium should be able to withstand a laboratory attack.

Permission module:

A utility or subprogram within an application, which automatically enforces the relationship of a request for or query of SSA-provided information to an authorized process or transaction before initiating a transaction. For example, requests for verification of an SSN for issuance of a driver's license happens automatically from within a state driver's license application. The System will not allow a user to request information from SSA unless the EIEP's client system contains a record of the subject individual's SSN.

Screen Scraping:

Screen scraping is normally associated with the programmatic collection of visual data from a source. Originally, screen scraping referred to the practice of reading text data from a computer display terminal's screen. This involves reading the terminal's memory through its auxiliary port, or by connecting the terminal output port of one computer system to an input port on another. The term screen scraping is synonymous with the term bidirectional exchange of data.

A screen scraper might connect to a legacy system via Telnet, emulate the keystrokes needed to navigate the legacy user interface, process the resulting display output, extract the desired data, and pass it on to a modern system.

More modern screen scraping techniques include capturing the bitmap data from a screen and running it through an optical character reader engine, or in the case of graphical user interface applications, querying the graphical controls by programmatically obtaining references to their underlying programming objects.

Security Breach:

An act from outside an organization that bypasses or violates security policies, practices, or procedures.

Security Incident:

A security incident happens when a fact or event signifies the possibility that a breach of security may be taking place, or may have taken place. All threats are security incidents, but not all security incidents are threats.

Security Violation:

An act from within an organization that bypasses or disobeys security policies, practices, or procedures.

Sensitive data:

Any information, the loss, misuse, or unauthorized access to or modification of which could adversely affect the national interest of the conduct of federal programs, or the privacy to which individuals are entitled under section 552a of title 5, United States Code (the Privacy Act), but which has not been specifically authorized under criteria established by an Executive Order or an Act of Congress to be kept secret in the interest of national defense or foreign policy.

SMDS (Switched Multimegabit Data Service (SMDS):

SMDS is a telecommunications service that provides connectionless, high-performance, packet-switched data transport. Although not a protocol, it supports standard protocols and
communications interfaces using current technology.

SSA-provided data/information:

Synonymous with "SSA-supplied data/information." Defines information under the control of SSA that is provided to an external entity under the terms of an information exchange agreement with SSA. The following are examples of

SSA-provided data/information:

- SSA's response to a request from an EIEP for information from SSA (e.g., date of death)

- SSA's response to a query from an EIEP for verification of an SSN

SSA data/information:

This term, sometimes used interchangeably with "SSA-provided data/information", denotes information under the control of SSA that is provided to an external entity under the terms of an information exchange agreement with SSA. However, **"SSA data/information"** also includes information provided to the EIEP by a source other than SSA, but which the EIEP attests to that SSA verified it, or the EIEP couples the information with data from SSA as to to certify the accuracy of the information. The following are examples of SSA information:

- SSA's response to a request from an EIEP for information from SSA (e.g., date of death)

- SSA's response to a query from an EIEP for verification of an SSN

- Display by the EIEP of SSA's response to a query for verification of an SSN ***and*** the associated SSN provided by SSA

- Display by the EIEP of SSA's response to a query for verification of an SSN ***and*** the associated SSN provided to the EIEP by a source other than SSA

- Electronic records that contain only SSA's response to a query for verification of an SSN ***and*** the associated SSN whether provided to the EIEP by SSA or a source other than SSA

SSN:

Social Security Number

STC:

A State Transmission/Transfer Component is an organization that performs as an electronic information conduit or collection point for one or more other entities (also referred to as a hub).

System-generated transaction:

A transaction automatically triggered by an automated system process.

Example: A user enters a client's information including the client's SSN on an input screen and presses the "ENTER" key to acknowledge that input of data is complete. An automated process then matches the SSN against the organization's database and when the systems finds no match, automatically sends an electronic request for verification of the SSN to SSA.

Systems process:

The Term "Systems Process" refers to a software program module that runs in the background within an automated batch, online, or other process.

Third Party:

This term pertains to an entity (person or organization) provided access to SSA-provided information by an EIEP or other SSA business partner for which one or more of the following apply:

- is not stipulated access to SSA-provided information by an information-sharing agreement between an EIEP and SSA
- has no information-sharing agreement with SSA
- SSA does not directly authorize access to SSA-provided information

Transaction-driven:

This term pertains to an automatically initiated online query of or request for SSA information by an automated transaction process (e.g., driver license issuance, etc.). The query or request will only occur the automated process meets prescribed conditions.

Uncontrolled transaction:

This term pertains to a transaction that falls outside a permission module. An uncontrolled transaction is not subject to a systematically enforced relationship between an authorized process or application and an existing client record.

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8. Regulatory References

Federal Information Processing Standards

(FIPS) Publications Federal Information

Security Management Act of 2002 (FISMA)

Homeland Security Presidential Directive

(HSPD-12)

National Institute of Standards and Technology (NIST) Special Publications

Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Internal Control*

Office of Management and Budget (OMB) Circular A-130, Appendix III, *Management of Federal Information Resources*

Office of Management and Budget (OMB) Memo M-06-16, *Protection of Sensitive Agency Information, June 23, 2006*

Office of Management and Budget (OMB) Memo M-07-16, *Memorandum for the Heads of Executive Departments and Agencies May 22, 2007*

Office of Management and Budget (OMB) Memo M-07-17, *Safeguarding Against and Responding to the Breach of Personally Identifiable Information, May 22, 2007*

Privacy Act of 1974

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9. Frequently Asked Questions
(Click links for answers or additional information)

1. Q: What is a breach of data?
   A: Refer also to Security Breach, Security Incident, and Security Violation.

2. Q: What is employee browsing?
   A: Requests for or queries of SSA-provided information for purposes not related to the performance of official job duties

3. Q: Okay, so the SDP was submitted. Can the Onsite Review be scheduled now?
   A: Refer to Scheduling the Onsite Review.

4. Q: What is a "Permission Module"?
   A: A utility or subprogram within an application, which automatically enforces the relationship of a request for or query of SSA-provided information to an authorized process or transaction before initiating a transaction. For example, if requests for verification of an SSN for issuance of a driver's license happens automatically from within a state driver's license application. The System will not allow a user to request information from SSA unless the EIEP's client system contains a record of the subject individual's SSN.

5. Q: What is meant by Screen Scraping?
   A: Screen scraping is normally associated with the programmatic collection of visual data from a source. Originally, screen scraping referred to the practice of reading text data from a computer display terminal's screen. This involves reading the terminal's memory through its auxiliary port, or by connecting the terminal output port of one computer system to an input port on another. The term screen scraping is synonymous with the term bidirectional exchange of data.

   A screen scraper might connect to a legacy system via Telnet, emulate the keystrokes needed to navigate the legacy user interface, process the resulting display output, extract the desired data, and pass it on to a modern system.

   More modern screen scraping techniques include capturing the bitmap data from a screen and running it through an optical character reader engine, or in the case of graphical user interface applications, querying the graphical controls by programmatically obtaining references to their underlying programming objects.

6. Q: When does an EIEP have to submit an SDP?
   A: Refer to When the SDP and RA are Required.

7. Q: Does an EIEP have to submit an SDP when the agreement is

renewed?

A: The EIEP does not have to submit an SDP ***because*** the agreement between the EIEP and SSA was renewed. There are, however, circumstances that require an EIEP to submit an SDP. Refer to When the SDP and RA are Required.

8. Q: Is it acceptable to save SSA data with a verified indicator on a (EIEP) workstation if the EIEP uses an encrypted hard drive? If not, what options does the agency have?

A: There is no problem with an EIEP saving SSA-provided information on the encrypted hard drives of computers used to process SSA data if the EIEP retains the information only as provided for in the EIEP's data-sharing agreement with SSA. Refer to Data and Communications Security.

9. Q: Does SSA allow EIEPs to use caching of SSA-provided information on the EIEP's workstations?

A: Caching during processing is not a problem. However, SSA-provided information must clear from the cache when the user exits the application. Refer to Data and Communications Security.

10. Q: What does the term "interconnections to other systems" mean?

A: As used in SSA's system security requirements document, the term "interconnections" is the same as the term "connections."

11. Q: Is it acceptable to submit the SDP as a .PDF file?

A: No, it is not. The document must remain editable.

12. Q: Should the EIEP write the SDP from the standpoint of my agency's SVES access itself, or from the standpoint of access to all data provided to us by SSA?

A: The SDP is to encompass your agency's electronic access to SSA-provided information as per the electronic data sharing agreement between your agency and SSA. Refer to Developing the SDP.

13. Q: If we have a "transaction-driven" system, do we still need a permission module? If employees cannot initiate a query to SSA, why would we need the permission module?

A: "Transaction driven" basically means that queries automatically submit requests (and it might depend on the transaction). Depending on the system's design, queries might not be automatic or it may still permit manual transactions. A system may require manual transactions to correct an error. SSA does not prohibit manual transactions if an ATS properly tracks such transactions. If a "transaction-driven" system permits any type of alternate access; it still requires a permission module, even if it restricts users from performing manual transactions. If the system does ***not*** require the user to be in a particular application or the query to be for an existing record in the EIEP's system ***before*** the system will allow a query to go through to SSA, it would still need a permission module.

14. Q: What is an Onsite Compliance Review?

A: The Onsite Compliance Review is the process wherein SSA performs periodic site visits to its Electronic Information Exchange Partners (EIEP) to certify whether the EIEP's technical, managerial, and operational security measures for protecting data obtained electronically from SSA continue to conform to the terms of the EIEP's data sharing agreements with SSA and SSA's associated system security requirements and procedures. Refer to the Compliance Review Program and Process.

15. Q: What are the criteria for performing an Onsite Compliance Review?
A: The following are criteria for performing the Onsite Compliance Review:

- EIEP initiating new access or new access method for obtaining information from SSA
- EIEP's cyclical review (previous review was performed remotely)
- EIEP has made significant change(s) in its operating or security platform involving SSA-provided information
- EIEP experienced a breach of SSA-provided personally identifying information (PII)
- EIEP has been determined to be high-risk

Refer also to the Review Determination Matrix.

16. Q: What is a Remote Compliance Review?
A: The Remote Compliance Review is when SSA conducts the meetings remotely (e.g., via conference calls). SSA schedules conference calls with its EIEPs to determine whether the EIEPs technical, managerial, and operational security measures for protecting data obtained electronically from SSA continue to conform to the terms of the EIEP's data sharing agreements with SSA and SSA's associated system security requirements and procedures. Refer to the Compliance Review Program and Process.

17. Q: What are the criteria for performing a Remote Compliance Review?
A: The EIEP must satisfy the following criteria to qualify for a Remote Compliance Review:

- EIEP's cyclical review (SSA's previous review yielded no findings or the EIEP satisfactorily resolved cited findings)
- EIEP has made no significant change(s) in its operating or security platform involving SSA-provided information
- EIEP has not experienced a breach of SSA-provided personally identifiable information (PII) since its previous compliance review.
- SSA rates the EIEP as a low-risk agency or state

Refer also to the Review Determination Matrix

ATTACHMENT 5

WORKSHEET FOR REPORTING LOSS OR POTENTIAL LOSS OF PERSONALLY IDENTIFIABLE INFORMATION

ATTACHMENT 5 **09/27/06**

Worksheet for Reporting Loss or Potential Loss of Personally Identifiable Information

1. Information about the individual making the report to the NCSC:

Name:					
Position:					
Deputy Commissioner Level Organization:					
Phone Numbers:					
Work:		Cell:		Home/Other:	
E-mail Address:					
Check one of the following:					
Management Official		Security Officer		Non-Management	

2. Information about the data that was lost/stolen:

Describe what was lost or stolen (e.g., case file, MBR data):

Which element(s) of PII did the data contain?

Name		Bank Account Info	
SSN		Medical/Health Information	
Date of Birth		Benefit Payment Info	
Place of Birth		Mother's Maiden Name	
Address		Other (describe):	

Estimated volume of records involved:

3. How was the data physically stored, packaged and/or contained?

Paper or Electronic? (circle one):

If Electronic, what type of device?

Laptop		Tablet		Backup Tape		Blackberry	
Workstation		Server		CD/DVD		Blackberry Phone #	
Hard Drive		Floppy Disk		USB Drive			
Other (describe):							

ATTACHMENT 5 **09/27/06**

Additional Questions if Electronic:

	Yes	No	Not Sure
a. Was the device encrypted?			
b. Was the device password protected?			
c. If a laptop or tablet, was a VPN SmartCard lost?			
Cardholder's Name:			
Cardholder's SSA logon PIN:			
Hardware Make/Model:			
Hardware Serial Number:			

Additional Questions if Paper:

	Yes	No	Not Sure
a. Was the information in a locked briefcase?			
b. Was the information in a locked cabinet or drawer?			
c. Was the information in a locked vehicle trunk?			
d. Was the information redacted?			
e. Other circumstances:			

4. **If the employee/contractor who was in possession of the data or to whom the data was assigned is not the person making the report to the NCSC (as listed in #1), information about this employee/contractor:**

Name:					
Position:					
Deputy Commissioner Level Organization:					
Phone Numbers:					
Work:		Cell:		Home/Other:	
E-mail Address:					

5. **Circumstances of the loss:**
   a. When was it lost/stolen?

   b. Brief description of how the loss/theft occurred:

   c. When was it reported to SSA management official (date and time)?

6. **Have any other SSA components been contacted? If so, who? (Include deputy commissioner level, agency level, regional/associate level component names)**

ATTACHMENT 5 **09/27/06**

7. Which reports have been filed? (include FPS, local police, and SSA reports)

Report Filed	Yes	No	Report Number
Federal Protective Service			
Local Police			

	Yes	No
SSA-3114 (Incident Alert)		
SSA-342 (Report of Survey)		
Other (describe)		

8. Other pertinent information (include actions under way, as well as any contacts with other agencies, law enforcement or the press):

AGENDA REQUEST FORM

BOARD OF SUPERVISORS
COUNTY OF INYO

For Clerk's Use Only:
AGENDA NUMBER
12

☒ Consent ☐ Departmental ☐ Correspondence Action ☐ Public Hearing

☐ Scheduled Time ☐ Closed Session ☐ Informational

FROM: Planning Department

FOR THE BOARD MEETING OF: July 12, 2016

SUBJECT: Amendment No. Four to the contract between the County of Inyo and Willdan Engineering

DEPARTMENTAL RECOMMENDATION: Request the Board approve Amendment No. Four to the contract between County of Inyo and Willdan Engineering (Willdan) to (1) revise Section 2 (Term) of the Agreement to extend the termination date of the Agreement to December 31, 2017; and (2) amend Section 3(D) (Limit Upon Amount Payable under Agreement) to increase the contract limit by $10,000 to a total of $90,500; and (3) authorize the Chairperson to sign, contingent upon the adoption of future budgets and obtaining appropriate signatures.

SUMMARY DISCUSSION: On June 19, 2012, the Board entered into a sole-source Contract with Willdan Engineering to provide Planning Services related to the Inyo National Forest (INF) Plan Update/Revision. To date, Mr. Doug Wilson of Willdan has worked with the County and the US Forest Service to develop a Memorandum of Understanding outlining how the County and the Forest Service will coordinate during the Plan Revision process and has reviewed and provided comments on all of the documents that the Forest Service has released up to this point. Mr. Wilson has participated in meetings on behalf of County staff and has continually worked to ensure that the County's voice is heard throughout the Plan Revision process.

Mr. Wilson has a long history with the County and the Inyo National Forest's planning projects from the Travel Management Plan to the 2012 Planning Rule update and through the entire Inyo Forest Plan revision to present. Mr. Wilson served as the County's Interim Public Works Director from May 2008 to February 2009 and the Interim Planning Director from the fall of 2008 to June 2009. During this time, he represented the County for the Forest Service's Travel Management Plan where he advocated the County's interests during its development. The County and the Forest Service did not always agree during this process on the interpretations by the Forest Service of the County's General Plan; the consistency between the County's General Plan and Travel Management Policy; the County's role as a coordinating agency; and, the alternatives chosen for the Environmental Impact Statement (EIS), primarily that the EIS only analyzed the impacts from the addition of roads and not the impacts from removing them on socio-economics. The Forest Service did eventually provide additional information and an updated socioeconomic effect analysis in the FEIS based on the County's concerns.

Also in 2009, a Notice of Intent was published in the Federal Register to prepare an EIS for the Forest Service's new Planning Rule. The Planning Rule is used by the Forest Service to guide and direct the development and adoption of individual forest plans. Mr. Wilson worked on ensuring the County's concerns were addressed by the Forest Service during this process. Issues that were of utmost importance to the County that were included in the 2012 Planning Rule are: the requirement for the assessment of social, cultural and economic conditions and the evaluation of the benefits to people from the Forests; also, the contributions of multiple uses to local, regional and national economies. Further, the sustainability of multiple uses, social and economic factors and recreation were also included.

Mr. Wilson returned as Interim Public Works Director in January 2011 and continued in this role until August 2013. During this time and until present, he has assisted the Inyo County Planning Department, through his tenure as the Interim Planning Director and through his role as a consultant, as a cooperating agency with the Forest Service in developing the Forest Plan revision. Mr. Wilson and Willdan have been involved in the Forest Plan revision since before its onset. His history and involvement in the process beginning with the Travel Management Plan, Planning Rule, and the current development of the Plan revision and accompanying Environmental Impact Statement (DEIS), make his services invaluable going forward. He has consistently represented the County's interests in discussions with the Forest Service and through written comments.

The additional work that Willdan will be assisting with includes reviewing and providing comments on the Plan Revision and corresponding DEIS, participating in coordination meetings, and potentially attending staff meetings and public meetings on behalf of the County. Willdan's scope of work allows the County to utilize Willdan's staff with expertise in planning and other technical topics to review and provide input into the Forest Plan revision and DEIS. The additional funding and time is necessary to allow for the County to continue utilizing Willdan's expertise through next fiscal year's budget process.

ALTERNATIVES: The Board could not approve the amendment. This is not recommended as Willdan's expertise is an invaluable asset for the County to utilize in reviewing the INF Plan Revision and EIS documents.

OTHER AGENCY INVOLVEMENT: Department of Agriculture, U.S. Forest Service; Mono, Fresno, Madera, and Tuolumne counties; Town of Mammoth Lakes and City of Bishop; Inyo County Counsel, Water Department, Sheriff, Agriculture Commission; other interested person and organizations.

FINANCING: Adequate funding has been identified in the preliminary Planning Department budget. Staff has recommended it for Board approval to be included in the Fiscal Year 2016-2017 Budget (023800) in Object Code 5265 (Professional Services) to compensate Willdan for its services. Revenue for the additional resources is available in Operating Transfers In (Revenue Code 4998). This funding is provided via Geothermal Royalties, and has been utilized for the expenses related to the Willdan contract.

APPROVALS	
COUNTY COUNSEL:	AGREEMENTS, CONTRACTS AND ORDINANCES AND CLOSED SESSION AND RELATED ITEMS *(Must be reviewed and approved by county counsel prior to submission to the board clerk.)* Approved: _____ Date 06/22/16
AUDITOR/CONTROLLER:	ACCOUNTING/FINANCE AND RELATED ITEMS (*Must be reviewed and approved by the auditor-controller prior to submission to the board clerk.)* Approved: yes Date 6/23/2016
PERSONNEL DIRECTOR:	PERSONNEL AND RELATED ITEMS (Must be reviewed and approved by the director of personnel services prior to submission to the board clerk.) Approved: ✓ Date 6/28/16

DEPARTMENT HEAD SIGNATURE:
(Not to be signed until all approvals are received) _____ Date: 6/28/16

Attachment

Proposed Contract Amendment (Willdan)

AMENDMENT NO. FOUR TO THE AGREEMENT BETWEEN THE COUNTY OF INYO AND WILLDAN ENGINEERING FOR THE PROVISION OF PLANNING SERVICES

WHEREAS, the County of Inyo (hereinafter referred to as "County") and Willdan Engineering (hereinafter referred to as Contractor) have entered into an Agreement for the provision of professional services dated June 19, 2012 on County of Inyo Standard Contract No. 156 for the term from July 1, 2012 to June 30, 2014.

WHEREAS, County and Contractor do desire to consent to amend such Agreement as set forth below.

WHEREAS, such Agreement provides that it may be modified, amended, changed, added to, or subtracted from, by the mutual consent of the parties thereto, if such amendment or change is in written form, and executed with the same formalities as such Agreement, and attached to the original Agreement to maintain continuity.

WHEREAS, County and Contractor amended said Agreement on June 19, 2012 to (1) extend the termination date of the Agreement to December 31, 2014 and (2) increase the total sum of all payments made by the County to Consultant for services and work performed under agreement to $66,500.

WHEREAS, County and Contractor amended said Agreement on November 4, 2014 to (1) extend the termination date of the Agreement to December 31, 2015 and (2) increase the total sum of all payments made by the County to Consultant for services and work performed under agreement to $70,500.

WHEREAS, County and Contractor amended said Agreement on October 13, 2015 to (1) extend the termination date of the Agreement to December 31, 2016 and (2) increase the total sum of all payments made by the County to Consultant for services and work performed under agreement to $80,500.

County and Contractor hereby amend such Agreement as follows:

Revise Section 2 (Term) of the Agreement to extend the termination date of the Agreement to December 31, 2017.

Amend Section 3(D) (Limit Upon Amount Payable under Agreement) to increase the total sum of all payments made by the County to Consultant for services and work performed under agreement to $90,500.

AMENDMENT NO. FOUR TO THE AGREEMENT BETWEEN THE COUNTY OF INYO AND WILLDAN ENGINEERING FOR THE PROVISION OF PLANNING SERVICES

IN WITNESS THEREOF, THE PARTIES HERETO HAVE SET THEIR HANDS AND SEALS THIS ____DAY OF _____, _____.

COUNTY	**CONTRACTOR**
By:_____	By: William Clayett
Dated:_____	Dated: 6/16/16

APPROVED AS TO FORM AND LEGALITY:

_____
County Counsel

APPROVED AS TO ACCOUNTING FORM:

_____
County Auditor

APPROVED AS TO PERSONNEL REQUIREMENTS:

_____
Director of Personnel Services

APPROVED AS TO RISK ASSESSMENT:

_____
County Risk Manager

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AMENDMENT NO. THREE TO THE AGREEMENT BETWEEN THE COUNTY OF INYO AND WILLDAN ENGINEERING FOR THE PROVISION OF PLANNING SERVICES

IN WITNESS THEREOF, THE PARTIES HERETO HAVE SET THEIR HANDS AND SEALS THIS 13th DAY OF October, 2015.

COUNTY

By: _____

Dated: 10-13-15

CONTRACTOR

By: _____
William C Paget
SR. Vice Pres.

Dated: 9-11-15

APPROVED AS TO FORM AND LEGALITY:

_____
County Counsel

APPROVED AS TO ACCOUNTING FORM:

_____
County Auditor

APPROVED AS TO PERSONNEL REQUIREMENTS:

S. Dishion/wdc
Director of Personnel Services

APPROVED AS TO RISK ASSESSMENT:

_____
County Risk Manager

AMENDMENT NO. TWO TO THE AGREEMENT BETWEEN THE COUNTY OF INYO AND WILLDAN ENGINEERING FOR THE PROVISION OF PLANNING SERVICES

WHEREAS, the County of Inyo (hereinafter referred to as "County") and Willdan Engineering (hereinafter referred to as Contractor) have entered into an Agreement for the provision of professional services dated June 19, 2012 on County of Inyo Standard Contract No. 156 for the term from July 1, 2012 to June 30, 2014.

WHEREAS, County and Contractor do desire to consent to amend such Agreement as set forth below.

WHEREAS, such Agreement provides that it may be modified, amended, changed, added to, or subtracted from, by the mutual consent of the parties thereto, if such amendment or change is in written form, and executed with the same formalities as such Agreement, and attached to the original Agreement to maintain continuity.

WHEREAS, County and Contractor amended said Agreement on June 19, 2012 to (1) extend the termination date of the Agreement to December 31, 2014 and (2) increase the total sum of all payments made by the County to Consultant for services and work performed under agreement to $66,500.

County and Contractor hereby amend such Agreement as follows:

Revise Section 2 (Term) of the Agreement to extend the termination date of the Agreement to December 31, 2015.

Amend Section 3(D) (Limit Upon Amount Payable under Agreement) to increase the total sum of all payments made by the County to Consultant for services and work performed under agreement to $70,500.

APPROVALS	
COUNTY COUNSEL:	AGREEMENTS, CONTRACTS AND ORDINANCES AND CLOSED SESSION AND RELATED ITEMS *(Must be reviewed and approved by county counsel prior to submission to the board clerk.)* Margaret Kemp-Williams Approved: ✓ Date 10/28/14
AUDITOR/CONTROLLER:	ACCOUNTING/FINANCE AND RELATED ITEMS (*Must be reviewed and approved by the auditor-controller prior to submission to the board clerk.)* Approved: ✓ Date 10/29/2014
PERSONNEL DIRECTOR:	PERSONNEL AND RELATED ITEMS (Must be reviewed and approved by the director of personnel services prior to submission to the board clerk.) Approved: _____ Date _____

DEPARTMENT HEAD SIGNATURE:
(Not to be signed until all approvals are received) Date: 10-29-14

Attachment

Proposed Contract Amendment (Willdan)

AMENDMENT NO. ONE TO THE AGREEMENT BETWEEN THE COUNTY OF INYO AND WILLDAN ENGINEERING FOR THE PROVISION OF PLANNING SERVICES

WHEREAS, the County of Inyo (hereinafter referred to as "County") and Willdan Engineering (hereinafter referred to as Contractor) have entered into an Agreement for the provision of professional services dated June 19, 2012 on County of Inyo Standard Contract No. 156 for the term from July 1, 2012 to June 30, 2014.

WHEREAS, County and Contractor do desire to consent to amend such Agreement as set forth below.

WHEREAS, such Agreement provides that it may be modified, amended, changed, added to, or subtracted from, by the mutual consent of the parties thereto, if such amendment or change is in written form, and executed with the same formalities as such Agreement, and attached to the original Agreement to maintain continuity.

County and Contractor hereby amend such Agreement as follows:

Revise Section 2 (Term) of the Agreement to extend the termination date of the Agreement to December 31, 2014.

Amend Section 3(D) (Limit Upon Amount Payable under Agreement) to increase the total sum of all payments made by the County to Consultant for services and work performed under agreement to $66,500.

AMENDMENT NO. ONE TO THE AGREEMENT BETWEEN THE COUNTY OF INYO AND
WILLDAN ENGINEERING
FOR THE PROVISION OF PLANNING SERVICES

IN WITNESS THEREOF, THE PARTIES HERETO HAVE SET THEIR HANDS AND SEALS THIS 25 DAY OF February, 2014.

COUNTY

By: _____

Dated: 2-25-14

CONTRACTOR

By: _____
Director of City/County Engineering

Dated: 2/5/14

APPROVED AS TO FORM AND LEGALITY:

_____
County Counsel

APPROVED AS TO ACCOUNTING FORM:

_____
County Auditor

APPROVED AS TO PERSONNEL REQUIREMENTS:

_____
Director of Personnel Services

APPROVED AS TO RISK ASSESSMENT:

_____
County Risk Manager

AGREEMENT BETWEEN COUNTY OF INYO
AND WILLDAN ENGINEERING
FOR THE PROVISION OF PLANNING SERVICES

INTRODUCTION

WHEREAS, the County of Inyo (hereinafter referred to as "County") has the need for the Planning services of Willdan Engineering of Anaheim, CA (hereinafter referred to as "Consultant"), and in consideration of the mutual promises, covenants, terms, and conditions hereinafter contained, the parties hereby agree as follows:

TERMS AND CONDITIONS

1. SCOPE OF WORK.

The Consultant shall furnish to the County, upon its request, those services and work set forth in Attachment A, attached hereto and by reference incorporated herein. Requests by the County to the Consultant to perform under this Agreement will be made by the Planning Director. Requests to the Consultant for work or services to be performed under this Agreement will be based upon the County's need for such services. The County makes no guarantee or warranty, of any nature, that any minimum level or amount of services or work will be requested of the Consultant by the County under this Agreement. County by this Agreement incurs no obligation or requirement to request from Consultant the performance of any services or work at all, even if County should have some need for such services or work during the term of this Agreement.

Services and work provided by the Consultant at the County's request under this Agreement will be performed in a manner consistent with the requirements and standards established by applicable federal, state, and County laws, ordinances, regulations, and resolutions. Such laws, ordinances, regulations, and resolutions include, but are not limited to, those which are referred to in this Agreement.

2. TERM.

The term of this Agreement shall be from July 1, 2012 to June 30, 2014 unless sooner terminated as provided below.

3. CONSIDERATION.

A. Compensation. County shall pay Consultant in accordance with the Schedule of Fees (set forth as Attachment B) for the services and work described in Attachment A which are performed by Consultant at the County's request.

B. Travel and per diem. County shall reimburse Consultant for the travel expenses and per diem which Consultant incurs in providing services and work requested by County under this Agreement. Consultant shall request approval by the County prior to incurring any travel or per diem expenses. Requests by Consultant for approval to incur travel and per diem expenses shall be submitted to the Planning Director. Travel and per diem expenses will be reimbursed in accordance with the rates set forth in the Schedule of Travel and Per Diem Payment (Attachment C). County reserves the right to deny reimbursement to Consultant for travel or per diem expenses which are either in excess of the amounts that may be paid under the rates set forth in Attachment C, or which are incurred by the Consultant without the prior approval of the County.

C. No additional consideration. Except as expressly provided in this Agreement, Consultant shall not be entitled to, nor receive, from County, any additional consideration, compensation, salary, wages, or other type of remuneration for services rendered under this Agreement. Specifically, Consultant shall not be entitled, by virtue of this Agreement, to consideration in the form of overtime, health insurance benefits, retirement benefits, disability retirement benefits, sick leave, vacation time, paid holidays, or other paid leaves of absence of any type or kind whatsoever.

D. Limit upon amount payable under Agreement. The total sum of all payments made by the County to Consultant for services and work performed under this Agreement, including travel and per diem expenses, if any, shall not exceed $50,000 Dollars (hereinafter referred to as "contract limit"). County expressly reserves the right to deny any payment or reimbursement requested by Consultant for services or work performed, including travel or per diem, which is in excess of the contract limit.

E. Billing and payment. Consultant shall submit to the County, once a month, an itemized statement of all hours spent by Consultant in performing services and work described in attachment A, which were done at the County's request. This statement will be submitted to the County not later than the fifth (5th) day of the month. The statement to be submitted will cover the period from the first (1st) day of the preceding month through and including the last day of the preceding month. This statement will identify the date on which the hours were worked and describe the nature of the work which was performed on each day. Consultant 's statement to the County will also include an itemization of any travel or per diem expenses, which have been approved in advance by County, incurred by Consultant during that period. The itemized statement for travel expenses and per diem will include receipts for lodging, meals, and other incidental expenses in accordance with the County's accounting procedures and rules. Upon timely receipt of the statement by the fifth (5th) day of the month, County shall make payment to Consultant on the last day of the month.

F. Federal and State taxes.

(1) Except as provided in subparagraph (2) below, County will not withhold any federal or state income taxes or social security from any payments made by County to Consultant under the terms and conditions of this Agreement.

(2) County will withhold California State income taxes from payments made under this Agreement to non-California resident independent Consultant's when it is anticipated that total annual payments to Consultant under this Agreement will exceed one thousand four hundred ninety nine dollars ($1,499.00).

(3) Except as set forth above, County has no obligation to withhold any taxes or payments from sums paid by County to Consultant under this Agreement. Payment of all taxes and other assessments on such sums is the sole responsibility of Consultant. County has no responsibility or liability for payment of Consultant's taxes or assessments.

(4) The total amounts paid by County to Consultant, and taxes withheld from payments to non-California residents, if any, will be reported annually to the Internal Revenue Service and the California State Franchise Tax Board. To facilitate this reporting, Consultant shall complete and submit to the County an Internal Revenue Service (IRS) Form W-9, attached hereto as Attachment D, upon executing this Agreement.

4. **WORK SCHEDULE.**

Consultant's obligation is to perform, in a timely manner, those services and work identified in Attachment A which are requested by the County. It is understood by Consultant that the performance of these services and work will require a varied schedule. Consultant will arrange his/her own schedule, but will coordinate with County to insure that all services and work requested by County under this Agreement will be performed within the time frame set forth by County.

5. **REQUIRED LICENSES, CERTIFICATES, AND PERMITS.**

A. Any licenses, certificates, or permits required by the federal, state, county, or municipal governments for Consultant to provide the services and work described in attachment A must be procured by Consultant and be valid at the time Consultant enters into this Agreement. Further, during the term of this Agreement, Consultant must maintain such licenses, certificates, and permits in full force and effect. Licenses, certificates, and permits may include, but are not limited to, driver's licenses, professional licenses or certificates, and business licenses. Such licenses, certificates, and permits will be procured and maintained in force by Consultant at no expense to the County. Consultant will provide County, upon execution of this Agreement, with evidence of current and valid licenses, certificates and permits which are required to perform the services identified in Attachment A. Where there is a dispute between Consultant and County as to what licenses, certificates, and permits are required to perform the services identified in Attachment A, County reserves the right to make such determinations for purposes of this Agreement.

B. Consultant warrants that it is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in covered transactions by any federal department or agency. Consultant also warrants that it is not suspended or debarred from receiving federal funds as listed in the List of Parties Excluded from Federal Procurement or Non-procurement Programs issued by the General Services Administration available at: http://www.epls.gov.

6. **OFFICE SPACE, SUPPLIES, EQUIPMENT, ETC.**

Consultant shall provide such office space, supplies, equipment, vehicles, reference materials, and telephone service as is necessary for Consultant to provide the services identified in Attachment A to this Agreement. County is not obligated to reimburse or pay Consultant, for any expense or cost incurred by Consultant in procuring or maintaining such items. Responsibility for the costs and expenses incurred by Consultant in providing and maintaining such items is the sole responsibility and obligation of Consultant.

7. **COUNTY PROPERTY.**

A. Personal Property of County. Any personal property such as, but not limited to, protective or safety devices, badges, identification cards, keys, etc. provided to Consultant by County pursuant to this Agreement are, and at the termination of this Agreement remain, the sole and exclusive property of County. Consultant will use reasonable care to protect, safeguard and maintain such items while they are in Consultant's possession. Consultant will be financially responsible for any loss or damage to such items, partial or total, which is the result of Consultant's negligence.

B. Products of Consultant's Work and Services. Any and all compositions, publications, plans, designs, specifications, blueprints, maps, formulas, processes, photographs, slides, video tapes, computer programs, computer disks, computer tapes, memory chips, soundtracks, audio recordings, films, audio-visual presentations, exhibits, reports, studies, works of art, inventions, patents, trademarks, copyrights, or intellectual properties of any kind which are created, produced, assembled, compiled by, or

are the result, product, or manifestation of, Consultant 's services or work under this Agreement are, and at the termination of this Agreement remain, the sole and exclusive property of the County. At the termination of the Agreement, Consultant will convey possession and title to all such properties to County.

8. INSURANCE REQUIREMENTS FOR PROFESSIONAL SERVICES.

For the duration of this Agreement Consultant shall procure and maintain insurance of the scope and amount specified in Attachment E and with the provisions specified in that attachment.

9. STATUS OF CONSULTANT.

All acts of Consultant, its agents, officers, and employees, relating to the performance of this Agreement, shall be performed as independent Consultant's, and not as agents, officers, or employees of County. Consultant, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of County. Except as expressly provided in Attachment A, Consultant has no authority or responsibility to exercise any rights or power vested in the County. No agent, officer, or employee of the County is to be considered an employee of Consultant. It is understood by both Consultant and County that this Agreement shall not under any circumstances be construed or considered to create an employer-employee relationship or a joint venture. As an independent Consultant:

A. Consultant shall determine the method, details, and means of performing the work and services to be provided by Consultant under this Agreement.

B. Consultant shall be responsible to County only for the requirements and results specified in this Agreement, and except as expressly provided in this Agreement, shall not be subjected to County's control with respect to the physical action or activities of Consultant in fulfillment of this Agreement.

C. Consultant, its agents, officers, and employees are, and at all times during the term of this Agreement shall, represent and conduct themselves as independent Consultant's, and not as employees of County.

10. DEFENSE AND INDEMNIFICATION.

Consultant shall defend, indemnify, and hold harmless County, its agents, officers, and employees from and against all claims, damages, losses, judgments, liabilities, expenses, and other costs, including litigation costs and attorney's fees, arising out of, resulting from, or in connection with, the performance of this Agreement by Consultant, or Consultant's agents, officers, or employees, or the failure of Consultant, or Consultant's agents, officers, or employees to comply with any of its obligations contained in this Agreement, and that arise out of, or pertain to, or relate to the negligence, recklessness, or willful misconduct of Consultant or its employees or agents in the performance of services under this contract. Consultant's obligation to defend, indemnify, and hold the County, its agents, officers, and employees harmless applies to any actual or alleged personal injury, death, or damage or destruction to tangible or intangible property, including the loss of use. Consultant's obligation under this paragraph extends to any claim, damage, loss, liability, expense, or other cost which is caused in whole or in part by any negligence, recklessness or willful misconduct of the Consultant, its agents, employees, suppliers, or of any one directly or indirectly employed by any of them, or anyone for whose negligence, recklessness or willful misconduct any of them may be liable.

Consultant's obligation to defend, indemnify, and hold the County, its agents, officers, and employees harmless under the provisions of this paragraph is not limited to, or restricted by, any requirement in this Agreement for Consultant to procure and maintain a policy of insurance.

To the extent permitted by law, County shall defend, indemnify, and hold harmless Consultant, its agents, officers, and employees from and against all claims, damages, losses, judgments, liabilities, expenses, and other costs, including litigation costs and attorney's fees, arising out of, or resulting from, the active negligence, or wrongful acts of County, its officers, or employees.

11. RECORDS AND AUDIT.

A. Records. Consultant shall prepare and maintain all records required by the various provisions of this Agreement, federal, state, and municipal law, ordinances, regulations, and directions. Consultant shall maintain these records for a minimum of four (4) years from the termination or completion of this Agreement. Consultant may fulfill its obligation to maintain records as required by this paragraph by substitute photographs, microphotographs, or other authentic reproduction of such records.

B. Inspections and Audits. Any authorized representative of County shall have access to any books, documents, papers, records, including, but not limited to, financial records of Consultant, which County determines to be pertinent to this Agreement, for the purposes of making audit, evaluation, examination, excerpts, and transcripts during the period such records are to be maintained by Consultant. Further, County has the right, at all reasonable times, to audit, inspect, or otherwise evaluate the work performed or being performed under this Agreement.

12. NONDISCRIMINATION.

During the performance of this Agreement, Consultant, its agents, officers, and employees shall not unlawfully discriminate in violation of any federal, state, or local law, against any employee, or applicant for employment, or person receiving services under this Agreement, because of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, age, or sex. Consultant and its agents, officers, and employees shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12900, et seq.), and the applicable regulations promulgated thereunder in the California Code of Regulations. Consultant shall also abide by the Federal Civil Rights Act of 1964 (P.L. 88-352) and all amendments thereto, and all administrative rules and regulations issued pursuant to said act.

13. CANCELLATION.

This Agreement may be canceled by County without cause, and at will, for any reason by giving to Consultant thirty (30) days written notice of such intent to cancel. Consultant may cancel this Agreement without cause, and at will, for any reason whatsoever by giving thirty (30) days written notice of such intent to cancel to County.

14. ASSIGNMENT.

This is an agreement for the services of Consultant. County has relied upon the skills, knowledge, experience, and training of Consultant as an inducement to enter into this Agreement. Consultant shall not assign or subcontract this Agreement, or any part of it, without the express written consent of County. Further, Consultant shall not assign any monies due or to become due under this Agreement without the prior written consent of County.

15. DEFAULT.

If the Consultant abandons the work, or fails to proceed with the work and services requested by County in a timely manner, or fails in any way as required to conduct the work and services as required by

County, County may declare the Consultant in default and terminate this Agreement upon five (5) days written notice to Consultant. Upon such termination by default, County will pay to Consultant all amounts owing to Consultant for services and work satisfactorily performed to the date of termination.

16. WAIVER OF DEFAULT.

Waiver of any default by either party to this Agreement shall not be deemed to be waiver of any subsequent default. Waiver or breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach, and shall not be construed to be a modification of the terms of this Agreement unless this Agreement is modified as provided in paragraph twenty-three (23) below.

17. CONFIDENTIALITY.

Consultant agrees to comply with the various provisions of the federal, state, and county laws, regulations, and ordinances providing that information and records kept, maintained, or accessible by Consultant in the course of providing services and work under this Agreement shall be privileged, restricted, or confidential. Consultant agrees to keep confidential all such information and records. Disclosure of such confidential, privileged, or protected information shall be made by Consultant only with the express written consent of the County.

18. CONFLICTS.

Consultant agrees that it has no interest, and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of the work and services under this Agreement.

19. POST AGREEMENT COVENANT.

Consultant agrees not to use any confidential, protected, or privileged information which is gained from the County in the course of providing services and work under this Agreement, for any personal benefit, gain, or enhancement. Further, Consultant agrees for a period of two years after the termination of this Agreement, not to seek or accept any employment with any entity, association, corporation, or person who, during the term of this Agreement, has had an adverse or conflicting interest with the County, or who has been an adverse party in litigation with the County, and concerning such, Consultant by virtue of this Agreement has gained access to the County's confidential, privileged, protected, or proprietary information.

20. SEVERABILITY.

If any portion of this Agreement or application thereof to any person or circumstance shall be declared invalid by a court of competent jurisdiction, or if it is found in contravention of any federal, state, or county statute, ordinance, or regulation, the remaining provisions of this Agreement, or the application thereof, shall not be invalidated thereby, and shall remain in full force and effect to the extent that the provisions of this Agreement are severable.

21. FUNDING LIMITATION.

The ability of County to enter this Agreement is based upon available funding from various sources. In the event that such funding fails, is reduced, or is modified, from one or more sources, County has the option to cancel, reduce, or modify this Agreement, or any of its terms within ten (10) days of its notifying Consultant of the cancellation, reduction, or modification of available funding. Any reduction or modification of this Agreement made pursuant to this provision must comply with the requirements of paragraph twenty-three (23) (Amendment).

22. ATTORNEY'S FEES.

If either of the parties hereto brings an action or proceeding against the other, including, but not limited to, an action to enforce or declare the cancellation, termination, or revision of the Agreement, the prevailing party in such action or proceeding shall be entitled to receive from the other party all reasonable attorney's fees and costs incurred in connection therewith.

23. AMENDMENT.

This Agreement may be modified, amended, changed, added to, or subtracted from, by the mutual consent of the parties hereto, if such amendment or change is in written form and executed with the same formalities as this Agreement, and attached to the original Agreement to maintain continuity.

24. NOTICE.

Any notice, communication, amendments, additions, or deletions to this Agreement, including change of address of either party during the terms of this Agreement, which Consultant or County shall be required, or may desire, to make, shall be in writing and may be personally served, or sent by prepaid first class mail to, the respective parties as follows:

County of Inyo:

Planning Department	Department
PO Drawer L	Address
Independence, CA	City and State

Consultant:

Willdan Engineering	Name
2014 Tulare Street, Suite 515	Address
Fresno, CA 93721	City and State

25. ENTIRE AGREEMENT.

This Agreement contains the entire agreement of the parties, and no representations, inducements, promises, or agreements otherwise between the parties not embodied herein or incorporated herein by reference, shall be of any force or effect. Further, no term or provision hereof may be changed, waived, discharged, or terminated, unless the same be in writing executed by the parties hereto.

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AGREEMENT BETWEEN COUNTY OF INYO
AND WILLDAN ENGINEERING
FOR THE PROVISION OF PLANNING SERVICES

IN WITNESS THEREOF, THE PARTIES HERETO HAVE SET THEIR HANDS AND SEALS THIS 19 DAY OF June, 2012.

COUNTY OF INYO

By: Marty Fortney

Dated: 7-3-12

CONSULTANT

By: William Clarett
Signature

William Clarett
Print or Type Name

Dated: 6/14/12

APPROVED AS TO FORM AND LEGALITY:

County Counsel

APPROVED AS TO ACCOUNTING FORM:

County Auditor

APPROVED AS TO PERSONNEL REQUIREMENTS:

Personnel Services

APPROVED AS TO INSURANCE REQUIREMENTS:

County Risk Manager

AGREEMENT BETWEEN COUNTY OF INYO
AND WILLDAN ENGINEERING
FOR THE PROVISION OF PLANNING **SERVICES**

IN WITNESS THEREOF, THE PARTIES HERETO HAVE SET THEIR HANDS AND SEALS THIS _____ DAY OF _____, _____.

COUNTY OF INYO

By: _____

Dated: _____

CONSULTANT

By: William C Taggett
Signature

William C Taggett
Print or Type Name

Dated: 6/14/12

APPROVED AS TO FORM AND LEGALITY:

_____
County Counsel

APPROVED AS TO ACCOUNTING FORM:

_____
County Auditor

APPROVED AS TO PERSONNEL REQUIREMENTS:

_____
Personnel Services

APPROVED AS TO INSURANCE REQUIREMENTS:

_____
County Risk Manager

ATTACHMENT A

AGREEMENT BETWEEN COUNTY OF INYO
AND WILLDAN ENGINEERING
FOR THE PROVISION OF PLANNING SERVICES

TERM:

FROM: JULY 1, 2012 TO: JUNE 30, 2014

SCOPE OF WORK:

Willdan will provide as needed on call staff augmentation to assist the County staff to coordinate with the U.S. Forest Service and its partners in the preparation of the Inyo National Forest Plan Update/Revision. These services will be provided as requested and authorized by the Inyo County Planning Director. Doug Wilson will be Willdan's Project Manager and the County's primary contact. Mr. Wilson will be assisted by Dean Sherer, Planner, James Edison, Economist, Jerald James, Biologist, other Willdan staff as needed, or others selected through subcontract.

ATTACHMENT B

AGREEMENT BETWEEN COUNTY OF INYO
AND WILLDAN ENGINEERING
FOR THE PROVISION OF PLANNING SERVICES

TERM:

FROM: JULY 1, 2012 TO: JUNE 30, 2014

SCHEDULE OF FEES:

The fee for the designated Project Manager is $162 per hour worked. Work done away from the offices of Inyo County may be done by other employees of Willdan under the direction of the individual designated as the Project Manager. The compensation of others assigned will be in accordance with the fee schedules on the following pages.

WILLDAN ENGINEERING
Schedule of Hourly Rates
Effective July 1, 2011 to June 30, 2012

ENGINEERING

Principal Engineer	$200.00
Director	180.00
Deputy Director	180.00
Prinicipal Project Manager	180.00
City Engineer	180.00
Project Manager	180.00
Program Manager	180.00
Supervising Engineer	160.00
Senior Engineer	145.00
Senior Design Manager	145.00
Design Manager	135.00
Associate Engineer	135.00
Senior Designer	130.00
Senior Design Engineer II	130.00
Senior Design Engineer I	125.00
Designer II	120.00
Designer I	115.00
Design Engineer II	120.00
Design Engineer I	115.00
Senior Drafter	110.00
Drafter II	100.00
Drafter I	95.00
Technical Aide	85.00

CONSTRUCTION MANAGEMENT

Director	180.00
Deputy Director	180.00
Project Manager	180.00
Senior Construction Manager	155.00
Construction Manager	145.00
Assistant Construction Manager	120.00
Utility Coordinator	125.00
Labor Compliance Manager	120.00
Labor Compliance Specialist	95.00

INSPECTION SERVICES

Supervising Public Works Observer	120.00
Senior Public Works Observer	110.00
Public Works Observer	**100.00/110.00
Assistant Public Works Observer	**100.00/110.00

SURVEYING

Principal Project Manager	180.00
Supervisor - Survey & Mapping	155.00
Senior Survey Analyst	130.00
Certified Party Chief	130.00
Senior Calculator	120.00
Calculator II	110.00
Calculator I	100.00
Survey Analyst II	115.00
Survey Analyst I	100.00
Survey Party Chief	115.00
Field Party (One)	180.00
Field Party (Two)	235.00
Field Party (Three)	295.00

LANDSCAPE ARCHITECTURE

Principal Project Manager	180.00
Principal Landscape Architect	150.00
Senior Landscape Architect	125.00
Associate Landscape Architect	115.00
Assistant Landscape Architect	100.00

BUILDING AND SAFETY

Director	180.00
Deputy Director	180.00
Principal Project Manager	180.00
Supervising Plan Check Engineer	150.00
Building Official	150.00
Plan Check Engineer	140.00
Deputy Building Official	140.00
Inspector of Record	140.00
Senior Plans Examiner	125.00
Supervising Building Inspector	125.00
Plans Examiner	115.00
Senior Building Inspector	115.00
Supervisor Code Enforcement	115.00
Building Inspector	**105.00/110.00
Supervising Construction Permit Specialist	105.00
Senior Construction Permit Specialist	100.00
Senior Code Enforcement Officer	95.00
Assistant Building Inspector	**95.00/110.00
Code Enforcement Officer	80.00
Construction Permit Specialist	80.00
Assistant Construction Permit Specialist	85.00
Plans Examiner Aide	75.00
Assistant Code Enforcement Officer	70.00

PLANNING

Director	180.00
Deputy Director	180.00
Principal Planner	150.00
Principal Community Development Planner	150.00
Senior Planner	130.00
Senior Community Development Planner	130.00
Associate Planner	115.00
Associate Community Development Planner	115.00
Assistant Community Development Planner	105.00
Assistant Planner	105.00
Planning Technician	85.00
Community Development Technician	85.00

ADMINISTRATIVE

Computer Data Entry	65.00
Clerical	65.00
Word Processing	65.00
Personal Computer Time	30.00

Mileage reimbursement will be charged at the current Federal guideline rate at the time of billing. Vehicles will be charged at a monthly rate of $500.00.

** Prevailing Wage Project, Use $110.00

Additional billing classifications may be added to the above listing during the year as new positions are created. Consultation in connection with litigation and court appearances will be quoted separately. The above schedule is for straight time. Overtime will be charged at 1.25 times, and Sundays and holidays, 1.70 times the standard rates. Blueprinting, reproduction, messenger services, and printing will be invoiced at cost plus fifteen percent (15%). A sub consultant management fee of fifteen percent (15%) will be added to the direct cost of all sub consultant services to provide for the cost of administration, consultation, and coordination. Valid July 1, 2010 thru June 30, 2011, thereafter, the rates may be raised once per year to the value of change of the Consumer Price Index for the Los Angeles/Orange County/Sacramento area, but not more than five percent per year.

Willdan Financial Services Hour Rate Schedule	
Position	Hourly Rate
Group Manager	$210
Principal	$200
Senior Project Manager	$165
Project Manager	$145
Senior Project Analyst	$130
Senior Analyst	$120
Analyst	$100
Assistant Analyst	$75

ATTACHMENT C

AGREEMENT BETWEEN COUNTY OF INYO
AND WILLDAN ENGINEERING
FOR THE PROVISION OF PLANNING **SERVICES**

TERM:

FROM: JULY 1, 2012 **TO:** JUNE 30, 2014

SCHEDULE OF TRAVEL AND PER DIEM PAYMENT:

When the assigned personnel work in Inyo County, travel and per diem will be reimbursed by County at the rate of $650 per week if the designated personnel work within Inyo County two days per week. Travel and per diem expenses will be increased or decreased by $100 per day each day over or under two-days per week that the designated personnel work within Inyo County. Reimbursement at these rates includes full compensation for time and expenses travelling to and from Inyo County from the Willdan offices. If work is coordinated with other services provided pursuant to other agreements between Willdan and Inyo County, the per diem will be calculated as if it were under one contract and prorated between the services provided pursuant to each agreement in the same proportion as the hours provided.

ATTACHMENT D

AGREEMENT BETWEEN COUNTY OF INYO
AND WILLDAN ENGINEERING
FOR THE PROVISION OF PLANNING **SERVICES**

TERM:

FROM: JULY 1, 2012 **TO:** JUNE 30, 2014

FORM W-9

Request for Taxpayer
Identification Number and Certification
(Please submit W-9 form with Contract, available on-line or by County)

ATTACHMENT E

AGREEMENT BETWEEN COUNTY OF INYO
AND WILLDAN ENGINEERING
FOR THE PROVISION OF PLANNING SERVICES

TERM:

FROM: JULY 1, 2012 TO: JUNE 30, 2014

SEE ATTACHED INSURANCE PROVISIONS

Specifications 2
Insurance Requirements for Professional Services

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability** (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis for bodily injury and property damage, including products-completed operations, personal injury and advertising injury, with limits no less than **$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than **$500,000** per accident for bodily injury and property damage.
3. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **$1,000,000** per accident for bodily injury or disease.

(Not required if consultant provides written verification it has no employees)

1. **Professional Liability** (Errors and Omissions) Insurance appropriates to the Consultant's profession, with limit no less than **$1,000,000** per occurrence or claim and $2,000,000 aggregate.

If the Consultant maintains higher limits than the minimums shown above, the Entity requires and shall be entitled to coverage for the higher limits maintained by the contractor.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The Entity, its officers, officials, employees, and volunteers are to be covered as additional insureds on the auto policy with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Consultant; and on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance (at least as broad as ISO Form CG 20 10, 11 85 or both CG 20 10 and CG 23 37 forms if later revisions used).

Primary Coverage

For any claims related to this contract, the **Consultant's insurance coverage shall be primary** insurance as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

Notice of Cancellation

Each insurance policy required above shall state that **coverage shall not be canceled, except with notice to the Entity.**

Waiver of Subrogation

Consultant hereby grants to Entity a waiver of any right to subrogation which any insurer of said Consultant may acquire against the Entity by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the Entity has received a waiver of subrogation endorsement from the insurer.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the Entity. The Entity may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the Entity.

Claims Made Policies

If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided ***for at least five (5) years after completion of the contract of work.***
3. If coverage is canceled or non-renewed, and not ***replaced with another claims-made policy form with a Retroactive Date*** prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of ***five (5)*** years after completion of contract work.

Verification of Coverage

Consultant shall furnish the Entity with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the Entity before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The Entity reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Subcontractors

Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein.

Special Risks or Circumstances

Entity reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

AGENDA REQUEST FORM

BOARD OF SUPERVISORS
COUNTY OF INYO

For Clerk's Use Only:
AGENDA NUMBER
13

☒ Consent ☒ Departmental ☐ Correspondence Action ☐ Public Hearing
☐ Scheduled Time for ☐ Closed Session ☐ Informational

FROM: Chief Probation Officer

FOR THE BOARD MEETING OF: July 12, 2016

SUBJECT: Proclamation declaring week of July 17th through 23rd, 2016 as Probation Services Week

DEPARTMENTAL RECOMMENDATION: Request Board to approve a proclamation declaring July 17th through 23rd, 2016 as Probation Services Week in Inyo County.

SUMMARY DISCUSSION: The week of July 17th through 23rd, 2016 is being proclaimed Probation Services Week throughout California. The attached proclamation is submitted for your Board's consideration to join other jurisdictions in recognizing the many men and women who are probation professionals who are responsible for helping offenders successfully reenter our society as productive individuals.

ALTERNATIVES: N/A

OTHER AGENCY INVOLVEMENT: N/A

FINANCING: N/A

APPROVALS	
BUDGET OFFICER:	BUDGET AMENDMENTS *(Must be reviewed and approved by Budget Officer prior to being approved by others, as needed, and submission to the Assistant Clerk of the Board.)*
COUNTY COUNSEL:	AGREEMENTS, PURCHASES, CONTRACTS, RESOLUTIONS AND ORDINANCES, AND CLOSED SESSION AND RELATED ITEMS *(Must be reviewed and approved by County Counsel prior to submission to the Assistant Clerk of the Board.)* Approved:_____ Date_____
AUDITOR/CONTROLLER:	ACCOUNTING/FINANCE AND RELATED ITEMS (*Must be reviewed and approved by the Auditor-Controller prior to submission to the Assistant Clerk of the Board.)* Approved:_____ Date_____
PERSONNEL DIRECTOR:	PERSONNEL AND RELATED ITEMS *(Must be reviewed and approved by the Director of Personnel Services prior to submission to the Assistant Clerk of the Board.)* Approved:_____ Date_____

DEPARTMENT HEAD SIGNATURE:
(Not to be signed until all approvals are received)
(The Original plus 20 copies of this document are required)

Date: July 5, 2016

PROCLAMATION OF THE BOARD OF SUPERVISORS
COUNTY OF INYO, STATE OF CALIFORNIA PROCLAIMING
THE WEEK OF JULY 17TH THROUGH 23RD, 2016 PROBATION SERVICES WEEK IN INYO COUNTY

WHEREAS, there are many dedicated probation professionals in Inyo County, the State of California, and the Nation as a whole, who help make our communities safe places to live; and

WHEREAS, Probation professionals are an essential part of the justice system as they uphold the law with dignity while recognizing the right of the public to be safe-guarded from criminal activity.

WHEREAS, all Inyo County Probation Officers and Group Counselors are dedicated to the protection of their community and they are committed to providing essential services for community corrections including public safety and victim services; and

WHEREAS, these professionals work tirelessly with local public safety departments and their communities to help rehabilitate offenders by insuring court orders and obligations are adhered to; referrals to treatments services and programs are made; and to provide case management services to help them move forward in creating a better future for themselves; and

WHEREAS, Inyo County Probation Officers are sworn peace officers who work in the community, checking in on offenders at home, at work, and on the streets and are on call 24/7 to respond to emergencies and urgent problems; and

WHEREAS, Inyo County Juvenile Center Group Counselors are sworn peace officers who provide 24/7 safety, security, education, life skills, and mentoring to our County's most vulnerable population of youth while detained at the Juvenile Center.

WHEREAS, Inyo County Probation Professionals work collaboratively with local law enforcement, treatment providers, social service agencies, education partners, and a variety of other programs, groups and individuals involved with offenders during the transition from incarceration to the community; and

WHEREAS, Inyo County Probation Officers and Group Counselors are highly trained professionals who have the ability to promote prevention, intervention and advocacy in the interest of public safety through the use of evidence based practices; and

WHEREAS, these devoted men and women also facilitate the re-entry of offenders into society, where their efforts in conjunction with those of many other groups, helps ensure a more lawful society and safer neighborhoods for our families; and

WHEREAS, through collaboration with community leaders and volunteering their own time off work, many officers are making a difference in the lives of those they supervise, while faced with expanding case loads, additional responsibilities and workloads; and

WHEREAS, Probation Services Week is a time for the people of Inyo County to recognize the men and women who work each and every day to supervise offenders and care for our detained youth, while also providing support mechanisms to assist the people they supervise in becoming law abiding citizens, good neighbors and contributors to our society.

NOW THEREFORE, the Inyo County Board of Supervisors joins with other communities and the Nation in honoring these outstanding public servants by declaring the week of July 17th through 23rd, 2016 as Probation Services Week in Inyo County.

PASSED AND PROCLAIMED by the Inyo County Board of Supervisors, this 12th day of July, 2016.

Attest: *KEVIN D. CARUNCHIO*
Clerk of the Board

by: _____
Darcy Ellis, Assistant

_____
Jeff Griffiths, Chairperson
Inyo County Board of Supervisors

For Clerk's Use Only:
AGENDA NUMBER

14

AGENDA REQUEST FORM

BOARD OF SUPERVISORS
COUNTY OF INYO

☒ Consent ☐ Departmental ☐ Correspondence Action ☐ Public Hearing

☐ Scheduled Time for ☐ Closed Session ☐ Informational

FROM: Motor Pool

FOR THE BOARD MEETING OF: July 12, 2016

SUBJECT: Authorization to issue blanket purchase orders for vehicle maintenance, parts, and tires.

DEPARTMENTAL RECOMMENDATION: Authorize the issuance of blanket purchase orders to the following vendors in the amounts indicated from the Motor Pool Budget 200100, contingent upon the adoption of the 2016/2017 budget.

VENDOR	AMOUNT
Bishop Automotive Center	$30,000
Britt's Diesel	$10,000
Bishop Ford	$20,000
Warren's Auto Repair	$20,000

SUMMARY DISCUSSION: The Motor Pool utilizes outside vendors to execute the preventative maintenance and repair of approximately 200 vehicles in the Motor Pool fleet and is requesting authorization to open blanket purchase orders in amounts that exceed $10,000. These purchase orders will expedite repairs by allowing us to process payments in a timely manner and providing for efficiency in the Auditor's office in issuing warrants. In the past somewhat higher amounts have been encumbered for this purpose. We have been able to reduce the amount due to the modernization of our fleet and the maintenance aspect of the contract with Enterprise Fleet Rental. The issuance of these purchase orders will not negate the requirement of getting verbal or written quotes for individual purchases in accordance with the County Purchasing Policy.

ALTERNATIVES: Your Board could choose not to authorize the issuance of blanket purchase orders or modify the amounts of each. In the event that blanket purchase orders are not issued, the procedure of preparing purchase orders for the individual purchase would be used. The net effect will increase the amount of time each motor pool vehicle is pending repair.

FINANCING: Included in the Motor Pool budget 200100 for the requested 2016/2017 fiscal year budget.

APPROVALS

COUNTY COUNSEL: N/A	AGREEMENTS, CONTRACTS AND ORDINANCES AND CLOSED SESSION AND RELATED ITEMS *(Must be reviewed and approved by county counsel prior to submission to the board clerk.)* Approved: _____ Date_____
AUDITOR/CONTROLLER:	ACCOUNTING/FINANCE AND RELATED ITEMS (M*ust be reviewed and approved by the auditor-controller prior to submission to the board clerk.)* Approved: MH Date 6/7/2016
PERSONNEL DIRECTOR: N/A	PERSONNEL AND RELATED ITEMS (Must be reviewed and approved by the director of personnel services prior to submission to the board clerk.) Approved: _____ Date_____

DEPARTMENT HEAD SIGNATURE:
(Not to be signed until all approvals are received) Richard J. Beaman Date: 6/8/16

AGENDA REQUEST FORM

BOARD OF SUPERVISORS
COUNTY OF INYO

For Clerk's Use Only:
AGENDA NUMBER
15

☒ Consent ☐ Departmental ☐ Correspondence Action ☐ Public Hearing
☐ Scheduled Time for ☐ Closed Session ☐ Informational

FROM: **Motor Pool**

FOR THE BOARD MEETING OF: July 12, 2016

SUBJECT: Agreement with the Bishop Museum and Historical Society

DEPARTMENTAL RECOMMENDATION: Request that your Board approve an agreement between the County of Inyo and the Bishop Museum and Historical Society for the provision of maintenance services at the Laws Museum in exchange for the donation of one surplus 2004 Chevy Silverado (Asset Number 8347, License Number 1184593)

SUMMARY DISCUSSION: The grounds and buildings that comprise the Laws Museum are owned by the County. The Museum is operated by the Bishop Museum and Historical Society under an agreement with the County.

While the County is responsible for maintaining the Museum's grounds, most maintenance is handled by Museum staff. In order to facilitate maintenance activities, the Laws Museum has requested that your Board consider donating a recently surplused County vehicle. The staff has reviewed the vehicles recently surplused by the County and has requested a 2004 Chevy Silverado currently slated for auction. Museum staff inspected the vehicle and has agreed to receive the vehicle in as-is condition. The vehicle was used by the Inyo County Parks and Recreation for several years.

Through the attached agreement, your Board agrees to donate the requested vehicle in exchange for a commitment by the Museum and Historical Society to continue to maintain the grounds for a minimum of six months.

ALTERNATIVES: The vehicle has been surplused by the County and is scheduled to be sold at auction. It is difficult to estimate the amount the truck will sell for at auction, but probably not for more than several hundred dollars. Your Board could choose not to donate the vehicle and sell it at auction.

OTHER AGENCY INVOLVEMENT: Laws Museum

FINANCING: Inyo County Motor Pool would receive the proceeds if the vehicle were sold at auction.

APPROVALS	
COUNTY COUNSEL:	AGREEMENTS, CONTRACTS AND ORDINANCES AND CLOSED SESSION AND RELATED ITEMS *(Must be reviewed and approved by county counsel prior to submission to the board clerk.)* Approved: Yes Date 6/22/16
AUDITOR/CONTROLLER: N/A	ACCOUNTING/FINANCE AND RELATED ITEMS (*Must be reviewed and approved by the auditor-controller prior to submission to the board clerk.)* Approved:_____ Date_____
PERSONNEL DIRECTOR: N/A	PERSONNEL AND RELATED ITEMS (Must be reviewed and approved by the director of personnel services prior to submission to the board clerk.) Approved:_____ Date_____

DEPARTMENT HEAD SIGNATURE: Richard J. Benson Date: 6/29/16
(Not to be signed until all approvals are received)
(The Original plus 20 copies of this document are required)

AGREEMENT
BETWEEN THE COUNTY OF INYO AND
THE BISHOP MUSEUM AND HISTORICAL SOCIETY

This Agreement is entered into by and between Inyo County, a California political subdivision, and the Bishop Museum and Historical Society, on the date first written below.

WHEREAS, Inyo County (hereafter "County") owns the real property and facilities at Laws Museum, which is located at 395 Silver Canyon Road, Bishop, California; and

WHEREAS, the Bishop Museum and Historical Society (hereafter "Society") operates the Laws Museum pursuant to an agreement with the County dated July 1, 1981, attached hereto as Exhibit A; and

WHEREAS, the County is responsible for structural maintenance for buildings and facilities at the Laws Museum, and providing custodial care of the Laws Museum grounds including mowing lawns and disposing of solid wastes at the Laws Museum; and

WHEREAS, the Society provides structural maintenance for buildings and facilities at the Laws Museum, and provides custodial care of the Laws Museum grounds including mowing lawns and disposing of solid wastes at the Laws Museum without obligation or charge to the County; and

WHEREAS, the County owns a 2004 Chevy Silverado pickup truck (Asset Number 8347, License Number 1184593) (hereafter "pickup truck") which would be useful in assisting the Society in maintaining the Laws Museum; and

WHEREAS, the Inyo County Board of Supervisors have declared the pickup truck to be surplus county property; and

WHEREAS, the County wishes to assist the Society in the Society's efforts to maintain the Laws Museum; and

WHEREAS, California Government Code §25504, permits the county purchasing agent to dispose of any personal property belonging to the county not required for public use, subject to such regulations as may be provided by the Inyo County Board of Supervisors; and

WHEREAS, Inyo County Code §6.28.030 Trade-in of Surplus Property permits the Inyo County Board of Supervisors to approve trade-in allowances of surplus county personal property; and

WHEREAS, the Inyo County Board of Supervisors agreed to trade-in and transfer the pickup truck for consideration of the Society's agreement to provide structural maintenance for buildings and facilities at the Laws Museum, and provide custodial care of the Laws Museum grounds including mowing lawns and disposing of solid wastes at the Laws Museum for a period of not less than six (6) months, starting July 1, 2016; and

WHEREAS, the Society has generously offered to provide structural maintenance for buildings and facilities at the Laws Museum, and provide custodial care of the Laws Museum grounds including mowing lawns and disposing of solid wastes at the Laws Museum for a period of not less than six (6) months, starting July 1, 2016;

NOW, THEREFORE, IT IS AGREED by and between the County of Inyo and the Bishop Museum and Historical Society that:

1. The recitals are incorporated herein by this reference as though set forth fully.

2. The July 1, 1981 agreement is incorporated herein by this reference as though set forth fully except as modified below.

3. County trades in to the Society and the Society accepts the pickup truck for the consideration of maintaining the grounds and facilities of the Laws Museum for a period of not less than six (6) months, starting July 1, 2016.

4. Society will continue maintaining the grounds and facilities of the Law Museum after the initial six (6) month period except that after the initial six (6) month period the Society may provide to the County a written notice of cessation at least thirty (30) days prior to ceasing to provide said maintenance services.

5. The Society will provide notice of cessation to the Inyo County Purchasing Agent at 224 N. Edwards Street, Independence, CA 93526 or by mail at PO Box N, Independence, CA 93526.

6. Inyo County will transfer title and ownership of the pickup truck to the Society.

7. All other terms of the July 1, 1981 agreement not in conflict with this agreement remain in full force and effect.

8. If any terms of this agreement and any terms of the July 1, 1981 are in conflict, this agreement shall supersede the terms of the July 1, 1981 agreement.

Dated: _____, 2016

Jeff Griffiths
Chair, Inyo County Board of Supervisors

ATTEST: Kevin Carunchio
Clerk of the Board

BY: _____

Dated: June 30, 2016

James H. Monroe
[Insert Name]
Bishop Museum and Historical Society

LAWS RAILROAD MUSEUM
& HISTORICAL SITE
P.O. Box 363 Bishop, Calif. 93514
--873-5950

EXHIBIT A

RECEIVED
JUN 6 1992
INYO CO. RISK MANAGER

A G R E E M E N T

THIS AGREEMENT, made and entered into this 1st day of July, 1981 by and between COUNTY OF INYO, a political subdivision of the State of California, hereinafter referred to as COUNTY and BISHOP MUSEUM AND HISTORICAL SOCIETY, hereinafter referred to as SOCIETY,

W I T N E S S E T H:

The agreement hereinafter set forth is one of mutual cooperation for the use and maintenance of eleven acres of land, more or less, on which is located the former railroad property more particularly hereinafter described.

THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

1. That County is the owner either in title or by lease of the property described as follows:

   a. Eleven acres of land, more or less, being the site of the former Southern Pacific Station at Laws, California.

   b. County owned structures as per attached.

   c. County owned railroad cars and equipment as per attached.

2. That SOCIETY is desirous of entering into this mutual cooperation agreement for the purpose of SOCIETY using

said property as the headquarters of the BISHOP MUSEUM AND HISTORICAL SOCIETY and that COUNTY is desirous upon the terms and conditions hereinafter set forth to enter into this agreement for said purpose.

SOCIETY agrees with COUNTY as follows:

a. To take possession of said property and use the same as the headquarters of SOCIETY.

b. To occupy the site as a historical museum with special emphasis on the Southern Pacific Narrow Gauge Railroad equipment and buildings.

c. To provide receptionists to accommodate the general public for viewing the Museum during hours mutually agreed upon with the County Board of Supervisors.

d. To provide janitorial services for the buildings in neat, clean and presentable manner.

e. To use said buildings for housing and displaying Museum articles for public viewing, education and enjoyment.

f. To be responsible for any loss whatsoever to the property of SOCIETY placed upon said premises, whether by fire, theft or otherwise and to not hold COUNTY responsible in any way for any such losses and to be solely responsible for the purchase and payment of the premiums on any

insurance for protection of the property of SOCIETY.

g. To pay all utilities (gas, oil, electricity, water and phone) statements incurred in the use and occupancy of said premises.

h. To pay all fees and licenses necessary and required for the operation, use and occupancy of said premises.

i. SOCIETY shall not build or place any structure on the premises described herein nor make any alterations of additions thereto, without prior written consent of COUNTY.

COUNTY agrees with SOCIETY as follows:

a. To be responsible for any taxes levied on any improvements on said property.

b. To cover all buildings and railroad train and facilities on said property with fire and liability insurance.

c. To provide structural maintenance for buildings and facilities.

d. To provide custodial care of grounds including mowing lawns and disposing of solid waste.

COUNTY and SOCIETY further mtutally agree as follows:

a. That the County Museum Director shall have the

right to exercise general supervision of the grounds, buildings and facilities.

b. That the master plan of development of the Laws Museum site will be adhered to and any proposed changes shall be approved by the Board of Supervisors of Inyo County.

c. That the County Museum Director will be responsible for the orderly administration of this agreement.

d. That this agreement will continue in full force unless terminated in accordance with the following paragraph (e) of this agreement.

e. That this agreement may be terminated by either party hereto giving ninety (90) days written notice in advance of such termination to the other party, or the same may be terminated immediately and without notice by mutual written consent of each of the parties hereto.

f. That all notices in connection with this agreement shall be in writing and if intended for COUNTY directed to it through County Museum Director, Independence, California and if intended for SOCIETY directed to it at Bishop, California.

g. That the failure of the COUNTY or of SOCIETY to insist upon performance of any of the terms and conditions of this agreement in any one or more instances, shall in no event be construed as a waiver or relinquishment of its rights to future performance thereof, and Society's and/or County's obligation to such future performance shall continue in full force and effect.

h. That this agreement contains the entire understanding of the parties, and SOCIETY, by accepting this agreement, acknowledges that there is no other written or oral understanding between the parties in respect to the premises described herein.

i. That this agreement upon becoming effective shall supercede and annul any and all permits, leases or rental agreements heretofore made or issued for the premises described herein between COUNTY and SOCIETY, and any such permits, leases or rental agreements shall be void and of no effect.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by its responsible officers the day and year first above written.

COUNTY OF INYO

By H B Irwin
H. B. Irwin, Chairman
Inyo County Board of Supervisors

BISHOP MUSEUM AND HISTORICAL SOCIETY

By Howard Holland, pres.

County Owned Structures at Laws Railroad Museum & Historical Site

Sweetwater Building (Reception Center)

Depot - agent's office, waiting room, baggage room, freight room, upstairs storage.

Assay Office -movie prop - old building unlined - storage use.

Small Old Building - south of Reception Center - (blacksmith) from Walton Ranch.

New Rest Rooms - built by County in 1974-75.

Two Old Outhouses

Agent's House

Two Storehouses - backyard of Agent's House

Pumphouse near Turntable

Wellhouse

Watertank

Catholic Church Building - Library and Arts Center

Wells Fargo Building

Laws Post Office

Tie Shed - auto

Auto Shed

Blacksmith Shop

Drovers Cottage

Roof which was blacksmith shop prop. used in movie Nevada Smith

Oil Tank

Privy - green, wooden

Bunker for loading - built by Van Loon

County Owned Railroad Cars and Equipment at Laws Railroad Museum & Historical Site

SP 339 Gondola

SP 166 Stock

SP 17 - Box

SP 401 Caboose (Accomodation Car)

Car 57 (Box, no trucks)

Car 45 (Box, no trucks)

Car 23 (Box, no trucks)

Car 5 (Box, no trucks)

Car 77 (Box, no trucks)

Car 15 (Box, no trucks)

Car 67 (Box, no trucks)

Turn Table

Passenger or caboose (2 cupolas)

Blue Goose No. 5

No. 9 Locomotive & SP Tender

Six sets of trucks

Ties and Rails (all weights)

AGREEMENT
BETWEEN THE COUNTY OF INYO AND
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WHEREAS, the County is responsible for structural maintenance for buildings and facilities at the Laws Museum, and providing custodial care of the Laws Museum grounds including mowing lawns and disposing of solid wastes at the Laws Museum; and

WHEREAS, the Society provides structural maintenance for buildings and facilities at the Laws Museum, and provides custodial care of the Laws Museum grounds including mowing lawns and disposing of solid wastes at the Laws Museum without obligation or charge to the County; and

WHEREAS, the County owns a 2004 Chevy Silverado pickup truck (Asset Number 8347, License Number 1184593) (hereafter "pickup truck") which would be useful in assisting the Society in maintaining the Laws Museum; and

WHEREAS, the Inyo County Board of Supervisors have declared the pickup truck to be surplus county property; and

WHEREAS, the County wishes to assist the Society in the Society's efforts to maintain the Laws Museum; and

WHEREAS, California Government Code §25504, permits the county purchasing agent to dispose of any personal property belonging to the county not required for public use, subject to such regulations as may be provided by the Inyo County Board of Supervisors; and

WHEREAS, Inyo County Code §6.28.030 Trade-in of Surplus Property permits the Inyo County Board of Supervisors to approve trade-in allowances of surplus county personal property; and

WHEREAS, the Inyo County Board of Supervisors agreed to trade-in and transfer the pickup truck for consideration of the Society's agreement to provide structural maintenance for buildings and facilities at the Laws Museum, and provide custodial care of the Laws Museum grounds including mowing lawns and disposing of solid wastes at the Laws Museum for a period of not less than six (6) months, starting July 1, 2016; and

WHEREAS, the Society has generously offered to provide structural maintenance for buildings and facilities at the Laws Museum, and provide custodial care of the Laws Museum grounds including mowing lawns and disposing of solid wastes at the Laws Museum for a period of not less than six (6) months, starting July 1, 2016;

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1. The recitals are incorporated herein by this reference as though set forth fully.

2. The July 1, 1981 agreement is incorporated herein by this reference as though set forth fully except as modified below.

3. County trades in to the Society and the Society accepts the pickup truck for the consideration of maintaining the grounds and facilities of the Laws Museum for a period of not less than six (6) months, starting July 1, 2016.

4. Society will continue maintaining the grounds and facilities of the Law Museum after the initial six (6) month period except that after the initial six (6) month period the Society may provide to the County a written notice of cessation at least thirty (30) days prior to ceasing to provide said maintenance services.

5. The Society will provide notice of cessation to the Inyo County Purchasing Agent at 224 N. Edwards Street, Independence, CA 93526 or by mail at PO Box N, Independence, CA 93526.

6. Inyo County will transfer title and ownership of the pickup truck to the Society.

7. All other terms of the July 1, 1981 agreement not in conflict with this agreement remain in full force and effect.

8. If any terms of this agreement and any terms of the July 1, 1981 are in conflict, this agreement shall supersede the terms of the July 1, 1981 agreement.

Dated: _____, 2016

Jeff Griffiths
Chair, Inyo County Board of Supervisors

ATTEST: Kevin Carunchio
Clerk of the Board

BY: _____

Dated: June 20, 2016

James H. Morrow
[Insert Name]
Bishop Museum and Historical Society

LAWS RAILROAD MUSEUM
& HISTORICAL SITE
P.O. Box 363 Bishop, Calif. 93514
--873-5950

EXHIBIT A

RECEIVED
JUN 6 1992
INYO CO. RISK MANAGER

A G R E E M E N T

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W I T N E S S E T H:

The agreement hereinafter set forth is one of mutual cooperation for the use and maintenance of eleven acres of land, more or less, on which is located the former railroad property more particularly hereinafter described.

THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

1. That County is the owner either in title or by lease of the property described as follows:

   a. Eleven acres of land, more or less, being the site of the former Southern Pacific Station at Laws, California.

   b. County owned structures as per attached.

   c. County owned railroad cars and equipment as per attached.

2. That SOCIETY is desirous of entering into this mutual cooperation agreement for the purpose of SOCIETY using

said property as the headquarters of the BISHOP MUSEUM AND HISTORICAL SOCIETY and that COUNTY is desirous upon the terms and conditions hereinafter set forth to enter into this agreement for said purpose.

SOCIETY agrees with COUNTY as follows:

a. To take possession of said property and use the same as the headquarters of SOCIETY.

b. To occupy the site as a historical museum with special emphasis on the Southern Pacific Narrow Gauge Railroad equipment and buildings.

c. To provide receptionists to accommodate the general public for viewing the Museum during hours mutually agreed upon with the County Board of Supervisors.

d. To provide janitorial services for the buildings in neat, clean and presentable manner.

e. To use said buildings for housing and displaying Museum articles for public viewing, education and enjoyment.

f. To be responsible for any loss whatsoever to the property of SOCIETY placed upon said premises, whether by fire, theft or otherwise and to not hold COUNTY responsible in any way for any such losses and to be solely responsible for the purchase and payment of the premiums on any

insurance for protection of the property of SOCIETY.

g. To pay all utilities (gas, oil, electricity, water and phone) statements incurred in the use and occupancy of said premises.

h. To pay all fees and licenses necessary and required for the operation, use and occupancy of said premises.

i. SOCIETY shall not build or place any structure on the premises described herein nor make any alterations of additions thereto, without prior written consent of COUNTY.

COUNTY agrees with SOCIETY as follows:

a. To be responsible for any taxes levied on any improvements on said property.

b. To cover all buildings and railroad train and facilities on said property with fire and liability insurance.

c. To provide structural maintenance for buildings and facilities.

d. To provide custodial care of grounds including mowing lawns and disposing of solid waste.

COUNTY and SOCIETY further mtutally agree as follows:

a. That the County Museum Director shall have the

right to exercise general supervision of the grounds, buildings and facilities.

b. That the master plan of development of the Laws Museum site will be adhered to and any proposed changes shall be approved by the Board of Supervisors of Inyo County.

c. That the County Museum Director will be responsible for the orderly administration of this agreement.

d. That this agreement will continue in full force unless terminated in accordance with the following paragraph (e) of this agreement.

e. That this agreement may be terminated by either party hereto giving ninety (90) days written notice in advance of such termination to the other party, or the same may be terminated immediately and without notice by mutual written consent of each of the parties hereto.

f. That all notices in connection with this agreement shall be in writing and if intended for COUNTY directed to it through County Museum Director, Independence, California and if intended for SOCIETY directed to it at Bishop, California.

g. That the failure of the COUNTY or of SOCIETY to insist upon performance of any of the terms and conditions of this agreement in any one or more instances, shall in no event be construed as a waiver or relinquishment of its rights to future performance thereof, and Society's and/or County's obligation to such future performance shall continue in full force and effect.

h. That this agreement contains the entire understanding of the parties, and SOCIETY, by accepting this agreement, acknowledges that there is no other written or oral understanding between the parties in respect to the premises described herein.

i. That this agreement upon becoming effective shall supercede and annul any and all permits, leases or rental agreements heretofore made or issued for the premises described herein between COUNTY and SOCIETY, and any such permits, leases or rental agreements shall be void and of no effect.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by its responsible officers the day and year first above written.

COUNTY OF INYO

By H B Irwin
H. B. Irwin, Chairman
Inyo County Board of Supervisors

BISHOP MUSEUM AND HISTORICAL SOCIETY

By Howard Holland, pres.

County Owned Structures at Laws Railroad Museum & Historical Site

Sweetwater Building (Reception Center)

Depot - agent's office, waiting room, baggage room, freight room, upstairs storage.

Assay Office -movie prop - old building unlined - storage use.

Small Old Building - south of Reception Center - (blacksmith) from Walton Ranch.

New Rest Rooms - built by County in 1974-75.

Two Old Outhouses

Agent's House

Two Storehouses - backyard of Agent's House

Pumphouse near Turntable

Wellhouse

Watertank

Catholic Church Building - Library and Arts Center

Wells Fargo Building

Laws Post Office

Tie Shed - auto

Auto Shed

Blacksmith Shop

Drovers Cottage

Roof which was blacksmith shop prop. used in movie Nevada Smith

Oil Tank

Privy - green, wooden

Bunker for loading - built by Van Loon

County Owned Railroad Cars and Equipment at Laws Railroad Museum & Historical Site

SP 339 Gondola

SP 166 Stock

SP 17 - Box

SP 401 Caboose (Accomodation Car)

Car 57 (Box, no trucks)

Car 45 (Box, no trucks)

Car 23 (Box, no trucks)

Car 5 (Box, no trucks)

Car 77 (Box, no trucks)

Car 15 (Box, no trucks)

Car 67 (Box, no trucks)

Turn Table

Passenger or caboose (2 cupolas)

Blue Goose No. 5

No. 9 Locomotive & SP Tender

Six sets of trucks

Ties and Rails (all weights)

AGENDA REQUEST FORM

BOARD OF SUPERVISORS
COUNTY OF INYO

For Clerk's Use Only:
AGENDA NUMBER
16

☒ Consent ☐ Departmental ☐ Correspondence Action ☐ Public Hearing

☐ Scheduled Time for ☐ Closed Session ☐ Informational

FROM: WATER DEPARTMENT

FOR THE BOARD MEETING OF: JULY 12, 2016

SUBJECT: Award of Sole Source Contract to Scan, Register, and Color Balance Aerial Photos

DEPARTMENTAL RECOMMENDATION: Request your Board award a sole source contract between the County of Inyo and Tetra Tech Inc., for the provision of Aerial Photo Services in an amount not to exceed $33,700, for the period of July 1, 2016 to June 30, 2017; contingent upon the Board's adoption of a FY 2016-17 budget; and authorize the Chairperson to sign, contingent upon the appropriate signatures being obtained.

SUMMARY DISCUSSION: The Water Department has a large archive of 9"X9" contact prints of the Owens Valley from various years from 1944 to 1996. Two years ago, we began a project to convert the paper photos to digital format so that the photos can be more readily analyzed using GIS. The air photos for 1981 were digitized because of their importance as the baseline year for irrigated lands.

A contract was awarded on 8-5-14 to Tetra Tech in the amount of $35,750 for the above services after a Request for Qualifications (RFQ) was prepared and circulated to potential contractors qualified to do this work. Five responses to the RFQ were received and these were reviewed by a panel of Water Department and Information Services staff. Per the RFQ, the criteria for evaluation heavily weighted experience and capability of the vendor and their technical approach. The initial review on May 8, 2014 eliminated one of the respondants from further consideration as lacking experience for this project and an approach that was incomplete with regard to the required elements. The panel developed follow-up questions for the remaining four candidates to clarify their approaches and background. The panel met again June 12, 2014 and revised ratings based on additional information submitted with follow-up questions and from references.

TetraTech received the highest rating based on their experience with this imagery and similar projects, certified photogrammetric staff, and their technical approach. They delivered an excellent product, on-time and budget.

Compared to other vendors, Tetra Tech has the advantage of experience with Owens Valley imagery and an established methodology developed from a contract with LADWP in 2009 to scan, ortho-rectify, and mosaic 9700 aerial images obtained between 1929 tto 1996 (Ashley, P. and T. Loecherback, 2011). This methodology was applied to the 2015 contract with Inyo. Use of the same methods will ensure compatibility with 1981 data set as well as NAIP imagery used as the reference data set. Tetra Tech already has required inputs for the aerotriangulation and ortho-rectification processing including the camera calibration, digital terrain model, and mapping control points. With regard to the digital terrain model and mapping control points, changes in conditions on the ground and/or differences in the aerial photo coverage may require adjustments, but Tetra Tech also has the familiarity with both the imagery and geography of the Owens Valley that will allow them to augment/revise as needed. In summary, Tetra Tech offers insights and efficiencies that other vendors would not have as well as a proven record with this imagery. Given the excellence of the product delivered by Tetra Tech, and the need to assure compatibility between digitized products, we recommend that Tetra Tech be awarded the contract on a sole-source basis. The Water Department recommends that we digitize the air photo set for 1990 on this new contract.

ALTERNATIVES: Tetra Tech offers insights and efficiencies that other vendors would not have as well as a proven record with this imagery. Given the excellence of the product delivered by Tetra Tech, and the need to assure compatibility between digitized products, we recommend that Tetra Tech be awarded the contract on a sole-source basis.

OTHER AGENCY INVOLVEMENT: None

FINANCING: The funding for this contract has been included in the FY 2016-17 Water Department budget (024102) Professional Services (5265).

APPROVALS	
COUNTY COUNSEL:	AGREEMENTS, CONTRACTS AND ORDINANCES AND CLOSED SESSION AND RELATED ITEMS *(Must be reviewed and approved by county counsel prior to submission to the board clerk.)* Approved: Yes Date 06/15/2016
AUDITOR/CONTROLLER:	ACCOUNTING/FINANCE AND RELATED ITEMS (*Must be reviewed and approved by the auditor-controller prior to submission to the board clerk.)* Approved: yes Date 06/15/2016
PERSONNEL DIRECTOR: N/A	PERSONNEL AND RELATED ITEMS (Must be reviewed and approved by the director of personnel services prior to submission to the board clerk.) Approved: _____ Date _____

DEPARTMENT HEAD SIGNATURE:
(Not to be signed until all approvals are received) Date: 6/21/2016
(The Original plus 20 copies of this document are required)

AGREEMENT BETWEEN COUNTY OF INYO
AND TETRA TECH INC.
FOR THE PROVISION OF AERIAL PHOTO IMAGERY **SERVICES**

INTRODUCTION

WHEREAS, the County of Inyo (hereinafter referred to as "County") has the need for the AERIAL PHOTO IMAGERY services of TETRA TECH INC. of LAFAYETTE, CA hereinafter referred to as "Contractor"), and in consideration of the mutual promises, covenants, terms, and conditions hereinafter contained, the parties hereby agree as follows:

TERMS AND CONDITIONS

1. SCOPE OF WORK.

The Contractor shall furnish to the County, those services and work set forth in Attachment **A**, attached hereto and by reference incorporated herein.

Services and work provided by the Contractor at the County's request under this Agreement will be performed in a manner consistent with the requirements and standards established by applicable federal, state, and County laws, ordinances, regulations, and resolutions. Such laws, ordinances, regulations, and resolutions include, but are not limited to, those which are referred to in this Agreement.

2. TERM.

The term of this Agreement shall be from JULY 1, 2016 to JUNE 30, 2017 unless sooner terminated as provided below.

3. CONSIDERATION.

A. Compensation. County shall pay to Contractor the sum total of THIRTY THREE THOUSAND SEVEN HUNDRED Dollars and 00/100---------- cents ($ 33,700) for performance of all of the services and completion of all of the work described in Attachment **A**.

B. Travel and Per Diem. Contractor will not be paid or reimbursed for travel expenses or per diem which Contractor incurs in providing services and work under this Agreement.

C. No Additional Consideration. Except as expressly provided in this Agreement, Contractor shall not be entitled to, nor receive, from County, any additional consideration, compensation, salary, wages, or other type of remuneration for services rendered under this Agreement. Specifically, Contractor shall not be entitled, by virtue of this Agreement, to consideration in the form of overtime, health insurance benefits, retirement benefits, disability retirement benefits, sick leave, vacation time, paid holidays, or other paid leaves of absence of any type or kind whatsoever.

D. Limit Upon Amount Payable Under Agreement. The total sum of all payments made by the County to Contractor for all services and work to be performed under this Agreement shall not exceed THIRTY THREE THOUSAND SEVEN HUNDRED Dollars (hereinafter referred to as "contract limit"). County expressly reserves the right to deny any payment or reimbursement requested by Contractor for services or work performed which is in excess of the contract limit.

E. Billing and Payment. Contractor shall submit to the County, upon completion of all services and work set forth in Attachment **A**, an itemized statement of all services and work performed by Contractor pursuant to this Agreement. This statement will identify the date on which the services were performed and describe the nature of the services and work which was performed on each day. Upon receipt of the statement by the fifth (5th) day of the month, County shall make payment to Contractor on the last day of the month.

F. Federal and State Taxes.

(1) Except as provided in subparagraph (2) below, County will not withhold any federal or state income taxes or social security from any payments made by County to Contractor under the terms and conditions of this Agreement.

(2) County will withhold California State income taxes from payments made under this Agreement to non-California resident independent contractors when it is anticipated that total annual payments to Contractor under this Agreement will exceed one thousand four hundred ninety-nine dollars ($1,499.00).

(3) Except as set forth above, County has no obligation to withhold any taxes or payments from sums paid by County to Contractor under this Agreement. Payment of all taxes and other assessments on such sums is the sole responsibility of Contractor. County has no responsibility or liability for payment of Contractor's taxes or assessments.

(4) The total amounts paid by County to Contractor, and taxes withheld from payments to non-California residents, if any, will be reported annually to the Internal Revenue Service and the California State Franchise Tax Board. To facilitate this reporting, Contractor shall complete and submit to the County an Internal Revenue Service (IRS) Form W-9 upon executing this Agreement.

4. WORK SCHEDULE.

Contractor's obligation is to perform, in a timely manner, those services and work identified in Attachment **A**. It is understood by Contractor that the performance of these services and work will require a varied schedule. Contractor will arrange his/her own schedule, but will coordinate with County to ensure that all services and work requested by County under this Agreement will be performed within the time frame set forth by County.

5. REQUIRED LICENSES, CERTIFICATES, AND PERMITS.

A. Any licenses, certificates, or permits required by the federal, state, county, or municipal governments for contractor to provide the services and work described in Attachment **A** must be procured by Contractor and be valid at the time Contractor enters into this Agreement or as otherwise may be required. Further, during the term of this Agreement, Contractor must maintain such licenses, certificates, and permits in full force and effect. Licenses, certificates, and permits may include, but are not limited to, driver's licenses, professional licenses or certificates, and business licenses. Such licenses, certificates, and permits will be procured and maintained in force by Contractor at no expense to the County. Contractor will provide County, upon execution of this Agreement, with evidence of current and valid licenses, certificates and permits which are required to perform the services identified in Attachment **A**. Where there is a dispute between Contractor and County as to what licenses, certificates, and permits are required to perform the services identified in Attachment **A**, County reserves the right to make such determinations for purposes of this Agreement.

B. Contractor warrants that it is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in covered transactions by any federal department or agency. Contractor also warrants that it is not suspended or debarred from receiving federal funds as listed in the List of Parties Excluded from Federal Procurement or Non-procurement Programs issued by the General Services Administration available at: http://www.sam.gov.

6. OFFICE SPACE, SUPPLIES, EQUIPMENT, ETC.

Contractor shall provide such office space, supplies, equipment, vehicles, reference materials, and telephone service as is necessary for Contractor to provide the services identified in Attachment A to this Agreement. County is not obligated to reimburse or pay Contractor, for any expense or cost incurred by Contractor in procuring or maintaining such items. Responsibility for the costs and expenses incurred by Contractor in providing and maintaining such items is the sole responsibility and obligation of Contractor.

7. COUNTY PROPERTY.

A. Personal Property of County. Any personal property such as, but not limited to, protective or safety devices, badges, identification cards, keys, etc. provided to Contractor by County pursuant to this Agreement are, and at the termination of this Agreement remain, the sole and exclusive property of County. Contractor will use reasonable care to protect, safeguard and maintain such items while they are in Contractor's possession. Contractor will be financially responsible for any loss or damage to such items, partial or total, which is the result of Contractor's negligence.

B. Products of Contractor's Work and Services. Any and all compositions, publications, plans, designs, specifications, blueprints, maps, formulas, processes, photographs, slides, video tapes, computer programs, computer disks, computer tapes, memory chips, soundtracks, audio recordings, films, audio-visual presentations, exhibits, reports, studies, works of art, inventions, patents, trademarks, copyrights, or intellectual properties of any kind which are created, produced, assembled, compiled by, or are the result, product, or manifestation of, Contractor's services or work under this Agreement are, and at the termination of this Agreement remain, the sole and exclusive property of the County. At the termination of the Agreement, Contractor will convey possession and title to all such properties to County.

8. WORKERS' COMPENSATION.

Contractor shall provide Statutory California Worker's Compensation coverage and Employer's Liability coverage for not less than $1,000,000 per occurrence for all employees engaged in services or operations under this Agreement. The County of Inyo, its agents, officers and employees shall be named as additional insured or a waiver of subrogation shall be provided.

9. INSURANCE.

For the duration of this Agreement Contractor shall procure and maintain insurance of the scope and amount specified in Attachment **B** and with the provisions specified in that attachment.

10. STATUS OF CONTRACTOR.

All acts of Contractor, its agents, officers, and employees, relating to the performance of this Agreement, shall be performed as independent contractors, and not as agents, officers, or employees of County. Contractor, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of County. Except as expressly provided in Attachment A, Contractor has no authority or responsibility to exercise any rights or power vested in the County. No agent, officer, or employee of the County is to be considered an employee of Contractor. It is understood by both Contractor and County that this Agreement shall not under any circumstances be construed or considered to create an employer-employee relationship or a joint venture. As an independent contractor:

A. Contractor shall determine the method, details, and means of performing the work and services to be provided by Contractor under this Agreement.

B. Contractor shall be responsible to County only for the requirements and results specified in this Agreement, and except as expressly provided in this Agreement, shall not be subjected to County's control with respect to the physical action or activities of Contractor in fulfillment of this Agreement.

C. Contractor, its agents, officers, and employees are, and at all times during the term of this Agreement shall, represent and conduct themselves as independent contractors, and not as employees of County.

11. DEFENSE AND INDEMNIFICATION.

Contractor shall defend, indemnify, and hold harmless County, its agents, officers, and employees from and against all claims, damages, losses, judgments, liabilities, expenses, and other costs, including litigation costs and attorney's fees, arising out of, resulting from, or in connection with, the performance of this Agreement by Contractor, or Contractor's agents, officers, or employees. Contractor's obligation to defend, indemnify, and hold the County, its agents, officers, and employees harmless applies to any actual or alleged personal injury, death, or damage or destruction to tangible or intangible property, including the loss of use. Contractor's obligation under this paragraph extends to any claim, damage, loss, liability, expense, or other costs which is caused in whole or in part by any act or omission of the Contractor, its agents, employees, supplier, or any one directly or indirectly employed by any of them, or anyone for whose acts or omissions any of them may be liable.

Contractor's obligation to defend, indemnify, and hold the County, its agents, officers, and employees harmless under the provisions of this paragraph is not limited to, or restricted by, any requirement in this Agreement for Contractor to procure and maintain a policy of insurance.

To the extent permitted by law, County shall defend, indemnify, and hold harmless Contractor, its agents, officers, and employees from and against all claims, damages, losses, judgments, liabilities, expenses, and other costs, including litigation costs and attorney's fees, arising out of, or resulting from, the active negligence, or wrongful acts of County, its officers, or employees.

12. RECORDS AND AUDIT.

A. Records. Contractor shall prepare and maintain all records required by the various provisions of this Agreement, federal, state, and municipal law, ordinances, regulations, and directions. Contractor shall maintain these records for a minimum of four (4) years from the termination or completion of this Agreement. Contractor may fulfill its obligation to maintain records as required by this paragraph by substitute photographs, microphotographs, or other authentic reproduction of such records.

B. Inspections and Audits. Any authorized representative of County shall have access to any books, documents, papers, records, including, but not limited to, financial records of Contractor, which County determines to be pertinent to this Agreement, for the purposes of making audit, evaluation, examination, excerpts, and transcripts during the period such records are to be maintained by Contractor. Further, County has the right, at all reasonable times, to audit, inspect, or otherwise evaluate the work performed or being performed under this Agreement.

13. NONDISCRIMINATION.

During the performance of this Agreement, Contractor, its agents, officers, and employees shall not unlawfully discriminate in violation of any federal, state, or local law, against any employee, or applicant for employment, or person receiving services under this Agreement, because of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, age, or sex. Contractor and its agents, officers, and employees shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12900, et seq.), and the applicable regulations promulgated thereunder in the California Code of Regulations. Contractor shall also abide by the Federal Civil Rights Act of 1964 (P.L. 88-352) and all amendments thereto, and all administrative rules and regulations issued pursuant to said act.

14. ASSIGNMENT.

This is an agreement for the services of Contractor. County has relied upon the skills, knowledge, experience, and training of Contractor as an inducement to enter into this Agreement. Contractor shall not assign or subcontract this Agreement, or any part of it, without the express written consent of County. Further, Contractor shall not assign any monies due or to become due under this Agreement without the prior written consent of County.

15. DEFAULT.

If the Contractor abandons the work, or fails to proceed with the work and services requested by County in a timely manner, or fails in any way as required to conduct the work and services as required by County, County may declare the Contractor in default and terminate this Agreement upon five (5) days written notice to Contractor. Upon such termination by default, County will pay to Contractor all amounts owing to Contractor for services and work satisfactorily performed to the date of termination.

16. WAIVER OF DEFAULT.

Waiver of any default by either party to this Agreement shall not be deemed to be waiver of any subsequent default. Waiver or breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach, and shall not be construed to be a modification of the terms of this Agreement unless this Agreement is modified as provided in paragraph twenty-three (23) below.

17. CONFIDENTIALITY.

Contractor further agrees to comply with the various provisions of the federal, state, and county laws, regulations, and ordinances providing that information and records kept, maintained, or accessible by Contractor in the course of providing services and work under this Agreement, shall be privileged, restricted, or confidential. Contractor agrees to keep confidential all such information and records. Disclosure of such confidential, privileged, or protected information shall be made by Contractor only with the express written consent of the County. Any disclosure of confidential information by Contractor without the County's written consent is solely and exclusively the legal responsibility of Contractor in all respects.

Notwithstanding anything in the Agreement to the contrary, names of persons receiving public social services are confidential and are to be protected from unauthorized disclosure in accordance with Title 45, Code of Federal Regulations Section 205.50, the Health Insurance Portability and Accountability Act of 1996, and Sections 10850 and 14100.2 of the Welfare and Institutions Code, and regulations adopted pursuant thereto. For the purpose of this Agreement, all information, records, and data elements pertaining to beneficiaries shall be protected by the provider from unauthorized disclosure.

18. CONFLICTS.

Contractor agrees that it has no interest, and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of the work and services under this Agreement.

19. POST AGREEMENT COVENANT.

Contractor agrees not to use any confidential, protected, or privileged information which is gained from the County in the course of providing services and work under this Agreement, for any personal benefit, gain, or enhancement. Further, Contractor agrees for a period of two years after the termination of this Agreement, not to seek or accept any employment with any entity, association, corporation, or person who, during the term of this Agreement, has had an adverse or conflicting interest with the County, or who has been an adverse party in litigation with the County, and concerning such, Contractor by virtue of this Agreement has gained access to the County's confidential, privileged, protected, or proprietary information.

20. SEVERABILITY.

If any portion of this Agreement or application thereof to any person or circumstance shall be declared invalid by a court of competent jurisdiction, or if it is found in contravention of any federal, state, or county statute, ordinance, or regulation, the remaining provisions of this Agreement, or the application thereof, shall not be invalidated thereby, and shall remain in full force and effect to the extent that the provisions of this Agreement are severable.

21. FUNDING LIMITATION.

The ability of County to enter this Agreement is based upon available funding from various sources. In the event that such funding fails, is reduced, or is modified, from one or more sources, County has the option to cancel, reduce, or modify this Agreement, or any of its terms within ten (10) days of its notifying Contractor of the cancellation, reduction, or modification of available funding. Any reduction or modification of this Agreement made pursuant to this provision must comply with the requirements of paragraph twenty-two (22) (Amendment).

22. AMENDMENT.

This Agreement may be modified, amended, changed, added to, or subtracted from, by the mutual consent of the parties hereto, if such amendment or change is in written form and executed with the same formalities as this Agreement, and attached to the original Agreement to maintain continuity.

23. NOTICE.

Any notice, communication, amendments, additions, or deletions to this Agreement, including change of address of either party during the terms of this Agreement, which Contractor or County shall be required, or may desire, to make, shall be in writing and may be personally served, or sent by prepaid first class mail to, the respective parties as follows:

County of Inyo
INYO COUNTY WATER — Department
P. O. BOX 337 — Address
INDEPENDENCE, CA 93526 — City and State

Contractor:

TETRA TECH INC. — Name
3746 MT. DIABLO BLVD. STE 300 — Address
LAFAYETTE, CA 94549 — City and State

24. ENTIRE AGREEMENT.

This Agreement contains the entire agreement of the parties, and no representations, inducements, promises, or agreements otherwise between the parties not embodied herein or incorporated herein by reference, shall be of any force or effect. Further, no term or provision hereof may be changed, waived, discharged, or terminated, unless the same be in writing executed by the parties hereto.

# #

AGREEMENT BETWEEN COUNTY OF INYO
AND TETRA TECH INC.
FOR THE PROVISION OF AERIAL PHOTO IMAGERY SERVICES

IN WITNESS THEREOF, THE PARTIES HERETO HAVE SET THEIR HANDS AND SEALS THIS _____ DAY _____, _____.

COUNTY OF INYO

By:_____

Dated:_____

CONTRACTOR

By:_____
Signature

PETER ASHLEY
Type or Print Name

Dated: 5-23-16

APPROVED AS TO FORM AND LEGALITY:

_____
County Counsel

APPROVED AS TO ACCOUNTING FORM:

_____
County Auditor

APPROVED AS TO PERSONNEL REQUIREMENTS:

_____
Personnel Services

APPROVED AS TO INSURANCE REQUIREMENTS:

_____
County Risk Manager

ATTACHMENT A

AGREEMENT BETWEEN COUNTY OF INYO
AND TETRA TECH INC.
FOR THE PROVISION OF AERIAL PHOTO IMAGERY **SERVICES**

TERM:

FROM: JULY 1, 2016 **TO:** JUNE 30, 2017

SCOPE OF WORK:

SEE ATTACHMENT A

Scope of Work

1. Scan Color Contact Prints:
    - 672 images, 9x9, 1:12000 scale, acquired 1990
    - Scan resolution of 600 dpi
    - 3-band color images (natural color: red, green, blue) – 24 bit, capture full range for each band
    - Output in uncompressed TIFF format
    - Photos (contact prints) to be furnished by Inyo County Water Department

2. Geo-reference/Ortho Rectification -- Using aero-triangulation and ortho-rectification procedures, geo-reference scanned image data to NAD83, UTM Z11 coordinates:

    - Measure fiducial marks visible on scanned images to stitch images into blocks for aero-triangulation adjustment
    - NAIP 2014 imagery source for additional control points (digital images for Inyo/Mono County can be supplied by ICWD).
    - Contractor supplied camera model (calibration report)
    - Digital elevation model – public sources and/or contractor derived terrain model
    - Apply aerotriangulation adjustment and terrain model to orthorectify imagery

3. Image processing –process geo-referenced scanned images to ensure a seamless mosaic
    - Remove black border surrounding image
    - Color balance imagery so that transitions between blocks/tiles are seamless
    - Document parameters, procedures and any reference image used for color balancing.
    - Mosaic images and develop tiling and labeling scheme for the images in consultation with ICWD and document scheme.

4. Quality Control –
    - Contractor will review quality (color-balancing, no blurring, introduced artifacts from the scan) of scanned images from their sub-contractor and if necessary request re-scan – step 1.
    - Following ortho-rectification, select test points and calculate root-mean-squared error (RMS) – points should be within 5 m RMS (step 2)
    - Examine linear features at boundaries of tiles and verify that they match or not offset by more than 3 pixels (step 2) and that color is balanced across tiles (step 3).

5. Generate metadata
    - FGDC compliant
    - Basic information requirement for image display should be contained in tfw file, e.g., pixel dimensions and registration.

- Other information describing the data set including parameters and procedures applied, ownership and rights management should be in XML or other format compatible with the FGDC standard.

6. Data Delivery
   - Coordinate with ICWD and Inyo County Information Service to arrange electronic delivery of scanned, ortho-rectified imagery in TIFF format and metadata (XML).
   - Documentation (reports) of procedures and quality control applied, accuracy of geo-referenced imagery, description and index of tiling scheme also to be delivered electronically.
   - Original contact prints to be returned to Inyo County Water Department.

ATTACHMENT B

AGREEMENT BETWEEN COUNTY OF INYO
AND TETRA TECH INC.
FOR THE PROVISION OF AERIAL P HOTO IMAGERY **SERVICES**

TERM:

FROM: JULY 1, 2016 **TO:** JUNE 30, 2017

SEE ATTACHED INSURANCE PROVISIONS

Specifications 2

Insurance Requirements for Professional Services

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability** (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis for bodily injury and property damage, including products-completed operations, personal injury and advertising injury, with limits no less than **$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than **$500,000** per accident for bodily injury and property damage.
3. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **$1,000,000** per accident for bodily injury or disease.

(Not required if consultant provides written verification it has no employees)

1. **Professional Liability** (Errors and Omissions) Insurance appropriates to the Consultant's profession, with limit no less than **$1,000,000** per occurrence or claim, $2,000,000 aggregate.

If the Consultant maintains higher limits than the minimums shown above, the Entity requires and shall be entitled to coverage for the higher limits maintained by the contractor.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The Entity, its officers, officials, employees, and volunteers are to be covered as additional insureds on the auto policy with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Consultant; and on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance (at least as broad as ISO Form CG 20 10, 11 85 or both CG 20 10 and CG 23 37 forms if later revisions used).

Primary Coverage

For any claims related to this contract, the **Consultant's insurance coverage shall be primary** insurance as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

Notice of Cancellation

Each insurance policy required above shall state that **coverage shall not be canceled, except with notice to the Entity.**

Waiver of Subrogation

Consultant hereby grants to Entity a waiver of any right to subrogation which any insurer of said Consultant may acquire against the Entity by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the Entity has received a waiver of subrogation endorsement from the insurer.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the Entity. The Entity may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the Entity.

Claims Made Policies

If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided ***for at least five (5) years after completion of the contract of work.***
3. If coverage is canceled or non-renewed, and not ***replaced with another claims-made policy form with a Retroactive Date*** prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of ***five (5)*** years after completion of contract work.

Verification of Coverage

Consultant shall furnish the Entity with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the Entity before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The Entity reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Subcontractors
Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein.

Special Risks or Circumstances

Entity reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

AGENDA REQUEST FORM

BOARD OF SUPERVISORS
COUNTY OF INYO

For Clerk's Use Only:
AGENDA NUMBER
17

☐ Consent X Departmental ☐ Correspondence Action ☐ Public Hearing

☐ Scheduled Time for ☐ Closed Session ☐ Informational

FROM: Alisha McMurtrie, Treasurer-Tax Collector

FOR THE BOARD MEETING OF: July ~~5~~ 12, 2016

SUBJECT: Interim loan from the county treasury to the Southern Inyo Fire Protection District for the 2016/17 fiscal year.

DEPARTMENTAL RECOMMENDATION: Adopt the attached Resolution pursuant to the provisions of Article XVI (16), Section 6 of the California Constitution, thereby approving an interim loan from the county treasury to the Southern Inyo Fire Protection District (District) in the aggregate amount of $23,000.00 for the purpose of financing the District's operational costs during the 2016/17 fiscal year prior to receipt of their annual property tax apportionment.

CAO RECOMMENDATION: N/A

SUMMARY DISCUSSION: The above referenced Section of the California Constitution required the County Treasurer to make interim loans to any district whose funds are in the custody of and paid out solely through the County treasury. Such loans cannot exceed 85% of the district's anticipated current fiscal year annual revenue. The Inyo County Auditor-Controller has determined that the requested loan amount of $23,000.00 does not exceed the statutory maximum amount. The County Treasurer has determined that there are sufficient funds on deposit in the County treasury to accommodate the subject loan, and that the approval and utilization of the loan amount will not adversely impact treasury pool participants. The law requires that loans of this nature be approved by the County Board of Supervisors. The adoption of the attached resolution will result in the approval of the loan. A copy of the District's loan request in the form of their resolution is attached for your information.

ALTERNATIVES: N/A

OTHER AGENCY INVOLVEMENT: N/A

FINANCING: N/A

APPROVALS	
COUNTY COUNSEL:	AGREEMENTS, CONTRACTS AND ORDINANCES AND CLOSED SESSION AND RELATED ITEMS *(Must be reviewed and approved by county counsel prior to submission to the board clerk.)* Approved: Yes Date 05/05/2016
AUDITOR/CONTROLLER:	ACCOUNTING/FINANCE AND RELATED ITEMS (M*ust be reviewed and approved by the auditor-controller prior to submission to the board clerk.)* Approved: Yes Date 6/21/16
PERSONNEL DIRECTOR:	PERSONNEL AND RELATED ITEMS (Must be reviewed and approved by the director of personnel services prior to submission to the board clerk.) N/A Approved:_____ Date_____

DEPARTMENT HEAD SIGNATURE: Alisha McMurtrie Date: 06/1/2016

Alisha McMurtrie, Treasurer-Tax Collector

RESOLUTION NO. _____

A Resolution of the Inyo County Board of Supervisors Approving an Interim Loan to the Southern Inyo Fire Protection District from the Inyo County Treasury Pursuant to Article XVI, Section 6 of the California Constitution

WHEREAS, the provisions of Article XVI, Section 6 of the California Constitution provide that the Treasurer of any County shall have the power and duty to make such temporary transfers from the funds in custody as may be necessary to provide the funds for meeting the obligations incurred for maintenance purposes by a political subdivision whose funds are in custody and paid out solely through the Treasurer's office upon resolution adopted by the governing body of the county directing the Treasurer to make such temporary transfers; and,

WHEREAS, the Southern Inyo Fire Protection District (District) has made such a request for an interim loan in the aggregate amount of $23,000.00 for the 2016-17 fiscal year; and

WHEREAS, the amount of such request for temporary transfer does not exceed 85% of the anticipated secured property tax revenue accruing to the District for the 2016-17 fiscal year; and

WHEREAS, the District has agreed to repay the loan from revenues accruing to it in the 2016-17 fiscal year before any other obligation of the District is met; and

WHEREAS, the Inyo County Auditor-Controller is authorized to withdraw, intercept or otherwise offset against monies of the District in amounts sufficient to repay the principal and interest due on the interim loan as said monies accrue to the District,

NOW, THERERFORE, BE IT RESOLVED by the Inyo County the Board of Supervisors of the County of Inyo that, pursuant to the provisions of Article XVI, Section 6 of the California Constitution, the Inyo County Treasurer is hereby directed to make temporary transfers from the Inyo County Treasury to the District in an aggregate amount not to exceed Twenty Three Thousand ($23,000.00) dollars, as such transfers are requested by the District during the 2016-17 fiscal year.

PASSED AND ADOPTED by the Board of Supervisors of the County of Inyo, State of California, this 5th day of July 2016, by the following vote:

AYES:
NOES:
ABSENT:

_____
CHAIRPERSON OF THE BOARD OF SUPERVISORS
COUNTY OF INYO, STATE OF CALIFORNIA

Attest: Kevin Carunchio
Clerk of the Board

By_____
Deputy

Southern Inyo Fire Protection District

PO Box 51, Tecopa, CA 92389 • Phone & Fax (760) 852-4130

Resolution No. 16-04

A RESOLUTION OF THE BOARD OF DIRECTORS,

SOUTHERN INYO FIRE PROTECTION DISTRICT,

REQUESTING A TEMPORARY LOAN FROM THE INYO COUNTY

TREASURY

WHEREAS, the Board of Directors of the Southern Inyo Fire Protection District desires to request a temporary loan during the fiscal year 2015-2016 from the Inyo County Treasury in the amount of up to $23,000.00 to be repaid from December and/or April 2015 tax revenues, whichever falls under the use of funds.

NOW, THEREFORE, BE IT RESOLVED by the board of Directors of the Southern Inyo Fire Protection District that a loan in the amount of up to $23,000.00 be requested and the Fire Chief/Admin Officer and or the Board of Secretary is authorized to sign any and all documents pertaining to said loan.

PASSED AND ADOPTED THIS 21st day of April, 2016 BY THE FOLLOWING VOTE:

MOTION PASSED 3, 0, 1, 1

Yes **No** **Ob** **Absent**

Robin Flinchum, Chair Person

Southern Inyo Fire Protection District

ATTEST:

Larry Levy, Fire Chief S.I.F.P.D.

AGENDA REQUEST FORM
BOARD OF SUPERVISORS
COUNTY OF INYO

For Clerk's Use Only:
AGENDA NUMBER
18

☐ Consent ☒ Departmental ☐ Correspondence Action ☐ Public Hearing
☐ Scheduled Time for ☐ Closed Session ☐ Informational

FROM: Inyo County Board of Supervisors

FOR THE BOARD MEETING OF: July 12, 2016

SUBJECT: Draft Multi-Jurisdictional Hazard Mitigation Plan (MJHMP) for Public Review

DEPARTMENTAL RECOMMENDATION: Receive Draft Multi-Jurisdictional Hazard Mitigation Plan overview presentation from staff, consultant Michael Baker International and provide input.

SUMMARY DISCUSSION:
Inyo County is currently one of the few Counties in the State of California without an approved Hazard Mitigation Plan. The Public Works Department applied and was approved for grant funding with California Governor's Office of Emergency Services (Cal OES) and Federal Emergency Management Agency (FEMA). Grant funding allowed for the contracting of services from Michael Baker International (MBI) to assist in development of a Multi-Jurisdictional Hazard Mitigation Plan.

This plan was created over the last six months by identifying stakeholders, risk assessment and developing mitigation measures. The project team participated in five monthly meetings and consisted of identified stakeholders. Stakeholders included representation from County Departments, City of Bishop, Local State and Federal Agencies and Cal-OES. The draft plan has been released for 30-day public review and is presented today as part of that review.

OTHER AGENCY INVOLVEMENT:
City of Bishop and other stakeholders affected by plan

FINANCING:
Cost of this plan is funded by FEMA Pre-Disaster Mitigation Grant administered by Cal OES.

APPROVALS	
COUNTY COUNSEL:	AGREEMENTS, CONTRACTS AND ORDINANCES AND CLOSED SESSION AND RELATED ITEMS *(Must be reviewed and approved by county counsel prior to submission to the board clerk.)*
AUDITOR/CONTROLLER:	ACCOUNTING/FINANCE AND RELATED ITEMS (*Must be reviewed and approved by the auditor-controller prior to submission to the board clerk.)*
PERSONNEL DIRECTOR:	PERSONNEL AND RELATED ITEMS (Must be reviewed and approved by the director of personnel services prior to submission to the board clerk.)

DEPARTMENT HEAD SIGNATURE:
(Not to be signed until all approvals are received)

_____ Date: 6/28/16

Exhibit:
1.) Ordinance

AGENDA REQUEST FORM
BOARD OF SUPERVISORS
COUNTY OF INYO

For Clerk's Use Only:
AGENDA NUMBER
19

☐ Consent ☒ Departmental ☐ Correspondence Action ☐ Public Hearing

☐ Scheduled Time for ☐ Closed Session ☐ Informational

FROM: Board Clerk
By Darcy Ellis, Assistant Board Clerk

FOR THE BOARD MEETING OF: July 12, 2016

SUBJECT: Resolution facilitating Kern County Community College District's (KCCD) formation of School Facilities Improvement District (SFID)

DEPARTMENTAL RECOMMENDATION: Request Board approve Resolution 2016-_____ entitled "Resolution of the Board of Supervisors of the County of Inyo to Make Applicable to the Kern Community College District the Provisions of the Education Code of the State of California Permitting Formation of School Facilities Improvement Districts."

SUMMARY DISCUSSION: The Resolution would allow KCCD to begin the multi-stage process to establish an SFID within their boundaries and, eventually, to hold a bond election for the voters to consider allowing them to issue bonds.

ALTERNATIVES: Your Board could decide not to pass the Resolution.

OTHER AGENCY INVOLVEMENT: County Counsel

FINANCING: N/A

APPROVALS	
COUNTY COUNSEL:	AGREEMENTS, CONTRACTS AND ORDINANCES AND CLOSED SESSION AND RELATED ITEMS *(Must be reviewed and approved by county counsel prior to submission to the board clerk.)* Approved: Yes Date 7/7/16
AUDITOR/CONTROLLER:	ACCOUNTING/FINANCE AND RELATED ITEMS (*Must be reviewed and approved by the auditor-controller prior to submission to the board clerk.)* Approved:_____ Date_____
PERSONNEL DIRECTOR:	PERSONNEL AND RELATED ITEMS (Must be reviewed and approved by the director of personnel services prior to submission to the board clerk.) Approved:_____ Date_____

DEPARTMENT HEAD SIGNATURE:
(Not to be signed until all approvals are received)_____ Date:_____
(The Original plus 20 copies of this document are required)

KERN COMMUNITY COLLEGE DISTRICT

OFFICE OF BUSINESS SERVICES
2100 CHESTER AVENUE
BAKERSFIELD, CA 93301-4099
(661) 336-5117

July 5, 2016

Board of Supervisors
Inyo County
P.O. Box N
Independence, California 93526

Dear Members of the Board of Supervisors:

On behalf of the Kern Community College District and the Board of Trustees, thank you for your willingness to consider approving the enclosed Resolution making the provisions of California Education Code §§ 15300 *et seq.*, regarding the formation of School Facilities Improvement Districts, applicable in Inyo County. This will enable the District to place a bond measure on the ballot to fund educational facilities that will be of great value to residents of the County.

Sincerely,

Sandra V. Serrano
Chancellor
Kern Community College District

SVS:jpd

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF INYO TO MAKE APPLICABLE TO THE KERN COMMUNITY COLLEGE DISTRICT THE PROVISIONS OF THE EDUCATION CODE OF THE STATE OF CALIFORNIA PERMITTING FORMATION OF SCHOOL FACILITIES IMPROVEMENT DISTRICTS

WHEREAS, a school or community college district may form a school facilities improvement district within its boundaries for the authorization and issuance of bonds pursuant to and subject to the requirements of Chapter 2 (commencing with Section 15300) of Part 10 of Division 1 of Title 1 of the Education Code of the State of California (the "Law"); and

WHEREAS, Education Code Section 15303 provides that the Law shall not be operative in any county until the board of supervisors of the county by resolution adopted by a majority vote makes said chapter applicable therein; and

WHEREAS, this Board of Supervisors of the County of Inyo (the "County") has determined that it is desirable and in the interests of the Kern Community College District (the "District"), located within the boundaries of the County, to permit the formation by the District of one or more school facilities improvement districts, upon appropriate action by the board of education of the District pursuant to the Law;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF INYO AS FOLLOWS:

Section 1. Recitals. All of the above recitals are true.

Section 2. Law Applicable in the County to the District. Pursuant to Section 15303 of the Education Code, Chapter 2 (commencing with Section 15300) of Part 10 of Division 1 of Title 1 of the Education Code of the State of California is hereby made applicable in the County to the District, to allow the formation of one or more school facilities improvement districts within the District.

Section 3. Reimbursement. The District shall reimburse the County for any and all costs incurred by the County as a result of the formation and implementation of the proposed improvement districts and any and all actions of the District which cause the County to expend resources.

Section 4. Effective Date. This resolution shall take effect from and after its adoption.

THE FOREGOING was PASSED AND ADOPTED by the following vote of the Board of Supervisors of the County of Inyo on _____, 2016, to-wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

_____
CHAIR, BOARD OF SUPERVISORS
COUNTY OF INYO

ATTEST:

_____
CLERK OF THE BOARD

By: _____
Deputy Clerk

AGENDA REQUEST FORM

BOARD OF SUPERVISORS
COUNTY OF INYO

For Clerk's Use Only:
AGENDA NUMBER
20

☐ Consent ☒ Departmental ☐ Correspondence Action ☐ Public Hearing
☐ Scheduled Time ☐ Closed Session ☐ Informational

FROM: Inyo County Planning Department

FOR THE BOARD MEETING OF: July 12, 2016

SUBJECT: Natural Resource Advisory Committee

DEPARTMENTAL RECOMMENDATION: Appoint Doug Thompson and Linda Emerson to the Natural Resource Advisory Committee and specify who should be appointed as a voting member and who should be appointed as an alternate member.

SUMMARY DISCUSSION: The Natural Resource Advisory Committee (NRAC) was created in 2009 to act as a technical committee on natural resource matters with the goal of providing pertinent information and making recommendations to the Board of Supervisors and the Planning Commission on matters relating to mineral, solar, geothermal, water and wind development, or upon referral.[1] The NRAC is made up of five voting members consisting of citizens of Inyo County selected County-wide, as well as two alternate members. On August 21, 2012, the Board extended the Committee for three years, and on July 21, 2015 the Board extended it for an additional three years.

The NRAC's authorizing resolution indicates that appointments of Committee members shall be made by the Board of Supervisors upon the recommendation of the Planning Director and Planning Commission. In response to the County's solicitation, Requests for Appointment were received from Mr. Doug Thompson and Ms. Linda Emerson. Mr. Thompson currently serves on the Committee as a voting member, and staff believes that he has served the NRAC well and should be reappointed. Ms. Emerson has extensive experience in natural resource issues, and staff believes that she also should be appointed.

Upon the Planning Director's recommendation, the Planning Commission recommended that the Board appoint Mr. Thompson and Ms. Emerson to the NRAC at its June 22, 2016 meeting. The Board is tasked with identifying to which position – voting or alternate – each might be appointed. The terms for this appointment shall be until the termination of the NRAC, unless it is extended, in which case the terms would be three years.

ALTERNATIVES: The Board may consider not appointing Mr. Thompson and/or Ms. Emerson. This is not recommended since both are qualified to serve, and staff has had difficulty recruiting new members. The Board should also consider whether to appoint each one as an alternate or full voting member.

***OTHER AGENCY INVOLVEMENT*:** None directly. Indirectly, other agencies, such as the US Forest Service and the Bureau of Land Management, may be involved in the activities undertaken by the NRAC.

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[1] Refer to http://inyoplanning.org/natres.htm for more information regarding the NRAC, including the authorizing resolution.

FINANCING: Resources from the County's general fund are utilized for NRAC operations.

APPROVALS	
COUNTY COUNSEL:	AGREEMENTS, CONTRACTS AND ORDINANCES AND CLOSED SESSION AND RELATED ITEMS *(Must be reviewed and approved by county counsel prior to submission to the board clerk.)*
AUDITOR/CONTROLLER:	ACCOUNTING/FINANCE AND RELATED ITEMS (*Must be reviewed and approved by the auditor-controller prior to submission to the board clerk.)*
PERSONNEL DIRECTOR:	PERSONNEL AND RELATED ITEMS (Must be reviewed and approved by the director of personnel services prior to submission to the board clerk.)

DEPARTMENT HEAD SIGNATURE:
(Not to be signed until all approvals are received)

Joshua Hart Date: 6/29/16

Attachment: Requests for Appointment

Joshua Hart

From: Doug Thompson [redacted]
Sent: Thursday, June 09, 2016 12:34 PM
To: Joshua Hart
Subject: NRAC Position

Good Morning Josh I will attend the NRAC meeting tonight and request My position be considered to extended for the next period.

If needed my background and education is as follows AS Engineering Technology Cypress College 1970, BA Sociology CSULB 1975, USCG 1962-1967 Honorable discharge at the rank of E-5.
Employed by the City of Los Angles1967 -1997 First in the Generation system and the last 26 years in Project Development , Fossil fuel systems, Nuclear and Geothermal , R/W development and land mapping. Retired Survey Party Chief.

Owner of the Whitney Portal Store and Hostel in Lone Pine and have operated the Whitney Portal Store under a lease from the Inyo National Forest for 28 years.

Involved with several 501c3 organizations, Alabama Hills Stewardship Group, Lone Pine EDC and Past President of the DMRC&D
A member of the Local Transportation Commission.

I have remained active in Inyo County economic and environmental review for the past 30+ years and feel I can represent a fair and impartial opinion .

Thank you for the consideration for a position on the Natural Resource Advisory Committee

Doug Thompson

Linda Emerson
[redacted]
Bishop, CA 93514
(760) 873-3480
[redacted]

May 14, 2016

Inyo County Board of Supervisors
P.O. Box N
Independence, CA 93526

RE: Natural Resource Advisory Committee

Dear Inyo County Supervisors,

I am interested in serving on the Natural Resource Advisory Committee. Decisions regarding the use and management of our natural resources affects the quality of life for present and future generations of both Inyo County residents and visitors. I would like to participate in that important decision-making process as a member of the Committee.

I have lived in Inyo County since 2004 and am currently a substitute teacher for schools in Bishop and Big Pine. However, in my prior professional life, I was a land use attorney. I have extensive experience analyzing environmental statutes and reports involving a wide variety of natural resources. Attached is my resume. I believe this background will be useful to the Committee in fulfilling its role to provide information and recommendations on natural resource matters.

I would appreciate this opportunity to give back to the community I love. Thank you very much for your consideration.

Sincerely,

Linda Emerson

Linda Emerson

Attachment (1)

LINDA EMERSON

[redacted]

POST-RETIREMENT WORK

Substitute Teacher
Inyo County Schools March 2015 to present

Fulfill substitute teaching assignments for kindergarten, elementary, middle-school, high school, dual-language and special education classes (all subjects).

Crew Leader
U.S. Census Bureau March to August, 2010

Trained and supervised census workers for three field operations in Inyo County. Reviewed and certified work product, payroll and progress reports.

PROFESSIONAL EXPERIENCE

Director/Attorney
Dickenson, Peatman & Fogarty, Napa April 1995 to October 2004 (retired)

Specialist in local and state land use law, with an emphasis on winery-related zoning and planning matters. Preparation and negotiation of development agreements, restrictive covenants, easement agreements and other agreements related to the use of real property. Administrative matters including subdivision maps, use permits, and compliance with CEQA and the regulatory requirements of various state and federal agencies.

Associate/Attorney
Robbins & Livingston, Roseville October 1993 to April 1995

Full range of representational responsibilities involving the California Subdivision Map Act, General Plan law, Development Agreements, affordable housing and related zoning matters. Analysis of Environmental Impact Reports and studies covering a wide range of subjects, including water quality, geology, cultural and biological resources, hazardous materials, noise, infrastructure requirements and aesthetic considerations. Applicable law included CEQA, the Clean Water Act, Federal and State Clean Air legislation, Federal and State Endangered Species Acts, and a variety of state statutes involving planning issues, water rights and water quality.

Legal Extern
California Energy Commission, Sacramento Spring, 1993
Researched and drafted memoranda on CEQA and administrative law issues. Assisted lead counsel in a rulemaking proceeding and a power plant licensing case.

EDUCATION

University of California, Davis School of Law
Juris Doctor, 1993
Editor, *Environs Environmental Law & Policy Journal*
Advocate, Moot Court
Teaching Assistant, Legal Research and Writing

California State University, Fullerton
B.A. in Liberal Studies, 1990; top 1% of class
Recipient, 1989 Outstanding Student Scholarship

LICENSURE

Admitted to the California State Bar, 1993 (currently inactive)
Admitted to Practice before the United States District Court for the Eastern and Northern Districts of California. 1993
California Emergency Teaching Credential, 2015

COMMUNITY WORK

Director, Northern Inyo Hospital Foundation Board (2015-present)
Volunteer, Eastern Sierra Dog Rescue/Inyo County Animal Shelter (2008-present)
Director, Friends of the Inyo (2002-2007)
Director, Community Action Napa Valley (1999-2004)
Co-chair, Hope Resource Center Advisory Committee (2000-2004)

INTERESTS: Mountain climbing, long-distance running, world travel. In 1982, I backpacked 2,600+ miles from Mexico to Canada along the Pacific Crest Trail.

AGENDA REQUEST FORM

BOARD OF SUPERVISORS
COUNTY OF INYO

For Clerk's Use Only:
AGENDA NUMBER
21

☐ Consent ☒ Departmental ☐ Correspondence Action ☐ Public Hearing

☐ Scheduled Time for ☐ Closed Session ☐ Informational

FROM: Rick Benson/ Nancy Masters
Assistant County Administrator/Library Director

FOR THE BOARD MEETING OF: July 12, 2016

SUBJECT: **Library Automation Plan**

DEPARTMENTAL RECOMMENDATION:

It is recommended that your Board a) approve the revised plan to automate the library and b) Authorize the Assistant County Administrator to sign a sole source contract, contingent upon obtaining all necessary signatures, with Backstage Library Works in an amount not to exceed $25,000 for retrospective conversion of the library's shelflist cards into machine readable cataloging (MARC) records.

SUMMARY DISCUSSION:

At your meeting of May 17, 2016 your Board received a report outlining a proposed plan to automate the library within an 18 month period. The plan included redirecting existing staff and hiring a part-time, temporary Librarian I. Just prior to presenting the plan to your Board, staff became aware of an outside vendor with the capability to significantly speed up the process. Therefore, your Board gave direction to further explore bringing in this outside vendor.

Staff has had several discussions with the vendor, Backstage Library Works, and believes that with some enhancements to our current staff we can bring about the desired automation at a reasonable cost and within a reasonable amount of time. Attached is an outline of the new proposal to automate the library.

To summarize, the plan calls for contracting with Backstage to process the library's shelflist. Also required would be the hiring of the full-time equivalent of one, temporary Librarian I. The new position would be dedicated to processing the library's shelflist in preparation for conversion by Backstage. The plan requires occasional closures of various branches to allow staff to assist in focus in the conversion process.

The contract with Backstage includes a not to exceed figure of $25,000. The cost of the temporary Librarian I is approximately $20,000. Because the Friends of the Bishop Library concur that automation is critical to the furtherance of the library's mission the organization has generously offered to fund the contract with Backstage Library Works so long as the County is agreeable to fund the temporary position and provide for any unanticipated, ancillary costs associated with the conversion.

While there is at least one other firm that provides services similar to Backstage, to the best of our knowledge no other company can provide the service level of Backstage in order to complete the task in a reasonable amount of time. Therefore, it is requested that your Board approve a sole-source contract with Backstage for retrospective conversion of the library's shelflist. In order to expedite the process, a standard County agreement with Backstage is being processed at this time. It is recommended that if your Board approves the plan and once all appropriate signatures are obtained you authorize the Assistant County Administrator to sign the agreement.

ALTERNATIVES:

Your Board could direct staff to implement the previous plan submitted on May 17, 2016 or continue the automation process on the current course.

Your Board could direct staff to revise and resubmit the plan or provide direction for desirable changes.

FINANCING:

If approved by your Board today, additional costs of approximately $20,000 will be included in the FY 2016-17 proposed budget to fund the temporary position. The cost of the contract with Backstage is to be reimbursed by the Friends of the Bishop Library.

APPROVALS	
COUNTY COUNSEL: N/A	AGREEMENTS, CONTRACTS AND ORDINANCES AND CLOSED SESSION AND RELATED ITEMS *(Must be reviewed and approved by county counsel prior to submission to the board clerk.)* Approved: _____ Date_____
AUDITOR/CONTROLLER:	ACCOUNTING/FINANCE AND RELATED ITEMS (M*ust be reviewed and approved by the auditor-controller prior to submission to the board clerk.)* Approved: yes Date 7/7/16
PERSONNEL DIRECTOR: N/A	PERSONNEL AND RELATED ITEMS (Must be reviewed and approved by the director of personnel services prior to submission to the board clerk.) Approved:_____ Date_____

DEPARTMENT HEAD SIGNATURE:
(Not to be signed until all approvals are received)
(The Original plus 20 copies of this document are required)

Richard J Bruen Date: 7/7/16

Library Automation Plan
Presented 7/12/16

Objective
Bring about automation of the Inyo County Library system no later than February 1, 2017.

Resources Needed

a. Backstage Library Works
b. Temporary Librarian I, 1 FTE, 6 months

Process
Staff will prepare shelflist information to be processed by Backstage Library Works.

a. Focus new, temporary position on automation project
b. Redirect existing staff
c. Closures
    i. Two days per month
    ii. Bishop, Independence and Big Pine
d. Send shelflist cards to Backstage for conversion

Costs (beyond what has already been incurred)

a. Backstage - $25,000
b. Librarian I - $20,000
   Total - $45,000

Cost of contract with Backstage will be provided by Bishop Friends of the Library

Expected Result

1. All circulating volumes recorded in a computerized database, accessible by the public with little or no need for assistance from library staff.
    a. Said database will include description of the volume, location, record number etc.
    b. Said database will be accessible online as well as within the library.
    c. Said database will provide information regarding availability.
2. Database accessible by library staff which will include a record of who has checked out a volume.
3. Barcodes placed in all circulating volumes in order to facilitate checking out of books through a scanner system.
4. Scanable library cards provided to patrons to facilitate checking out of books through a scanner system.
5. Patron records in a computerized database accessible only by library staff. Patron records include name, address, phone number etc. and a record of any overdue volumes.

AGENDA REQUEST FORM

BOARD OF SUPERVISORS
COUNTY OF INYO

For Clerk's Use Only:
AGENDA NUMBER
22

Consent X Departmental ☐Correspondence Action ☐ Public Hearing

☐ Scheduled Time for ☐ Closed Session ☐ Informational

FROM: **Water Department**

FOR THE BOARD MEETING OF **July 12, 2016**

SUBJECT: **Consideration of a joint powers agreement to form a Groundwater Sustainability Agency with other eligible agencies in Indian Wells Valley Groundwater Basin.**

DEPARTMENTAL RECOMMENDATION:

The Water Department requests that your Board consider and approve a Joint Exercise of Powers Agreement that will form the Indian Wells Valley Groundwater Authority for the purpose of forming a groundwater sustainability agency in the Indian Wells Valley Groundwater Basin, and direct the chairperson to sign.

SUMMARY DISCUSSION:

The Sustainable Groundwater Management Act (SGMA) requires that local agencies in groundwater basins that are designated as medium or high priority by the California Department of Water Resources (DWR) form Groundwater Sustainability Agencies (GSAs) by June 30, 2017. GSAs must then prepare Groundwater Sustainability Plans (GSPs) by 2020 in groundwater basins that are in conditions of critical overdraft, and by 2022 in other medium and high priority basins. Indian Wells Valley Groundwater Basin (Basin) is a medium priority basin that has been designated by DWR to be in conditions of critical overdraft. In light of this, some of the eligible local agencies in the basin have met and drafted a joint powers agreement (JPA) to form a GSA for the Basin. Eligible agencies are local agencies with water use, water supply, or land use authority within the basin. These agencies are the counties of Kern, Inyo, and San Bernardino, the Indian Wells Valley Groundwater Management District, City of Ridgecrest, and Inyokern Community Services District. Inyokern has opted to not be part of the JPA. China Lake Naval Air Weapons Station and the US Bureau of Land Management are participating as associate non-voting members of the JPA.

A summary of the provisions of the JPA prepared by Kern County's consultant is attached. Two issues are of particular importance to Inyo County: water transfers and financing. Water transfers are an important consideration because entities in Indian Wells Valley may seek to mitigate the Basin's condition of critical overdraft by importing water from Inyo County for recharge in the Basin, which could negatively affect the environment or economy of Inyo County. Regarding water transfers, JPA Section 4.04 (preservation of police powers) provides the following:

> Nothing set forth in this Agreement shall be deemed to modify or otherwise limit a county's or city's police powers in any way or its authority to regulate groundwater under existing law or any amendment thereto. The adopted GSP shall not authorize any water supply augmentation to the Basin with groundwater extracted from another groundwater basin within the jurisdiction of a General Member without the express approval of the Primary Director representing that General Member.

Financing the formation of a GSA and development and implementation of a GSP will likely be on the order of $500,000 annually for the next several years. SGMA does provide local agencies to assess fees to cover the cost of the preparation and implementation of GSPs; however, initially, the costs will be borne by the GSA members. The Inyo County portion of the Basin makes up a negligible part of the Basin's population, groundwater use, economic activity, and property value, and the activities that have caused the condition of critical overdraft have occurred almost entirely in Kern County. As such, the responsibility and cost for managing the Basin and mitigating overdraft should be apportioned equitably. Toward this end, JPA Section 9.02 provides:

> Section 9.02 – Initial Funding Payments.

In order to provide the needed capital to initially fund the Authority, the General Members shall each provide an initial contribution of $15,000 due upon their execution of this Agreement. To the extent the Authority is able to secure other funding sources in the future, and to the extent permitted by law, the Authority shall reimburse the initial contributions on a proportionate basis.

Notwithstanding the equal amount of initial funds contributed by each of the General Members, the parties intend for future funding contributions to be allocated on a fair, proportional basis (e.g., irrigated acreage, groundwater pumping, population, and/or number of wells).

Regarding financing, the JPA Sections 9.07 and 9.08 provide that:

Section 9.07 -- Budget.

By a date no later than January 1, 2017, and sixty (60) days before the end of each Fiscal Year thereafter, the Board shall adopt a budget for the Authority for the ensuing Fiscal Year. The Board may authorize mid-year budget adjustments, as needed.

Notwithstanding Section 11.04, a General Member shall not be fiscally liable for any adopted or modified budget or budget item(s) provided that the General Member's Director provides written notice within fourteen (14) days of the adoption or modification of the budget or a budget item that the Director intends to recommend to their board that the General Member withdraw from this Agreement. The notice provided in this section shall serve to limit the General Member's fiscal liability for the contested budget or budget item(s) so long as the General Member's board formally votes to withdraw from this Agreement within sixty (60) days of the adoption or modification of the budget or budget item(s).

Section 9.08 -- Payments To The Authority.

(a) All fees, costs and expenses incurred by the Authority shall be funded from: (i) voluntary contributions from third parties, such as grants; (ii) assessments on the General Members, levied from time to time by the Board to carry out the activities of the Authority generally applicable to all Members; and, (iii) assessments, fees and/or charges levied by the Authority under the provisions of SGMA.

(b) No General Member shall be bound, financially or otherwise, by any obligation, contract or activity undertaken by the Authority unless and except to the extent agreed upon by the General Member, except that each General Member shall be obligated to fund its then current annual share of the general basic budget of the Authority, provided such budgets are otherwise approved as provided herein. Funding of other matters shall be through Special Activity agreements or as otherwise agreed to by the General and Associate Members.

ALTERNATIVES:

Elect to not join the JPA. This alternative would eliminate any financial obligations to fund the JPA, but would remove the County from having a voice in how the Basin is managed, and would negate the effect of the JPA's provisions for limiting groundwater transfers since we would no longer be JPA members. In this event, the County would rely on the Groundwater Ordinance to regulate any proposed groundwater transfers. If the Basin were to be declared probationary by the State Water Resources Control Board (SWRCB), and the County's non-participation in the JPA contributed to that status, the County may be more liable to SWRCB fees than otherwise.

OTHER AGENCY INVOLVEMENT:

Kern County, San Bernardino County, Indian Wells Valley Water District, City of Ridgecrest, China Lake Naval Air Weapons Station, California Department of Water Resources, US Bureau of Land Management, California State Water Resources Control Board.

FINANCING:

Financing the operations of the JPA and GSA, developing a GSP, and implementing a GSP will require funding, which at this time is unknown but likely to be approximately $500,000 annually for the next few years. As noted above, this JPA commits all members, including Inyo County, to a $15,000 initial contribution and provides that further contributions will be made on a "*fair, proportional basis.*" Inyo County's financial obligation can be managed by (1) seeking through its membership in the JPA an equitable proportional funding scheme that acknowledges Inyo's negligible contribution to the Basin's groundwater management woes, and if that fails, (2) withdrawal from the JPA.

APPROVALS	
COUNTY COUNSEL:	AGREEMENTS, CONTRACTS AND ORDINANCES AND CLOSED SESSION AND RELATED ITEMS *(Must be reviewed and approved by county counsel prior to submission to the board clerk.)* Approved: Yes Date: 7/1/16
AUDITOR/CONTROLLER:	ACCOUNTING/FINANCE AND RELATED ITEMS (*Must be reviewed and approved by the auditor-controller prior to submission to the board clerk.)* * Financing will be discussed further @ the Board Meeting to propose this be added to 16/17 water Budget Approved: Yes Date: 7/6/16
PERSONNEL DIRECTOR: **N/A**	PERSONNEL AND RELATED ITEMS (Must be reviewed and approved by the director of personnel services prior to submission to the board clerk.) Approved: _____ Date: _____

DEPARTMENT HEAD SIGNATURE:
(Not to be signed until all approvals are received) _____ Date: 7/7/16

SUMMARY OF THE INDIAN WELLS VALLEY GROUNDWATER AUTHORITY JOINT POWERS AGREEMENT

Provides for the Creation of the Authority:

- Creates the Authority which is a separate agency with its own Board of Directors.
- The Authority is subject to open and public meetings laws (Ralph M. Brown Act)
- The Authority is subject to open records laws (Public Records Act)

Powers of the Authority:

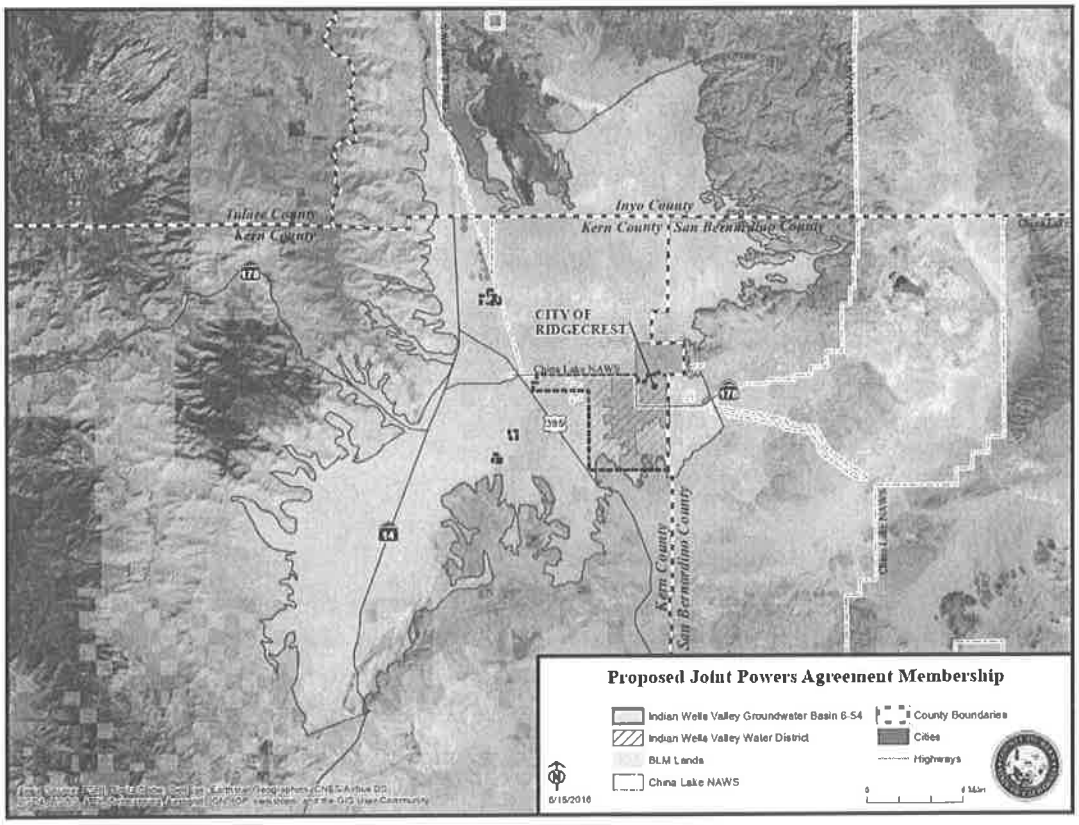
- Joint exercise of powers common to the General Members and any additional powers granted under the Sustainable Groundwater Management Act
- Eventually serve as the exclusive Groundwater Sustainability Agency for the Indian Wells Valley groundwater basin
- Eventually adopt and implement a Groundwater Sustainability Plan for the basin

General Members

- City of Ridgecrest
- County of Kern
- County of San Bernardino
- Indian Wells Valley Water District
- County of Inyo

Associate Members

- United States Department of the Interior Bureau of Land Management
- United States Navy Naval Air Weapons Station China Lake



Board Membership and Voting

- Each General Member is afforded one voting Director seat on the Board.
- Aside from very routine matters, Board business requires a majority vote of the Directors and the concurrence of no less than two of the Directors for City of Ridgecrest, County of Kern and/or Indian Wells Valley Water District.
- The adoption of a GSP will require a super majority vote
- Associate Members are afford a representative non-voting seat on the Board

Committees:

- Advisory committees will be established to provide recommendations to the Board on various activities of the Authority
- Advisory committee will be formed to ensure the meaningful participation of groundwater users in the basin in the development of the GSP

Meetings:

- Board of Directors and Advisory Committees will meet regularly
- Meetings will be noticed and open to the public

NEXT STEPS FOR GSA AND GSP FORMATION IN THE INDIAN WELLS VALLEY

- General Members adopt and execute the JPA at their Board/Council meetings
- Associate Members enter into Memorandum of Agreement with the Authority
- Authority develops plan for development of GSP and budget for the same
- Authority develops committee structure to assist in the development of GSP
- Authority develops and adopts by-laws and supporting policy documents
- Prior to June 30, 2017, the Authority must elect to become a GSA for the basin
- Public Notice at least 14 days before a Public Hearing on the election to become GSA
- With 30 days of Public Hearing, notification of election to become a GSA is sent to State Department of Water Resources
- 90-day waiting period to for GSA filing with State
- IWV GSA begins operation, with the following initial tasks to complete
    - Develop basin data management system
    - Coordinate basin groundwater monitoring
    - Update existing or create new groundwater flow model
    - Prepare IWV GSP working with Advisory Committee(s)
    - Conduct Costs of Service Study to develop funding plan
- Prior to January 31, 2020, the Authority must adopt GSP for the basin

JOINT EXERCISE OF POWERS AGREEMENT

creating the

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

TABLE OF CONTENTS

Article I: Definitions 2
Section 1.01 – Definitions 2

Article II: Authority Creation 3
Section 2.01 – Creation of the Authority 3
Section 2.02 – Purpose of the Authority 3

Article III: Term 4
Section 3.01 – Term 4

Article IV: Powers 4
Section 4.01 – Powers 4
Section 4.02 – Exercise of Powers 6
Section 4.03 – Water Rights and Consideration of all Beneficial Uses and Users of Groundwater in the Basin 6
Section 4.04 – Preservation of Police Powers 6

Article V: Membership 6
Section 5.01 – General Members. 6
Section 5.02 – New General Members 7
Section 5.03 – Associate Members 7

Article VI: Directors and Officers 7
Section 6.01 – Board of Directors. 7
Section 6.02 – Directors and Alternates 7
Section 6.03 – Officers of the Board 8
Section 6.04 – Appointment of Officers of the Board 8

Article VII: Board Meetings and Actions 8
Section 7.01 – Initial Meeting 8
Section 7.02 – Regular Meeting Schedule 8
Section 7.03 – Special Meetings 8
Section 7.04 – Committees of the Board 8
Section 7.05 – Conduct of Board and Committees of the Board Meetings 9
Section 7.06 – Quorum 9
Section 7.07 – Voting 9
Section 7.08 – GSP Adoption, Modification, or Alteration 10
Section 7.09 – Minutes 10

Article VIII: Operations and Management 10
Section 8.01 – Administrator 10
Section 8.02 – Legal Counsel and Other Officers 10
Section 8.03 – Employees and Management 10

Section 8.04 – Principal Office 10
Section 8.05 – Bylaws 11
Section 8.06 – Official Seal and Letterhead 11
Section 8.07 – Conflict of Interest Code 11

Article IX: Financial Provisions 11
Section 9.01 – Establishment of Funds 11
Section 9.02 – Initial Funding Payments 11
Section 9.03 – Fiscal Year. 11
Section 9.04 – Fiscal Agent and Treasurer. 11
Section 9.05 – Funds; Property; Bonds 12
Section 9.06 – Audit Duties 12
Section 9.07 – Budget 12
Section 9.08 – Payments To The Authority 12

Article X: Special Activities 13
Section 10.01 – Special Activities 13

Article XI: Relationship of Authority And Its Members 13
Section 11.01 – Separate Entity 13
Section 11.02 – Liabilities 13
Section 11.03 – Indemnity 13
Section 11.04 – Withdrawal of Members 14
Section 11.05 – Termination of Members 14
Section 11.06 – Continuing Obligations upon Withdrawal or Termination 14
Section 11.07 – Dissolution 14
Section 11.08 – Disposition of Property Upon Termination of Authority or Board Determination of Surplus 15

Article XII: Miscellaneous Provisions 15
Section 12.01 – Agreement Complete 15
Section 12.02 – Amendment 15
Section 12.03 – Assignment 15
Section 12.04 – Dispute Resolution 15
Section 12.05 – Execution In Parts Or Counterparts. 16
Section 12.06 – Member Authorization 16
Section 12.07 – No Predetermination or Irretrievable Commitment of Resources 16
Section 12.08 – Notices 16
Section 12.09 – Severability And Validity Of Agreement. 16
Section 12.10 – Singular Includes Plural 16

Exhibit A 19
Exhibit B 20

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY

JOINT EXERCISE OF POWERS AGREEMENT

THIS JOINT EXERCISE OF POWERS AGREEMENT ("**Agreement**') forming the Indian Wells Valley Groundwater Authority ("**Authority**") is made and entered into as of July 15, 2016 ("**Effective Date**"), by and among the public agencies listed on the attached Exhibit "A" (collectively "**General Members**" and individually "**General Member**") for the purpose of forming a Groundwater Sustainable Agency ("**GSA**") and achieving groundwater sustainability in the Indian Wells Valley Groundwater Basin.

RECITALS

WHEREAS, the comprehensive groundwater legislation collectively enacted and referred to as the "Sustainable Groundwater Management Act" (**"SGMA"**) initially became effective on January 1, 2015.

WHEREAS, the stated purpose of SGMA, as set forth in California Water Code section 10720.1, is to provide for the sustainable management of groundwater basins at a local level by providing local groundwater agencies with the authority and technical and financial assistance necessary to sustainably manage groundwater.

WHEREAS, SGMA further provides for and anticipates that the local groundwater agencies and federal governmental entities overlying a basin will form Groundwater Sustainable Agencies (**"GSAs"**) for the purpose of achieving groundwater sustainability through the adoption and implementation of Groundwater Sustainability Plans ("**GSPs**") for the basin.

WHEREAS, each of the General and Associate Members overlie a portion of the Indian Wells Valley Groundwater Basin ("**Basin**") which is designated basin number 6-54 in Department of Water Resources Bulletin No. 118 and which is included on the list of critically overdrafted basins.

WHEREAS, SGMA requires that the Basin have a designated GSA by no later than June 30, 2017 and an adopted GSP by no later than January 31, 2020.

WHEREAS, the General Members are authorized by the Joint Exercise of Powers Act (Chapter 5 of Division 7 of Title 1 of the California Government Code) ("**Act**") to create the Authority for the purpose of jointly exercising those powers granted by the Act and any additional powers which are common among them.

WHEREAS, the General and Associate Members, individually and collectively, have the goal of cost effective sustainable groundwater management that considers the interests and concerns of all of the communities and parties that rely upon the Basin for their water supply.

WHEREAS, the General Members hereby enter into this Agreement to establish this Joint Powers Authority to undertake the management of groundwater resources pursuant to SMGA.

AGREEMENT TERMS

NOW THEREFORE, in consideration of the matters recited and the mutual promises, covenants, and conditions set forth in this Agreement, the Associate Members having expressed their intent to enter into a memorandum of understanding with the Joint Powers Authority delineating their participation in the Authority, the General Members hereby agree as follows:

Article I: Definitions

Section 1.01 – Definitions.

As used in this Agreement, unless the context requires otherwise, the meaning of the terms hereinafter set forth shall be as follows:

(a) "Act" shall mean the Joint Exercise of Powers Act, set forth in Chapter 5 of Division 7 of Title 1 of the California Government Code, sections 6500, *et seq.*, including all laws supplemental thereto.

(b) "Agreement" means this Indian Wells Valley Ground Water Authority Joint Exercise of Powers Agreement.

(c) "Associate Member" or "Associate Members" shall refer to those federal governmental entities listed in the attached Exhibit "B". Associate Members shall only consist of those federal governmental entities overlying the Basin who are authorized to participate in a GSA and whose willful participation is necessary because of, and limited by, legal principles such as sovereign immunity and/or the preemption doctrine. To the extent permitted by law and/or federal rules and regulations as they may be amended, "Associate Members" shall be afforded a representative non-Director's seat on the Authority's Board of Directors which will entitle them to full participation in the meetings and discussions of the Board. However, Associate Members shall not appoint Directors and they shall not have the power to vote on any action to be taken by the Authority or to become an officer of the Authority.

(d) "Authority" shall mean the Indian Wells Valley Groundwater Authority, which is a separate entity created by this Agreement pursuant to the provisions of California Government Code sections 6500 *et seq*.

(e) "Basin" shall mean the Indian Wells Valley Groundwater Basin which is designated basin number 6-54 in Department of Water Resources' Bulletin No. 118 and as its boundaries may be modified from time to time through the procedures described in California Water Code section 10722.2.

(f) "Board of Directors" or "Board" shall mean the governing body of the Authority as established by Section 6.01 of this Agreement.

(g) "Bylaws" shall mean the bylaws adopted by the Board of Directors pursuant to Section 8.5 of this Agreement to govern the day-to-day operations of the Authority.

(h) "Fiscal Year" shall mean that period of 12 months established as the Fiscal Year of the Authority pursuant to Section 9.03 of this Agreement.

(i) "General Member" or "General Members" shall mean the eligible agencies listed in the attached Exhibit "A" that have executed this Agreement, including any new General Members that may subsequently join this Authority with the authorization of the Board, pursuant to Section 5.02 of this Agreement.

(j) "Groundwater Sustainability Agency" or "GSA" shall have the meaning set forth in California Water Code section 10721(j).

(k) "Groundwater Sustainability Plan" or "GSP" shall have the meaning set forth in California Water Code section 10721(k).

(l) "Primary Director" and "Alternate Director" shall mean a Primary Director or Alternate Director appointed by a General Member pursuant to Section 6.02 of this Agreement.

(m) "Regular Monthly Receivables" shall mean those costs and bills of the Authority, which are routine in nature and which have not been objected to by any Director either at the meeting or in writing prior to the meeting.

(n) "Special Activities" shall mean activities that are consistent with the purpose of this Agreement and which are done in the name of the Authority pursuant to Section 10.01 of this Agreement, but which are undertaken by fewer than all the General Members.

(o) "Sustainable Groundwater Management Act" or "SGMA" shall mean the comprehensive groundwater legislation collectively enacted and referred to as the "Sustainable Groundwater Management Act" ("SGMA") as codified in California Water Code sections 10720 *et seq.* and as may be amended in the future.

Article II: Authority Creation

Section 2.01 – Creation of the Authority.

There is hereby created a joint powers agency known as the Indian Wells Valley Groundwater Authority ("Authority"). The Authority shall be, to the extent provided by law, a public entity separate from the General Members of this Agreement.

Section 2.02 – Purpose of the Authority.

The purpose of this Agreement, and the creation of the Authority, is to provide for the joint exercise of powers common to the General Members, and those additional powers granted by SGMA, for the purpose of cooperatively carrying out the requirements of SGMA, including, but not limited to, serving as the GSA for the Basin and developing, adopting and implementing a GSP that achieves groundwater sustainability in the Basin.

Article III: Term

Section 3.01 – Term.

This Agreement shall become operative on the Effective Date provided that at least two of the General Members listed in Exhibit A have executed this Agreement by said date. If an eligible agency listed in Exhibit A has not executed this Agreement and paid their initial funding contribution called for in Section 9.02 by August 15, 2016, they will lose their right to join through execution of this Agreement and their membership will be subject to the process for inclusion of new General Members set forth in Section 5.02.

This Agreement shall remain in effect until terminated by the unanimous written consent of all then active General Members or there are less than two General Members remaining in the Authority; provided, however, that this Agreement shall remain in effect during the term of any contractual obligation or indebtedness of the Authority that was previously approved by the Board.

Article IV: Powers

Section 4.01 – Powers.

The Authority shall possess the ability to exercise those powers specifically granted by the Act. Additionally, the Authority shall possess the ability to exercise the common powers of its Members related to the purposes of the Authority, including and limited to the following:

4.01.1 To designate itself the GSA for the Basin pursuant to SGMA.

4.01.2 To develop, adopt and implement a GSP for the Basin pursuant to SGMA.

4.01.3 To adopt rules, regulations, policies, bylaws and procedures governing the operation of the Authority and the adoption and implementation of the GSP.

4.01.4 To contract for the services of engineers, attorneys, planners, financial consultants, and separate and apart therefrom to appoint agents and representatives to employ such other staff persons as necessary.

4.01.5 To collect and monitor all data related and beneficial to the development, adoption and implementation of the GSP for the Basin

4.01.6 To issue revenue bonds or other appropriate public or private debt and incur debts, liabilities or obligations in connection with the operation, maintenance, administration and management of any facilities required to carry out these purposes.

4.01.7 To levy assessments, charges and fees as provided in SGMA.

4.01.8 To regulate and monitor groundwater extractions as permitted by SGMA, provided that this provision does not extend to a General or Associate Member's operation of its system to distribute water once extracted or otherwise obtained, unless and to the extent required by other laws.

4.01.9 To establish and administer water banking programs for the benefit of the Basin.

4.01.10 To establish and administer water recycling, recapturing or purifying programs for the benefit of the Basin.

4.01.11 To cooperate, act in conjunction and contract with the United States, the State of California, or any agency thereof, counties, municipalities, public and private corporations of any kind (including without limitation, investor-owned utilities), and individuals, or any of them, for any and all purposes necessary or convenient for the full exercise of the powers of the Authority.

4.01.12 To accumulate operating and reserve funds and invest the same as allowed by law for the purposes of the Authority.

4.01.13 To apply for and accept grants, contributions, donations and loans under any federal, state or local programs for assistance in developing or implementing any of its projects or programs in connection with any project untaken in the Authority's name for the purposes of the Authority.

4.01.14 To acquire by negotiation or condemnation, lease, purchase, construct, hold, manage, maintain, operate and dispose of any buildings, property, water rights, works or improvements within and without the respective boundaries of the General Members necessary to accomplish the purposes described herein.

4.01.15 To sue or be sued in its own name.

4.01.16 To invest funds pursuant to California Government Code section 6509.5 or other applicable State Law.

4.01.17 Any power necessary or incidental to the foregoing powers in the manner and according to the procedures provided for under the law applicable to the General Members to this Agreement.

4.01.18 Any additional powers conferred under SGMA or the Act or under applicable law, insofar as such powers are needed to accomplish the purposes of SGMA, including all powers granted to the Authority under Article 4 of the Act which are in addition to the common powers of the General Members, including the power to issue bonds or otherwise

incur debts, liabilities or obligations to the extent authorized by the Act or any other applicable provision of law and to pledge any property or revenues of the rights thereto as security for such bonds and other indebtedness.

Section 4.02 – Exercise of Powers.

In accordance with California Government Code section 6509, the foregoing powers shall be subject to the restrictions upon the manner of exercising such powers pertaining to the County of Kern.

Section 4.03 – Water Rights and Consideration of all Beneficial Uses and Users of Groundwater in the Basin.

As set forth in California Water Code section 10723.2, and any future amendments to SGMA, the GSA shall consider the interests of all beneficial uses and users of groundwater in the Basin, as well as those responsible for implementing the GSP. Additionally, as set forth in California Water Code section 10720.5(a), and any future amendments to SGMA, any GSP adopted pursuant to this Agreement shall be consistent with Section 2 of Article X of the California Constitution and nothing in this Agreement modifies the rights or priorities to use or store groundwater consistent with Section 2 of Article X of the California Constitution, with the exception that no extraction of groundwater between January 1, 2015 and the date the GSP is adopted may be used as evidence of, or to establish or defend against, any claim of prescription. Likewise, as set forth in California Water Code section 10720.5(b), and any future amendments to SGMA, nothing in this Agreement or any GSP adopted pursuant to this Agreement determines or alters surface water rights or groundwater rights under common law or any provision of law that determines or grants surface water rights.

Section 4.04 – Preservation of Police Powers.

Nothing set forth in this Agreement shall be deemed to modify or otherwise limit a county's or city's police powers in any way or its authority to regulate groundwater under existing law or any amendment thereto. The adopted GSP shall not authorize any water supply augmentation to the Basin with groundwater extracted from another groundwater basin within the jurisdiction of a General Member without the express approval of the Primary Director representing that General Member.

Article V: Membership

Section 5.01 – General Members.

The General Members of the Authority shall be the public agencies listed on the attached Exhibit "A", so long as their Membership has not been withdrawn or terminated pursuant to the provisions Article XI of this Agreement.

Section 5.02 – New General Members.

The Board may approve an application for a new General Member to the Authority through a vote of the Board so long as: 1) the new General Member is a public agency that is qualified to join the Authority under the provisions of SGMA and the Act; and, 2) the new General Member agrees to or has met any other conditions that the Board may establish from time to time.

Once an application is approved by the Board of Directors, the governing bodies for each of the General Members shall be sent the application for consideration and possible approval. For a new General Member to be admitted, the application must be approved by each of the governing bodies for the General Members. Upon final approval, the attached Exhibit "A" shall be amended to reflect the new General Member.

Section 5.03 – Associate Members.

The Associate Members of the Authority shall be those Federal Governmental Entities listed on the attached Exhibit "B" so long as their Membership has not been withdrawn or terminated pursuant to the provisions Article XI of this Agreement. Associate Members shall be afforded a representative non-voting seat on the Authority's Board of Directors which will entitle the representative to full participation in the meetings and discussions of the Board. However, representatives of Associate Members shall not be Directors, nor shall they become officers of the Authority and they shall not have the power to vote on any action and or proposal before the Board of Directors.

Article VI: Directors and Officers

Section 6.01 – Board of Directors.

The Authority shall be governed and administered by a Board of Directors ("Board") which is hereby established and which shall be composed of one voting seat per General Member. To the extent permitted by law and/or federal rules and regulations as they may be amended, Associate Members shall not be allowed to vote on any matter before the Board but they shall be afforded a representative non-voting seat on the Board, which will entitle them to full participation in the meetings and discussions of the Board and any Committees established by the Board.

Section 6.02 – Directors and Alternates.

Each General Member's governing body shall appoint one Primary Director and one Alternate Director. The Alternate Director shall serve and assume the rights and duties of the Primary Director when the Primary Director is unable to attend a Board meeting. The Primary and Alternate Directors for the County of Kern, Indian Wells Valley Water District and the City of Ridgecrest shall be elected members of their governing bodies. Primary Directors and Alternate Directors shall serve at the pleasure of the governing body appointing them and they may be removed at any time, with or without cause, in the sole discretion of their governing body. Each Primary Director and Alternate Director shall hold office until their successor is selected by their governing body and the Authority has been notified of the succession.

Section 6.03 – Officers of the Board.

Officers of the Authority's Board shall consist of a Chairperson and Vice-Chairperson. The Chairperson shall preside at all meetings of the Board, while the Vice-Chairperson shall perform the duties of the Chairperson in the absence or disability of the Chairperson. The Chairperson and Vice-Chairperson shall exercise and perform such other powers and duties as may be assigned by the Board.

Section 6.04 – Appointment of Officers of the Board.

The Board shall annually elect the Officers of the Board from the Primary Directors. Officers of the Board shall hold office for a term of one year commencing on January 1 of each and every calendar year and they may serve for multiple consecutive terms. Officers of the Board may be removed and replaced at any time, with or without cause by a Board vote. In the event that an Officer of the Board loses their position as a Primary Director, that Officer of the Board position shall become vacant and Board shall elect a new individual to serve the remaining term.

Article VII: Board Meetings and Actions

Section 7.01 – Initial Meeting.

The initial meeting of the Board shall be held at a location overlying the Basin within forty five days (45) days of the Effective Date of this Agreement.

Section 7.02 – Regular Meeting Schedule.

The Board shall establish a regular meeting time and place at the initial meeting of the Board. The Board may vote to change the regular meeting time and place provided that the new location remains at a place overlying the Basin.

Section 7.03 – Special Meetings.

Special meetings of the Board shall be conducted pursuant to California Government Code section 54956 and they may be called by the Chairperson, or by the concurrence of any two Primary Directors.

Section 7.04 – Committees of the Board.

The Board may from time to time establish advisory committees for the purpose of making recommendations to the Board on the various activities of the Authority. The establishment of any committee and its duties shall require the vote of the Board of Directors and the activities of the committee shall be subject to the provisions of the Ralph M. Brown Act (California Government Code sections 54950, *et seq.*). Committees shall exist for the term specified in the action creating the committee and the Board may dissolve a committee at any time through a vote of the Board of Directors.

The Board shall ensure that the development of the GSP includes the meaningful participation of all water users in the Basin including but not limited to the General Members, Associate Members, regulated public water utilities, mutual water companies and other private well pumpers. The Board shall ensure this meaningful participation through the establishment of one or more committees which will contain members from the above groups so long as their participation does not violate the State ethics and conflict of interest laws, including California Government Code sections 1090 *et seq.*, or any other law.

Section 7.05 – Conduct of Board and Committees of the Board Meetings.

All meetings of the Board of Directors, including special meetings and Board committee meetings, shall be noticed, held, and conducted in accordance with the provisions of the Ralph M. Brown Act (California Government Code sections 54950, *et seq.*). The Board may use teleconferencing in connection with any meeting in conformance with, and to the extent authorized by, applicable law. The Board may further establish rules of conduct for its meetings provided that said rules do not conflict with the Ralph M. Brown Act or other applicable law.

All meetings of Committees of the Board that are formed in accordance with Section 7.04 shall be noticed, held, and conducted in accordance with the provisions of the Ralph M. Brown Act (California Government Code sections 54950, *et seq.*). A Committee may use teleconferencing in connection with any meeting in conformance with, and to the extent authorized by, applicable law. The Board may further establish rules of conduct for Committees of the Board meetings provided that said rules do not conflict with the Ralph M. Brown Act or other applicable law.

Section 7.06 – Quorum.

A quorum of the Board shall consist of majority of the Directors representing the then active General Members. In the absence of a quorum, no business may be transacted beyond the adjournment of a meeting by the remaining Directors. A Director shall be deemed present for the determination of a quorum if the Director is present at the meeting in person or if they participate in the meeting telephonically as provided for by Ralph M. Brown Act.

Section 7.07 – Voting.

The affirmative vote of a majority of the Board shall be required for the approval of any Board action. In addition, no action may be approved by the Board unless it receives the affirmative vote from no less than two of the then voting Directors representing the County of Kern, the City of Ridgecrest and/or the Indian Wells Valley Water District.

Notwithstanding the foregoing, the Board may approve the Regular Monthly Receivables by a simple majority vote so long as the routine costs and bills making up the Regular Monthly Receivables have not been objected to by any Director. While a Director may voice an oral objection at the meeting, a Director's presence is not required and they may also file an objection in writing prior to the meeting. Likewise, any meeting of the Board may be adjourned by a simple majority vote of the then present Directors.

Section 7.08 – GSP Adoption, Modification, or Alteration.

The final adoption of a GSP and the modification and/or alteration of any adopted GSP shall require the affirmative vote of at least 4/5ths of the General Members on the Board, unless a General Member's Director abstains or recuses himself or herself from the matter. In the event a General Member's Director abstains or recuses himself or herself, the voting requirement shall become 3/4ths. In the event that two General Member Directors abstain and/or recuse themselves, the voting requirement shall become 2/3rds.

Section 7.09 – Minutes.

The Board shall cause minutes to be kept of all public meetings of the Board and any Board appointed Committees. The Board shall further cause a copy of draft minutes to be forwarded to each Director and to each General Member Agency.

Article VIII: Operations and Management

Section 8.01 – Administrator.

The Authority may appoint an Administrator, from time-to-time as and when it deems appropriate. If appointed, the Administrator shall serve at the pleasure of the Board of Directors and their duties and responsibilities shall be set forth via a vote of the Board.

Section 8.02 – Legal Counsel and Other Officers.

The Authority may appoint General Legal Counsel who shall serve at the pleasure of the Board via a vote of the Board. Subject to the limits of the Authority's approved budget, the Board shall also have the power to appoint and contract via a vote of the Board for the services of other officers, consultants, advisers and independent contractors as it may deem necessary or convenient for the business of the Authority, all of whom shall serve at the pleasure of the Board.

Section 8.03 – Employees and Management.

In addition to, or in lieu of, hiring employees, the Authority may engage one or more General Members to manage any or all of the business of the Authority on terms and conditions acceptable to the Board of Directors. Any General Member so engaged shall have such responsibilities as are set forth in the contract for such General Member's services, which shall be approved by a majority vote of the Directors representing the non-contracting Members.

Section 8.04 – Principal Office.

At the initial meeting of Board, the Board shall establish a principal office for the Authority, which shall be located at a place overlying the Basin. The Board may change the principal office from time to time as the Board sees fit so long as that principal office remains at a location overlying the Basin.

Section 8.05 – Bylaws.

The Board shall adopt Bylaws governing the conduct of meetings and the day-to-day operations of the Authority on or before the first anniversary of the Effective Date. The Bylaws may be amended from time to time as the Board deems necessary.

Section 8.06 – Official Seal and Letterhead.

The Board may adopt, and/or amend, an official seal and letterhead for the Authority by a vote of the Directors.

Section 8.07 – Conflict of Interest Code.

At the initial meeting of Board, the Board shall begin the process for the adoption and filing of a Conflict of Interest Code pursuant to the provisions of the Political Reform Act of 1974.

Article IX: Financial Provisions

Section 9.01 – Establishment of Funds.

The Board shall establish and maintain such funds and accounts as may be required by generally accepted public agency accounting practices. The Authority shall maintain strict accountability of all funds and report of all receipts and disbursements of the Authority.

Section 9.02 – Initial Funding Payments.

In order to provide the needed capital to initially fund the Authority, the General Members shall each provide an initial contribution of $15,000 due upon their execution of this Agreement. To the extent the Authority is able to secure other funding sources in the future, and to the extent permitted by law, the Authority shall reimburse the initial contributions on a proportionate basis.

Notwithstanding the equal amount of initial funds contributed by each of the General Members, the parties intend for future funding contributions to be allocated on a fair, proportional basis (e.g., irrigated acreage, groundwater pumping, population, and/or number of wells).

Section 9.03 – Fiscal Year.

The Fiscal Year of the Authority shall be from January 1 through December 31 of each year. If the Board so desires, it may change the Fiscal Year.

Section 9.04 – Fiscal Agent and Treasurer.

The County of Kern shall serve as the Fiscal Agent and Treasurer for the Authority unless otherwise directed by a vote of the Board of Directors. The Fiscal Agent shall be responsible for all money of the Authority from whatever source. All funds of the Authority shall be strictly and separately accounted for and regular reports shall be rendered of all receipts

and disbursements during the Fiscal Year as designated by the Board. The books and records of the Authority shall be open to inspection by the General Members.

Section 9.05 – Funds; Property; Bonds.

The Board shall from time to time designate the officers and persons, in addition to those specified in Section 9.04 above, who shall have charge of, handle, or have access to any funds and/or property of the Authority. Each such officer and person shall file a bond in an amount designated by the Board.

Section 9.06 – Audit Duties.

The Board shall contract with a certified public accountant to audit the accounts and records of the Authority as required by applicable accounting practices and the Act.

Section 9.07 – Budget.

By a date no later than January 1, 2017, and sixty (60) days before the end of each Fiscal Year thereafter, the Board shall adopt a budget for the Authority for the ensuing Fiscal Year. The Board may authorize mid-year budget adjustments, as needed.

Notwithstanding Section 11.04, a General Member shall not be fiscally liable for any adopted or modified budget or budget item(s) provided that the General Member's Director provides written notice within fourteen (14) days of the adoption or modification of the budget or a budget item that the Director intends to recommend to their board that the General Member withdraw from this Agreement. The notice provided in this section shall serve to limit the General Member's fiscal liability for the contested budget or budget item(s) so long as the General Member's board formally votes to withdraw from this Agreement within sixty (60) days of the adoption or modification of the budget or budget item(s).

Section 9.08 – Payments To The Authority.

(a) All fees, costs and expenses incurred by the Authority shall be funded from: (i) voluntary contributions from third parties, such as grants; (ii) assessments on the General Members, levied from time to time by the Board to carry out the activities of the Authority generally applicable to all Members; and, (iii) assessments, fees and/or charges levied by the Authority under the provisions of SGMA.

(b) No General Member shall be bound, financially or otherwise, by any obligation, contract or activity undertaken by the Authority unless and except to the extent agreed upon by the General Member, except that each General Member shall be obligated to fund its then current annual share of the general basic budget of the Authority, provided such budgets are otherwise approved as provided herein. Funding of other matters shall be through Special Activity agreements or as otherwise agreed to by the General and Associate Members.

(c) The Associate Members cannot contribute direct funding to the Authority however they will assist in project development technical support, and information sharing including field studies/data, as appropriate.

Article X: Special Activities

Section 10.01 – Special Activities.

With the prior approval of the Board, General Members may undertake Special Activities in the name of the Authority. Prior to undertaking a Special Activity, the General Members electing to participate in the Special Activity shall enter into an activity agreement. Such activity agreement shall provide that: (i) no Special Activity undertaken pursuant to such agreement shall conflict with the terms of this Agreement; and, (ii) the General Members to the activity agreement shall indemnify, defend and hold the other parties to this Agreement and the Authority harmless from and against any liabilities, costs or expenses of any kind arising as a result of the Special Activity described in the activity agreement. All assets, rights, benefits, debts, liabilities and obligations attributable to a Special Activity shall be assets, rights, benefits debts, liabilities and obligations solely of the General Members that have entered into the activity agreement for that Special Activity, in accordance with the terms of the activity agreement, and shall not be the assets, rights, benefits, debts, liabilities and obligations of those General and Associate Members that have not executed the activity agreement. General and Associate Members not electing to participate in the Special Activity shall have no rights, benefits, debts, liabilities or obligations attributable to such Special Activity.

Article XI: Relationship of Authority And Its Members

Section 11.01 – Separate Entity.

In accordance with California Government Code Sections 6506 and 6507, the Authority shall be a public entity separate and apart from the parties to this Agreement.

Section 11.02 – Liabilities.

The General Members do not intend hereby to be obligated either jointly or severally for the debts, liabilities or obligations of the Authority, except as may be specifically provided for in California Government Code Section 895.2 as amended or supplemented. Therefore unless, and to the extent otherwise required by law or agreed to herein by the General Members, the debts, liabilities and obligations of the Authority shall not be debts, liabilities or obligations of the General Member entities. The Authority shall own and hold title to all funds, property and works acquired by it during the term of this Agreement.

Section 11.03 – Indemnity.

Funds of the Authority may be used to defend, indemnify, and hold harmless the Authority, each General Member, each Director, and any officers, agents and employees of the Authority for their actions taken within the course and scope of their duties while acting on behalf of the Authority. Other than for gross negligence or intentional acts, to the fullest extent permitted by law, the Authority agrees to save, indemnify, defend and hold harmless each General Member from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorney's fees and costs, court costs, interest, defense costs, and expert witness fees, where the same arise out of, or are attributable in whole or in part, to

negligent acts or omissions of the Authority or its employees, officers or agents or the employees, officers or agents of any General Member, while acting within the course and scope of a General Member relationship with the Authority.

Section 11.04 – Withdrawal of Members.

Any General and/or Associate Member shall the have the ability to withdraw by providing forty-five (45) days written notice of its intention to withdraw. Said notice shall be given to the Board and to each of the other General and Associate Members. In the event of a withdrawal, this Agreement shall continue in full force and effect among the remaining members as set forth in Section 11.06 below.

Section 11.05 – Termination of Members.

The Board may vote to terminate any Member for cause including, but not limited to, the failure to meet its funding obligations set forth in this Agreement or future actions of the Board. In the event of a termination, this Agreement shall continue in full force and effect among the remaining members as set forth in Section 11.06 below.

Section 11.06 – Continuing Obligations upon Withdrawal or Termination.

Except as provided for in Section 9.07, any withdrawal or termination of a General Member, shall not relieve the General Member of its financial obligations (including, but not limited to, indemnity obligations, capital costs, debt obligations, CalPERS unfunded Liability, or any net operations and maintenance costs resulting from such withdrawal) arising under this Agreement prior to the effective date of the withdrawal or termination.

The withdrawal or termination of one or more General Members, shall not terminate this Agreement or result in the dissolution of the Authority. This Agreement shall remain in full force and effect among the remaining members, following the withdrawal or termination of any General Member, and the Authority shall remain in operation provided that there are at least two General Members remaining in this Agreement.

Section 11.07 – Dissolution.

The Authority may be dissolved at any time upon the unanimous vote of the Board and approval of the General Members' governing boards. However, the Authority shall not be dissolved until all debts and liabilities of the Authority have been eliminated. Upon dissolution of the Authority, each General Member shall receive its proportionate share of any remaining assets after all Authority liabilities and obligations have been paid in full. The distribution of remaining assets may be made "in kind" or assets may be sold and the proceeds thereof distributed to the General Members. This distribution shall occur within a reasonable time after dissolution. No former member which previously withdrew or was terminated shall be entitled to a distribution upon dissolution.

Section 11.08 – Disposition of Property Upon Termination of Authority or Board Determination of Surplus.

Upon termination of this Agreement or upon determination by the Board that any surplus money is on hand, such surplus money shall be returned to the then General Members of the Authority that contributed such monies in proportion to their contributions. The Board shall first offer any surplus properties, works, rights and interests of the Authority for sale to the individual General Member and the sale shall be based on highest bid. If no such sale is consummated, the Board shall offer the surplus properties, works, rights and interests of the Authority for sale in accordance with applicable law to any governmental agency, private entity or persons for good and adequate consideration.

Article XII: Miscellaneous Provisions

Section 12.01 – Agreement Complete.

The foregoing constitutes the full and complete Agreement of the General Members. This Agreement supersedes all prior agreements and understandings, whether in writing or oral, related to the subject matter of this Agreement that are not set forth in writing herein.

Section 12.02 – Amendment.

This Agreement may be amended from time to time by the unanimous consent of the General Members, acting through their governing bodies.

Section 12.03 – Assignment.

Except as otherwise provided in this Agreement, the rights and duties of the General Members may not be assigned or delegated without the advance written consent of all the other General Members, and any attempt to assign or delegate such rights or duties in contravention of this section shall be null and void. Any assignment or delegation permitted under the terms of this Agreement shall be consistent with the terms of any contracts, resolutions or indentures of the Authority then in effect. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the General Members hereto. This section does not prohibit a General Member from entering into an independent agreement with another agency regarding the financing of that General Member's contributions to the Authority or the disposition of proceeds, which that General Member receives under this Agreement so long as such independent agreement does not affect, or purport to affect, the rights and duties of the Authority or the General Members under this Agreement.

Section 12.04 – Dispute Resolution.

In the event there are disputes and/or controversies relating to the interpretation, construction, performance, termination, breach of, or withdrawal from this Agreement, the General Members involved shall in good faith meet and confer amongst themselves in an attempt to informally resolve such matter(s). If the General Members are unsuccessful in resolving such matter(s) through an informal meeting process, they shall attempt to resolve such matter(s) through mediation. If they are unable to resolve such matter(s) through mediation, they may

attempt to settle such issue(s) by arbitration under the rules and regulations of the American Arbitration Association or they may exercise whatever other legal rights and remedies they may have in court. Any party requesting arbitration under this Agreement must make a request on the other General Members by registered or certified mail with a copy to the American Arbitration Association.

Section 12.05 – Execution In Parts Or Counterparts.

This Agreement may be executed in parts or counterparts, each part or counterpart being an exact duplicate of all other parts or counterparts, and all parts or counterparts shall be considered as constituting one complete original and may be attached together when executed by the General Members hereto. Facsimile or electronic signatures shall be binding.

Section 12.06 – Member Authorization.

The governing bodies of the General Members have each authorized execution of this Agreement, as evidenced by their respective signatures below.

Section 12.07 – No Predetermination or Irretrievable Commitment of Resources.

Nothing herein shall constitute a determination by the Authority or any of its General and Associate Members that any action shall be undertaken or that any unconditional or irretrievable commitment of resources shall be made, until such time as the required compliance with all local, state, or federal laws, including without limitation the California Environmental Quality Act, National Environmental Policy Act, or permit requirements, as applicable, have been completed.

Section 12.08 – Notices.

Notices authorized or required to be given pursuant to this Agreement shall be in writing and shall be deemed to have been given when mailed, postage prepaid, or delivered during working hours to the addresses set forth for each of the Members hereto on Exhibit "A" of this Agreement, or to such other changed addresses communicated to the Authority and the General and Associate Members in writing.

Section 12.09 – Severability And Validity Of Agreement.

Should the participation of any General and/or Associate Member to this Agreement, or any part, term or provision of this Agreement be decided by the courts or the legislature to be illegal, in excess of that Member's authority, in conflict with any law of the State of California, or otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms or provisions of this Agreement shall not be affected thereby and each Member hereby agrees it would have entered into this Agreement upon the same remaining terms as provided herein.

Section 12.10 – Singular Includes Plural.

Whenever used in this Agreement, the singular form of any term includes the plural form and the plural form includes the singular form.

IN WITNESS WHEREOF, the Members hereto, pursuant to resolutions duly and regularly adopted by their respective Board of Directors or governing board, have caused their names to be affixed by their proper and respective officers as of the day and year first above-written.

CITY OF RIDGECREST

By: _____
Peggy Breeden, Mayor

ATTEST:

By: _____
Secretary

APPROVED AS TO FORM:

By: _____
City Attorney

COUNTY OF INYO

By: _____
Jeff Griffiths, Chairman
County of Inyo Board of Supervisors

APPROVED AS TO FORM:

By: _____
Marshall Rudolph, County Counsel

COUNTY OF KERN

By: _____
Mick Gleason, Chairman
County of Kern Board of Supervisors

APPROVED AND RECOMMENDED:
COUNTY ADMINISTRATIVE OFFICE

By: _____
Alan Christensen, Chief Deputy
CAO for Water Resources

APPROVED AS TO FORM:
OFFICE OF COUNTY COUNSEL

By: _____
Phillip Hall, Deputy County Counsel

COUNTY OF SAN BERNARDINO

By: _____
James Ramos, Chairman
County of San Bernardino Board of Supervisors

ATTEST:

By: _____
Laura Welch, Clerk of the Board

APPROVED AS TO FORM:
OFFICE OF COUNTY COUNSEL

By: _____
Sophie Akins, Deputy County Counsel

INDIAN WELLS VALLEY WATER DISTRICT

By: _____
Don Cortichiato, President of the Board of Directors

APPROVED AS TO FORM:

By: _____
James A. Worth, General Counsel

EXHIBIT A

GENERAL MEMBERS

City of Ridgecrest

City Clerk
100 W. California Avenue
Ridgecrest, CA 93555

County of Inyo

Clerk of the Board of Supervisors
P.O. Drawer N
Independence, CA 93526

County of Kern

Clerk of the Board of Supervisors,
Administrative Center
1115 Truxtun Avenue, 5th Floor
Bakersfield CA 93301

County of San Bernardino

Clerk of the Board of Supervisors
385 N. Arrowhead Ave, 2nd Floor
San Bernardino, CA 92415-0130

Indian Wells Valley Water District

General Manager
500 W. Ridgecrest Boulevard
Ridgecrest, CA 93555

EXHIBIT B

ASSOCIATE MEMBERS

United States Department of the Interior
Bureau of Land Management

United States Navy
Naval Air Weapons Station China Lake

AGENDA REQUEST FORM

BOARD OF SUPERVISORS
COUNTY OF INYO

For Clerk's Use Only:
AGENDA NUMBER
23

☐ Consent ☐ Departmental ☐ Correspondence Action ☐ Public Hearing

☐ Scheduled Time for ☐ Closed Session ☐ Informational

FROM: Kevin D. Carunchio, County Administrator

FOR THE BOARD MEETING July 12, 2016

SUBJECT: Continuation of declaration of local emergency

DEPARTMENTAL RECOMMENDATION: - Request Board discuss and consider staff's recommendation regarding continuation of the local emergency, known as the "Gully Washer Emergency" that resulted in flooding in the central, south and southeastern portion of Inyo County during the month of July, 2013.

SUMMARY DISCUSSION: - During your August 6, 2013 Board of Supervisors meeting your Board took action to declare a local emergency, which has been named The Gully Washer Emergency, which was a result of flooding in the central, southern and southeastern portion of Inyo County during the month of July. Since the circumstances and conditions relating to this emergency persist, your Board directed that the continuation of the declaration be considered on a by-weekly basis. The recommendation is that the emergency be continued until the further evaluation of the damage is completed and staff makes the recommendation to end the emergency.

ALTERNATIVES: N/A

OTHER AGENCY INVOLVEMENT: N/ A

FINANCING: N/A

APPROVALS	
COUNTY COUNSEL:	AGREEMENTS, CONTRACTS AND ORDINANCES AND CLOSED SESSION AND RELATED ITEMS *(Must be reviewed and approved by county counsel prior to submission to the board clerk.)* Approved: _____ Date_____
AUDITOR/CONTROLLER:	ACCOUNTING/FINANCE AND RELATED ITEMS (*Must be reviewed and approved by the auditor-controller prior to submission to the board clerk.)* Approved:_____ Date_____
PERSONNEL DIRECTOR:	PERSONNEL AND RELATED ITEMS (Must be reviewed and approved by the director of personnel services prior to submission to the board clerk.) Approved:_____ Date_____

DEPARTMENT HEAD SIGNATURE:
(Not to be signed until all approvals are received)_____ Date:_____
(The Original plus 20 copies of this document are required)

AGENDA REQUEST FORM

BOARD OF SUPERVISORS
COUNTY OF INYO

For Clerk's Use Only:
AGENDA NUMBER
24

☐ Consent ☐ Departmental ☐ Correspondence Action ☐ Public Hearing

☐ Scheduled Time for ☐ Closed Session ☐ Informational

FROM: Kevin D. Carunchio, County Administrator

FOR THE BOARD MEETING OF July 12, 2016

SUBJECT: Continuation of proclamation of local emergency

DEPARTMENTAL RECOMMENDATION: - Request Board discuss and consider staff's recommendation regarding continuation of the local emergency, known as the "Land of EVEN Less Water Emergency" that was proclaimed as a result of extreme drought conditions that exist in the County.

SUMMARY DISCUSSION: - During your January 28, 2014 Board of Supervisors meeting your Board took action to proclaim a local emergency, which has been named the Land of EVEN Less Water Emergency, that is a result of severe and extreme drought conditions that exist in the County. On June 28, 2016, your Board approved an amendment to the emergency Resolution to include in the proclamation language reflecting the groundwater fluctuation in West Bishop and its impacts on public infrastructure and private property. Staff will update your Board on the situation at today's meeting. Since the circumstances and conditions relating to this emergency persist, your Board directed that the continuation of the resolution be considered on a bi-weekly basis.

ALTERNATIVES: N/A

OTHER AGENCY INVOLVEMENT: N/ A

FINANCING: N/A

APPROVALS	
COUNTY COUNSEL:	AGREEMENTS, CONTRACTS AND ORDINANCES AND CLOSED SESSION AND RELATED ITEMS *(Must be reviewed and approved by county counsel prior to submission to the board clerk.)* Approved: _____ Date_____
AUDITOR/CONTROLLER:	ACCOUNTING/FINANCE AND RELATED ITEMS (*Must be reviewed and approved by the auditor-controller prior to submission to the board clerk.)* Approved:_____ Date_____
PERSONNEL DIRECTOR:	PERSONNEL AND RELATED ITEMS (Must be reviewed and approved by the director of personnel services prior to submission to the board clerk.) Approved:_____ Date_____

DEPARTMENT HEAD SIGNATURE:
(Not to be signed until all approvals are received)_____ Date: 7/7/16
(The Original plus 20 copies of this document are required)

AGENDA REQUEST FORM

BOARD OF SUPERVISORS
COUNTY OF INYO

For Clerk's Use Only:
AGENDA NUMBER
25

☐ Consent ☐ Departmental ☐ Correspondence Action ☐ Public Hearing

☐ Scheduled Time for ☐ Closed Session ☐ Informational

FROM: Kevin D. Carunchio, County Administrator

FOR THE BOARD MEETING OF July 12, 2016

SUBJECT: Continuation of proclamation of local emergency

DEPARTMENTAL RECOMMENDATION: - Request Board discuss and consider staff's recommendation regarding continuation of the local emergency, known as the "Death Valley Down But Not Out Emergency" that was proclaimed as a result flooding in the central, south and southeastern portion of Inyo County during the month of October, 2015.

SUMMARY DISCUSSION: - During your October 27, 2015 Board of Supervisors meeting your Board took action to proclaim a local emergency, which has been named the Death Valley Down But Not Out Emergency that is a result of flooding in the central, south and southeastern portion of Inyo County. Since the circumstances and conditions relating to this emergency persist, the recommendation is that the emergency be continued on a bi-weekly basis, until the further evaluation of the damage is completed and staff makes the recommendation to end the emergency.

ALTERNATIVES: N/A

OTHER AGENCY INVOLVEMENT: N/ A

FINANCING: N/A

APPROVALS	
COUNTY COUNSEL:	AGREEMENTS, CONTRACTS AND ORDINANCES AND CLOSED SESSION AND RELATED ITEMS *(Must be reviewed and approved by county counsel prior to submission to the board clerk.)* Approved: _____ Date_____
AUDITOR/CONTROLLER:	ACCOUNTING/FINANCE AND RELATED ITEMS (*Must be reviewed and approved by the auditor-controller prior to submission to the board clerk.)* Approved:_____ Date_____
PERSONNEL DIRECTOR:	PERSONNEL AND RELATED ITEMS (Must be reviewed and approved by the director of personnel services prior to submission to the board clerk.) Approved:_____ Date_____

DEPARTMENT HEAD SIGNATURE:
(Not to be signed until all approvals are received)_____ Date: 7/7/16
(The Original plus 20 copies of this document are required)

AGENDA REQUEST FORM

BOARD OF SUPERVISORS
COUNTY OF INYO

For Clerk's Use Only:
AGENDA NUMBER
26

☐ Consent ☒ Departmental ☐ Correspondence Action ☐ Public Hearing

☐ Scheduled Time for ☐ Closed Session ☐ Informational

FROM: CLERK OF THE BOARD
By: Darcy Ellis, Assistant to the Clerk of the Board

FOR THE BOARD MEETING OF: July 12, 2016

SUBJECT: Approval of Minutes

DEPARTMENTAL RECOMMENDATION: - Request approval of the minutes of the Board of Supervisors Meetings of: Regular Meeting of June 14, 2016; and Regular Meeting of June 21, 2016.

SUMMARY DISCUSSION: - The Board is required to keep minutes of its proceedings. Once the Board has approved the minutes as requested, the minutes will be made available to the public via the County's web page at www.inyocounty.us.

ALTERNATIVES: - Staff awaits your Board's changes and/or corrections.

OTHER AGENCY INVOLVEMENT: - n/a

FINANCING: n/a

APPROVALS	
BUDGET OFFICER:	BUDGET AMENDMENTS *(Must be reviewed and approved by Budget Officer prior to being approved by others, as needed, and submission to the Assistant Clerk of the Board.)*
COUNTY COUNSEL:	AGREEMENTS, CONTRACTS AND ORDINANCES AND CLOSED SESSION AND RELATED ITEMS *(Must be reviewed and approved by county counsel prior to submission to the Assistant Clerk of the Board.)* Approved: _____ Date_____
AUDITOR/CONTROLLER:	ACCOUNTING/FINANCE AND RELATED ITEMS (M*ust be reviewed and approved by the auditor-controller prior to submission to the Assistant Clerk of the Board.)* Approved:_____ Date_____
PERSONNEL DIRECTOR:	PERSONNEL AND RELATED ITEMS *(Must be reviewed and approved by the director of personnel services prior to submission to the Assistant Clerk of the Board.)* Approved:_____ Date_____

DEPARTMENT HEAD SIGNATURE:
(Not to be signed until all approvals are received)_____ Date: 7/7/16
(The Original plus 20 copies of this document are required)

AGENDA REQUEST FORM

BOARD OF SUPERVISORS
COUNTY OF INYO

For Clerk's Use Only:
AGENDA NUMBER
27

☐ Consent ☐ Departmental ☐ Correspondence Action ☒ Public Hearing

☒ Scheduled Time for ☐ Closed Session ☐ Informational

FROM: Nathan D. Reade, Agricultural Commissioner

FOR THE BOARD MEETING OF: July 12, 2016

SUBJECT: Public Hearings to Consider the Ordering of Services and Levy of the Assessments for Fiscal Year 2016/2017 for the "Owens Valley Mosquito Abatement Program Assessment" and the "Mosquito Control and Disease Prevention Assessment" and Adoption of a Resolution Titled "A Resolution Of The Board Of Supervisors Of The County Of Inyo Administering The Owens Valley Mosquito Abatement Program Approving The Engineer's Reports, Confirming The Assessment Diagram And Assessment And Ordering The Levy Of Assessments For Fiscal Year 2016-2017 For The Owens Valley Mosquito Abatement Program Assessment (Assessment No.1) And For The Mosquito Control And Disease Prevention Assessment (Assessment No.2).

DEPARTMENTAL RECOMMENDATION:

That Your Board hold a public hearing for the proposed continuation of the assessments for the "Owens Valley Mosquito Abatement Program Assessment" and the "Mosquito Control and Disease Prevention Assessment" in order to receive any public input on the proposed continuation of the assessments, the proposed assessment budget for Fiscal Year 2016/2017 and the services and programs, the assessments fund, and any other issues related to the assessments.

After the close of the public hearing to consider the ordering of services, and the levy of the assessments for Fiscal Year 2016/2017, it is recommended that your Board adopt a Resolution, approving the Engineer's Report, confirming the diagram and assessments for Fiscal Year 2016/2017 for the "Owens Valley Mosquito Abatement Program Assessment" and the "Mosquito Control and Disease Prevention Assessment".

CAO RECOMMENDATION:

SUMMARY DISCUSSION:

On July 21, 1998, after conducting a ballot proceeding, this Board by its Ordinance No. 1002 authorized the levy of assessments for the financing and execution of the Owens Valley Mosquito Abatement Program projects; pursuant to the provisions of Government Code Section 25842.5, 53750, and 53753i, Health and Safety Code Sections 2270 et. seq. (repealed and replaced by Health and Safety Code Section 2000 et. seq.) and Articles XI and XIII D of the California Constitution.

On May 10, 2005, after conducting a ballot proceeding, this Board by its Resolution No. 2005-24, first authorized the levy of assessments for the "Mosquito Control and Disease Prevention Assessment" in compliance with Health and Safety Code Section 2080 abatement district law; Article XIII D of the California Constitution; Government Code Section 25842 et. seq. and Health and Safety Code Section 2000, (formerly 2200) which grants the Board of Supervisors the power to create mosquito and vector control programs in the same manner as a district.

Since FY 1998-1999, the "Owens Valley Mosquito Abatement Program Assessment has been continued annually and the "Mosquito Control and Disease Prevention Assessment" has been continued annually since FY 2005-2006. Both assessments are providing essential revenues needed to fund mosquito abatement projects and services.

SCI Consulting Group, the Engineer of Work for purposes of these proceedings, has hereby prepared Engineer's Reports for "Owens Valley Mosquito Abatement Program Assessment" and for "Mosquito Control and Disease Prevention Assessment". These Engineer's Reports include the proposed budget for the assessments for Fiscal Year 2016/2017 and the updated proposed assessments for each parcel in the Program's area within Inyo County.

Proposed assessment for Fiscal Year

The assessments can be levied annually. The assessments for "Mosquito Control and Disease Prevention Assessment" includes an annual increase equal to the change in the Los Angeles Area Consumer Price Index ("CPI"), not to exceed 3% (three percent) per year without a further vote or balloting process.

The change in the CPI from December 2014 to December 2015 was 2.03% and the Unused CPI carried forward from the previous fiscal year is 0.00%. Therefore, the change in the assessment rate for Fiscal Year 2016/2017 is 2.03% ; the assessment rate for Fiscal Year 2016/2017 is $23.75 per single-family equivalent benefit unit with estimated total annual assessment revenues of $204,143.13

The assessment rate for Fiscal Year 2016/2017 for "The Owens Valley Mosquito Abatement Program Assessment" is $20.80 per benefit unit with estimated total annual assessment revenues of $209,943.16

This public hearing was noticed by publication in the Inyo Register on June 30, 2016.

It is recommended that Your Board hold a public hearing on the proposed continuation of the assessments. After due consideration of any public comments regarding the proposed continuation of the assessments and the services funded by the assessments, it is recommended that Your Board approve a Resolution to continue the assessments for Fiscal Year 2016/2017 and to direct additional actions related to the continue of the assessments.

ALTERNATIVES:

OTHER AGENCY INVOLVEMENT:

FINANCING:

The expenditure will be provided in the FY 16/17 department requested budget. There will be no fiscal impact to the Inyo County general fund as OVMAP is a non-general fund program. There are sufficient funds in Budget Unit 154101, Object Code 5265 to cover this expense.

APPROVALS	
COUNTY COUNSEL:	AGREEMENTS, CONTRACTS AND ORDINANCES AND CLOSED SESSION AND RELATED ITEMS *(Must be reviewed and approved by county counsel prior to submission to the board clerk.)* Approved: _____ Date 06/13/2016
AUDITOR/CONTROLLER:	ACCOUNTING/FINANCE AND RELATED ITEMS (*Must be reviewed and approved by the auditor-controller prior to submission to the board clerk.)* Approved: yes Date 06/14/2016
PERSONNEL DIRECTOR:	PERSONNEL AND RELATED ITEMS (Must be reviewed and approved by the director of personnel services prior to submission to the board clerk.) Approved: _____ Date _____

DEPARTMENT HEAD SIGNATURE:
(Not to be signed until all approvals are received) _____ Date: 6-14-16

RESOLUTION NO. _____

A RESOLUTION OF THE COUNTY OF INYO BOARD OF SUPERVISOR OF THE OWENS VALLEY MOSQUITO ABATEMENT PROGRAM APPROVING THE ENGINEER'S REPORTS, CONFIRMING THE ASSESSMENT DIAGRAM AND ASSESSEMENT AND ORDERING THE LEVY OF ASSESSMENTS FOR FISCAL YEAR 2016-2017 FOR THE OWENS VALLEY MOSQUITO ABATEMENT PROGRAM (ASSESSMENT NO. 1) AND FOR THE MOSQUITO CONTROL AND DISEASE PREVENTION ASSESSMENT (ASSESSMENT NO. 2)

WHEREAS, the Owens Valley Mosquito Abatement Program is authorized, pursuant to the authority provided in Health and Safety Code Section 2082 and Article XIIID of the California Constitution, to levy assessments for mosquito abatement services and

WHEREAS, such mosquito abatement services provide tangible public health benefits, reduced nuisance benefits and other special benefits to the public and properties with the areas of service; and

WHEREAS, Assessment No. 1 has been given the distinctive designation of the "Owens Valley Mosquito Abatement Program Assessment," ("Assessment No. 1"); and

WHEREAS, Assessment No. 1 was authorized by an assessment ballot proceeding conducted in 1998 and approved by 70.9% of the weighted ballots returned by property owners, and such assessments were levied by the Inyo County Board of Supervisors of the Owens Valley Mosquito Abatement Program Assessment by Ordinance No. 1002 Section 5 (part), 1998 passed on July 21, 1998, and continued every year thereafter.

WHEREAS, Assessment No. 2 has been given the distinctive designation of the "Mosquito Control and Disease Prevention Assessment" ("Assessment No. 2"); and

WHEREAS, Assessment No. 2 was authorized by an assessment ballot proceeding conducted in 2005 and approved by 71.4% of the weighted ballots returned by property owners, and such assessments were levied by the Inyo County Board of Supervisors of the Owens Valley Mosquito Abatement Program Mosquito Control and Disease Prevention Assessment by Resolution No. 2005-24 passed on May 10, 2005 and continued every year thereafter; and

WHEREAS a notice of a public hearing was published in the Inyo County Register and at the appointed time and place of July 12, 2016 at the hour of 11:30 a.m. in the Inyo County Board of Supervisors Meeting Chambers located at 224 North Edwards Street, Independence, CA 93526, the hearing was duly and regularly held, and all persons interested and desiring to be heard were given an opportunity to be heard, and all matters and things pertaining to the levy were fully heard and considered by this Board, and all oral statements and all written protests or communications were duly heard, considered and overruled, and this Board thereby acquired jurisdiction to order the continuation of the assessments prepared by and made a part of the Engineer's Report to pay the costs and expenses thereof.

NOW, THEREFORE, BE IT RESOLVED by the Inyo County Board of Supervisors that:

SECTION 1. The above recitals are true and correct

SECTION 2. SCI Consulting Group, the Engineer of Work for purposes of these proceedings, has hereby prepared Engineer's Reports for Assessment No. 1 and for Assessment No. 2 (the "Reports") in accordance with the provisions of the Health and Safety Code section 2080 et seq. and Article XIIID of the California Constitution and has filed the Reports with the Clerk of the Board of Supervisors for submission to the Board. The Reports are hereby deemed sufficient

SECTION 3. The public interest, health, convenience and necessity require that the assessments be continued.

SECTION 4. The Engineer's Report for Assessment No. 1 together with the diagram of the Assessment contained therein and the proposed assessment roll for Fiscal Year 2016-2017 is hereby confirmed and approved.

SECTION 5. The Engineer's Report for Assessment No. 2 together with the diagram of the Assessment contained therein and the proposed assessment roll for Fiscal Year 2016-2017 is hereby confirmed and approved.

SECTION 6. That based on the oral and documentary evidence, including the Engineer's Report for Assessment No. 1, offered and received at the public hearing, the Board expressly finds and determines that: (a) each of the several lots and parcels of land within the Program Boundaries will be specially benefited by the services to be financed by the assessment proceeds in at least the amount of the assessment apportioned against such lots and parcels of land, respectively; and (b) that there is substantial evidence to support, and the weight of the evidence preponderates in favor of, said finding and determination as to special benefit to property with the Program Boundaries from the Mosquito Abatement services to be financed with the assessment proceeds.

SECTION 7. That based on the oral and documentary evidence, including the Engineer's Report for Assessment No. 2, offered and received at the public hearing, the Board expressly finds and determines that: (a) each of the several lots and parcels of land within the Program Boundaries District will be specially benefited by the services to be financed by the assessment proceeds in at least the amount of the assessment apportioned against such lots and parcels of land, respectively; and (b) that there is substantial evidence to support, and the weight of the evidence preponderates in favor of, said finding and determination as to special benefit to property with the Program Boundaries from the mosquito control and disease prevention services to be financed with assessment proceeds.

SECTION 8. That assessment for Fiscal Year 2016-2017 for Assessment No. 1 shall be levied at the assessment rate of TWENTY DOLLARS AND EIGHTY CENTS ($20.80) per single-family equivalent benefit unit with estimated total annual assessment revenues of $209,943.

SECTION 9. That the assessments for Assessment No. 2 included an annual increase equal to the change in the Los Angeles Area Consumer Price Index ("CPI"), not to exceed 3% (three percent) per year without a further vote or balloting process. The annual CPI change for the Los Angeles Area from December 2014 to December 2015 was 2.03%, and the unused CPI carried forward from previous fiscal years is 0.00%. Therefore, the maximum authorized assessment rate for fiscal year 2016-17 is $23.75 per single family equivalent benefit unit. The proposed assessment rate for Fiscal Year 2016-2017 is $23.75 per single-family equivalent benefit unit which is the maximum authorized rate for Fiscal Year 2016-2017.

SECTION 10. That assessment for Fiscal Year 2016-2017 for Assessment No. 2 shall be continued at the assessment rate of TWENTY THREE DOLLARS AND SEVENTY FIVE CENTS ($23.75) per single-family equivalent benefit unit. The estimated total annual assessment revenue for Fiscal Year 2016-2017 is $204,143.

SECTION 11. That the mosquito abatement services to be financed with assessment proceeds described in the Engineer's Reports for Assessment No. 1 and Assessment No. 2 are hereby ordered.

SECTION 12. No later than August 10th following such adoption, the Board shall file a certified copy of the diagram and assessment and a certified copy of this Resolution with the Auditor of the County of Inyo ("County Auditor"). Upon such filing, the County Auditor shall enter on the County assessment roll opposite each lot or parcel of land the amount of assessment thereupon as shown in the assessments. The assessments shall be collected at the same time and in the same manner as County taxes are collected and all the laws providing for collection and enforcement shall apply to the collection and enforcement of the assessments. After collection by the County, the net amount of the assessments, after deduction of any compensation due the County for collection, shall be paid to the Owens Valley Mosquito Abatement Program Assessment and to the Mosquito Control and Disease Prevention Assessment.

SECTION 13. All revenues from assessments for Assessment No. 1 shall be deposited into a separate fund established under the distinctive designation of the Owens Valley Mosquito Abatement Program funds so designated shall be expended only for the special benefit of parcels within the Program's boundaries.

SECTION 14. All revenues from assessments for Assessment No. 2 shall be deposited into a separate fund established under the distinctive designation of the Owens Valley Mosquito Abatement Program Mosquito Control and Disease Prevention Assessment. Funds so designated shall be expended only for the special benefit of parcels within the Program's boundaries.

SECTION 15. The Owens Valley Mosquito Abatement Program Assessment, as it applies to any parcel, may be corrected, cancelled or a refund granted as appropriate, by order of the Inyo County Board of Supervisors. Any such corrections, cancellations or refunds shall be limited to the current fiscal year.

SECTION 16. The Mosquito Control and Disease Prevention Assessment, as it applies to any parcel, may be corrected, cancelled or a refund granted as appropriate, by order of the Inyo County Board of Supervisors. Any such corrections, cancellations or refunds shall be limited to the current fiscal year.

The foregoing Resolution was PASSED and ADOPTED by the Inyo County Board of Supervisors at a regular meeting thereof held on July 12, 2016, at Board of Supervisors' Room, Inyo County Administrative Center at 224 North Edwards Street, Independence, CA.

AYES:

NOES:

ABSTAINED:

ABSENT:

_____

Jeff Griffiths, Chairperson
Inyo County Board of Supervisors

ATTEST:
Clerk of the Board

BY:_____
Assistant Clerk of the Board

NOTICE OF PUBLIC HEARING FOR THE OWENS VALLEY MOSQUITO ABATEMENT PROGRAM AND FOR THE MOSQUITO CONTROL AND DISEASE PREVENTION ASSESSMENT FOR FISCAL YEAR 2016-17

NOTICE IS HEREBY GIVEN that the Board of Supervisors of the Owens Valley Mosquito Abatement Program intends to conduct public hearings for the CONTINUATION of two benefit assessments in fiscal year 2016-17 that fund the Programs mosquito abatement services and projects in Inyo County.

The public hearing to consider the ordering of services and projects, and the continuation of the assessments for fiscal year 2016-17 for the Owens Valley Mosquito Abatement Program and for the Mosquito Control and Disease Prevention Assessment shall be held on Tuesday, July 12, 2016 at 11:30 a.m. at the County Administrative Center in Independence The proposed assessment rate for the Owens Valley Mosquito Abatement Program assessment is twenty dollars and eighty cents ($20.80) per benefit unit for fiscal year 2016-17. The proposed assessment rate for the Mosquito Control and Disease Prevention Assessment is twenty three dollars and seventy five cents ($23.75) per single-family equivalent benefit unit for fiscal year 2016-17.

Members of the public are invited to provide comment at the public hearings, or, in writing, which is received by the Program on or before Tuesday, July 12, 2016. If you desire additional information concerning the above, please contact Owens Valley Mosquito Abatement Program at (760) 873-7860.

Dated June 30, 2016 **Owens Valley Mosquito Abatement Program**

OWENS VALLEY MOSQUITO ABATEMENT PROGRAM

COUNTY OF INYO

OWENS VALLEY MOSQUITO ABATEMENT PROGRAM ASSESSMENT

ENGINEER'S REPORT

FISCAL YEAR 2016-17

JULY 2016

PURSUANT TO THE GOVERNMENT CODE, HEALTH AND SAFETY CODE AND ARTICLE XIIID OF THE CALIFORNIA CONSTITUTION

ENGINEER OF WORK:

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FAIRFIELD, CALIFORNIA 94534
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TABLE OF CONTENTS

LIST OF FIGURES IV

INTRODUCTION 1

- ASSESSMENT FORMATION 1
- ASSESSMENT CONTINUATION 3
- PROPOSITION 218 3

THE SERVICES 6

ESTIMATE OF COST 7

METHOD OF ASSESSMENT 9

- DISCUSSION OF BENEFIT 9
- MOSQUITO AND VECTOR CONTROL IS A SPECIAL BENEFIT TO PROPERTIES 11
- BENEFIT FACTORS 12
- BENEFIT FINDING 18
- GENERAL VERSUS SPECIAL BENEFIT 18
- CALCULATING GENERAL BENEFIT 20
- METHOD OF ASSESSMENT 23
- ZONES OF BENEFIT 24
- ASSESSMENT APPORTIONMENT 25
- COMMERCIAL/INDUSTRIAL PROPERTIES 27
- AGRICULTURAL AND OTHER LAND PROPERTIES 27
- OTHER PROPERTIES 28
- APPEALS AND INTERPRETATION 28

ASSESSMENT 29

ASSESSMENT DIAGRAM 31

APPENDICES 32

- ASSESSMENT ROLL, FISCAL YEAR 2016-17 32

LIST OF FIGURES

FIGURE 1 7
FIGURE 2 26
FIGURE 3 33

INTRODUCTION

The Owens Valley Mosquito Abatement Program ("OVMAP" or "Program") was formed in 1985 within the County of Inyo ("County") and currently provides mosquito and disease control services throughout the greater Owens Valley, including the cities and communities of Bishop, Independence and Lone Pine as well as unincorporated areas within the Owens Valley. The OVMAP has been providing its public health protection services in Inyo County for over 20 years. The OVMAP is managed by the Agricultural Commissioner and Program staff and is governed by the Inyo County Board of Supervisors.

The OVMAP's core services are summarized as follows:

1. Early detection of public health threats through comprehensive vector surveillance.
2. Protection of public health by reducing mosquitoes that can transmit diseases to humans.
3. Appropriate, timely response to customer requests to prevent/control mosquito-borne diseases.

ASSESSMENT FORMATION

In June of 1998, an assessment ballot proceeding for improved mosquito, vector and disease control services was conducted pursuant to the requirements of Article XIIID of the California Constitution ("The Taxpayer's Right to Vote on Taxes Act") and the Health and Safety Code. During this ballot proceeding, property owners within the boundaries of the Owens Valley Mosquito Abatement Program were provided with a notice and ballot for the proposed special assessment. A 45-day period was provided for balloting and a public hearing was conducted in July of 1998. At the public hearing, all ballots returned within the 45-day balloting period were tabulated.

It was determined at the public hearing that 70.9% of the weighted ballots returned were in support of the Assessment. Since the assessment ballots submitted in opposition to the proposed assessments did not exceed the assessment ballots submitted in favor of the assessments (with each ballot weighted by the proportional financial obligation of the property for which ballot was submitted), the Program gained the authority to approve the levy of the assessments for fiscal year 1998-99 and to continue the assessment in future years.

The following is an outline of the primary Services that are funded by the Owens Valley Mosquito Abatement Program Assessment:

- Mosquito control
- Surveillance for vector-borne diseases
- Mosquito inspections
- Response to service requests
- Mosquitofish for backyard fish ponds and other appropriate habitats
- Presentations to schools and civic groups
- Identification of mosquitoes and testing for diseases

- Mosquito Surveillance and Disease Testing
- Facilities and Equipment Utilized by the OVMAP

As used within this Report and the benefit assessment, the following terms are defined:

> *"Vector" means any animal capable of transmitting the causative agent of human disease or capable of producing human discomfort or injury, including, but not limited to, mosquitoes, flies, mites, ticks, other arthropods, and small mammals and other vertebrates (Health and Safety Code Section 2002(k)).*
>
> *"Vector Control" shall mean any system of public improvements or services that is intended to provide for the surveillance, prevention, abatement, and control of vectors as defined in subdivision (k) of Section 2002 of the Health and Safety Code and a pest as defined in Section 5006 of the Food and Agricultural Code (Government Code Section 53750(m)).*

The OVMAP is controlled by Mosquito Abatement and Vector Control Program Law of the State of California. Following are excerpts from the Mosquito Abatement and Vector Control Program Law of 2002, codified in the Health and Safety Code, Section 2000, et seq. which serve to summarize the State Legislature's findings and intent with regard to mosquito abatement and other vector control services:

> 2001. (a) The Legislature finds and declares all of the following:
>
> (1) California's climate and topography support a wide diversity of biological organisms.
>
> (2) Most of these organisms are beneficial, but some are vectors of human disease pathogens or directly cause other human diseases such as hypersensitivity, envenomization, and secondary infections.
>
> (3) Some of these diseases, such as mosquito borne viral encephalitis, can be fatal, especially in children and older individuals.
>
> (4) California's connections to the wider national and international economies increase the transport of vectors and pathogens.
>
> (5) Invasions of the United States by vectors such as the Asian tiger mosquito and by pathogens such as the West Nile virus underscore the vulnerability of humans to uncontrolled vectors and pathogens.
>
> (b) The Legislature further finds and declares:
>
> (1) Individual protection against the vectorborne diseases is only partially effective.
>
> (2) Adequate protection of human health against vectorborne diseases is best achieved by organized public programs.
>
> (3) The protection of Californians and their communities against the discomforts and economic effects of vectorborne diseases is an essential public service that is vital to public health, safety, and welfare.
>
> (4) Since 1915, mosquito abatement and vector control Programs have protected Californians and their communities against the threats of vectorborne diseases.
>
> (c) In enacting this chapter, it is the intent of the Legislature to create and continue a broad statutory authority for a class of special Programs with the power to conduct effective programs for the surveillance, prevention, abatement, and control of mosquitoes and other vectors.

(d) It is also the intent of the Legislature that mosquito abatement and vector control Programs cooperate with other public agencies to protect the public health, safety, and welfare. Further, the Legislature encourages local communities and local officials to adapt the powers and procedures provided by this chapter to meet the diversity of their own local circumstances and responsibilities.

Further the Health and Safety Code, Section 2082 specifically authorizes the creation of benefit assessments for vector control, as follows:

(a) A district may levy special benefit assessments consistent with the requirements of Article XIIID of the California Constitution to finance vector control projects and programs.

ASSESSMENT CONTINUATION

This Engineer's Report ("Report") was prepared by SCI Consulting Group ("SCI") to describe the vector control services to be funded by the assessment (the "Services"), to establish the estimated costs for those services, to determine the special benefits and general benefits received by property from the services and to apportion the assessments to lots and parcels within the OVMAP based on the estimated special benefit each parcel receives from the services funded by the benefit assessment.

This report defines the benefit assessment (the "Assessment") on all specially benefiting properties within the Program boundaries (the "Assessment District"). The Assessment for fiscal year 2016-17, as described in this Engineer's Report, would provide continued funding for mosquito and disease control services in certain areas of Inyo County, as well as related costs for equipment, capital improvements and services and facilities necessary and incidental to mosquito and disease control programs.

The Assessment District is narrowly drawn to include only properties that may request and/or receive direct and more frequent service, that are located within the scope of the vector surveillance area, that are located within flying or traveling distance of potential vector sources monitored by the Program, and that will benefit from a reduction in the amount of vectors reaching and impacting the property as a result of the enhanced vector surveillance and control. The Assessment Diagram included in this report shows the boundaries of the Assessment District.

PROPOSITION 218

This assessment was formed consistent with Proposition 218, The Right to Vote on Taxes Act, which was approved by the voters of California on November 6, 1996, and is now Article XIIIC and XIIID of the California Constitution. Proposition 218 provides for benefit assessments to be levied to fund the cost of providing services, improvements, as well as maintenance and operation expenses to a public improvement which benefits the assessed property.

Proposition 218 describes a number of important requirements, including a property-owner balloting, for the formation and continuation of assessments, and these requirements are satisfied by the process used to establish this assessment. When Proposition 218 was

initially approved in 1996, it allowed for certain types of assessments to be "grandfathered" in, and these were exempted from the property–owner balloting requirement.

Beginning July 1, 1997, all existing, new, or increased assessments shall comply with this article. Notwithstanding the foregoing, the following assessments existing on the effective date of this article shall be exempt from the procedures and approval process set forth in Section 4:
(a) Any assessment imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems or vector control.

Vector control was specifically "grandfathered in," underscoring the fact that the drafters of Proposition 218 and the voters who approved it were satisfied that funding for vector control is an appropriate use of benefit assessments, and therefore confers special benefit to property.

Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority

In July of 2008, the California Supreme Court issued its ruling on the Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority ("SVTA vs. SCCOSA"). This ruling is the most significant legal document in further legally clarifying Proposition 218. Several of the most important elements of the ruling included further emphasis that:

- Benefit assessments are for special benefit to property, not general benefits[1]
- The services and /or improvements funded by assessments must be clearly defined
- Special benefits are directly received by and provide a direct advantage to property in the assessment district

Dahms v. Downtown Pomona Property

On June 8, 2009, the 4th Court of Appeal amended its original opinion upholding a benefit assessment for property in the downtown area of the City of Pomona. On July 22, 2009, the California Supreme Court denied review. On this date, Dahms became good law and binding precedent for assessments. In Dahms the Court upheld an assessment that was 100% special benefit (i.e. 0% general benefit) on the rationale that the services and improvements funded by the assessments were directly provided to property in the assessment district. The Court also upheld discounts and exemptions from the assessment for certain properties.

---

[1] Article XIII D, § 2, subdivision (d) of the California Constitution states defines "district" as "an area determined by an agency to contain all parcels which will receive a special benefit from the proposed public improvement or property-related service."

BONANDER V. TOWN OF TIBURON

In the December 31, 2009, the 1st District Court of Appeal overturned a benefit assessment approved by property owners to pay for placing overhead utility lines underground in an area of the Town of Tiburon. The Court invalidated the assessments on the grounds that the assessments had been apportioned to assessed property based on in part on relative costs within sub-areas of the assessment district instead of proportional special benefits.

BEUTZ V. COUNTY OF RIVERSIDE

On May 26, 2010 the 4th District Court of Appeals issued a decision on the Steven Beutz v. County of Riverside ("Beutz") appeal. This decision overturned an assessment for park maintenance in Wildomar, California, primarily because the general benefits associated with improvements and services was not explicitly calculated, quantified and separated from the special benefits.

GOLDEN HILL NEIGHBORHOOD ASSOCIATION V. CITY OF SAN DIEGO

On September 22, 2011, the San Diego Court of Appeal issued a decision on the Golden Hill Neighborhood Association v. City of San Diego appeal. This decision overturned an assessment for street and landscaping maintenance in the Greater Golden Hill neighborhood of San Diego, California. The court described two primary reasons for its decision. First, like in Beutz, the court found the general benefits associated with services were not explicitly calculated, quantified and separated from the special benefits. Second, the court found that the City had failed to record the basis for the assessment on its own parcels.

This Engineer's Report is consistent with the SVTA vs. SCCOSA decision and with the requirements of Article XIIIC and XIIID of the California Constitution because the Services to be funded are clearly defined; the Services are available to all benefiting property in the Assessment District, the benefiting property in the Assessment District will directly and tangibly benefit from reduced mosquito and vector populations, reduced risk of the presence of diseases, increased safety of property and other special benefits; and such special benefits provide a direct advantage to property in the Assessment District that is not enjoyed by the public at large or other property. Finally, the Assessments are consistent with *Buetz* and *Greater Golden Hill* because the general benefits have been explicitly calculated and quantified and excluded from the Assessments. There have been a number of clarifications made to the analysis, findings and supporting text in this Report to ensure that this consistency is well communicated.

THE SERVICES

The Owens Valley Mosquito Abatement Program, a division of the Inyo County Agricultural Department, provides mosquito abatement services to properties within the boundaries of the Mosquito Abatement Program.

The mosquito abatement/vector control services and environmental improvements undertaken by the Program and financed by the levy of the annual assessment provide special benefit to Assessor Parcels within the Program as defined in the Method of Assessment herein. Such mosquito abatement and vector control projects and programs include, but are not limited to, source reduction, larvicide applications, disease monitoring, public education, reporting, accountability, research and interagency cooperative activities, as well as capital costs, maintenance, and operation expenses. The cost of these services also includes capital costs comprised of equipment, capital improvements and facilities necessary and incidental to the vector control program. (collectively "Services")

ESTIMATE OF COST

FIGURE 1

COST ESTIMATE

OWENS VALLEY MOSQUITO ABATEMENT PROGRAM
Owens Valley Mosquito Abatement Program Assessment
Estimate of Cost
Fiscal Year 2016-17

	Total Budget
Mosquito Control Services and Related Expenditures:	
Mosquito Control Operations	$ 420,031
Materials, Supplies, Equipment and Administration	117,318
Internal Charges and Operating Transfers	154,086
Facilities, Capital Equipment and Fixed Assets	-
Total Services and Operation	**691,435**
Less:	
OVMCDPA Assessment #2	(204,143)
Contribution from Other Sources	(288,349)
Net Cost of Mosquito Control, Fixed Asset Equipment, Operation	198,943
Incidental Costs:	
County Collection, Levy Administration, and Other Incidentals	11,000
Contribution to Reserves and Emergency/Contingency Funds	-
Total Mosquito Control Services and Incidentals (Net Amount to be Assessed)	$ 209,943

Budget Allocation to Property:

Zone of Benefit	Total SFE Units	Assessment per SFE	Total Assessment
Zone A	9,891	$ 20.80	$ 205,736
Zone B	809	$ 5.20	$ 4,207
			$ 209,943

Notes:

1. As determined in the following section, at least 5% of the cost of the Services must be funded from sources other than the assessments to cover any general benefits from the

Services. Therefore, out of the total cost of Services of $691,435 the District must contribute at least $ 34,572 from sources other than the assessments. The District will contribute over $288,349, which is well over the estimated general benefits.

2. Incidental Costs includes allowance for uncollectible assessments from assessments on public agency parcels, County collection charges, and assessment administration costs.

3. SFE Units means Single Family Equivalent benefit units. See method of assessment in the following Section for further definition.

4. The assessment rate per SFE is the total amount of assessment per Single Family Equivalent benefit unit.

5. The proceeds from the assessments will be deposited into a special fund for the Assessment. Funds raised by the assessment shall be used only for the purposes stated within this Report. Any balance remaining at the end of the fiscal year, June 30, must be carried over to the next fiscal year. The assessment amounts are rounded down to the even penny for purposes of complying with the collection requirements from the County Auditor. Therefore, the total assessment amount for all parcels subject to the assessments may vary slightly from the net amount to be assessed.

METHOD OF ASSESSMENT

This section of the Engineer's Report describes the benefits to be derived from the mosquito control services provided by the Program for property in the Assessment District, and the methodology used to apportion the total assessment to properties within the Owens Valley Mosquito Abatement Program.

The Owens Valley Mosquito Abatement Program consists of all Assessor Parcels within the boundaries of the Mosquito Abatement Program as defined by the approved boundaries of the Assessment District.

The method used for apportioning the assessment is based upon the proportional special benefits to be derived by the properties in the Owens Valley Mosquito Abatement Program over and above general benefits conferred on real property in the Assessment District. Special benefit is calculated for each parcel in the Assessment District using the following process:

1. Identification of total benefit to the properties derived from the Services
2. Calculation of the proportion of these benefits that are special vs. general
3. Determination of the relative special benefit within different areas within the Assessment District
4. Determination of the relative special benefit per property type and property characteristic
5. Calculation of the specific assessment for each individual parcel based upon special vs. general benefit; location, property type and property characteristics

DISCUSSION OF BENEFIT

In summary, the assessments can only be levied based on the special benefit to property. This special benefit is received by property over and above any general benefits from the additional Services. With reference to the engineering requirements for property related assessments under Proposition 218, an engineer must determine and prepare a report concerning the amount of special and general benefit received by property within the assessment district or program as a result of the property related service or improvements provided by a local agency. That special benefit is to be determined in relation to the total cost to that local entity of providing the service and/or improvements.

Proposition 218 as described in Article XIIID of the California Constitution, has confirmed that assessments must be based on the special benefit to property:

> *"No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."*

The below benefit factors, when applied to property in the Assessment District, confer special benefits to property and ultimately improve the safety, utility, functionality and usability of property in the Assessment District. These are special benefits to property in the Assessment District in much the same way that storm drainage, sewer service, water service, lighting, sidewalks and paved streets enhance the safety, utility and functionality of each parcel of property served by these improvements, providing them with more utility of use and making them safer and more usable for occupants.

It should also be noted that Proposition 218 included a requirement that existing assessments in effect upon its effective date were required to be confirmed by either a majority vote of registered voters in the Assessment District, or by weighted majority property owner approval using the new ballot proceeding requirements. However, certain assessments were excluded from these voter approval requirements. Of note is that in California Constitution Article XIIID Section 5(a) this special exemption was granted to assessments for sidewalks, streets, sewers, water, flood control, drainage systems and vector control. The Howard Jarvis Taxpayers Association explained this exemption in their Statement of Drafter's Intent:

> *"This is the "traditional purposes" exception. These existing assessments do not need property owner approval to continue. However, future assessments for these traditional purposes are covered."*[2]

Therefore, the drafters of Proposition 218 acknowledged that vector control assessments were a "traditional" and therefore acknowledged and accepted use.

Since all assessments, existing before or after Proposition 218 must be based on special benefit to property, the drafters of Proposition 218 inherently found that vector control services confer special benefit on property. Moreover, the statement of drafter's intent also acknowledges that any new or increased vector control assessments after the effective date of Proposition 218 would need to comply with the voter approval requirements it established. This is as an acknowledgement that additional assessments for such "traditional" purposes would be established after Proposition 218 was in effect. Therefore, the drafters of Proposition 218 clearly recognized vector assessments as a "traditional" use of assessments, acknowledged that new vector assessments may be formed after Proposition 218 and inherently were satisfied that vector control services confer special benefit to properties.

The Legislature also made a specific determination after Proposition 218 was enacted that vector control services constitute a proper subject for special assessment. Health and Safety Code section 2082, which was signed into law in 2002, provides that a district may levy special assessments consistent with the requirements of Article XIIID of the California Constitution to finance vector control projects and programs. The intent of the Legislature to allow and authorize benefit assessments for vector control services after Proposition 218 is

---

[2] Howard Jarvis Taxpayers Association, "Statement of Drafter's Intent", January 1997.

shown in the Assembly and Senate analysis the Mosquito Abatement and Vector Control District Law where it states that the law:

> *Allows special benefit assessments to finance vector control projects and programs, consistent with Proposition 218.*[3]

Therefore the State Legislature unanimously found that vector control services are a valuable and important public service that can be funded by benefit assessments. To be funded by assessments, vector control services must confer special benefit to property.

In the 2009 Dahms case, the court upheld an assessment that was 100% special benefit on the rationale that the services funded by the assessments were directly provided to property in the assessment district. Similar to the assessments in Pomona that were validated by Dahms, the Assessments described in this Engineer's Report fund mosquito and disease control services directly provided to property in the assessment area. Moreover, as noted in this Report, the Services directly reduce mosquito and vector populations on all property in the assessment area. Therefore, Dahms establishes a basis for minimal or zero general benefits from the Assessments. However, in this report, the general benefit is more conservatively estimated and described, and then budgeted so that it is funded by sources other than the assessment.

Mosquito and Vector Control Is a Special Benefit to Properties

As described below, this Engineer's Report concludes that mosquito and vector control is a special benefit that provides direct advantages to property in the Assessment District. For example, if approved, the assessment would provide reduced levels of mosquitoes and other vectors on property throughout the Assessment District. Moreover, the assessment will reduce the risk of the presence of diseases on property throughout the Assessment District, which is another direct advantage received by property in the Assessment District. Moreover, the assessment will fund Services that improve the use of property and reduce the nuisance and harm created by vectors on property throughout the Assessment District. These are tangible and direct special benefits that will be received by property throughout the specific area covered by the Assessment.

The following section, Benefit Factors, describes how and why vector control services directly and specially benefit properties in the Assessment District. These benefits are particular and distinct from its effect on property in general or the public at large.

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[3] Senate Bill 1588, Mosquito Abatement and Vector Control District Law, Legislative bill analysis

BENEFIT FACTORS

In order to allocate the assessments, the Engineer identified the types of special benefit arising from the aforementioned mosquito control services and that would be provided to property within the Program. These types of special benefit are as follows:

- **Reduced mosquito and vector populations on property and as a result, enhanced desirability, utility, usability and functionality of property in the Assessment District.**

The assessments will provide enhanced services for the control and abatement of nuisance and disease-carrying mosquitoes. These Services will materially reduce the number of vectors on properties throughout the Assessment District. The lower mosquito and vector populations on property in the Assessment District is a direct advantage to property that will serve to increase the desirability and "usability" of property. Clearly, properties are more desirable and usable in areas with lower mosquito populations and with a reduced risk of vector-borne disease. This is a special benefit to residential, commercial, agricultural, industrial and other types of properties because all such properties will directly benefit from reduced mosquito and vector populations and properties with lower vector populations are more usable, functional and desirable.

Excessive mosquitoes and other vectors in the area can materially diminish the utility and usability of property. For example, prior to the commencement of mosquito control and abatement services, properties in many areas in the State were considered to be nearly uninhabitable during the times of year when the mosquito populations were high.[4] The prevention or reduction of such diminished utility and usability of property caused by mosquitoes is a clear and direct advantage and special benefit to property in the Assessment District.

The State Legislature made the following finding on this issue:

[4] Prior to the commencement of modern mosquito control services, areas in the State of California such as the San Mateo Peninsula, Napa County, Lake County and areas in Marin and Sonoma Counties had such high mosquito populations or other vector populations that they were considered to be nearly unlivable during certain times of the year and were largely used for part-time vacation cottages that were occupied primarily during the months when the natural vector populations were lower.

"Excess numbers of mosquitoes and other vectors spread diseases of humans, livestock, and wildlife, reduce enjoyment of outdoor living spaces, both public and private, reduce property values, hinder outdoor work, reduce livestock productivity; and mosquitoes and other vectors can disperse or be transported long distances from their sources and are, therefore, a health risk and a public nuisance; and professional mosquito and vector control based on scientific research has made great advances in reducing mosquito and vector populations and the diseases they transmit." [5]

Mosquitoes and other vectors emerge from sources throughout the Assessment District, and with an average flight range of two miles, mosquitoes from known sources can reach all properties in the Assessment District. These sources include standing water in rural areas, such as marshes, pools, wetlands, ponds, drainage ditches, drainage systems, tree holes and other removable sources such as old tires and containers. The sources of mosquitoes also include numerous locations throughout the urban areas in the Assessment District. These sources include underground drainage systems, containers, unattended swimming pools, leaks in water pipes, tree holes, flower cups in cemeteries, over-watered landscaping and lawns and many other sources. By controlling mosquitoes at known and new sources, the Services will materially reduce mosquito populations on specially benefiting property in the Assessment District.

A recently increasing source of mosquitoes is unattended swimming pools:

"Anthropogenic landscape change historically has facilitated outbreaks of pathogens amplified by peridomestic vectors such as Cx. pipiens complex mosquitoes and associated commensals such as house sparrows. The recent widespread downturn in the housing market and increase in adjustable rate mortgages have combined to force a dramatic increase in home foreclosures and abandoned homes and produced urban landscapes dotted with an expanded number of new mosquito habitats. These new larval habitats may have contributed to the unexpected early season increase in WNV cases in Bakersfield during 2007 and subsequently have enabled invasion of urban areas by the highly competent rural vector Cx. tarsalis. These factors can increase the spectrum of competent avian hosts, the efficiency of enzootic amplification, and the risk for urban epidemics." [6]

- **Increased safety of property in the Assessment District.**

The Assessments result in improved year-round proactive Services to control and abate mosquitoes and other vectors that otherwise would occupy properties throughout the Assessment District. Mosquitoes and other vectors are transmitters of diseases, so the

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[5] Assembly Concurrent Resolution 52, chaptered April 1, 2003

[6] Riesen William K. (2008). Delinquent Mortgages, Neglected Swimming Pools, and West Nile Virus, California. Emerging Infectious Diseases. Vol. 14(11).

reduction of mosquito and vector populations makes property safer for use and enjoyment. In absence of the assessments, these Services would not be provided, so the Services funded by the assessments make properties in the Assessment District safer, which is a distinct special benefit to property in the Assessment District.[7] This is not a general benefit to property in the Assessment District or the public at large because the Services are tangible mosquito control and disease prevention services that will be provided directly to the properties in the Assessment District and the Services are over and above what otherwise would be provided by the District or any other agency.

This finding was confirmed in 2003 by the State Legislature:

> "Mosquitoes and other vectors, including but not limited to ticks, Africanized Honey Bees, rats, fleas, and flies, continue to be a source of human suffering, illness, death and a public nuisance in California and around the world. Adequately funded mosquito and vector control, monitoring and public awareness programs are the best way to prevent outbreaks of West Nile Virus and other diseases borne by mosquitoes and other vectors." [1]

Also, the Legislature, in Health and Safety Code Section 2001, finds that:

> "the protection of Californians and their communities against the discomforts and economic effects of vector borne diseases is an essential public service that is vital to public health, safety, and welfare."

- **Reductions in the risk of new diseases and infections on property in the Assessment District.**

Mosquitoes have proven to be a major contributor to the spread of new diseases such as West Nile Virus, among others. A highly mobile population combined with migratory bird patterns can introduce new mosquito-borne diseases into previously unexposed areas.

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[7] By reducing the risk of disease and increasing the safety of property, the proposed Services will materially increase the usefulness and desirability of certain properties in the Assessment District.

> *"Vector-borne diseases (including a number that are mosquito-borne) are a major public health problem internationally. In the United States, dengue and malaria are frequently brought back from tropical and subtropical countries by travelers or migrant laborers, and autochthonous transmission of malaria and dengue occasionally occurs. In 1998, 90 confirmed cases of dengue and 1,611 cases of malaria were reported in the USA and dengue transmission has occurred in Texas."*[8]

> *"During 2004, 40 states and the District of Columbia (DC) have reported 2,313 cases of human WNV illness to CDC through ArboNET. Of these, 737 (32%) cases were reported in California, 390 (17%) in Arizona, and 276 (12%) in Colorado. A total of 1,339 (59%) of the 2,282 cases for which such data were available occurred in males; the median age of patients was 52 years (range: 1 month--99 years). Date of illness onset ranged from April 23 to November 4; a total of 79 cases were fatal."* [9] *(According to the Centers for Disease Control and Prevention on January 19, 2004, a total of 2,470 human cases and 88 human fatalities from WNV have been confirmed).*

A study of the effect of aerial spraying conducted by the Sacramento-Yolo Mosquito and Vector Control District (SYMVCD) to control a West Nile Virus disease outbreak found that the SYMVCD's mosquito control efforts materially decreased the risk of new diseases in the treated areas:

> *After spraying, infection rates decreased from 8.2 (95% CI 3.1–18.0) to 4.3 (95% CI 0.3–20.3) per 1,000 females in the spray area and increased from 2.0 (95% CI 0.1–9.7) to 8.7 (95% CI 3.3–18.9) per 1,000 females in the untreated area. Furthermore, no additional positive pools were detected in the northern treatment area during the remainder of the year, whereas positive pools were detected in the untreated area until the end of September (D.-E.A Elnaiem, unpub. data). These independent lines of evidence corroborate our conclusion that actions taken by SYMVCD were effective in disrupting the WNV transmission cycle and reducing human illness and potential deaths associated with WNV.* [10]

The Services funded by the assessments will help prevent on a year-round basis the presence of vector-borne diseases on property in the Assessment District. This is another tangible and direct special benefit to property in the Assessment District that would not be received in absence of the assessments.

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[8] Rose, Robert. (2001). Pesticides and Public Health: Integrated Methods of Mosquito Management. Emerging Infectious Diseases. Vol. 7(1); 17-23.
[9] Center for Disease Control. (2004). West Nile Virus Activity --- United States, November 9--16, 2004. Morbidity and Mortality Weekly Report. 53(45); 1071-1072.
[10] Carney, Ryan. (2008), Efficiency of Aerial Spraying of Mosquito Adulticide in Reducing the Incidence of West Nile Virus, California, 2005. Emerging Infectious Diseases, Vol 14(5)

- **Protection of economic activity on property in the Assessment District.**

As recently demonstrated by the SARS outbreak in China and outbreaks of Avian Flu, outbreaks of pathogens can materially and negatively impact economic activity in the affected area. Such outbreaks and other public health threats can have a drastic negative effect on tourism, business and residential activities in the affected area. The assessments will help to prevent the likelihood of such outbreaks in the District.

Mosquitoes hinder, annoy and harm residents, guests, visitors, farm workers, and employees. A vector-borne disease outbreak and other related public health threats would have a drastic negative effect on agricultural, business and residential activities in the Assessment District.

The economic impact of diseases is well documented. According to a study prepared for the Centers for Disease Control and Prevention, economic losses due to the transmission of West Nile Virus in Louisiana was estimated to cost over $20 million over approximately one year:

> *The estimated cost of the Louisiana epidemic was $20.1 million from June 2002 to February 2003, including a $10.9 million cost of illness ($4.4 million medical and $6.5 million nonmedical costs) and a $9.2 million cost of public health response. These data indicate a substantial short-term cost of the WNV disease epidemic in Louisiana. 11*

Moreover, a study conducted in 1996-97 of La Crosse Encephalitis (LACE), a human illness caused by a mosquito-transmitted virus, found a lifetime cost per human case at $48,000 to $3,000,000 and found that the disease significantly impacted lifespans of those who were infected. Following is a quote from the study which references the importance and value of active vector control services of the type that would be funded by the assessments:

> *The socioeconomic burden resulting from LACE is substantial, which highlights the importance of the illness in western North Carolina, as well as the need for active surveillance, reporting, and prevention programs for the infection.* [12]

The Services to be funded by the assessments will help prevent the likelihood of such outbreaks on property in the Assessment District and will reduce the harm to economic

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[11] Zohrabian A, Meltzer MI, Ratard R, Billah K, Molinari NA, Roy K, et al. West Nile Virus economic impact, Louisiana, 2002. Emerging Infectious Disease, 2004 Oct. Available from http://www.cdc.gov/ncidod/EID/vol10no10/03-0925.htm

[12] Utz, J. Todd, Apperson, Charles S., Maccormack, J. Newton, Salyers, Martha, Dietz, E. Jacquelin, Mcpherson, J. Todd, Economic And Social Impacts Of La Crosse Encephalitis In Western North Carolina, Am J Trop Med Hyg 2003 69: 509-518

activity on property caused by existing mosquito populations. This is another direct advantage received by property in the Assessment District that would not be received in absence of the assessments.

- **Protection of Assessment District's agriculture, tourism, and business industries.**

The agriculture, tourism and business industries will benefit from reduced levels of harmful or nuisance mosquitoes and other vectors. Conversely, any outbreaks of emerging vector-borne pathogens such as West Nile Virus could also materially negatively affect these industries. Diseases transmitted by mosquitoes and other vectors can adversely impact business and recreational functions.

> *A study prepared for the United States Department of Agriculture in 2003 found that over 1,400 horses died from West Nile Virus in Colorado and Nebraska and that these fatal disease cases created over $1.2 million in costs and lost revenues. In addition, horse owners in these two states spent over $2.75 million to vaccinate their horses for this disease. The study states that "Clearly, WNV has had a marked impact on the Colorado and Nebraska equine industry."* [13]

> *Pesticides for mosquito control impart economic benefits to agriculture in general. Anecdotal reports from farmers and ranchers indicate that cattle, if left unprotected, can be exsanguinated by mosquitoes, especially in Florida and other southeast coastal areas. Dairy cattle produce less milk when bitten frequently by mosquitoes* [14]

The assessments will serve to protect the businesses and industries and the employees and residents that benefit from these businesses and industries. This is a direct advantage and special benefit to property in the Assessment District.

- **Reduced risk of nuisance and liability on property in the Assessment District**

In addition to health related factors, uncontrolled mosquito and vector populations create a nuisance for the occupants of property in the Assessment District. Properties in the Assessment District, therefore, will benefit from the reduced nuisance factor that will be created by the Services. Agricultural and rangeland properties also benefit from the reduced

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[13] S. Geiser, A. Seitzinger, P. Salazar, J. Traub-Dargatz, P. Morley, M. Salman, D. Wilmot, D. Steffen, W. Cunningham, Economic Impact of West Nile Virus on the Colorado and Nebraska Equine Industries: 2002, April 2003, Available from http://www.aphis.usda.gov/vs/ceah/cnahs/nahms/equine/wnv2002_CO_NB.pdf

[14] Jennings, Allen. (2001). USDA Letter to EPA on Fenthion IRED. United States Department of Agriculture, Office of Pest Management Policy. March 8, 2001.

nuisance factor and harm to livestock and employees from lower mosquito and vector populations.

Agricultural, range, golf course, cemetery, open space and other such lands in the Assessment District contain large areas of mosquito and vector habitat and are therefore a significant source of mosquito and vector populations. In addition, residential and business properties in the Assessment District can also contain significant sources.[15] It is conceivable that sources of mosquitoes could be held liable for the transmission of diseases or other harm. For example, in August 2004, the City of Los Angeles approved new fines of up to $1,000 per day for property owners who don't remove standing water sources of mosquitoes on their property.
The Services will serve to protect the businesses and industries in the Assessment District. This is a direct advantage and a special benefit to property in the Assessment District.

- **Improved marketability of property.**

As described previously, the Services will specially benefit properties in the Assessment District by making them more useable, livable and functional. The Services also make properties in the Assessment District more desirable, and more desirable properties also benefit from improved marketability. This is another tangible and direct special benefit to property which will not be enjoyed in absence of the Services.[16]

BENEFIT FINDING

In summary, the special benefits described in this Report and the expansion of Services in the Assessment District directly benefit and protect the real properties in the Assessment District in excess of the assessments for these properties. Therefore, the assessment engineer finds that the cumulative special benefits to property from the Services are reasonably equal to or greater than the proposed annual assessment amount per benefit unit.

GENERAL VERSUS SPECIAL BENEFIT

Article XIIIC of the California Constitution requires any local agency proposing to increase or impose a benefit assessment to "separate the general benefits from the special benefits conferred on a parcel." The rationale for separating special and general benefits is to ensure that property owners subject to the benefit assessment are not paying for general benefits. The assessment can fund the special benefits to property in the Assessment District but cannot fund any general benefits. Accordingly, a separate estimate of the special and general benefit is given in this section.

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[15] Sources of mosquitoes on residential, business, agricultural, range and other types of properties include removable sources such as containers that hold standing water.
[16] If one were to compare two hypothetical properties with similar characteristics, the property with lower mosquito infestation and reduced risk of vector-borne disease will clearly be more desirable, marketable and usable.

In other words:

Total Benefit	=	Total General Benefit	+	Total Special Benefit

There is no widely-accepted or statutory formula for general benefit from vector control services. General benefits are benefits from improvements or services that are not special in nature, are not "particular and distinct" and are not "over and above" benefits received by other properties. General benefits are conferred to properties located "in the district,[17]" but outside the narrowly-drawn Assessment District and to "the public at large." SVTA vs. SCCOSA provides some clarification by indicating that general benefits provide "an indirect, derivative advantage" and are not necessarily proximate to the improvements and services funded by the assessments.

A formula to estimate the general benefit is listed below:

General Benefit =
Benefit to Real Property Outside the Assessment District +
Benefit to Real Property Inside the Assessment District that is Indirect and Derivative +
Benefit to the Public at Large

Special benefit, on the other hand, is defined in the state constitution as "a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large." The SVTA v. SCCOSA decision indicates that a special

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[17] SVTA vs. SCCOSA explains as follows:

> OSA observes that Proposition 218's definition of "special benefit" presents a paradox when considered with its definition of "district." Section 2, subdivision (i) defines a "special benefit" as "a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large." (Art. XIII D, § 2, subd. (i), italics added.) Section 2, subdivision (d) defines "district" as "an area determined by an agency to contains all parcels which will receive a special benefit from a proposed public improvement or property-related service." (Art. XIII D, § 2, subd. (d), italics added.) In a well-drawn district — limited to only parcels receiving special benefits from the improvement — every parcel within that district receives a shared special benefit. Under section 2, subdivision (i), these benefits can be construed as being general benefits since they are not "particular and distinct" and are not "over and above" the benefits received by other properties "located in the district."
>
> We do not believe that the voters intended to invalidate an assessment district that is narrowly drawn to include only properties directly benefiting from an improvement. Indeed, the ballot materials reflect otherwise. Thus, if an assessment district is narrowly drawn, the fact that a benefit is conferred throughout the district does not make it general rather than special.

benefit is conferred to a property if it "receives a direct advantage from the improvement (e.g., proximity to a park)." In this assessment, the overwhelming proportion of the benefits conferred to property is special, since the advantages from the mosquito, vector and disease control/protection funded by the Assessments are directly received by the properties in the Assessment District and are only minimally received by property outside the Assessment District or the public at large.

Proposition 218 twice uses the phrase "over and above" general benefits in describing special benefit. (Art. XIIID, sections 2(i) & 4(f).) There currently are minimal mosquito and vector related services being provided to the Assessment District area that are not being funded by a benefit assessment. These minimal services form the baseline level of services in the Assessment District. Arguably, all of the Services to be funded by the assessment therefore would be a special benefit because the additional Services would particularly and distinctly benefit and protect the Assessment District over and above the previous baseline benefits and service.

Nevertheless, arguably some of the Services would benefit the public at large and properties outside the Assessment District. In this report, the general benefit is conservatively estimated and described, and then budgeted so that it is funded by sources other than the assessment.

CALCULATING GENERAL BENEFIT

Without this assessment the Program would lack the funds to provide the additional and improved Services to property in the Assessment District. Consistent with footnote 8 of SVTA v. SCCOSA, and for the reasons described above, the Program has determined that all parcels in the Assessment District receive a shared direct advantage and special benefit from the Services. The Services directly and particularly serve and benefit each parcel, and are not a mere indirect, derivative advantage. As explained above, Proposition 218 relies on the concept of "over and above" in distinguishing special benefits from general benefits. As applied to an assessment this concept means that all vector control services, which provide direct advantage to property in the Assessment District, are over and above the baseline and therefore are special.

Nevertheless, the Services may provide a degree of general benefit, in addition to the predominant special benefit. This section provides a conservative measure of the general benefits from the Assessments.

BENEFIT TO PROPERTY OUTSIDE THE PROGRAM

Properties within the Assessment District receive almost all of the special benefits from the Services because the Services funded by the Assessments will be provided directly to protect property within the Assessment District from mosquitoes and vector-borne diseases. However, properties adjacent to, but just outside of, the boundaries may receive some benefit from the Services in the form of reduced mosquito populations on property outside the Assessment District. Since this benefit, is conferred to properties outside the district

boundaries, it contributes to the overall general benefit calculation and will not be funded by the assessment.

A measure of this general benefit is the proportion of Services that would affect properties outside of the Assessment District. Each year, the Program will provide some of its Services in areas near the boundaries of the Assessment District. By abating mosquito populations near the borders of the Assessment District, the Services could provide benefits in the form of reduced mosquito populations and reduced risk of disease transmission to properties outside the Assessment District. If mosquitoes were not controlled inside the Assessment District, more of them would fly from the Assessment District. Therefore control of mosquitoes within the Assessment District provides some benefit to properties outside the Assessment District but within the normal travel range of vectors in the form of reduced mosquito populations and reduced vector-borne disease transmission. Since mosquitoes are the predominant vector that would be controlled and mosquitoes most easily travel from their source location to properties in the area, typical mosquito destination ranges will be used to measure the extent that the Services will create reduced vector populations on property outside the Assessment District. This is a measure of the general benefits to property outside the Assessment District because this is a benefit from the Services that is not specially conferred upon property in the Assessment District.

The mosquito potential outside the Assessment District is based on studies of mosquito dispersion concentrations. Mosquitoes can travel up to two miles, on average, so this destination range is used. Based on studies of mosquito destinations, relative to parcels in the Assessment District average concentration of mosquitoes from the Assessment District on properties within two miles of the Assessment District is calculated to be 6%.[18] This relative vector population reduction factor within the destination range is combined with the number of parcels outside the Assessment District and within the destination range to measure this general benefit and is calculated as follows:

CRITERIA:

Mosquitoes may fly up to 2 miles from their breeding source.
519 parcels within 2 miles of, but outside of the Program, may receive some mosquito and disease protection benefit
6% portion of relative benefit that is received
10,994 Parcels in the District

Calculations
Total Benefit = 519 parcels * 6% = 31 parcels equivalents
Percentage of overall parcel equivalents = 31 / 10,994 = **0.28 %**

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[18] Tietze, Noor S., Stephenson, Mike F., Sidhom, Nader T. and Binding, Paul L., "Mark-Recapture of *Culex Erythrothorax* in Santa Cruz County, California", Journal of the American Mosquito Control Association, 19(2):134-138, 2003.

Therefore, for the overall benefits provided by the Services to the Assessment District, it is determined that 0.28% of the benefits would be received by the parcels within two miles of the Assessment District boundaries. Recognizing that this calculation is an approximation, this benefit will be rounded up to 1.0%.

BENEFIT TO PROPERTY *INSIDE* THE DISTRICT THAT IS *INDIRECT AND DERIVATIVE*

The "indirect and derivative" benefit to property within the Assessment District is particularly difficult to calculate. As explained above, all benefit within the Assessment District is special because the mosquito and disease control services in the Assessment District would provide direct service and protection that is clearly "over and above" and "particular and distinct" when compared with the level of such protection under current conditions. Further the properties are within the Assessment District boundaries and this Engineer's Report demonstrates the direct benefits received by individual properties from mosquito and disease control services.

In determining the Assessment District area, the Program has been careful to limit it to an area of parcels that will directly receive the Services. All parcels will directly benefit from the surveillance, monitoring and treatment that will be provided on an equivalent basis throughout the Assessment District in order to maintain the same improved level of protection against mosquitoes and other vectors and reduced mosquito and vector populations throughout the area. The surveillance and monitoring sites would be spread on a balanced basis throughout the area. Mosquito and vector control and treatment would be provided as needed throughout the area based on the surveillance and monitoring results. The shared special benefit - reduced mosquito levels and reduced presence of vector-borne diseases - would be received on an equivalent basis by all parcels in the Assessment District. Furthermore, all parcels in the Assessment District would directly benefit from the ability to request service from the Program and to have a Program field technician promptly respond directly to the parcel and address the owner's or resident's service need. The SVTA vs. SCCOSA decision indicates that the fact that a benefit is conferred throughout the Assessment District area does not make the benefit general rather than special, so long as the Assessment district is narrowly drawn and limited to the parcels directly receiving shared special benefits from the service. The Program therefore concludes that, other than the small general benefit to properties outside the Assessment District (discussed above) and to the public at large (discussed below), all of the benefits of the Services to the parcels within the Assessment District are special benefits and it is not possible or appropriate to separate any general benefits from the benefits conferred on parcels in the Assessment District.

BENEFIT TO THE PUBLIC AT LARGE

With the type and scope of Services to be provided to the Assessment District, it is very difficult to calculate and quantify the scope of the general benefit conferred on the public at large. Because the Services directly serve and benefit all of the property in the Assessment District, any general benefit conferred on the public at large would be small. Nevertheless, there would be some indirect general benefit to the public at large.

The public at large uses the public highways, streets and sidewalks, and when traveling in and through the Assessment District they will benefit from the Services. A fair and appropriate measure of the general benefit to the public at large therefore is the amount of highway, street and sidewalk area within the Assessment District relative to the overall land area. An analysis of maps of the Assessment District shows that approximately 1.3% of the land area in the Assessment District is covered by highways, streets and sidewalks. This 1.3% therefore is a fair and appropriate measure of the general benefit to the public at large within the Assessment District

SUMMARY OF GENERAL BENEFITS

Using a sum of the measures of general benefit for the public at large and land outside the Assessment District, we find that approximately 2.3% of the benefits conferred by the Owens Valley Mosquito Abatement Program Assessment may be general in nature and should be funded by sources other than the Assessment.

General Benefit =

1.0 % (Outside the district)
+ 0.0 % (Inside the district - indirect and derivative)
+ 1.3 % (Public at Large)

=2.3 % (Total General Benefit)

Although this analysis supports the findings that 2.3% of the assessment may provide general benefit only, this number is increased by the Assessment Engineer to 5% to conservatively ensure that no assessment revenue is used to support general benefit. This additional amount allocated to general benefit also covers general benefit to parcels in the Assessment District if it is later determined that there is some general benefit conferred on those parcels.

The Mosquito Abatement Program Assessment total budget for mosquito and vector abatement, disease control, capital improvement and incidental costs is $540,583. Of this total budget amount, the OVMAP will contribute approximately 64% ($347,155) of the total budget from sources other than the Mosquito Control and Disease Prevention Assessment. This contribution offsets any general benefits from the Mosquito Control and Disease Prevention Assessment Services.

METHOD OF ASSESSMENT

As previously discussed, the Assessments fund enhanced, comprehensive, year-round mosquito control, and disease surveillance and control Services that will reduce mosquito and vector populations on property and will clearly confer special benefits to properties in the Assessment District. These benefits can also partially be measured by the occupants on property in the Assessment District because such parcel population density is a measure of the relative benefit a parcel receives from the Services. Therefore, the apportionment of

benefit is partially based the population density of parcels. It should be noted that many other types of "traditional" assessments also use parcel population densities to apportion the assessments. For example, the assessments for sewer systems, roads and water systems are typically allocated based on the population density of the parcels assessed.

In the process of determining the appropriate method of assessment, the Engineer considered various alternatives. For example, a fixed assessment amount per parcel for all residential improved property was considered but was determined to be inappropriate because agricultural lands, commercial property and other property also receive benefits from the assessments. Likewise an assessment exclusively for agricultural land was considered because the source of mosquitoes is generally located on such property. However, other types of property, such as residential and commercial, also derive the special benefit factors listed above from reduced mosquito populations that would otherwise fly to the property and/or to the inhabited community areas.

Moreover, a fixed or flat assessment was deemed to be inappropriate because larger properties receive a higher degree of benefit than other similarly used properties that are significantly smaller. (For two properties used for commercial purposes, there is clearly a higher benefit provided to a property that covers several acres in comparison to a smaller commercial property that is on a 0.25 acre site because the larger property generally has a larger coverage area and higher usage by employees, customers and guests that would benefit from reduced mosquito populations. This benefit ultimately flows to the property.) Larger parcels, therefore, receive an increased benefit from the assessments.

Therefore, the Engineer determined that the appropriate method of assessment apportionment should be based on the type and use of property, its relative population and usage potential, its location and its destination potential for mosquitoes. This method is further described below.

ZONES OF BENEFIT

The Owens Valley Mosquito Abatement Program's mosquito control services are concentrated on the areas encompassing the Owens Valley Floor. The remaining areas within the Program boundaries receive relatively less mosquito abatement services, and, therefore relatively lesser benefits from the Mosquito Abatement Program. The areas of lesser benefit are defined to include all parcels within Program boundaries that are within the Inyo National Forest, west of the Owens Valley Floor and those parcels generally along the eastern side of Owens Lake. These areas are hereinafter referred to as Zone of Benefit B or Zone B and are depicted on the Assessment Diagram included with this Report. All other parcels within the Program boundaries are within Zone A, which is generally considered to be the areas of the Owens Valley Floor.

Parcels in Zone B receive relatively less mosquito abatement services on a per parcel and land area basis than parcels in the greater Owens Valley Floor area. Approximately 9% of the total parcels within the Program are in Zone B and this area receives approximately 5% of the services. (5% of services / 9% of parcels = 56% of the relative services per parcel.)

Therefore, on a per parcel basis, parcels in Zone B receive approximately one half the relative services as those in Zone A. Alternatively, Zone B encompasses approximately 50% of the total area within Program boundaries. By this measure, Zone B receives approximately 10% of the relative services per acre in comparison to areas in Zone A. (5% of services / 50% of acreage = 10% of relative services per acre.) Using these measures, the relative level of service, which is a measure of relative benefit, is generally 50% on a parcel basis and 10% on an acreage basis. An average of these measures results in a 25% relative level of benefit in relation to Zone A. Therefore, it is deemed that the benefits to property in Zone B are 25% of the benefits to similar property in Zone A.

The SVTA vs. SCCOSA decision indicates:

In a well-drawn district — limited to only parcels receiving special benefits from the improvement — every parcel within that district receives a shared special benefit. Under section 2, subdivision (i), these benefits can be construed as being general benefits since they are not "particular and distinct" and are not "over and above" the benefits received by other properties "located in the district."

We do not believe that the voters intended to invalidate an assessment district that is narrowly drawn to include only properties directly benefitting from an improvement. Indeed, the ballot materials reflect otherwise. Thus, if an assessment district is narrowly drawn, the fact that a benefit is conferred throughout the district does not make it general rather than special. In that circumstance, the characterization of a benefit may depend on whether the parcel receives a direct advantage from the improvement (e.g., proximity to park) or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement (e.g., general enhancement of the district's property values).

In the assessment, the advantage that each parcel receives from the Services is direct, and the boundaries for each Zone of Benefit are narrowly drawn so each Zone includes parcels that receive the similar levels of benefit from the Services. Therefore, the even spread of assessment for similar properties in each of the narrowly drawn Zones of Benefit within the District is indeed consistent with the OSA decision.

ASSESSMENT APPORTIONMENT

Certain residential properties in the Assessment District that contain a single residential dwelling unit and are on a lot of less than or equal to one acre are assigned 1.0 SFE. Traditional houses, zero-lot line houses, and townhomes are included in this category of single family residential property.

As stated previously, the special benefits derived from the Mosquito Abatement Program are conferred on property and are not based on a specific property owner's occupancy of property or the property owner's demographic status such as age or number of dependents. However, it is ultimately people who do or could use the property who enjoy the benefits described above. Therefore, the opportunity to use and enjoy the area within the Program without the excessive bother or potential health hazards brought by mosquitoes is a special

benefit to properties in the Program. This benefit is related to the number of people who potentially live on, work at or otherwise use the property. In other words, the benefits conferred upon property are related to the average number of people who could potentially live on, work at or otherwise could use a property, not how the property is currently used by the present owner.

Properties with more than one residential unit are designated as multi-family residential properties. These properties benefit from the Services in proportion to the number of dwelling units that occupy each property and the average number of people who reside in multi-family residential units versus the average number of people who reside in a single family home. These demographic factors for the County of Inyo are depicted below. Using the average population density as basis for determining relative special benefit, Figure 3 lists the SFE factors for multi-family units and mobile home parcels. These benefit factors are deemed to be appropriate on a per unit basis for properties with up to eight residential units.

Properties with higher numbers of units generally receive higher benefits but at a lower relative additional benefit per unit because housing density and population density generally increases for larger parcels; therefore, the benefits from the Program are conferred over a smaller area for the average parcel population density in relation to the average area for a similar population density on other parcels in the Program. In other words, parcels with residential units in excess of eight generally have significantly higher concentrations of residents per acre than the average single family residential parcel. As a result, larger residential properties generally cover a much smaller area in comparison to single family residential properties with a similar population density. Since benefits are conferred over a smaller area, the benefit per additional unit is reduced. (The average population density per acre for larger multifamily residential property is over 3 times the average population density per acre for single family residential property. Therefore, the Engineer has deemed that the additional benefit for residential properties in excess of eight units is approximately 1/3 of the per unit rate based on population density exclusively. As a result, the benefit for multifamily residential and mobile home properties in excess of 8 units is determined to be 0.25 SFE per additional unit of any property type. This benefit apportionment methodology is summarized in Figure 3.

FIGURE 2

RESIDENTIAL ASSESSMENT FACTORS

	Total Population	*Occupied Households*	*Persons per Household*	*SFE Factor 1st 8 Units*	*SFE Factor Addl. Units*
Single Family Residential	10,897	4,237	2.57	1.00	N/A
Multi-Family Residential	1,435	737	1.95	0.76	0.25
Mobile Home	5,053	2,390	2.11	0.82	0.25

Source: 1990 Census, Inyo County

* The SFE factor for multi-family and mobile home parcels is based on the ratio of average persons per household for the property type versus the average persons per household for a single family residential home. These SFE factors are applied to the first 8 residential units on a property. Additional residential units over 8 units of a specific type are benefited at the rate of 0.25 SFE per additional unit.

COMMERCIAL/INDUSTRIAL PROPERTIES

SFE values for commercial and industrial land uses are based on the equivalence of special benefit between single family residential property and the average commercial/industrial property. The average size of a parcel for a single family home in the Program areas is approximately 0.25 acres. Such residential property has an SFE value of 1.0. The average of size of a property with a single commercial business is 0.50 acres. Using the equivalence of benefit between the average single family residential property and commercial property, improved commercial and industrial parcels of 1/2 acre would also receive an SFE benefit factor of 1.0. Therefore, commercial and industrial parcels of less than one acre in size are assigned 0.50 SFE per quarter acre or portion thereof. Commercial and industrial parcels in excess of 1 acre generally involve uses that require more land area relative to the building area or improvements on the property. As a result, the benefit per additional acre is lower. For such properties, the first acre is assigned 2.0 SFE and land area in excess of 1 acre is assigned 1 SFE benefit unit per additional acre or portion of an acre thereof.

AGRICULTURAL AND OTHER LAND PROPERTIES

The benefits to be received from the mosquito control services include active benefits which are related to the use and enjoyment of the property and passive benefits which are related to the underlying land. An example of a passive benefit is enhancement of property value that will accrue to the land from reduced mosquito populations in the area. Examples of an active benefit factors are enhanced environment for residents, employees and guests, reduced nuisance value to livestock and reduced health risk to employees, residents, guests and livestock. Properties used for agriculture, mining, utility services, recreational purposes and other such land uses generally have a lower employee and resident density than residential and commercial properties. These parcels, therefore, receive lower benefits on a land area basis than residential or commercial property.

It was estimated that 1/5 of the benefits accrue to land and the remainder accrue to the improved use of the property. Since most residential properties are one acre or less in size, the benefit factor for agricultural and other land use-type properties is deemed to be 0.20 SFE per acre of land area. Moreover, agricultural and other land properties of large size typically do not have a population density from employees and guests that increases in correlation to property size. Therefore, the benefits to such properties are deemed to reach a maximum benefit of 2.0 SFE. Included in this category are recreational properties that are generally accessible to the public and are regularly used by customers and guests.

Residential parcels in excess of 1 acre are assessed at the land rate of 0.20 SFE per acre of land area for additional land area over 1 acre with a maximum SFE benefit factor for

additional land of 2.0 SFE. Any residential dwelling units on such land use-type properties are assessed at the residential rates specified previously.

OTHER PROPERTIES

All properties that are specially benefited are assessed. Public right-of-way parcels, well, reservoir or other water rights parcels, limited access open space parcels, watershed parcels and common area parcels typically do not generate employees, residents, customers or guests. Moreover, many of these parcels have limited economic value and, therefore, do not benefit from specific enhancement of property value. Such parcels are, therefore, not specially benefited and are not assessed.

APPEALS AND INTERPRETATION

Any property owner who feels that the assessment levied on the subject property is in error as a result of incorrect information being used to apply the foregoing method of assessment, may file a written appeal with the Commissioner of the Inyo County Agriculture Department or his or her designee. Any such appeal is limited to correction of an assessment during the then current or, if before July 1, the upcoming fiscal year. Upon the filing of any such appeal, the Commissioner or his or her designee will promptly review the appeal and any information provided by the property owner. If the Commissioner or his or her designee finds that the assessment should be modified, the appropriate changes shall be made to the assessment roll. If any such changes are approved after the assessment roll has been filed with the County of Inyo for collection, the Commissioner or his or her designee is authorized to refund to the property owner the amount of any approved reduction. Any dispute over the decision of the Commissioner or his or her designee shall be referred to the Board of Supervisors of the County of Inyo and the decision of the Board of Supervisors of the County of Inyo shall be final.

WHEREAS, the Board of Supervisors, and in accordance with the requirements of Proposition 218, the County of Inyo contracted with the undersigned Engineer of Work to prepare and file an annual Engineer's Report presenting an estimate of costs, a diagram for the assessment program, an assessment of the estimated costs of the Services, and the special and general benefit conferred thereby, upon all assessable parcels within the assessment program;

NOW, THEREFORE, the undersigned, by virtue of the power vested in me under the Act and the order of the Board of Supervisors of the County of Inyo, hereby makes the following determination of an assessment to cover the portion of the estimated cost of the Services, and the costs and expenses incidental thereto to be paid by the assessment program.

The amount to be paid for the Services and the expenses incidental thereto, to be paid by the Owens Valley Mosquito Abatement Program for the fiscal year 2016-17 is generally as follows:

FIGURE 3

SUMMARY COST ESTIMATE

Fiscal Year 2016-17

Mosquito Control Services	$	420,031
Administration, Equipment and Charges		271,404
Incidentals & Reserves		11,000
Total Budget		702,435
Less:		
District Contribution & Current Rev.		(492,492)
Net Amount To Assessments	$	209,943

An Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of the Owens Valley Mosquito Abatement Program. The distinctive number of each parcel or lot of land in Assessment District is its Assessor Parcel Number appearing on the Assessment Roll.

And I do hereby determine and apportion the net amount of the cost and expenses of the Services, including the costs and expenses incidental thereto, upon the parcels and lots of land within the Owens Valley Mosquito Abatement Program, in accordance with the special benefits to be received by each parcel or lot, from the Services, and more particularly set forth in the Cost Estimate hereto attached and by reference made a part hereof.

The assessment determination is made upon the parcels or lots of land within the Owens Valley Mosquito Abatement Program in proportion to the special benefits to be received by the parcels or lots of land, from the Services.

Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of Inyo for the fiscal year 2016-17. For a more particular description of the property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of the County.

I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Roll, the amount of the assessment for the fiscal year 2016-17 for each parcel or lot of land within the Owens Valley Mosquito Abatement Program.

Dated: June 3, 2016

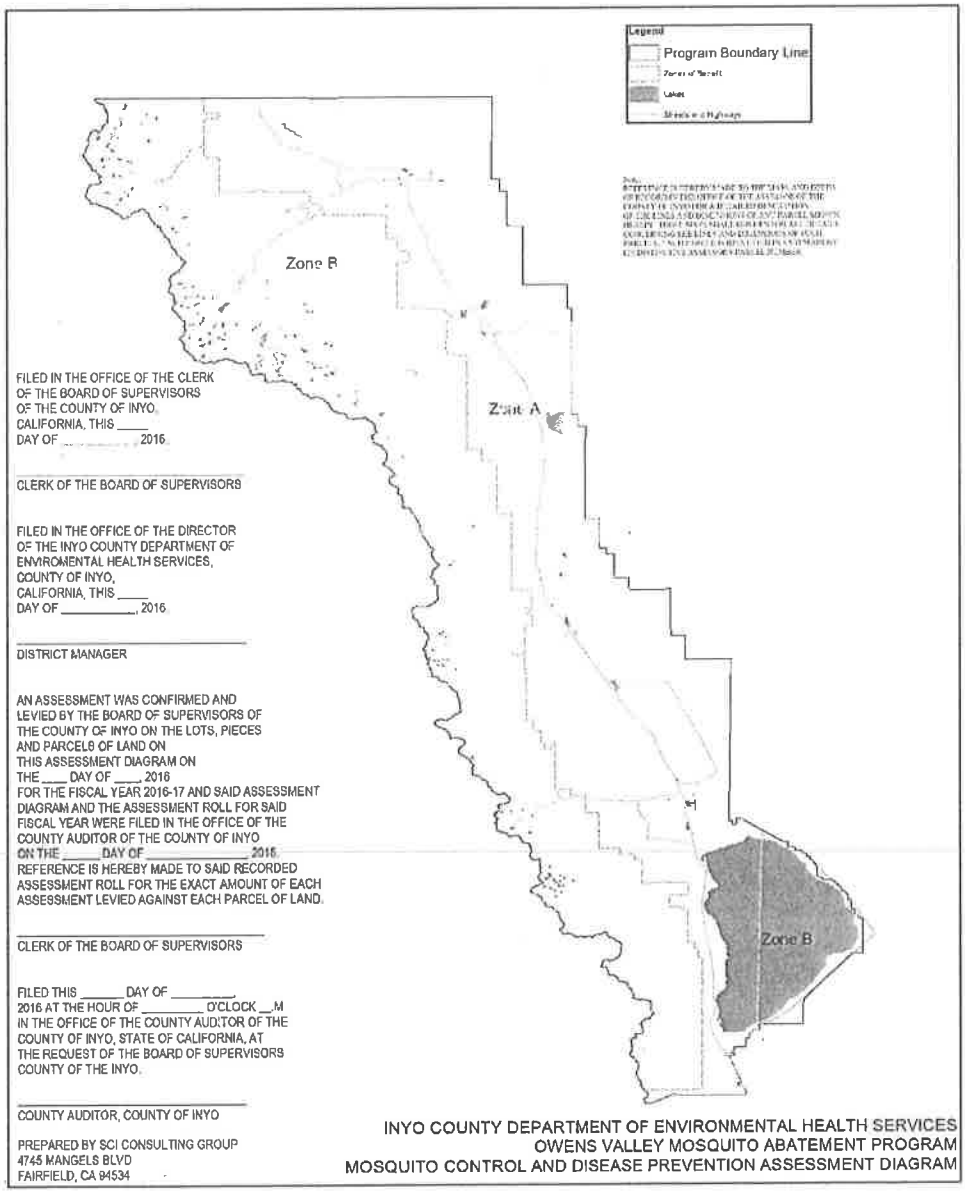
Engineer of Work

By _____
John W. Bliss, License No. C052091

REGISTERED PROFESSIONAL ENGINEER
JOHN W. BLISS
C 52091
EXP. 12-31-16
CIVIL
STATE OF CALIFORNIA

ASSESSMENT DIAGRAM

The Owens Valley Mosquito Abatement Program includes all properties within the boundaries of the Mosquito Abatement Program. The boundaries of the Owens Valley Mosquito Abatement Program and the zones of benefit are displayed on the following Assessment Diagram.



ASSESSMENT ROLL, FISCAL YEAR 2016-17

Reference is hereby made to the Assessment Roll in and for the assessment proceedings on file in the office of the Program Manager of the Program, as the Assessment Roll is too voluminous to be bound with this Engineer's Report.

OWENS VALLEY MOSQUITO ABATEMENT PROGRAM

COUNTY OF INYO

MOSQUITO CONTROL AND DISEASE PREVENTION ASSESSMENT

ENGINEER'S REPORT

FISCAL YEAR 2016-17

JULY 2016

PURSUANT TO THE GOVERNMENT CODE, HEALTH AND SAFETY CODE AND ARTICLE XIIID OF THE CALIFORNIA CONSTITUTION

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TABLE OF CONTENTS

LIST OF FIGURES II

INTRODUCTION 1

- ASSESSMENT FORMATION 1
- ASSESSMENT CONTINUATION 3
- PROPOSITION 218 3

GENERAL DESCRIPTION OF THE PROGRAM AND SERVICES 6

- ABOUT THE MOSQUITO CONTROL PROGRAM 6
- DESCRIPTION OF VECTOR CONTROL PROGRAM 6
- SUMMARY OF SERVICES 7
- MOSQUITO AND MOSQUITO-BORNE DISEASES IN INYO COUNTY 8
- INTEGRATED PEST MANAGEMENT 9
- DISEASE SURVEILLANCE 11
- EDUCATION 12
- CONTROL OF MOSQUITOES 13

OVMAP ANNUAL SUMMARY 2015 16

ESTIMATE OF COST 17

METHOD OF ASSESSMENT 19

- DISCUSSION OF BENEFIT 19
- MOSQUITO AND VECTOR CONTROL IS A SPECIAL BENEFIT TO PROPERTIES 21
- BENEFIT FACTORS 22
- BENEFIT FINDING 28
- GENERAL VS. SPECIAL BENEFIT 28
- CALCULATING GENERAL BENEFIT 30
- METHOD OF ASSESSMENT 34
- ZONES OF BENEFIT 35
- ASSESSMENT APPORTIONMENT 36
- APPEALS AND INTERPRETATION 41

ASSESSMENT 43

ASSESSMENT DIAGRAM 46

APPENDICES 47

- ASSESSMENT ROLL, FY 2016-17 47

END NOTES 48

LIST OF FIGURES

FIGURE 1 17
FIGURE 2 39
FIGURE 3 40
FIGURE 4 43

INTRODUCTION

The Owens Valley Mosquito Abatement Program ("OVMAP" or "Program") exists within the County of Inyo ("County") and currently provides mosquito and disease control services throughout the greater Owens Valley, including the cities and communities of Bishop, Big Pine, Independence, and Lone Pine as well as unincorporated areas within the Owens Valley. The OVMAP has been providing its public health protection services in Inyo County for over 20 years. The OVMAP is managed by the Agricultural Commissioner and Program staff and is governed by the Inyo County Board of Supervisors.

The OVMAP's core services are summarized as follows:

1. Early detection of public health threats through comprehensive mosquito surveillance.
2. Protection of public health by reducing mosquitoes that can transmit diseases to humans.
3. Appropriate, timely response to customer requests to prevent/control mosquito-borne diseases.

ASSESSMENT FORMATION

On March 8, 2005, the Inyo County Board of Supervisors authorized the initiation of proceedings for a proposed benefit assessment to provide local funding for improved mosquito, and disease prevention services. This assessment was named the "Mosquito Control and Disease Prevention Assessment (the "Assessment" or the "Assessment District"). In March of 2005, an assessment ballot proceeding was conducted pursuant to the requirements of Article XIIID of the California Constitution ("The Taxpayer's Right to Vote on Taxes Act") and the Health and Safety Code. During this ballot proceeding, property owners within the boundaries of the Owens Valley Mosquito Abatement Program were provided with a notice and ballot for the proposed special assessment. A 45-day period was provided for balloting and a public hearing was conducted in May of 2005. At the public hearing, all ballots returned within the 45-day balloting period were tabulated.

It was determined at the public hearing that 71.4% of the weighted ballots returned were in support of the Assessment. Since the assessment ballots submitted in opposition to the proposed assessments did not exceed the assessment ballots submitted in favor of the assessments (with each ballot weighted by the proportional financial obligation of the property for which ballot was submitted), the Program gained the authority to approve the levy of the assessments for fiscal year 2005-06 and continue the assessment in future years. The authority granted by the ballot proceeding includes an annual adjustment in the maximum authorized assessment rate equal to the annual change in the Consumer Price Index for the Los Angeles Area, not to exceed 3%.

The following is an outline of the primary services and improvements that are funded by the mosquito and disease control assessment:

- Mosquito control
- Surveillance for vector-borne diseases
- Mosquito inspections
- Response to service requests
- Mosquitofish for backyard fish ponds and other appropriate habitats
- Presentations to schools and civic groups
- Identification of mosquitoes and testing for diseases
- Mosquito Surveillance and Disease Testing
- Facilities and Equipment Utilized by the OVMAP

As used within this Report and the benefit assessment, the following terms are defined:

> *"Vector" means any animal capable of transmitting the causative agent of human disease or capable of producing human discomfort or injury, including, but not limited to, mosquitoes, flies, mites, ticks, other arthropods, and small mammals and other vertebrates (Health and Safety Code Section 2002(k)).*
>
> *"Vector Control" shall mean any system of public improvements or services that is intended to provide for the surveillance, prevention, abatement, and control of vectors as defined in subdivision (k) of Section 2002 of the Health and Safety Code and a pest as defined in Section 5006 of the Food and Agricultural Code (Government Code Section 53750(m)).*

The OVMAP is controlled by Mosquito Abatement and Vector Control Program Law of the State of California. Following are excerpts from the Mosquito Abatement and Vector Control Program Law of 2002, codified in the Health and Safety Code, Section 2000, et seq. which serve to summarize the State Legislature's findings and intent with regard to mosquito abatement and other vector control services:

> 2001. (a) The Legislature finds and declares all of the following:
> (1) California's climate and topography support a wide diversity of biological organisms.
> (2) Most of these organisms are beneficial, but some are vectors of human disease pathogens or directly cause other human diseases such as hypersensitivity, envenomization, and secondary infections.
> (3) Some of these diseases, such as mosquito borne viral encephalitis, can be fatal, especially in children and older individuals.
> (4) California's connections to the wider national and international economies increase the transport of vectors and pathogens.
> (5) Invasions of the United States by vectors such as the Asian tiger mosquito and by pathogens such as the West Nile virus underscore the vulnerability of humans to uncontrolled vectors and pathogens.
> (b) The Legislature further finds and declares:
> (1) Individual protection against the vectorborne diseases is only partially effective.

(2) Adequate protection of human health against vectorborne diseases is best achieved by organized public programs.

(3) The protection of Californians and their communities against the discomforts and economic effects of vectorborne diseases is an essential public service that is vital to public health, safety, and welfare.

(4) Since 1915, mosquito abatement and vector control Programs have protected Californians and their communities against the threats of vectorborne diseases.

(c) In enacting this chapter, it is the intent of the Legislature to create and continue a broad statutory authority for a class of special Programs with the power to conduct effective programs for the surveillance, prevention, abatement, and control of mosquitoes and other vectors.

(d) It is also the intent of the Legislature that mosquito abatement and vector control Programs cooperate with other public agencies to protect the public health, safety, and welfare. Further, the Legislature encourages local communities and local officials to adapt the powers and procedures provided by this chapter to meet the diversity of their own local circumstances and responsibilities.

Further the Health and Safety Code, Section 2082 specifically authorizes the creation of benefit assessments for vector control, as follows:

(a) A district may levy special benefit assessments consistent with the requirements of Article XIIID of the California Constitution to finance vector control projects and programs.

ASSESSMENT CONTINUATION

This Engineer's Report ("Report") was prepared by SCI Consulting Group ("SCI") to describe the vector control services to be funded by the assessment (the "Services"), to establish the estimated costs for those services, to determine the special benefits and general benefits received by property from the services and to apportion the assessments to lots and parcels within the OVMAP based on the estimated special benefit each parcel receives from the services funded by the benefit assessment.

This report defines the benefit assessment (the "Assessment") on all specially benefiting properties within the Program boundaries (the "Assessment District"). The Assessment for fiscal year 2016-17, as described in this Engineer's Report, would provide continued funding for mosquito and disease control services in certain areas of Inyo County, as well as related costs for equipment, capital improvements and services and facilities necessary and incidental to mosquito and disease control programs.

The Assessment District is narrowly drawn to include only properties that may request and/or receive direct and more frequent service, that are located within the scope of the vector surveillance area, that are located within flying or traveling distance of potential vector sources monitored by the Program, and that will benefit from a reduction in the amount of vectors reaching and impacting the property as a result of the enhanced vector surveillance and control. The Assessment Diagram included in this report shows the boundaries of the Assessment District.

PROPOSITION 218

This assessment was formed consistent with Proposition 218, The Right to Vote on Taxes Act, which was approved by the voters of California on November 6, 1996, and is now Article

XIIIC and XIIID of the California Constitution. Proposition 218 provides for benefit assessments to be levied to fund the cost of providing services, improvements, as well as maintenance and operation expenses to a public improvement which benefits the assessed property.

Proposition 218 describes a number of important requirements, including a property-owner balloting, for the formation and continuation of assessments, and these requirements are satisfied by the process used to establish this assessment. When Proposition 218 was initially approved in 1996, it allowed for certain types of assessments to be "grandfathered" in, and these were exempted from the property–owner balloting requirement.

> *Beginning July 1, 1997, all existing, new, or increased assessments shall comply with this article. Notwithstanding the foregoing, the following assessments existing on the effective date of this article shall be exempt from the procedures and approval process set forth in Section 4:*
> *(a) Any assessment imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems or vector control.*

Vector control was specifically "grandfathered in," underscoring the fact that the drafters of Proposition 218 and the voters who approved it were satisfied that funding for vector control is an appropriate use of benefit assessments, and therefore confers special benefit to property.

SILICON VALLEY TAXPAYERS ASSOCIATION, INC. V. SANTA CLARA COUNTY OPEN SPACE AUTHORITY

In July of 2008, the California Supreme Court issued its ruling on the Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority ("SVTA vs. SCCOSA"). This ruling is the most significant legal document in further legally clarifying Proposition 218. Several of the most important elements of the ruling included further emphasis that:

- Benefit assessments are for special benefit to property, not general benefits[1]
- The services and /or improvements funded by assessments must be clearly defined
- Special benefits are directly received by and provide a direct advantage to property in the assessment district

This Engineer's Report is consistent with the SVTA vs. SCCOSA decision and with the requirements of Article XIIIC and XIIID of the California Constitution because the Services to be funded are clearly defined; the Services are available to all benefiting property in the

[1] Article XIII D, § 2, subdivision (d) of the California Constitution states defines "district" as "an area determined by an agency to contain all parcels which will receive a special benefit from the proposed public improvement or property-related service."

Assessment District, the benefiting property in the Assessment District will directly and tangibly benefit from reduced mosquito and vector populations, reduced risk of the presence of diseases, increased safety of property and other special benefits; and such special benefits provide a direct advantage to property in the Assessment District that is not enjoyed by the public at large or other property. There have been a number of clarifications made to the analysis, findings and supporting text in this Report to ensure that this consistency is well communicated.

Dahms v. Downtown Pomona Property

On June 8, 2009, the 4th Court of Appeal amended its original opinion upholding a benefit assessment for property in the downtown area of the City of Pomona. On July 22, 2009, the California Supreme Court denied review. On this date, Dahms became good law and binding precedent for assessments. In Dahms the Court upheld an assessment that was 100% special benefit (i.e. 0% general benefit) on the rationale that the services and improvements funded by the assessments were directly provided to property in the assessment district. The Court also upheld discounts and exemptions from the assessment for certain properties.

Bonander v. Town of Tiburon

In the December 31, 2009, the 1st District Court of Appeal overturned a benefit assessment approved by property owners to pay for placing overhead utility lines underground in an area of the Town of Tiburon. The Court invalidated the assessments on the grounds that the assessments had been apportioned to assessed property based on in part on relative costs within sub-areas of the assessment district instead of proportional special benefits.

Beutz v. County of Riverside

On May 26, 2010 the 4th District Court of Appeals issued a decision on the Steven Beutz v. County of Riverside ("Beutz") appeal. This decision overturned an assessment for park maintenance in Wildomar, California, primarily because the general benefits associated with improvements and services was not explicitly calculated, quantified and separated from the special benefits.

Golden Hill Neighborhood Association v. City of San Diego

On September 22, 2011, the San Diego Court of Appeal issued a decision on the Golden Hill Neighborhood Association v. City of San Diego appeal. This decision overturned an assessment for street and landscaping maintenance in the Greater Golden Hill neighborhood of San Diego, California. The court described two primary reasons for its decision. First, like in Beutz, the court found the general benefits associated with services were not explicitly calculated, quantified and separated from the special benefits. Second, the court found that the City had failed to record the basis for the assessment on its own parcels. Finally, the Assessments are consistent with *Buetz* and *Greater Golden Hill* because the general benefits have been explicitly calculated and quantified and excluded from the Assessments.

GENERAL DESCRIPTION OF THE PROGRAM AND SERVICES

ABOUT THE MOSQUITO CONTROL PROGRAM

The Owens Valley Mosquito Abatement Program (OVMAP) operates within the County of Inyo Department of Agriculture and controls and monitors disease-carrying mosquitoes. The OVMAP protects the usefulness, desirability and livability of property and the inhabitants of property within jurisdictional area through the abatement of invertebrate vectors. In addition, the OVMAP regularly tests for diseases carried by mosquitoes and educates the property owners and the occupants of property in the Program's coverage area about how to protect themselves from diseases transmitted by mosquitoes.

There are currently approximately 3 fulltime employees including a Manager, two Field Technicians. Seasonal employees are hired as needed. In addition to their scheduled duties, Field Technicians can respond to over 300 mosquito service requests from the public each year. These requests are handled by office staff or field technicians at the time of initial contact.

DESCRIPTION OF VECTOR CONTROL PROGRAM

The Assessment provides the additional funding to operate the program and expand the services provided in the Assessment District to an optimum level necessary to protect the usefulness, utility, desirability and livability of property within its jurisdictional area.

In addition to being nuisances by disrupting human activities and the use and enjoyment of public and private areas, certain insects and animals may transmit a number of diseases. The diseases of most concern are: Western Equine Encephalitis (WEE), St. Louis Encephalitis (SLE), West Nile Virus (WNV), and Malaria, which are all transmitted by mosquitoes.

The spread of these diseases is minimized through ongoing mosquito surveillance activities, source reduction, source treatment, abatement, and educational outreach. These efforts also minimize the nuisance impact mosquitoes can have on residents. To fulfill this purpose, the OVMAP may take any and all necessary steps to control, monitor and perform other related mosquito control services.

The assessment provides funding for the continuation and enhancement of the projects and programs for surveillance, prevention, abatement, and control of mosquitoes on property within the Owens Valley. Such mosquito abatement and vector control projects and programs include, but are not limited to, source reduction, larvicide applications, disease monitoring, public education, reporting, accountability, research and interagency cooperative activities, as well as capital costs, maintenance, and operation expenses (collectively "Services"). The cost of these Services also includes capital costs comprised of equipment, capital improvements and facilities necessary and incidental to the mosquito

control program. It should be noted that additional funding for Services related to the Owens Valley Dry Lake and the Owens River project are provided by other sources.

SUMMARY OF SERVICES

The Services are further defined as follows:

- Response to mosquito problems on property in the Assessment District.
- Services and methods to control mosquito breeding in the Assessment District.
- Control of mosquito larvae in source breeding and hatching locations such as catch basins, industrial drains, agricultural sources, ditches, drain lines, vaults, wastewater treatment plants, under buildings, residences, horse troughs, freshwater marshes, creeks, and other sources on property in the Assessment District.
- Surveillance and data analysis of adult mosquito populations using carbon dioxide baited traps, and Reiter Gravid traps to assess public health risks and allocate control efforts on property in the Assessment District.
- Monitoring for diseases carried and transmitted by mosquitoes and other arthropods, such as St Louis encephalitis, Western equine encephalitis and West Nile virus and other surveillance methods on property within the Assessment District.
- Testing of new mosquito control materials and investigation of their efficacy in the Assessment District.
- Education of residents on property within the Assessment District about the risks of diseases carried by mosquitoes and how to better protect themselves and their pets.
- Monitoring of new and emerging vectors such as the Asian Tiger Mosquito and new and emerging pathogens such as West Nile Virus.
- Education programs on mosquitoes and disease abatement and other outreach programs to educate property owners and the occupants of property within the Assessment District about mosquitoes, vectors and the diseases they can transmit.
- Distribution of printed material and brochures that describe what residents, employees and property owners in the Assessment District can do to keep their homes and property free of mosquitoes and other vectors.

The OVMAP protects the public from mosquito-borne disease and mosquito nuisance while protecting the environment, through a coordinated set of activities collectively known as the Integrated Vector Management Program (IVMP). For all vector species, public education is the primary control strategy. Next, the OVMAP determines the abundance of mosquitoes and the risk of mosquito-borne disease or discomfort through evaluation of public service requests and field and laboratory surveillance activities. If the populations exceed or are anticipated to exceed predetermined criteria, OVMAP staff will attempt to employ the most efficient, effective, and environmentally sensitive means of source control. Where feasible, physical control activities such as water management are instituted to reduce mosquito production. When these approaches are not effective or are otherwise inappropriate, biological control using natural materials and environmentally sensitive larvicides are used in the specific mosquito breeding location or pest-harboring areas.

MOSQUITO AND MOSQUITO-BORNE DISEASES IN INYO COUNTY

The OVMAP undertakes activities through its Integrated Vector Management Program to control the following vectors of disease and/ or discomfort within the OVMAP[2]:

Mosquitoes - Certain species of mosquitoes found in Inyo County can transmit Malaria, St. Louis Encephalitis, Western Equine Encephalomyelitis, West Nile Virus, and potentially other encephalitis viruses. While not all species of mosquitoes transmit disease, all species can cause human discomfort when the female mosquito bites to obtain blood. Reactions range from irritation in the area of the bite to severe allergic reactions or secondary infections resulting from scratching the irritated area. Additionally, an abundance of mosquitoes can cause economic losses, and loss of use or enjoyment of recreational, agricultural, or industrial areas.

Of the world's three thousand mosquito species, more than fifty live in California, and twenty-four have been identified in Inyo County. Continuous surveillance and special control efforts are aimed the most common species in the county. The primary species in the County are summarized as follows:

- Culiseta incidens
- Culiseta inornata

- Culex tarsalis
- Culex erythrothorax

- Aedes dorsalis
- Aedes melanimon
- Aedes nigromaculis
- Aedes increpitus
- Aedes sierrensis

- Anopheles franciscanus
- Anopheles freeborni

Most of the vectors mentioned above are extremely mobile and cause the greatest hazard or discomfort away from their breeding site. Each of these potential vectors has a unique life cycle, and most of them occupy different habitats. In order to effectively control these vectors, an integrated vector management program must be employed. OVMAP policy is to identify those species that are currently vectors, to recommend techniques for their prevention and control, and to anticipate and minimize any new interactions between vectors and humans.

---

[2] The improved mosquito and vector control and disease prevention services would materially increase the usefulness, utility, livability and desirability of properties in the Assessment District.

INTEGRATED PEST MANAGEMENT

As noted, the Program's Services address several types of vectors and share general principles and policies. These include the identification of vector problems; responsive actions to control existing populations of vectors, prevention of new sources of vectors from developing, and the management of habitat in order to minimize vector production; education of land-owners and others on measures to minimize vector production or interaction with vectors; and provision and administration of funding and institutional support necessary to accomplish these goals.

In order to accomplish effective and environmentally sound vector management, the manipulation and control of vectors must be based on careful surveillance of their abundance, habitat (potential abundance), pathogen load, and/or potential contact with people; the establishment of treatment criteria (thresholds); and appropriate selection from a wide range of control methods. This dynamic combination of surveillance, treatment criteria, and use of multiple control activities in a coordinated program is generally known as Integrated Pest Management (IPM) (Glass 1975, Davis et al 1979, Borror et al 1981, Durso 1996, Robinson 1996).

The OVMAP's Vector Management Program, like any other IPM program, by definition involves procedures for minimizing potential environmental impacts. The Program employs IPM principles by first determining the species and abundance of vectors through evaluation of public service requests and field surveys of immature and adult pest populations; and then, if the populations exceed predetermined criteria, using the most efficient, effective, and environmentally sensitive means of control. For all vector species, public education is an important control strategy, and for some vectors (rodents, ticks) it is the Program's primary control method. In some situations, water management or other physical control activities (historically known as "source reduction" or "permanent control") can be instituted to reduce vector-breeding sites. The Program also uses biological control such as the planting of mosquitofish (in ornamental ponds, unused swimming pools and other standing water bodies). When these approaches are not effective or are otherwise inappropriate, natural materials that have been found to be environmentally safe are used to treat specific pest-producing or pest-harboring areas.

The following is a summary of the OVMAP's efforts to apply IPM to the vectors and issues outlined above.

MOSQUITOES

PERMANENT WATER MOSQUITOES

Risk assessment: historically, Culex tarsalis and Culex erythrothorax have been very abundant in the Owens Valley. The great vector potential of these species documented in other parts of the state suggests that they are principal mosquito threats. The threat of Anopheles as vectors is reduced by the absence of resident malaria pathogens in the area.

Culiseta, particularly Culiseta Inornata, are very widespread in the county, occurring in many kinds of habitats during most of the year. However, tests of their ability to transmit viral pathogens show them to be of little significance as vectors.

Surveillance: Surveillance of these mosquitoes is accomplished by a combination of methods. First, individual residents and property owners call the Program with complaints about bites or potential larval sites. Second, technicians and surveillance staff actively examine potential sites by sampling water, collecting larvae, and identifying the larvae to species. Finally, various traps (light traps, carbon dioxide baited traps) are used to identify species and general breeding locations.

During the warm months, additional temporary staff is hired to help inspect and treat catch basins throughout the County, particularly in the urbanized areas. Catch basins can produce *Culex Tarsalis* in great numbers at locations close to residences and businesses.

Viruses transmitted by permanent water mosquitoes are surveyed by testing the mosquito vectors, the avian reservoirs, and humans. Other viral tests of mosquitoes, birds, or mammals are performed by the California Department of Health Services. The Program has participated in the state-wide dead bird surveillance program for West Nile virus, responding to reports of dead birds from the public. These results are mapped using a Geographic Information System. Humans are tested by various laboratories, but the Program actively seeks data.

Control: The Program currently uses four main materials to kill permanent water larvae and mosquitoes. The toxin of the natural bacteria *Bacillus thuringiensis israelensis* (Bti) can be applied as either a liquid or a granule. This toxin must be eaten by larvae, restricting its use to the first through third instars. BTI has the tremendous advantage of specificity, only affecting mosquitoes and related groups of flies. The spores of *Bacillus sphaericus* (Bs) are also available for liquid spray or granular application. This product has the advantage over BTI of sometimes reproducing in the water, extending the life of its effectiveness. Bs is only effective against *Culex* and works well in highly polluted water. Methoprene is an analogue of a natural insect hormone that prevents successful development of larvae. It is available as a short-lived liquid and longer-acting granules and briquets. Finally, the Program uses a short life-cycle oil combined with surfactants (Golden Bear and Agnique MMS) in situations where the materials above will not work. Golden Bear and Agnique MMS the only materials available that is effective against pupae.

The Program uses the mosquito fish, *Gambusia affinis*, for biological control. These work particularly well during warm months in decorative ponds and swimming pools, but they are also used in surface water that does not connect with the watershed. The Program is prohibited from introducing these fish into watersheds, though many of the creeks are already populated by mosquito fish. Mosquito fish can be used in combination with BTI, Bs, and methoprene in a process sometimes referred to as Integrated Biological Control.

Monitoring: For the most part, monitoring is the continuation of surveillance activities. Technicians specifically check treatment sites to be sure that applications were successful. The surveillance section operates carbon-dioxide baited traps.

FLOODWATER MOSQUITOES

Risk assessment: The species remains the main nuisance threat in the area. Owens River oxbows can fill with water when river levels rise. Untreated water in the oxbows will produce huge numbers (up to 3 billion per acre) of floodwater mosquitoes that will migrate to lights at night. Lights at night are usually where people live, so these huge populations can severely impact communities adjacent to the Owens River. River oxbows can flood and produce mosquitoes anytime river levels rise above 450 cubic feet per minute during warm weather.

Surveillance: The Program has an annual program of quantitative surveillance of *Aedes melanimon* that consists of counted dips from habitats and counts of larvae by instar (the lifecycle stage between molts). The location and intensity of surveillance is guided by observation of rainfall and irrigation schedules, the sources of water for this species. This style of surveillance is necessary to time treatments of large areas. Surveillance for this species is one of the principal activities of technicians from March through October. *Aedes melanimon* requires alert attention to Irrigation schedules in the summer followed by rapid inspection of sites. At summer temperatures, this species can complete development in a week. There is a risk of allowing emergence of this species between inspection visits to remote sites.

Monitoring: *Aedes melanimon* are aggressive day- and night-time biters. As a result, public complaints are an accurate assessment of the success or failure of treatments. Carbon-dioxide baited traps are also an effective means of monitoring the adults of these species.

DISEASE SURVEILLANCE

In addition to the nuisance of disrupting human activities and causing our environment to be uninhabitable, certain insects and animals may transmit a number of diseases. The diseases of most concern in Inyo County are WNV, St. Louis Encephalitis (SLE) and Western Equine Encephalomyelitis (WEE) transmitted by mosquitoes.

The Program has found mosquito and other potential vector sources scattered throughout the Owens Valley Area. All properties within the Program are within mosquito-flying range of one or more mosquito sources, and/or the normal travel range of one or more other vectors. Furthermore, the Program has long suffered from mosquitoes and other vectors and includes a large number of sources.

Mosquito populations are surveyed using a variety of field methods and traps. Surveillance is conducted in a manner based upon an equal spread of resources throughout the Program boundaries, focusing on areas of likely sources. Treatment strategies are based upon the results of the surveillance program, and are specifically designed for individual area. Small

volume mosquito "dippers" and direct observation are used to evaluate larval populations, and service requests from the public, field landing counts, and carbon dioxide baited traps are used to evaluate adult populations. The surveillance traps are located and spread throughout the Program in a balanced approach such that the traps measure mosquito levels throughout the Program.

Mosquito-borne diseases are surveyed using adult mosquitoes and potentially wild birds. The OVMAP is in compliance with the Animal Welfare Act (Reg. No.: 93-R-0457) as administered by the United States Department of Agriculture (USDA) for the well-being and safety of laboratory animals.

Adult mosquitoes are collected and tested for SLE, WNV and WEE virus infection. Collection is made with traps baited with carbon dioxide from compressed cylinders.

Surveillance will also be conducted to determine vector habitat (e.g., standing water) and the effectiveness of control operations. Inspections will be conducted using techniques with insignificant impacts on the environment. Staff routinely uses pre-existing accesses such as roadways, open areas, walkways, and trails. Vegetation management (i.e., pruning trees, clearing brush, and herbicide application) is conducted where overgrowth impedes safe access. All of these actions only result in a temporary/localized physical change to the environment with regeneration/regrowth occurring within a span of six to nine months.

In order to access various sites throughout the OVMAP for surveillance and for control, OVMAP staff utilizes specialized equipment such as light trucks and all-terrain vehicles. OVMAP policies on use of this equipment are designed to avoid environmental impact.

The OVMAP currently collects and tests dead birds for the presence of WNV, SLE and WEE virus infection.

EDUCATION

The primary goal of the OVMAP's activities is to prevent mosquitoes from reaching public nuisance or disease thresholds by managing their habitat while protecting habitat values for their predators and other beneficial organisms. Mosquito prevention is accomplished through public education, including site-specific recommendations on water and land use, and by physical control (discussed in a later section).

The OVMAP's education program teaches the people within the Program how to recognize, prevent, and suppress vector breeding and harborage on their property. This part of the OVMAP's Services is accomplished through the distribution of brochures, fact sheets, and newsletters, participation in local fairs and events, presentations to community organizations, contact with Technicians in response to service requests, and public service announcements and news releases.

CONTROL OF MOSQUITOES

When a mosquito source produces mosquitoes above OVMAP treatment thresholds, the Mosquito Control Technician will generally work with the landowner or responsible agency to reduce the habitat value of the site for mosquitoes ("physical control"). If this is ineffective, the Technician will determine the best method of further treatment including biological control and/ or chemical control. The Program's objective is to provide the properties a "Zone of Benefit" level of consistent mosquito and vector control such that all properties would benefit from equivalent reduced levels of mosquitoes and other vectors. Surveillance and monitoring are provided on a Program-wide basis. The Program, though, cannot predict where control measures will be applied because the type and location of control depends on the surveillance and monitoring results. However, the control thresholds and objectives are comparable throughout the Zone of Benefit.

- **Physical Control**

The OVMAP directs the property owner to manage mosquito habitat areas ("breeding sources") within the Assessment District to reduce mosquito production. This may include removal of containers and debris, plant mosquito fish in standing water from unmaintained swimming pools and spas, direct property owners for the removal of vegetation or sediment, interrupting water flow, rotating stored water, pumping and/or filling sources, improving drainage and water circulation systems, breaching or repairing levees, and installing, improving, or removing culverts, and other water control structures in wetlands.

- **Biological Control**

The mosquitofish, Gambusia affinis, is the OVMAP's primary biocontrol agent used against mosquitoes. Mosquitofish are not native to California, but have been widely established in the state since the early 1920's, and now inhabit most natural and constructed water bodies. The OVMAP rears mosquitofish in large tanks and periodically uses nets to collect mosquitofish from natural water bodies located in the County. OVMAP technicians place mosquitofish only in man-made settings within the Assessment District where either previous surveillance has demonstrated a consistently high production of mosquitoes, or where current surveillance indicates that mosquito populations will likely exceed chemical control thresholds without prompt action. Mosquitofish are also made available to the people to control mosquito production only in artificial containers such as ornamental fishponds, water plant barrels, horse troughs, and abandoned swimming pools within the Assessment District.

- **Material Control**

Since many mosquito-breeding sources cannot be adequately controlled with physical control measures or mosquitofish, the OVMAP also uses natural biological materials and/or insecticides found to be harmless to the environment and approved by the Department of Agriculture and other environmental agencies to control mosquito production where observed mosquito production exceeds OVMAP thresholds. When field inspections indicate the presence of mosquito populations which meet OVMAP criteria for material control (including presence of disease, abundance, density, species composition, proximity to human settlements, water temperature, presence of predators, and others), OVMAP staff applies these materials to the site in strict accordance with the label instructions.

- **West Nile Virus Strategic Response Plan**

Inyo County's West Nile Virus Strategic Response Plan is comprised of the following five elements: Public Education, Surveillance, Mosquito Control, Response, and Remediation.

Education

The goal of this step is to educate and inform Inyo County residents about WNV specifically, and mosquito control generally. The methods used to achieve this goal include outreach materials in both English in Spanish, available through the web and other media; the implementation of an education campaign aimed at prevention and education rather than reaction and alarm; proactive press releases and media contact; and the establishment of the County of Inyo as the local resource regarding West Nile Virus.

Surveillance

In order to efficiently and accurately identify and monitor the onset, spread and risk of mosquito-borne diseases (including WNV) in the County of Inyo, technicians regularly trap and test mosquitoes in over 12 locations each week., as well as monitor over 200 known mosquito-breeding locations throughout the County. This monitoring may involve site visits or be in response to citizen inquiries or complaints. Breeding activity is verified by visual observation, trapping and/or larval collection from water sources using dipping equipment.

Mosquito Control

To effectively break the chain of events that lead to the spread of WNV, the most effective measures have been directed at the reduction of mosquitoes. As outlined in a previous section, the County employs an Integrated Pest Management (IPM) approach that uses physical, biological and chemical control measures.

Response

The WNV Strategic Response Plan is based on conditions established by the California Department of Health Services (CDHS) California Mosquito-borne Virus Response Plan and the Centers for Disease Control (CDC) that exist at three response levels identified as normal season, emergency planning, and epidemics of WNV.

Remediation

In order to achieve the county's goal of reducing or eliminating mosquito breeding locations countywide by attaining compliance with existing regulatory requirements, OVMAP will seek voluntary compliance in all cases. In the event that voluntary compliance cannot be attained, the OVMAP will work with property owners, public agencies and municipalities to ensure appropriate remediation to protect public health.

OVMAP ANNUAL SUMMARY 2015

- Made planned staff changes to improve flexibility and efficiency by moving from a three full time staff program to a two full time staff program.
- Performed regular and routine trapping at twenty sites in our district. This information is used to determine types and abundance of adult female mosquitoes; success or failure of nearby treatment to control mosquitoes and for disease testing when most competent species is collected in large quantities.
- Set and maintained Thirty two surveillance cups to monitor for invasive mosquitoes. These cups were placed from Lone Pine to Bishop and needed to be maintained twice per week during the season. It was a challenge to keep these cups full of water because of our dry climate. No invasive mosquito species were found.
- Performed thirty two adulticide applications in the district to control biting adult insects.
- Performed five hundred sixty three mosquito larvicide applications to control mosquitoes before they became adult biting insects.
- Attended and completed continuing education to maintain State of California Vector Technician certification. New certification cards were issued for three certified OVMAP staff.
- Performed public outreach throughout the year, including personal contact, such as manning a booth at the Tri-county Fair and through social media such as Facebook
- Fulfilled contract with Mammoth Lakes Mosquito Abatement District as a full service contractor for all mosquito control duties of a district.
- Performed maintenance of our fleet of nine ATV's; one side by side; one track vehicle; five adulticide vehicles and nine pick-up trucks.

ESTIMATE OF COST

FIGURE 1

OWENS VALLEY MOSQUITO ABATEMENT PROGRAM

Mosquito Control and Disease Prevention Assessment
Estimate of Cost
Fiscal Year 2016-17

OWENS VALLEY MOSQUITO ABATEMENT PROGRAM
Mosquito Control and Disease Prevention Assessment
Estimate of Cost
Fiscal Year 2016-17

		Total Budget
Mosquito Control Services and Related Expenditures:		
Mosquito Control Operations	$	420,031
Materials, Supplies, Equipment and Administration		117,318
Internal Charges and Operating Transfers		154,086
Facilities, Capital Equipment and Fixed Assets		-
Total Services and Operation		**691,435**
Less:		
OVMAP Assessment #1		(209,943)
Contribution from Other Sources		(288,349)
Net Cost of Mosquito Control, Fixed Asset Equipment, Operation		**193,143**
Incidental Costs:		
County Collection, Levy Administration, and Other Incidentals		11,000
Contribution to Reserves and Emergency/Contingency Funds		-
Total Mosquito Control Services and Incidentals	$	**204,143**
(Net Amount to be Assessed)		

Budget Allocation to Property:

Zone of Benefit	Total SFE Units		Assessment per SFE		Total Assessment
Zone A	8,435		$23.75	$	200,331
Zone B	642	$	5.94	$	3,812
				$	204,143

Notes:

1. As determined in the following section, at least 5% of the cost of the Services must be funded from sources other than the assessments to cover any general benefits from the Services. Therefore, out of the total cost of Services of $691,435 the District must contribute at least $ 34,572 from sources other than the assessments. The District will contribute over $288,349, which is well over the estimated general benefits.

2. Incidental Costs includes allowance for uncollectible assessments from assessments on public agency parcels, County collection charges, and assessment administration costs.

3. SFE Units means Single Family Equivalent benefit units. See method of assessment in the following Section for further definition.

4. The assessment rate per SFE is the total amount of assessment per Single Family Equivalent benefit unit.

5. The proceeds from the assessments will be deposited into a special fund for the Assessment. Funds raised by the assessment shall be used only for the purposes stated within this Report. Any balance remaining at the end of the fiscal year, June 30, must be carried over to the next fiscal year. The assessment amounts are rounded down to the even penny for purposes of complying with the collection requirements from the County Auditor. Therefore, the total assessment amount for all parcels subject to the assessments may vary slightly from the net amount to be assessed.

METHOD OF ASSESSMENT

This section of the Report describes the benefits to be derived from the Services provided by the OVMAP for property in the Assessment District, and the methodology used to apportion the total assessment to properties within the Mosquito Abatement Program Assessment District.

The Mosquito Abatement Assessment area consists of all Assessor Parcels as defined by the approved boundaries of the Assessment District.

The method used for apportioning the assessment is based upon the proportional special benefits to be derived by the properties in the Assessment District over and above general benefits conferred on real property in the Assessment District. Special benefit is calculated for each parcel in the Assessment District using the following process:

1. Identification of total benefit to the properties derived from the Services
2. Calculation of the proportion of these benefits that are special vs. general
3. Determination of the relative special benefit within different areas within the Assessment District
4. Determination of the relative special benefit per property type and property characteristic
5. Calculation of the specific assessment for each individual parcel based upon special vs. general benefit; location, property type and property characteristics

DISCUSSION OF BENEFIT

In summary, the assessments can only be levied based on the special benefit to property. This special benefit is received by property over and above any general benefits from the additional Services. With reference to the engineering requirements for property related assessments, under Proposition 218 an engineer must determine and prepare a report evaluating the amount of special and general benefit received by property within the County as a result of the improvements or services provided by a local agency. That special benefit is to be determined in relation to the total cost to that local entity of providing the service and/or improvements.

Proposition 218 as described in Article XIIID of the California Constitution has confirmed that assessments must be based on the special benefit to property:

> *"No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."*

The below benefit factors, when applied to property in the Assessment District, confer special benefits to property and ultimately improve the safety, utility, functionality and

usability of property in the Assessment District. These are special benefits to property in the Assessment District in much the same way that storm drainage, sewer service, water service, lighting, sidewalks and paved streets enhance the safety, utility and functionality of each parcel of property served by these improvements, providing them with more utility of use and making them safer and more usable for occupants.

It should also be noted that Proposition 218 included a requirement that existing assessments in effect upon its effective date were required to be confirmed by either a majority vote of registered voters in the Assessment District, or by weighted majority property owner approval using the new ballot proceeding requirements. However, certain assessments were excluded from these voter approval requirements. Of note is that in California Constitution Article XIIID Section 5(a) this special exemption was granted to assessments for sidewalks, streets, sewers, water, flood control, drainage systems and vector control. The Howard Jarvis Taxpayers Association explained this exemption in their Statement of Drafter's Intent:

"This is the "traditional purposes" exception. These existing assessments do not need property owner approval to continue. However, future assessments for these traditional purposes are covered."[3]

Therefore, the drafters of Proposition 218 acknowledged that vector control assessments were a "traditional" and therefore acknowledged and accepted use.

Since all assessments, existing before or after Proposition 218 must be based on special benefit to property, the drafters of Proposition 218 inherently found that vector control services confer special benefit on property. Moreover, the statement of drafter's intent also acknowledges that any new or increased vector control assessments after the effective date of Proposition 218 would need to comply with the voter approval requirements it established. This is as an acknowledgement that additional assessments for such "traditional" purposes would be established after Proposition 218 was in effect. Therefore, the drafters of Proposition 218 clearly recognized vector assessments as a "traditional" use of assessments, acknowledged that new vector assessments may be formed after Proposition 218 and inherently were satisfied that vector control services confer special benefit to properties.

The Legislature also made a specific determination after Proposition 218 was enacted that vector control services constitute a proper subject for special assessment. Health and Safety Code section 2082, which was signed into law in 2002, provides that a district may levy special assessments consistent with the requirements of Article XIIID of the California Constitution to finance vector control projects and programs. The intent of the Legislature to allow and authorize benefit assessments for vector control services after Proposition 218 is

[3] Howard Jarvis Taxpayers Association, "Statement of Drafter's Intent", January 1997.

shown in the Assembly and Senate analysis the Mosquito Abatement and Vector Control District Law where it states that the law:

> *Allows special benefit assessments to finance vector control projects and programs, consistent with Proposition 218.*[4]

Therefore the State Legislature unanimously found that vector control services are a valuable and important public service that can be funded by benefit assessments. To be funded by assessments, vector control services must confer special benefit to property.

In the 2009 Dahms case, the court upheld an assessment that was 100% special benefit on the rationale that the services funded by the assessments were directly provided to property in the assessment district. Similar to the assessments in Pomona that were validated by Dahms, the Assessments described in this Engineer's Report fund mosquito, vector and disease control services directly provided to property in the assessment area. Moreover, as noted in this Report, the Services directly reduce mosquito and vector populations on all property in the assessment area. Therefore, Dahms establishes a basis for minimal or zero general benefits from the Assessments. However, in this report, the general benefit is more conservatively estimated and described, and then budgeted so that it is funded by sources other than the assessment.

Mosquito and Vector Control Is a Special Benefit to Properties

As described below, this Engineer's Report concludes that mosquito and vector control is a special benefit that provides direct advantages to property in the Assessment District. For example, if approved, the assessment would provide reduced levels of mosquitoes and other vectors on property throughout the Assessment District. Moreover, the assessment will reduce the risk of the presence of diseases on property throughout the Assessment District, which is another direct advantage received by property in the Assessment District. Moreover, the assessment will fund Services that improve the use of property and reduce the nuisance and harm created by vectors on property throughout the Assessment District. These are tangible and direct special benefits that will be received by property throughout the specific area covered by the Assessment.

The following section, Benefit Factors, describes how and why vector control services directly and specially benefit properties in the Assessment District. These benefits are particular and distinct from its effect on property in general or the public at large.

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[4] Senate Bill 1588, Mosquito Abatement and Vector Control District Law, Legislative bill analysis

BENEFIT FACTORS

In order to allocate the assessments, the Engineer identified the types of special benefit arising from the aforementioned mosquito and vector control services and that would be provided to property within the Assessment District. These types of special benefit are as follows:

- **Reduced mosquito and vector populations on property and as a result, enhanced desirability, utility, usability and functionality of property in the Assessment District.**

The assessments will provide enhanced services for the control and abatement of nuisance and disease-carrying mosquitoes. These Services will materially reduce the number of vectors on properties throughout the Assessment District. The lower mosquito and vector populations on property in the Assessment District is a direct advantage to property that will serve to increase the desirability and "usability" of property. Clearly, properties are more desirable and usable in areas with lower mosquito populations and with a reduced risk of vector-borne disease. This is a special benefit to residential, commercial, agricultural, industrial and other types of properties because all such properties will directly benefit from reduced mosquito and vector populations and properties with lower vector populations are more usable, functional and desirable.

Excessive mosquitoes and other vectors in the area can materially diminish the utility and usability of property. For example, prior to the commencement of mosquito control and abatement services, properties in many areas in the State were considered to be nearly uninhabitable during the times of year when the mosquito populations were high.[5] The prevention or reduction of such diminished utility and usability of property caused by mosquitoes is a clear and direct advantage and special benefit to property in the Assessment District.

The State Legislature made the following finding on this issue:

[5] Prior to the commencement of modern mosquito control services, areas in the State of California such as the San Mateo Peninsula, Napa County, Lake County and areas in Marin and Sonoma Counties had such high mosquito populations or other vector populations that they were considered to be nearly unlivable during certain times of the year and were largely used for part-time vacation cottages that were occupied primarily during the months when the natural vector populations were lower.

> *"Excess numbers of mosquitoes and other vectors spread diseases of humans, livestock, and wildlife, reduce enjoyment of outdoor living spaces, both public and private, reduce property values, hinder outdoor work, reduce livestock productivity; and mosquitoes and other vectors can disperse or be transported long distances from their sources and are, therefore, a health risk and a public nuisance; and professional mosquito and vector control based on scientific research has made great advances in reducing mosquito and vector populations and the diseases they transmit."* [6]

Mosquitoes and other vectors emerge from sources throughout the Assessment District, and with an average flight range of two miles, mosquitoes from known sources can reach all properties in the Assessment District. These sources include standing water in rural areas, such as marshes, pools, wetlands, ponds, drainage ditches, drainage systems, tree holes and other removable sources such as old tires and containers. The sources of mosquitoes also include numerous locations throughout the urban areas in the Assessment District. These sources include underground drainage systems, containers, unattended swimming pools, leaks in water pipes, tree holes, flower cups in cemeteries, over-watered landscaping and lawns and many other sources. By controlling mosquitoes at known and new sources, the Services will materially reduce mosquito populations on specially benefiting property in the Assessment District.

A recently increasing source of mosquitoes is unattended swimming pools:

> *"Anthropogenic landscape change historically has facilitated outbreaks of pathogens amplified by peridomestic vectors such as Cx. pipiens complex mosquitoes and associated commensals such as house sparrows. The recent widespread downturn in the housing market and increase in adjustable rate mortgages have combined to force a dramatic increase in home foreclosures and abandoned homes and produced urban landscapes dotted with an expanded number of new mosquito habitats. These new larval habitats may have contributed to the unexpected early season increase in WNV cases in Bakersfield during 2007 and subsequently have enabled invasion of urban areas by the highly competent rural vector Cx. tarsalis. These factors can increase the spectrum of competent avian hosts, the efficiency of enzootic amplification, and the risk for urban epidemics."* [7]

- **Increased safety of property in the Assessment District.**

The Assessments result in improved year-round proactive Services to control and abate mosquitoes and other vectors that otherwise would occupy properties throughout the

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[6] Assembly Concurrent Resolution 52, chaptered April 1, 2003

[7] Riesen William K. (2008). Delinquent Mortgages, Neglected Swimming Pools, and West Nile Virus, California. Emerging Infectious Diseases. Vol. 14(11).

Assessment District. Mosquitoes and other vectors are transmitters of diseases, so the reduction of mosquito and vector populations makes property safer for use and enjoyment. In absence of the assessments, these Services would not be provided, so the Services funded by the assessments make properties in the Assessment District safer, which is a distinct special benefit to property in the Assessment District.[8] This is not a general benefit to property in the Assessment District or the public at large because the Services are tangible mosquito control and disease prevention services that will be provided directly to the properties in the Assessment District and the Services are over and above what otherwise would be provided by the District or any other agency.

This finding was confirmed in 2003 by the State Legislature:

> "Mosquitoes and other vectors, including but not limited to ticks, Africanized Honey Bees, rats, fleas, and flies, continue to be a source of human suffering, illness, death and a public nuisance in California and around the world. Adequately funded mosquito and vector control, monitoring and public awareness programs are the best way to prevent outbreaks of West Nile Virus and other diseases borne by mosquitoes and other vectors." *i*

Also, the Legislature, in Health and Safety Code Section 2001, finds that:

> 'the protection of Californians and their communities against the discomforts and economic effects of vector borne diseases is an essential public service that is vital to public health, safety, and welfare."

- **Reductions in the risk of new diseases and infections on property in the Assessment District.**

Mosquitoes have proven to be a major contributor to the spread of new diseases such as West Nile Virus, among others. A highly mobile population combined with migratory bird patterns can introduce new mosquito-borne diseases into previously unexposed areas.

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[8] By reducing the risk of disease and increasing the safety of property, the proposed Services will materially increase the usefulness and desirability of certain properties in the Assessment District.

"Vector-borne diseases (including a number that are mosquito-borne) are a major public health problem internationally. In the United States, dengue and malaria are frequently brought back from tropical and subtropical countries by travelers or migrant laborers, and autochthonous transmission of malaria and dengue occasionally occurs. In 1998, 90 confirmed cases of dengue and 1,611 cases of malaria were reported in the USA and dengue transmission has occurred in Texas."[9]

"During 2004, 40 states and the District of Columbia (DC) have reported 2,313 cases of human WNV illness to CDC through ArboNET. Of these, 737 (32%) cases were reported in California, 390 (17%) in Arizona, and 276 (12%) in Colorado. A total of 1,339 (59%) of the 2,282 cases for which such data were available occurred in males; the median age of patients was 52 years (range: 1 month--99 years). Date of illness onset ranged from April 23 to November 4; a total of 79 cases were fatal." [10] *(According to the Centers for Disease Control and Prevention on January 19, 2004, a total of 2,470 human cases and 88 human fatalities from WNV have been confirmed).*

A study of the effect of aerial spraying conducted by the Sacramento-Yolo Mosquito and Vector Control District (SYMVCD) to control a West Nile Virus disease outbreak found that the SYMVCD's mosquito control efforts materially decreased the risk of new diseases in the treated areas:

After spraying, infection rates decreased from 8.2 (95% CI 3.1–18.0) to 4.3 (95% CI 0.3–20.3) per 1,000 females in the spray area and increased from 2.0 (95% CI 0.1–9.7) to 8.7 (95% CI 3.3–18.9) per 1,000 females in the untreated area. Furthermore, no additional positive pools were detected in the northern treatment area during the remainder of the year, whereas positive pools were detected in the untreated area until the end of September (D.-E.A Elnaiem, unpub. data). These independent lines of evidence corroborate our conclusion that actions taken by SYMVCD were effective in disrupting the WNV transmission cycle and reducing human illness and potential deaths associated with WNV. [11]

The Services funded by the assessments will help prevent on a year-round basis the presence of vector-borne diseases on property in the Assessment District. This is another tangible and direct special benefit to property in the Assessment District that would not be received in absence of the assessments.

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[9] Rose, Robert. (2001). Pesticides and Public Health: Integrated Methods of Mosquito Management. Emerging Infectious Diseases. Vol. 7(1); 17-23.
[10] Center for Disease Control. (2004). West Nile Virus Activity --- United States, November 9--16, 2004. Morbidity and Mortality Weekly Report. 53(45); 1071-1072.
[11] Carney, Ryan. (2008), Efficiency of Aerial Spraying of Mosquito Adulticide in Reducing the Incidence of West Nile Virus, California, 2005. Emerging Infectious Diseases, Vol 14(5)

- **Protection of economic activity on property in the Assessment District.**

As recently demonstrated by the SARS outbreak in China and outbreaks of Avian Flu, outbreaks of pathogens can materially and negatively impact economic activity in the affected area. Such outbreaks and other public health threats can have a drastic negative effect on tourism, business and residential activities in the affected area. The assessments will help to prevent the likelihood of such outbreaks in the District.

Mosquitoes hinder, annoy and harm residents, guests, visitors, farm workers, and employees. A vector-borne disease outbreak and other related public health threats would have a drastic negative effect on agricultural, business and residential activities in the Assessment District.

The economic impact of diseases is well documented. According to a study prepared for the Centers for Disease Control and Prevention, economic losses due to the transmission of West Nile Virus in Louisiana was estimated to cost over $20 million over approximately one year:

> *The estimated cost of the Louisiana epidemic was $20.1 million from June 2002 to February 2003, including a $10.9 million cost of illness ($4.4 million medical and $6.5 million nonmedical costs) and a $9.2 million cost of public health response. These data indicate a substantial short-term cost of the WNV disease epidemic in Louisiana.* [12]

Moreover, a study conducted in 1996-97 of La Crosse Encephalitis (LACE), a human illness caused by a mosquito-transmitted virus, found a lifetime cost per human case at $48,000 to $3,000,000 and found that the disease significantly impacted lifespans of those who were infected. Following is a quote from the study which references the importance and value of active vector control services of the type that would be funded by the assessments:

> *The socioeconomic burden resulting from LACE is substantial, which highlights the importance of the illness in western North Carolina, as well as the need for active surveillance, reporting, and prevention programs for the infection.* [13]

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[12] Zohrabian A, Meltzer MI, Ratard R, Billah K, Molinari NA, Roy K, et al. West Nile Virus economic impact, Louisiana, 2002. Emerging Infectious Disease, 2004 Oct. Available from http://www.cdc.gov/ncidod/EID/vol10no10/03-0925.htm

[13] Utz, J. Todd, Apperson, Charles S., Maccormack, J. Newton, Salyers, Martha, Dietz, E. Jacquelin, Mcpherson, J. Todd, Economic And Social Impacts Of La Crosse Encephalitis In Western North Carolina, Am J Trop Med Hyg 2003 69: 509-518

The Services to be funded by the assessments will help prevent the likelihood of such outbreaks on property in the Assessment District and will reduce the harm to economic activity on property caused by existing mosquito populations. This is another direct advantage received by property in the Assessment District that would not be received in absence of the assessments.

- **Protection of Assessment District's agriculture, tourism, and business industries.**

The agriculture, tourism and business industries will benefit from reduced levels of harmful or nuisance mosquitoes and other vectors. Conversely, any outbreaks of emerging vector-borne pathogens such as West Nile Virus could also materially negatively affect these industries. Diseases transmitted by mosquitoes and other vectors can adversely impact business and recreational functions.

> *A study prepared for the United States Department of Agriculture in 2003 found that over 1,400 horses died from West Nile Virus in Colorado and Nebraska and that these fatal disease cases created over $1.2 million in costs and lost revenues. In addition, horse owners in these two states spent over $2.75 million to vaccinate their horses for this disease. The study states that "Clearly, WNV has had a marked impact on the Colorado and Nebraska equine industry."* [14]
>
> *Pesticides for mosquito control impart economic benefits to agriculture in general. Anecdotal reports from farmers and ranchers indicate that cattle, if left unprotected, can be exsanguinated by mosquitoes, especially in Florida and other southeast coastal areas. Dairy cattle produce less milk when bitten frequently by mosquitoes* [15]

The assessments will serve to protect the businesses and industries and the employees and residents that benefit from these businesses and industries. This is a direct advantage and special benefit to property in the Assessment District.

- **Reduced risk of nuisance and liability on property in the Assessment District**

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[14] S. Geiser, A. Seitzinger, P. Salazar, J. Traub-Dargatz, P. Morley, M. Salman, D. Wilmot, D. Steffen, W. Cunningham, Economic Impact of West Nile Virus on the Colorado and Nebraska Equine Industries: 2002, April 2003, Available from http://www.aphis.usda.gov/vs/ceah/cnahs/nahms/equine/wnv2002_CO_NB.pdf

[15] Jennings, Allen. (2001). USDA Letter to EPA on Fenthion IRED. United States Department of Agriculture, Office of Pest Management Policy. March 8, 2001.

In addition to health related factors, uncontrolled mosquito and vector populations create a nuisance for the occupants of property in the Assessment District. Properties in the Assessment District, therefore, will benefit from the reduced nuisance factor that will be created by the Services. Agricultural and rangeland properties also benefit from the reduced nuisance factor and harm to livestock and employees from lower mosquito and vector populations.

Agricultural, range, golf course, cemetery, open space and other such lands in the Assessment District contain large areas of mosquito and vector habitat and are therefore a significant source of mosquito and vector populations. In addition, residential and business properties in the Assessment District can also contain significant sources.[16] It is conceivable that sources of mosquitoes could be held liable for the transmission of diseases or other harm. For example, in August 2004, the City of Los Angeles approved new fines of up to $1,000 per day for property owners who don't remove standing water sources of mosquitoes on their property.

The Services will serve to protect the businesses and industries in the Assessment District. This is a direct advantage and a special benefit to property in the Assessment District.

- **Improved marketability of property.**

As described previously, the Services will specially benefit properties in the Assessment District by making them more useable, livable and functional. The Services also make properties in the Assessment District more desirable, and more desirable properties also benefit from improved marketability. This is another tangible and direct special benefit to property which will not be enjoyed in absence of the Services.[17]

BENEFIT FINDING

In summary, the special benefits described in this Report and the expansion of Services in the Assessment District directly benefit and protect the real properties in the Assessment District in excess of the assessments for these properties. Therefore, the assessment engineer finds that the cumulative special benefits to property from the Services are reasonably equal to or greater than the proposed annual assessment amount per benefit unit.

GENERAL VS. SPECIAL BENEFIT

Article XIIIC of the California Constitution requires any local agency proposing to increase or impose a benefit assessment to "separate the general benefits from the special benefits

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[16] Sources of mosquitoes on residential, business, agricultural, range and other types of properties include removable sources such as containers that hold standing water.

[17] If one were to compare two hypothetical properties with similar characteristics, the property with lower mosquito infestation and reduced risk of vector-borne disease will clearly be more desirable, marketable and usable.

conferred on a parcel." The rationale for separating special and general benefits is to ensure that property owners subject to the benefit assessment are not paying for general benefits. The assessment can fund the special benefits to property in the Assessment District but cannot fund any general benefits. Accordingly, a separate estimate of the special and general benefit is given in this section.

In other words:

Total Benefit	=	Total General Benefit	+	Total Special Benefit

There is no widely-accepted or statutory formula for general benefit from vector control services. General benefits are benefits from improvements or services that are not special in nature, are not "particular and distinct" and are not "over and above" benefits received by other properties. General benefits are conferred to properties located "in the district,[18]" but outside the narrowly-drawn Assessment District and to "the public at large." SVTA vs. SCCOSA provides some clarification by indicating that general benefits provide "an indirect, derivative advantage" and are not necessarily proximate to the improvements and services funded by the assessments.

A formula to estimate the general benefit is listed below:

General Benefit =

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[18] SVTA vs. SCCOSA explains as follows:

> OSA observes that Proposition 218's definition of "special benefit" presents a paradox when considered with its definition of "district." Section 2, subdivision (i) defines a "special benefit" as "a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large." (Art. XIII D, § 2, subd. (i), italics added.) Section 2, subdivision (d) defines "district" as "an area determined by an agency to contains all parcels which will receive a special benefit from a proposed public improvement or property-related service." (Art. XIII D, § 2, subd. (d), italics added.) In a well-drawn district — limited to only parcels receiving special benefits from the improvement — every parcel within that district receives a shared special benefit. Under section 2, subdivision (i), these benefits can be construed as being general benefits since they are not "particular and distinct" and are not "over and above" the benefits received by other properties "located in the district."
>
> We do not believe that the voters intended to invalidate an assessment district that is narrowly drawn to include only properties directly benefiting from an improvement. Indeed, the ballot materials reflect otherwise. Thus, if an assessment district is narrowly drawn, the fact that a benefit is conferred throughout the district does not make it general rather than special.

Benefit to Real Property Outside the Assessment District
+ Benefit to Real Property Inside the Assessment District that is Indirect and Derivative
+ Benefit to the Public at Large

Special benefit, on the other hand, is defined in the state constitution as "a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large." The SVTA v. SCCOSA decision indicates that a special benefit is conferred to a property if it "receives a direct advantage from the improvement (e.g., proximity to a park)." In this assessment, the overwhelming proportion of the benefits conferred to property is special, since the advantages from the mosquito, vector and disease control/protection funded by the Assessments are directly received by the properties in the Assessment District and are only minimally received by property outside the Assessment District or the public at large.

Proposition 218 twice uses the phrase "over and above" general benefits in describing special benefit. (Art. XIIID, sections 2(i) & 4(f).) There currently is minimal mosquito and vector related services being provided to the Assessment District area that are not funded by benefit assessments. These minimal services form the baseline level of services in the Assessment District. Arguably, all of the Services to be funded by the assessment therefore would be a special benefit because the additional Services would particularly and distinctly benefit and protect the Assessment District over and above the previous baseline benefits and service.

Nevertheless, arguably some of the Services would benefit the public at large and properties outside the Assessment District. In this report, the general benefit is conservatively estimated and described, and then budgeted so that it is funded by sources other than the assessment.

CALCULATING GENERAL BENEFIT

Without this assessment the Program would lack the funds to provide the additional and improved Services to property in the Assessment District. Consistent with footnote 8 of SVTA v. SCCOSA, and for the reasons described above, the Program has determined that all parcels in the Assessment District receive a shared direct advantage and special benefit from the Services. The Services directly and particularly serve and benefit each parcel, and are not a mere indirect, derivative advantage. As explained above, Proposition 218 relies on the concept of "over and above" in distinguishing special benefits from general benefits. As applied to an assessment this concept means that all vector control services, which provide direct advantage to property in the Assessment District, are over and above the baseline and therefore are special.

Nevertheless, the Services may provide a degree of general benefit, in addition to the predominant special benefit. This section provides a conservative measure of the general benefits from the Assessments.

BENEFIT TO PROPERTY OUTSIDE THE PROGRAM

Properties within the Assessment District receive almost all of the special benefits from the Services because the Services funded by the Assessments will be provided directly to protect property within the Assessment District from mosquitoes and vector-borne diseases. However, properties adjacent to, but just outside of, the boundaries may receive some benefit from the Services in the form of reduced mosquito populations on property outside the Assessment District. Since this benefit, is conferred to properties outside the district boundaries, it contributes to the overall general benefit calculation and will not be funded by the assessment.

A measure of this general benefit is the proportion of Services that would affect properties outside of the Assessment District. Each year, the Program will provide some of its Services in areas near the boundaries of the Assessment District. By abating mosquito populations near the borders of the Assessment District, the Services could provide benefits in the form of reduced mosquito populations and reduced risk of disease transmission to properties outside the Assessment District. If mosquitoes were not controlled inside the Assessment District, more of them would fly from the Assessment District. Therefore control of mosquitoes within the Assessment District provides some benefit to properties outside the Assessment District but within the normal travel range of vectors in the form of reduced mosquito populations and reduced vector-borne disease transmission. Since mosquitoes are the predominant vector that would be controlled and mosquitoes most easily travel from their source location to properties in the area, typical mosquito destination ranges will be used to measure the extent that the Services will create reduced vector populations on property outside the Assessment District. This is a measure of the general benefits to property outside the Assessment District because this is a benefit from the Services that is not specially conferred upon property in the Assessment District.

The mosquito potential outside the Assessment District is based on studies of mosquito dispersion concentrations. Mosquitoes can travel up to two miles, on average, so this destination range is used. Based on studies of mosquito destinations, relative to parcels in the Assessment District average concentration of mosquitoes from the Assessment District on properties within two miles of the Assessment District is calculated to be 6%.19 This relative vector population reduction factor within the destination range is combined with the number of parcels outside the Assessment District and within the destination range to measure this general benefit and is calculated as follows:

CRITERIA:

Mosquitoes may fly up to 2 miles from their breeding source.

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[19] Tietze, Noor S., Stephenson, Mike F., Sidhom, Nader T. and Binding, Paul L., "Mark-Recapture of *Culex Erythrothorax* in Santa Cruz County, California", Journal of the American Mosquito Control Association, 19(2):134-138, 2003.

519 parcels within 2 miles of, but outside of the Program, may receive some mosquito and disease protection benefit
6% portion of relative benefit that is received
10,994 Parcels in the District

Calculations
Total Benefit = 519 parcels * 6% = 31 parcels equivalents
Percentage of overall parcel equivalents = 31 / 10,994 = **0.28 %**

Therefore, for the overall benefits provided by the Services to the Assessment District, it is determined that 0.28% of the benefits would be received by the parcels within two miles of the Assessment District boundaries. Recognizing that this calculation is an approximation, this benefit will be rounded up to 1.0%.

BENEFIT TO PROPERTY *INSIDE* THE DISTRICT THAT IS *INDIRECT AND DERIVATIVE*

The "indirect and derivative" benefit to property within the Assessment District is particularly difficult to calculate. As explained above, all benefit within the Assessment District is special because the mosquito and disease control services in the Assessment District would provide direct service and protection that is clearly "over and above" and "particular and distinct" when compared with the level of such protection under current conditions. Further the properties are within the Assessment District boundaries and this Engineer's Report demonstrates the direct benefits received by individual properties from mosquito and disease control services.

In determining the Assessment District area, the Program has been careful to limit it to an area of parcels that will directly receive the Services. All parcels will directly benefit from the surveillance, monitoring and treatment that will be provided on an equivalent basis throughout the Assessment District in order to maintain the same improved level of protection against mosquitoes and other vectors and reduced mosquito and vector populations throughout the area. The surveillance and monitoring sites would be spread on a balanced basis throughout the area. Mosquito and vector control and treatment would be provided as needed throughout the area based on the surveillance and monitoring results. The shared special benefit - reduced mosquito levels and reduced presence of vector-borne diseases - would be received on an equivalent basis by all parcels in the Assessment District. Furthermore, all parcels in the Assessment District would directly benefit from the ability to request service from the Program and to have a Program field technician promptly respond directly to the parcel and address the owner's or resident's service need. The SVTA vs. SCCOSA decision indicates that the fact that a benefit is conferred throughout the Assessment District area does not make the benefit general rather than special, so long as the Assessment district is narrowly drawn and limited to the parcels directly receiving shared special benefits from the service. The Program therefore concludes that, other than the small general benefit to properties outside the Assessment District (discussed above) and to the public at large (discussed below), all of the benefits of the Services to the parcels within the Assessment District are special benefits and it is not possible or appropriate to

separate any general benefits from the benefits conferred on parcels in the Assessment District.

Benefit To The Public At Large

With the type and scope of Services to be provided to the Assessment District, it is very difficult to calculate and quantify the scope of the general benefit conferred on the public at large. Because the Services directly serve and benefit all of the property in the Assessment District, any general benefit conferred on the public at large would be small. Nevertheless, there would be some indirect general benefit to the public at large.

The public at large uses the public highways, streets and sidewalks, and when traveling in and through the Assessment District they will benefit from the Services. A fair and appropriate measure of the general benefit to the public at large therefore is the amount of highway, street and sidewalk area within the Assessment District relative to the overall land area. An analysis of maps of the Assessment District shows that approximately 1.3% of the land area in the Assessment District is covered by highways, streets and sidewalks. This 1.3% therefore is a fair and appropriate measure of the general benefit to the public at large within the Assessment District

SUMMARY OF GENERAL BENEFITS

Using a sum of the measures of general benefit for the public at large and land outside the Assessment District, we find that approximately 2.3% of the benefits conferred by the Mosquito and Disease Control Assessment may be general in nature and should be funded by sources other than the Assessment.

General Benefit =

1.0 % (Outside the district)
+ 0.0 % (Inside the district - indirect and derivative)
+ 1.3 % (Public at Large)

=2.3 % (Total General Benefit)

Although this analysis supports the findings that 2.3% of the assessment may provide general benefit only, this number is increased by the Assessment Engineer to 5% to conservatively ensure that no assessment revenue is used to support general benefit. This additional amount allocated to general benefit also covers general benefit to parcels in the Assessment District if it is later determined that there is some general benefit conferred on those parcels.

The Mosquito Abatement Program Assessment total budget for mosquito and vector abatement, disease control, capital improvement and incidental costs is $651,788. Of this total budget amount, the OVMAP will contribute approximately 17% ($109,836) of the total budget from sources other than the Mosquito Control and Disease Prevention Assessment. This contribution offsets any general benefits from the Mosquito Control and Disease Prevention Assessment Services.

METHOD OF ASSESSMENT

As previously discussed, the Assessments fund enhanced, comprehensive, year-round mosquito control, and disease surveillance and control Services that will reduce mosquito and vector populations on property and will clearly confer special benefits to properties in the Assessment District. These benefits can also partially be measured by the occupants on property in the Assessment District because such parcel population density is a measure of the relative benefit a parcel receives from the Services. Therefore, the apportionment of benefit is partially based the population density of parcels. It should be noted that many other types of "traditional" assessments also use parcel population densities to apportion the assessments. For example, the assessments for sewer systems, roads and water systems are typically allocated based on the population density of the parcels assessed.

In the process of determining the appropriate method of assessment, the Engineer considered various alternatives. For example, a fixed assessment amount per parcel for all

residential improved property was considered but was determined to be inappropriate because agricultural lands, commercial property and other property also receive benefits from the assessments. Likewise, an assessment exclusively for agricultural land was considered but deemed inappropriate because other types of property, such as residential and commercial, also receive the special benefit factors described previously. An assessment primarily for the properties with sources of mosquitoes was considered but deemed inappropriate because these properties often have limited economic value and because mosquitoes typically fly from their source breeding locations to places occupied by people and animals. Furthermore, even urban residential properties can and do generate their own, often significant, populations of mosquito and vector organisms.

A fixed or flat assessment was deemed to be inappropriate because larger residential, commercial and industrial properties receive a higher degree of benefit than other similarly used properties that are significantly smaller. (For two properties used for commercial purposes, there is clearly a higher benefit provided to a property that covers several acres in comparison to a smaller commercial property that is on a 0.25 acre site. The larger property generally has a larger coverage area and higher usage by employees, customers, tourists and guests that would benefit from reduced mosquito and vector populations, as well as the reduced threat from diseases carried by mosquitoes and other vectors. This benefit ultimately flows to the property.) Larger commercial, industrial and apartment parcels, therefore, receive an increased benefit from the assessments.

Therefore, the Engineer determined that the appropriate method of assessment apportionment should be based on the type and use of property, its relative population and usage potential, its location and its destination potential for mosquitoes. This method is further described below.

ZONES OF BENEFIT

The OVMAP's mosquito and disease control programs, projects and services that will be funded by the Mosquito and Disease Control Assessment are concentrated on the areas encompassing the Owens Valley Floor. The remaining areas within the Program boundaries receive relatively less mosquito abatement services, and, therefore relatively lesser benefits from the Mosquito Abatement Program. The areas of lesser benefit are defined to include all parcels within Program boundaries that are within the Inyo National Forest, west of the Owens Valley Floor and those parcels generally along the eastern side of Owens Lake. These areas are hereinafter referred to as Zone of Benefit B or Zone B and are depicted on the Assessment Diagram included with this Report. All other parcels within the Program boundaries are within Zone A, which is generally considered to be the areas of the Owens Valley Floor.

Parcels in Zone B receive relatively less mosquito abatement services on a per parcel and land area basis than parcels in the greater Owens Valley Floor area. Approximately 9% of the total parcels within the Program are in Zone B and this area receives approximately 5% of the services. (5% of services / 9% of parcels = 56% of the relative services per parcel.)

Therefore, on a per parcel basis, parcels in Zone B receive approximately one half the relative services as those in Zone A. Alternatively, Zone B encompasses approximately 50% of the total area within Program boundaries. By this measure, Zone B receives approximately 10% of the relative services per acre in comparison to areas in Zone A. (5% of services / 50% of acreage = 10% of relative services per acre.) Using these measures, the relative level of service, which is a measure of relative benefit, is generally 50% on a parcel basis and 10% on an acreage basis. An average of these measures results in a 25% relative level of benefit in relation to Zone A.[ii] Therefore, it is deemed that the benefits to property in Zone B are 25% of the benefits to similar property in Zone A.

The SVTA vs. SCCOSA decision indicates:

In a well-drawn district — limited to only parcels receiving special benefits from the improvement — every parcel within that district receives a shared special benefit. Under section 2, subdivision (i), these benefits can be construed as being general benefits since they are not "particular and distinct" and are not "over and above" the benefits received by other properties "located in the district."

We do not believe that the voters intended to invalidate an assessment district that is narrowly drawn to include only properties directly benefitting from an improvement. Indeed, the ballot materials reflect otherwise. Thus, if an assessment district is narrowly drawn, the fact that a benefit is conferred throughout the district does not make it general rather than special. In that circumstance, the characterization of a benefit may depend on whether the parcel receives a direct advantage from the improvement (e.g., proximity to park) or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement (e.g., general enhancement of the district's property values).

In the assessment, the advantage that each parcel receives from the Services is direct, and the boundaries for each Zone of Benefit are narrowly drawn so each Zone includes parcels that receive the similar levels of benefit from the Services. Therefore, the even spread of assessment for similar properties in each of the narrowly drawn Zones of Benefit within the District is indeed consistent with the OSA decision.

ASSESSMENT APPORTIONMENT

The special benefits derived from the Assessment are conferred on property and are not based on a specific property owner's occupancy of property or the property owner's demographic status, such as age or number of dependents. However, it is ultimately people who do or could use the property and who enjoy the special benefits described above. Therefore, the opportunity to use and enjoy the region within the Assessment District without the excessive nuisance, diminished "livability" or the potential health hazards brought by mosquitoes, vectors, and the diseases they carry is a special benefit to properties in the County. This benefit is related to the number of people who potentially live on, work at, visit or otherwise use the property, because people ultimately determine the value of the benefits

by choosing to live, work and/or recreate in the area, and by choosing to purchase property in the area.[iii]

In order to apportion the cost of the Services to property, each property in the Assessment District is assigned a relative special benefit factor. This process involves determining the relative benefit received by each property in relation to a single family home, or, in other words, on the basis of Single Family Equivalents (SFE). This SFE methodology is commonly used to distribute assessments in proportion to estimated special benefit and is generally recognized as providing the basis for a fair and appropriate distribution of assessments. For the purposes of this Engineer's Report, all properties are designated a SFE value, which is each property's relative benefit in relation to a single family home on an average sized residential parcel. The "benchmark" property is the single family detached dwelling which is one Single Family Equivalent or one SFE.

The calculation of the special benefit apportionment and relative benefit to properties in the Assessment District from the Services is summarized in the following equation:

$$\text{Special Benefit (per property)} = \Sigma\,[\text{(Special Benefits)} * \Sigma\,[\text{(Property Specific attributes such as use, property type, size, as well as vector-specific attributes such as destination potential and population potential)}]$$

RESIDENTIAL PROPERTIES

Certain residential properties in the Assessment District that contain a single residential dwelling unit and are on a lot of less than or equal to one acre are assigned one Single Family Equivalent or 1.0 SFE. Traditional houses, zero-lot line houses, and townhomes are included in this category of single family residential property.

Single family residential properties in excess of one acre receive additional benefit relative to a single family home up to one acre, because the larger parcels provide more area for mosquito sources and OVMAP vector services. Therefore, such larger parcels receive additional benefits relative to a single family home on less than one acre and are assigned 1.0 SFE for the residential unit and an additional rate equal to the agricultural rate described below of 0.002 SFE per one-quarter acre of land area in excess of one acre. Mobile home parcels on a separate parcel and in excess of one acre also receive this additional acreage rate.

Other types of properties with residential units, such as agricultural properties, are assigned the residential SFE rates for the dwelling units on the property and are assigned additional SFE benefit units for the agricultural-use land area on the property.

Properties with more than one residential unit are designated as multi-family residential properties. These properties, along with condominiums, benefit from the services and improvements in proportion to the number of dwelling units that occupy each property, the average number of people who reside in each property, and the average size of each property in relation to a single family home in Inyo County. This Report analyzed Inyo County population density factors from the 2000 US Census as well as average dwelling unit size for each property type. After determining the Population Density Factor and Square Footage Factor for each property type, an SFE rate is generated for each residential property structure, as indicated in Figure 3 below.

The SFE factor of 0.48 per dwelling unit for multifamily residential properties applies to such properties with two to four units (duplex, triplex, fourplex). The SFE factor for multifamily properties with five to twenty units is 0.36 per unit. Properties in excess of 20 units typically offer on-site management, monitoring and other control services that tend to offset some of the benefits provided by the Program. Therefore the benefit for properties in excess of 5 units is determined to be 0.36 SFE per unit for the first 20 units and 0.10 SFE per each additional unit in excess of 20 dwelling units.

FIGURE 2

INYO COUNTY RESIDENTIAL ASSESSMENT FACTORS

	Total Population	Occupied Households	Persons per Household	Pop. Density Equivalent	SqFt Factor	Proposed Rate
Single Family Residential	11,326	4,670	2.43	1.00	1.00	**1.00**
Condominium	363	176	2.06	0.85	0.70	**0.60**
Duplex, Triplex, Fourplex	786	330	2.38	0.98	0.49	**0.48**
Multi-Family Residential, 5+ Units	752	400	1.88	0.78	0.47	**0.36**
Mobile Home on Separate Lot	4,516	2,079	2.17	0.90	0.45	**0.40**

Source: 2000 Census, Inyo County and property dwelling size information from the Inyo County Assessor data and other sources.

COMMERCIAL/INDUSTRIAL PROPERTIES

Commercial and industrial properties receive similar benefits from the Services as single family homes because employees and customers of such properties benefit similarly to residents from reduced mosquito and disease risk. However, commercial and industrial properties are generally open and operated for more limited times, relative to residential properties. Therefore, the relative hours of operation can be used as a relative measure of benefits, since residents and employees also provide a measure of the relative benefit to property. Since commercial and industrial properties are typically open and occupied by employees approximately one-half the time of residential properties, it is reasonable to assume that commercial land uses receive one-half of the special benefit on a land area basis relative to single family residential property.

The average size of a single family home with 1.0 SFE factor in Inyo County is 0.25 acres. Therefore, a commercial property with 0.25 acres receives one-half the relative benefit, or a 0.50 SFE factor.

The SFE values for various commercial and industrial land uses are further defined by using average employee densities because the special benefit factors described previously are also related to the average number of people who work at commercial/industrial properties.

To determine employee density factors, this Report utilizes the findings from the San Diego County Association of Governments Traffic Generators Study (the "SANDAG Study") because these findings were approved by the State Legislature which determined the SANDAG Study to be a good representation of the average number of employees per acre of land area for commercial and industrial properties. As determined by the SANDAG Study, the average number of employees per acre for commercial and industrial property is 24. As presented in Figure 4, the SFE factors for other types of businesses are determined relative to their typical employee density in relation to the average of 24 employees per acre of commercial property.

Commercial and industrial properties in excess of 5 acres generally involve uses that are more land intensive relative to building areas and number of employees (lower coverage ratios). As a result, the benefit factors for commercial and industrial property land area in excess of 5 acres is determined to be the SFE rate per quarter acre for the first 5 acres and the relevant SFE rate per each additional acre over 5 acres. Institutional properties that are used for residential, commercial or industrial purposes are also assessed at the appropriate residential, commercial or industrial rate. Figure 4 lists the benefit assessment factors for business properties.

Agricultural, Rangeland, Golf and Cemetery Properties

Utilizing research and agricultural employment reports from UC Davis and the California Employment Development Department and other sources, this Report calculated an average usage density of 0.05 people per acre for agriculture property, 3.0 for golf courses, 0.01 for rangelands and timber and 1.2 for cemeteries. Since these properties typically are a source of mosquitoes and/or are typically closest to other sources of mosquitoes and other vectors, it is reasonable to determine that the benefit to these properties is twice the usage density ratio of commercial properties. The SFE factors per 0.25 acres of land area are shown in the following Figure 4.

Figure 3

Commercial/Industrial Benefit Assessment Factors

Type of Commercial/Industrial Land Use	Average Employees Per Acre [1]	SFE Units per Fraction Acre [2]	SFE Units per Acre After 5
Commercial	24	0.500	0.500
Office	68	1.420	1.420
Shopping Center	24	0.500	0.500
Industrial	24	0.500	0.500
Self Storage or Parking Lot	1	0.021	
Golf Course	3.00	0.13	
Cemetery	1.20	0.05	
Agriculture	0.05	0.002	
Rangelands/Timber	0.010	0.00042	

1.Source: San Diego Association of Governments Traffic Generators Study, University of California, Davis and other sources.

2. The SFE factors for commercial and industrial parcels indicated above are applied to each quarter acre of land area or portion thereof. (Therefore, the minimum assessment for any assessable parcel in these categories is the SFE Units listed herein.)

Vacant Properties

The benefit to vacant properties is determined to be proportional to the corresponding benefits for similar type developed properties. However, vacant properties are assessed at

a lower rate due to the lack of active benefits, as measured by use by residents, employees, customers and guests. A measure of the benefits accruing to the underlying land is the average value of land in relation to improvements for developed property. An analysis of the assessed valuation data from the County of Inyo found that 50% of the assessed value of improved properties is classified as land value. Since vacant properties have very low to zero population/use densities until they are developed, a 50% benefit discount is applied to the valuation factor of 0.50 to account for the current low use density and potential for harm or nuisance to the property owner or his residents, employees, customers and guests. The combination of these measures results in a 0.25 factor. It is reasonable to assume, therefore, that approximately 25% of the benefits are related to the underlying land and 75% are related to the day-to-day use of the property. Using this ratio, the SFE factor for vacant parcels is 0.25 per parcel.

Other Properties

Article XIIID stipulates that publicly owned properties must be assessed unless those properties are reasonably determined to receive no special benefit from the assessment.

All properties that are specially benefited are assessed. Publicly owned property that is used for purposes similar to private residential, commercial, industrial or institutional uses is benefited and assessed at the same rate as such privately owned property. Other public properties such as watershed parcels, parks, open space parcels are determined to, on average, receive similar benefits as a single family home. Therefore such parcels are assessed an SFE benefit factor of 1. Miscellaneous, small and other parcels such as roads, right-of-way parcels, and common areas typically do not generate significant numbers of employees, residents, customers or guests and have limited economic value. These miscellaneous parcels receive minimal benefit from the Services and are assessed an SFE benefit factor of 0.

Church parcels, institutional properties, and property used for educational purposes typically generate employees on a less consistent basis than other non-residential parcels. Therefore, these parcels are determined to, on average, receive similar benefits as a single family home. Therefore such parcels are assessed an SFE benefit factor of 1.

Appeals and Interpretation

Any property owner, who feels that the assessment levied on the subject property is in error as a result of incorrect information being used to apply the foregoing method of assessment, may file a written appeal with the Commissioner of the Inyo County Agriculture Department or his or her designee. Any such appeal is limited to correction of an assessment during the then current Fiscal Year or, if before July 1, the upcoming fiscal year. Upon the filing of any such appeal, the Commissioner or his or her designee will promptly review the appeal and any information provided by the property owner. If the Commissioner or his or her designee finds that the assessment should be modified, the appropriate changes shall be made to the assessment roll. If any such changes are approved after the assessment roll has been filed with the County of Inyo for collection, the Commissioner or his or her designee is authorized

to refund to the property owner the amount of any approved reduction. Any dispute over the decision of the Commissioner or his or her designee shall be referred to the Board of Supervisors of the County of Inyo and the decision of the Board of Supervisors of the County of Inyo shall be final.

ASSESSMENT

WHEREAS, the Board of Supervisors contracted with the undersigned Engineer of Work to prepare and file a report presenting an estimate of costs of Services, a diagram for a benefit assessment Program, an assessment of the estimated costs of Services, and the special and general benefit conferred thereby upon all assessable parcels within Owen Valley Mosquito Abatement Program – Mosquito and Disease Control Assessment;

NOW, THEREFORE, the undersigned, by virtue of the power vested in me under Article XIIID of the California Constitution, the Government Code and the Health and Safety Code and the order of the Board of Supervisors of Inyo County, hereby make the following determination of an assessment to cover the portion of the estimated cost of the Services, and the costs and expenses incidental thereto to be paid by the Mosquito Control and Disease Prevention Assessment.

The amount to be paid for the services and improvements and the expenses incidental thereto, to be paid by the Owens Valley Mosquito Abatement Program for the fiscal year 2016-17 is generally as follows:

Figure 4

SUMMARY COST ESTIMATE
FISCAL YEAR 2016-17 BUDGET

Mosquito Control Services	$	420,031
Administration, Equipment and Charges		271,404
Incidentals & Reserves		11,000
Total Budget		702,435
Less:		
District Contribution & Current Rev.		(498,292)
Net Amount To Assessments	$	204,143

An Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of the Assessment Program. The distinctive number of each parcel or lot of land in the Assessment Program is its Assessor Parcel Number appearing on the Assessment Roll.

I do hereby determine and apportion the net amount of the cost and expenses of the Services, including the costs and expenses incidental thereto, upon the parcels and lots of land within the Mosquito Control and Disease Prevention Assessment, in accordance with the special benefits to be received by each parcel or lot, from the Services, and more particularly set forth in the Cost Estimate hereto attached and by reference made a part hereof.

The assessment determination is made upon the parcels or lots of land within the Assessment District in proportion to the special benefits to be received by the parcels or lots of land, from the Services.

The assessment is subject to an annual adjustment tied to the Consumer Price Index for the Los Angeles Area as of December of each succeeding year (the "CPI"), with a maximum annual adjustment not to exceed 3%. The assessment rate per single family equivalent benefit unit for the Mosquito Abatement Program Assessment may increase in future years by an amount equal to the annual change in the CPI, not to exceed 3% per year. In the event that the annual change in the CPI exceeds 3%, any percentage change in excess of 3% can be cumulatively reserved and can be added to the annual change in the CPI for years in which the CPI change is less than 3%.

The change in the CPI from December 2014 to December 2015 was 2.03% and the Unused CPI carried forward from the previous fiscal year is 0.00%. Therefore, the maximum authorized assessment rate for fiscal year 2016-17 can be increased by 2.03% which equates to $23.75 per single family equivalent benefit unit. The estimate of cost and budget in this Engineer's Report proposes assessments for fiscal year 2016-17 at the rate of $23.75 for Zone A and $5.94 for Zone B, which is the maximum authorized assessment rate.

The assessment may be continued annually and may be adjusted by up to the maximum annual CPI adjustment without any additional assessment ballot proceeding. In the event that in future years the assessments are continued at a rate less than the maximum authorized assessment rate, the assessment rate in a subsequent year may be increased up to the maximum authorized assessment rate without any additional assessment ballot proceeding.

If property owners, in an assessment ballot proceeding, approve the initial assessment including the CPI adjustment schedule, the assessment may be levied annually and may be adjusted by up to the maximum annual CPI adjustment without any additional assessment ballot proceeding.

Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of Inyo for the fiscal year 2016-17. For a more particular description of the property, reference is hereby made to the deeds and maps on file and of record in the office of the County Assessor of the County of Inyo

I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Roll, the amount of the assessment for the fiscal year 2016-17 for each parcel or lot of land within the Mosquito Control and Disease Prevention Assessment District.

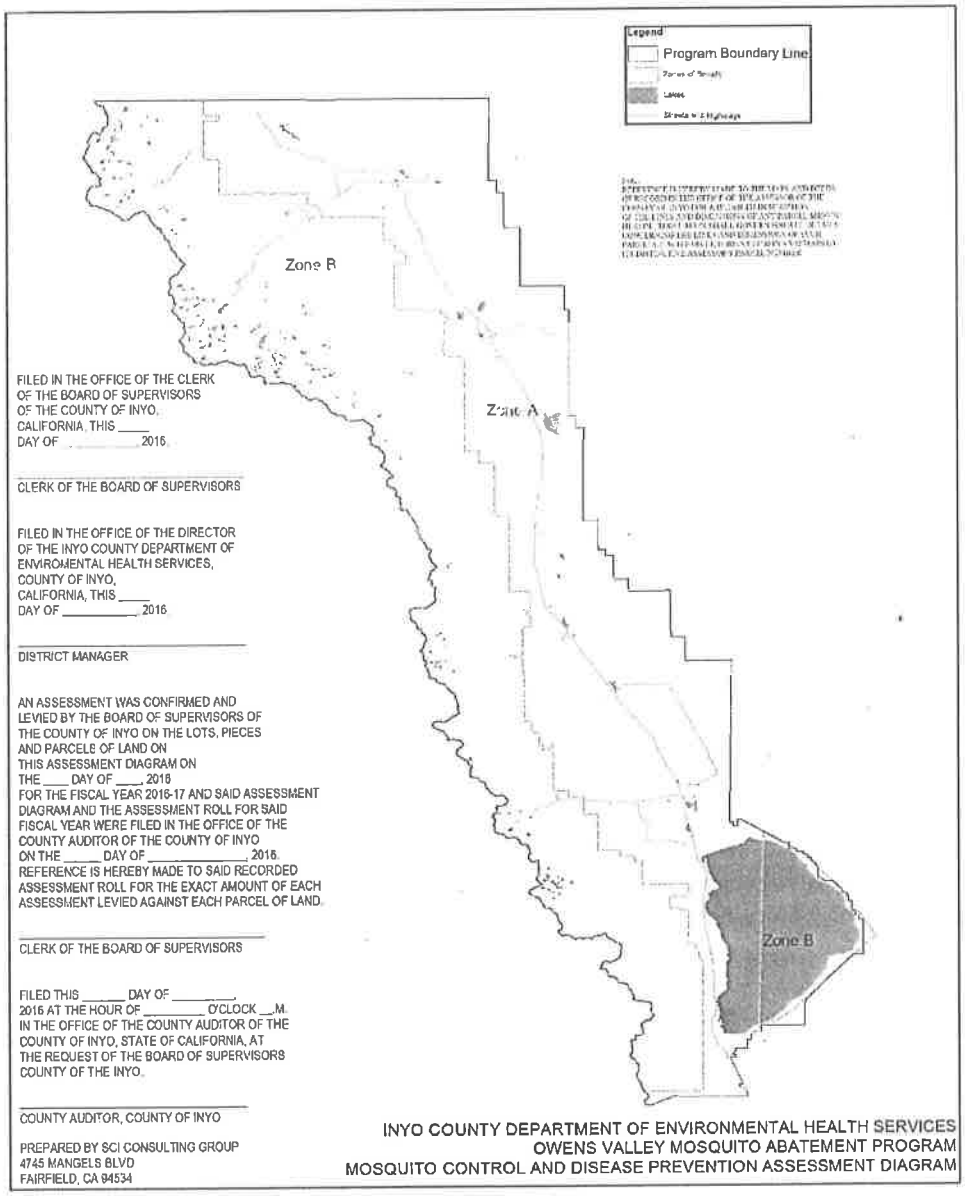
Dated: June 3, 2016

Engineer of Work

By _____
John W. Bliss, License No. C052091

ASSESSMENT DIAGRAM

The boundaries of the Owens Valley Mosquito Abatement Program area are displayed on the following Assessment Diagram.



APPENDICES

ASSESSMENT ROLL, FY 2016-17

Reference is hereby made to the Assessment Roll in and for the assessment proceedings on file in the office of the Program Manager of the Program, as the Assessment Roll is too voluminous to be bound with this Engineer's Report.

END NOTES

i . Assembly Concurrent Resolution 52, chaptered April 1, 2003

ii . In addition to benefits based on the level of service, parcels in Zone B receive benefits from a mosquito reduced environment in the town/shopping areas of the Program, which are mainly located in Zone A.

iii . It should be noted that the benefits conferred upon property are related to the average number of people who could potentially live on, work at or otherwise could use a property, not how the property is currently used by the present owner.

AGENDA REQUEST FORM

BOARD OF SUPERVISORS
COUNTY OF INYO

For Clerk's Use Only:
AGENDA NUMBER
28

☐ Consent ☐ Departmental ☐ Correspondence Action ☐ Public Hearing

☒ Scheduled Time for: 1:30 p.m. ☐ Closed Session ☐ Informational

FROM: County Administrator

FOR THE BOARD MEETING OF: June 28, 2016

SUBJECT: Workshop regarding the Community Project Sponsorship Program grant application evaluation criteria

DEPARTMENTAL RECOMMENDATION:

Request your Board receive presentation regarding the Community Project Sponsorship Program grant application evaluation criteria, and program alternatives, and provide direction to staff.

SUMMARY DISCUSSION:

The Community Project Sponsorship Program (CPSP) provides a method for your Board to allocate funds in support of projects in the County, undertaken by qualified organizations, that enhance in-county or out-of-county visitation to the community, or otherwise provide for the cultural or recreational enrichment of the citizens of Inyo County.

On January 19, 2106, your Board considered recommendations for making remaining Fiscal Year 2015-2016 CPSP grant awards. During its consideration, your Board requested that a Board workshop be conducted prior to the next round of CPSP funding to review the criteria used to evaluate CPSP grant applications and discuss alternative criteria. Today's workshop will provide the requested review of grant application evaluation criteria, and present options for using the current or modified criteria in conjunction with possible alternative allocations schemes. This subject was last discussed in depth by your Board in October 2012.

In addition to a copy of today's presentation (subject to further revisions), attached for your Board's consideration are copies of the current Community Project Sponsorship Program Guidelines, which include the grant award slection criteria, as well as a spreadsheet showing the funding history of the Community Project Sponsorship Program since its inception nine years ago.

Based on the Board's discussion and direction at today's workshop, staff will modify the CPSP Guidelines, and other documents as applicable, and bring them back for review and approval by your Board prior to initiating the first of two application periods for Fiscal Year 2016-2017.

ALTERNATIVES:

Your Board could choose to move the workshop to an alternative date or provide alternative direction to staff.

FINANCING:

There is no cost to the County at this time by reviewing the grant award criteria, and no changes in the total amount of funding for the Community Project Sponsorship Program is being recommended, or anticipated as part of the Fiscal Year 2016-2017 Budget Process. Preliminary funding ($31,350) for the Fiscal Year 2016-2017 Community Project Sponsorship Program is included in the Preliminary Budget, and final Program funding will be considered by your Board as part of its adoption of the Final County Budget for Fiscal year 2016-2017 in September.

APPROVALS	
COUNTY COUNSEL: N/A	AGREEMENTS, CONTRACTS AND ORDINANCES AND CLOSED SESSION AND RELATED ITEMS *(Must be reviewed and approved by county counsel prior to submission to the board clerk.)* Approved: _____ Date_____
AUDITOR/CONTROLLER: N/A	ACCOUNTING/FINANCE AND RELATED ITEMS (M*ust be reviewed and approved by the auditor-controller prior to submission to the board clerk.)* Approved:_____ Date_____
PERSONNEL DIRECTOR: N/A	PERSONNEL AND RELATED ITEMS (Must be reviewed and approved by the director of personnel services prior to submission to the board clerk.) Approved:_____ Date_____

DEPARTMENT HEAD SIGNATURE:
(Not to be signed until all approvals are received)_____ Date: 7/7/16
(The Original plus 20 copies of this document are required)

	CPSP Funded Projects	YEARS FUNDED	1 FY 07/08	2 FY 08/09	3 FY 09/10	4 FY 10/11	5 FY 11/12	6 FY 12/13	7 FY 13/14	8 FY 14/15	9 FY 15/16	TOTAL FUNDING	AVERAGE FUNDING
1	Inyo Co. Visitors Guide	9	$ 10,000	$ 10,000	$ 10,000	$ 9,400	$ 9,000	$ 9,000	$ 8,500	$ 9,000	$ 5,000	$ 79,900	$ 8,878
2	Blake Jones Trout Derby	9	$ 6,800	$ 6,400	$ 5,625	$ 9,600	$ 7,500	$ 8,000	$ 8,000	$ 8,500	$ 8,000	$ 68,425	$ 7,603
3	California High School Rodeo State Finals	9	$ 10,000	$ 9,700	$ 10,000	$ 10,000	$ 9,000	$ 9,500	$ 7,000	$ 7,500	$ 4,000	$ 76,700	$ 8,522
4	Independence Father's Day Derby	9	$ 5,600	$ 4,103	$ 4,550	$ 6,000	$ 5,000	$ 6,000	$ 5,500	$ 6,000	$ 4,500	$ 47,253	$ 5,250
5	Lone Pine Early Opener Derby	8		$ 2,800	$ 7,000	$ 7,200	$ 5,500	$ 6,500	$ 6,500	$ 7,000	$ 6,000	$ 48,500	$ 6,063
6	Wild West Marathon	8		$ 3,900	$ 7,125	$ 5,500	$ 5,000	$ 7,000	$ 7,000	$ 7,000	$ 6,000	$ 48,525	$ 6,066
7	Laws Benefit Concert	8	$ 3,000	$ 3,000	$ 2,375	$ 2,500	$ 1,500	$ 2,000	$ 2,300	$ 3,500		$ 20,175	$ 2,522
8	Death Valley Visitor Guide	7			$ 8,400	$ 5,800	$ 7,000	$ 6,000	$ 5,000	$ 7,000	$ 5,000	$ 44,200	$ 6,314
9	Images of Inyo Photo Contest	7			$ 6,000	$ 6,500	$ 5,500	$ 7,500	$ 8,000	$ 8,500	$ 5,000	$ 47,000	$ 6,714
10	Death Valley Chamber Website	6				$ 6,000	$ 7,000	$ 7,000	$ 6,000	$ 7,500	$ 5,000	$ 38,500	$ 6,417
11	Lone Pine Film Festival	5	$ 9,000	$ 9,000				$ 7,000	$ 6,000		$ 6,000	$ 37,000	$ 7,400
12	Lone Pine Music Events	5					$ 2,000	$ 2,000	$ 6,000	$ 8,000	$ 5,000	$ 23,000	$ 4,600
13	Laws Good Old Days	5	$ 1,400	$ 1,400				$ 1,000	$ 1,200		$ 2,200	$ 7,200	$ 1,440
14	Laws Geocache Event	4				$ 2,500	$ 1,500		$ 1,700	$ 2,000		$ 7,700	$ 1,925
15	Fam Tours for Hospitality Employees	3				$ 5,600	$ 1,500			$ 6,000		$ 13,100	$ 4,367
16	Treasure Map Reprint	3			$ 8,000		$ 5,000	$ 8,500				$ 21,500	$ 7,167
17	Press Reception	3	$ 4,260	$ 3,100						$ 2,500		$ 9,860	$ 3,287
18	Millpond Music Festival	3	$ 6,000					$ 3,000	$ 4,000			$ 13,000	$ 4,333
19	Bishop Creek Summer Classic Derby	3	$ 10,000	$ 4,700	$ 7,000							$ 21,700	$ 7,233
20	Owens Lake Bird Festival	2								$ 5,000	$ 6,000	$ 11,000	$ 5,500
21	Inyo Frame Arts Advertising	2				$ 8,500	$ 4,000					$ 12,500	$ 6,250
22	Rainbow Days Trout Display	2				$ 3,400	$ 3,500					$ 6,900	$ 3,450
23	Fabulous Friday Art Walks	2			$ 3,925	$ 4,200						$ 8,125	$ 4,063
24	Death Valley Visitor Kiosk	2	$ 9,840		$ 9,350							$ 19,190	$ 9,595
25	Death Valley Night Sky Program	2	$ 3,000		$ 6,650							$ 9,650	$ 4,825
26	Bishop Creek Fall Classic Derby	2	$ 8,000	$ 8,000								$ 16,000	$ 8,000
27	Winter Fish Planting	2	$ 6,000	$ 6,400								$ 12,400	$ 6,200
28	Fab Fall Fun Advertising	2	$ 9,800	$ 6,000								$ 15,800	$ 7,900
29	Independence Fireworks	2	$ 5,600	$ 5,600								$ 11,200	$ 5,600
30	Lone Pine Cowboy Up	2	$ 5,000	$ 5,000								$ 10,000	$ 5,000
31	Shoshone Arts & Culture Promotion	1									$ 5,500	$ 5,500	$ 5,500
32	Lone Pine Film History Guided Tours	1									$ 5,000	$ 5,000	$ 5,000
33	Bouldering/Climbing Brochure	1									$ 4,000	$ 4,000	$ 4,000
34	Bishopvisitor.com Website	1									$ 3,900	$ 3,900	$ 3,900
35	Inyo Co. Article Writing Contest	1									$ 3,500	$ 3,500	$ 3,500
36	Travel Show Supplies	1									$ 2,000	$ 2,000	$ 2,000
37	Lone Pine Interesting Facts Brochure	1									$ 1,600	$ 1,600	$ 1,600
38	Alabama Hills Map	1									$ 1,000	$ 1,000	$ 1,000
39	Railroad Express	1									$ 800	$ 800	$ 800
40	Lone Pine Film Museum Billboards	1							$ 8,500			$ 8,500	$ 8,500
41	Inyo Co. Easy Hikes Brochure	1							$ 3,000			$ 3,000	$ 3,000
42	Shoshone Pond Dedication	1							$ 800			$ 800	$ 800
43	OWAC Post Conference Tours	1						$ 4,000				$ 4,000	$ 4,000
44	Playhouse 395 Web Arts Calendar	1						$ 1,500				$ 1,500	$ 1,500
45	Fallen Heroes Mural	1						$ 1,500				$ 1,500	$ 1,500
46	Death Valley Visitor Center Reopening Ceremony	1						$ 3,000				$ 3,000	$ 3,000
47	Backyard History Films (Independence & Laws)	1					$ 7,500					$ 7,500	$ 7,500
48	Lone Pine Short Film Festival	1					$ 6,000					$ 6,000	$ 6,000
49	Lone Pine Youth Hospitality Training	1					$ 5,500					$ 5,500	$ 5,500
50	Student Art Show	1					$ 800					$ 800	$ 800
51	Bishop Mural Map	1					$ 500					$ 500	$ 500
52	Bishop Mural Website	1					$ 200					$ 200	$ 200
53	Winter Classic Fish Derby	1				$ 7,300						$ 7,300	$ 7,300
54	Avalanche Center Webstie	1			$ 4,000							$ 4,000	$ 4,000
55	Death Valley Pocket Map	1		$ 7,710								$ 7,710	$ 7,710
56	Fred Hall Show	1		$ 3,700								$ 3,700	$ 3,700
57	Lone Pine Movie Road Map	1	$ 8,700									$ 8,700	$ 8,700
58	Lone Pine Catch the Gold Fish Contest	1	$ 8,500									$ 8,500	$ 8,500
	TOTAL FUNDING BY YEAR		$ 130,500	$ 100,513	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 95,000	$ 95,000	$ 95,000	$ 916,013	$ 5,585.45

Community Project Sponsorship Grant Program

Update & Review

Purpose

- Provide a means to consider making a financial contribution (assumed to be one-time) for specific events or projects undertaken by non-profit organizations in Inyo County communities that ***"enhance in-county or out-of-county visitation to the community, or otherwise provide for the cultural or recreational enrichment of the citizens of Inyo County."***

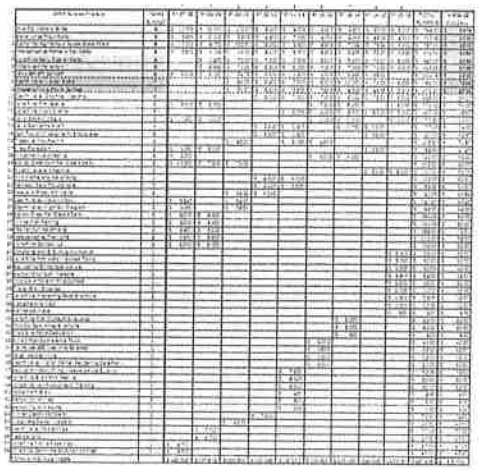
History

- Instituted 9 years ago (Fiscal Year 2007-2008)
- Replaced "Block Grants" formerly issued to County's five Chambers of Commerce
- Expanded the number and types of community organizations that could apply for County "Advertising County Resources" grant funds
- Have made 164 grant awards
- Have funded 58 distinct projects: many new and innovative; some tried and true.
- Currently budgeting $95,000 per year for CPSP grants

Use of Funds

- Awards limited; up to $10,000 per project
- Grant funds may only be used as described to carry out the specific event or project identified in the application
- Grant funds may be used to pay for staff time provided the amount of time paid for does not exceed time allocated for specific event or project.
- Grant funds may not be used for general operating expenses.

Funding History



Options for Consideration

I. Modify, add, and/or delete criteria (and/or associated weighting) used for evaluating requests
II. Authorize staff to reject applications not consistent with stated purpose of CPSP
III. Provide "line item awards" to some perennial projects (and reduce amount of funding for competitive awards*)
    I. 9 of 9 years (4 projects) = $30,253* (*based on average award)
    II. 8 of 9 years (3 projects) = $14,650*
    III. 7 of 9 years (2 projects) = $13,029*
IV. Create a Fishing Promotion component* = $35,000
V. Any combination of I – IV ($52,400 - $74,017*)
VI. No changes
VII. Other?

I. Modify Criteria/Weighting

- Current criteria and weighting will be discussed last.
- Some thoughts to consider relative to other options:
  a. Process is inherently subjective (the human factor)
  b. Subjectivity compounded by trying to evaluate a wider range of projects
     - Could minimize by RFP model seeking proposals for a specific program or project; but would not encourage creativity or variety
  c. Current criteria, while at times seemingly contradictory, intended to allow a comparison of a wide variety of grant proposals(apples to oranges)
  d. Any change in criteria will still necessitate a subjective (value-based) evaluation of disparate or incomparable projects

II. Stricter Purpose

Purpose:

> "Specific events or projects undertaken by non-profit organizations in Inyo County communities that enhance in-county or out-of-county visitation to the community, or otherwise provide for the cultural or recreational enrichment of the citizens of Inyo County"

- Encourage staff to reject applications that do not clearly support purpose of the CPSP
- Would eliminate consideration of funding requests for some brochures, web-sites, trade shows, etc. that are arguably not "events" or "projects" that enhance the "cultural or recreational enrichment of the citizens of Inyo County"

III. Line Item Awards

- Projects receiving awards every year ($30,253)
  - Inyo County Visitor Guide = $8,878* (*avg. award)
  - Blake Jones Trout Derby = $7,603*
  - High School Rodeo Finals = $8,522* (plus $15,000 to Fairgrounds grant)
  - Independence Father's Day Derby = $5,250*
- Projects awarded funding 8 of 9 years ($14,650)
  - Lone Pine Early Opener = $6,063*
  - Wild West Marathon = $6,066*
  - Laws Benefit Concert = $2,522*
- Projects awarded funding 7 of 9 years ($13,029)
  - Death Valley Visitor Guide = $6,314*
  - Images of Inyo Photo contest = $6,714*
- These projects would get automatic grants and be precluded from future CPSP application periods
- Would reduce pool of funding currently available for competitive awards from $95,000 to $64,747 - $36,068

IV. Fishing Promotion Component

- Allocate funding to hold Fishing Derbies in four largest Owens Valley communities and promote fishing countywide
  - Bishop = $7,500
  - Big Pine = $7,500
  - Independence = $7,500
  - Lone Pine = $7,500
  - Opener Press Reception/Rainbow Days = $2,500
  - In-house promotion of slate of derbies = $2,500
- Historical recipients or other eligible entities provide notice of intent to hold derby by specific date and get no strings attached contract
- Communities for which a local organization has not offered sponsor a derby by the cut-off (e.g., Big Pine) date could be picked-up by another organization (located in another community)
  - If more than one entity expresses interest for "unclaimed derby" entities submit grant application for review
- Would reduce pool of funding currently available for competitive awards from $95,000 to $60,000

V. Combinations of I. – IV.

- Could combine any or all of the ideas presented above
- For example:
  - Modify Criteria, and/or
  - Stricter adherence to CPSP's state purpose, and/or
  - Line item funding for non-derby projects funded 9 of 9 years ($17,400)
  - Add Fishing Promotion component ($35,000)
- Above combo would reduce pool of funding currently available for competitive awards from $95,000 to $42,600.
- Extending line item grants to non-derby projects funded 8 of 9 years and 7 of 9 years, and including Fishing Promotion component, would reduce pool of current funding for competitive awards to $36,537 and $23,508

I. Criteria & Weighting Review

Objective. Does the application seek funding for a specific event or project, or component thereof that is likely to enhance in-county or out-of-county visitation to the community, or otherwise provide for the cultural or recreational enrichment of the citizens of Inyo County?
Community Support. Does the project or event have strong community support? Of the total time allocated to the project or event, how many hours will volunteers provide? Are multiple community organizations collaborating to carry out the project or event? Is there evidence of monetary or in-kind support from the local business community?

I. Criteria & Weighting Review

Likelihood of Success. Is it the applicant likely to carry out what is being proposed, and do it well? Does the information contained in the application seem realistic (e.g., total cost, total time, number of volunteers, etc.)? Does the applicant have a track record of successfully implementing the proposed, or similar projects or events? Is the nature of the project or event such that it seems "doable?" If the applicant is a previous County grant recipient, how well did they comply with the terms and conditions of the grant?
Scope of Benefit. Is the benefit of the project or event clearly articulated? Will the project or event benefit the entire community, or primarily benefit only segments of, or specific organizations/businesses in the community? If the project or event is a fundraiser, how and to which organization(s) will the funds be disbursed? Does the benefit of the project or event extend to the greater region, or the County as a whole?

I. Criteria & Weighting Review

Overall Merit. What is the overall quality of the idea being proposed? Is it unique? Is it "tried and true"? Does it support the tenets of "civic tourism" (e.g., eco tourism, agricultural tourism, cultural tourism, heritage tourism, geotourism, etc.)? [See www.civictourism.org]. Does the proposed activity create an appealing, dynamic, prosperous, and distinctive community identity? Does the project or event articulate or enhance what people love about the community in which they live, recreate or vacation?
Measurable Outcomes. Is the means the applicant proposes to use to measure the success of the project or event reasonable? Is it verifiable?

I. Criteria & Weighting Review

Leveraging of Resources. If the Community Project Sponsorship Program grant is the primary source of monetary funding for the project or event: (1) what will be the return on the County's investment (e.g., community benefit, funds raised, visitors attracted)? and/or (2) what is the value of the in-kind services or donations being pledged to the event? If the amount requested is less than 50% of the cash needs for the project or event, what additional benefit(s) will be derived as a result of receiving Community Project Sponsorship Program funding?
Regional Context. Is the project or event part of an organized series of regional events or a regional theme? Does the project or events have a possible future regional application?

I. Criteria & Weighting Review

Sustainability. Is the project or event intended and likely to continue in the future without additional Community Project Sponsorship Program support?
Other County Support. Is the funding being requested through the Community Project Sponsorship Program the only form of financial or in-kind support the applicant, or project or event, will receive from Inyo County this fiscal year?
Clarity. Is the proposed activity, including anticipated outcomes, clearly and concisely stated? Is the information presented in the application consistent? Are the expenses for which Community Project Sponsorship Program grant funding is sought clearly identified, and such that reimbursement for eligible expenses can be easily made?

I. Criteria & Weighting Review

- Objective - 10 points
- Community Support - 15 points
- Likelihood of Success - 10 points
- Scope of Benefit - 10 points
- Overall Merit - 15 points
- Measurable Outcomes - 5 points
- Leveraging of Resources - 10 points
- Regional Context - 5 points
- Sustainability - 5 points
- Other County Support - 5 points
- Clarity - 10 points

I. Criteria & Weighting Review

- A MINIMUM SCORE OF 70 IS REQUIRED FOR FINAL CONSIDERATION
- The committee then reviews all projects eligible for final consideration
- The final review considers the available funds and the amount requested relative to the merits of each application. *This is often the most challenging part of the process for the committee.*

VI. No Changes

- Current system was developed with considerable thought and input
  - Yes, it's admittedly subjective
- Current system provides an effective means for recommending the allocation of funds to the Board
  - 164 grants totaling almost $1 Million
  - 58 distinct, and often innovative projects
- Maximizes availability of current funding levels for greatest variety of projects to greatest variety of organizations
- Can certainly be tweaked . . .

VII. Other

- Limit number of applications allowed by an entity?
- All or Nothing Funding (put balance toward County's purchased advertising)?
- Clarify no "switching" projects after grant awarded?
- Bring all projects to the Board for review (eliminate review committee)?
- Present your Board with more information?
- ???

Thoughts? Direction?

THANK YOU?

REVIEW PANELIST: _____ DATE _____

NAME OF PROJECT/EVENT: _____

RECOMMENDED FUNDING: $_____

CRITERIA	POINTS POSSIBLE	POINTS AWARDED	COMMENTS (OPTIONAL)
Objective. Does the application seek funding for a specific event or project, or component thereof that is likely to enhance in-county or out-of-county visitation to the community, or otherwise provide for the cultural or recreational enrichment of the citizens of Inyo County?	10		
Community Support. Does the project or event have strong community support? Of the total time allocated to the project or event, how many hours will volunteers provide? Are multiple community organizations collaborating to carry out the project or event? Is there evidence of monetary or in-kind support from the local business community?	15		
Likelihood of Success. Is it the applicant likely to carry out what is being proposed, and do it well? Does the information contained in the application seem realistic (e.g., total cost, total time, number of volunteers, etc.)? Does the applicant have a track record of successfully implementing the proposed, or similar projects or events? Is the nature of the project or event such that it seems "doable?" If the applicant is a previous County grant recipient, how well did they comply with the terms and conditions of the grant?	10		
Scope of Benefit. Is the benefit of the project or event clearly articulated? Will the project or event benefit the entire community, or primarily benefit only segments of, or specific organizations/businesses in the community? If the project or event is a fundraiser, how and to which organization(s) will the funds be disbursed? Does the benefit of the project or event extend to the greater region, or the County as a whole?	10		
Overall Merit. What is the overall quality of the idea being proposed? Is it unique? Is it "tried and true"? Does it support the tenets of "civic tourism" (e.g., eco tourism, agricultural tourism, cultural tourism, heritage tourism, geotourism, etc.)? [See www.civictourism.org]. Does the proposed activity create an appealing, dynamic, prosperous, and distinctive community identity? Does the project or event articulate or enhance what people love about the community in which they live, recreate or vacation?	15		
Measurable Outcomes. Is the means the applicant proposes to use to measure the success of the project or event reasonable? Is it verifiable?	5		
Leveraging of Resources. If the Community Project Sponsorship Program grant is the primary source of monetary funding for the project or event: (1) what will be the return on the County's investment (e.g., community benefit, funds raised, visitors attracted)? and/or (2) what is the value of the in-kind services or donations being pledged to the event? If the amount requested is less than 50% of the cash needs for the project or event, what additional benefit(s) will be derived as a result of receiving Community Project Sponsorship Program funding?	10		
Regional Context. Is the project or event part of an organized series of regional events or a regional theme? Does the project or events have a possible future regional application?	5		
Sustainability. Is the project or event intended and likely to continue in the future without additional Community Project Sponsorship Program support?	5		
Other County Support. Is the funding being requested through the Community Project Sponsorship Program the only form of financial or in-kind support the applicant, project or event, will receive from Inyo County this fiscal year?	5		
Clarity. Is the proposed activity, including anticipated outcomes, clearly and concisely stated? Is the information presented in the application consistent? Are the expenses for which Community Project Sponsorship Program grant funding is sought clearly identified, and such that reimbursement for eligible expenses can be easily made?	10		
TOTAL	100		

COMMUNITY PROJECT SPONSORSHIP PROGRAM GUIDELINES

Overview

The Community Project Sponsorship Program provides an opportunity for the County of Inyo to sponsor, in the form of a financial contribution, specific events or projects undertaken by non-profit organizations in Inyo County communities that enhance in-county or out-of-county visitation to the community, or otherwise provide for the cultural or recreational enrichment of the citizens of Inyo County.

Funding

Each year, as part of the County Budget process, the Board of Supervisors appropriates the amount of funding available for the Community Project Sponsorship Program. Applications for Community Project Sponsorship Program funding will only be considered after the County Budget is adopted.

However, to provide an opportunity to sponsor events or projects that will take place during July, August, September or October – the months when the County Budget is usually being prepared, adopted and initially implemented – up to 35% of the prior fiscal year's Board-Approved budget for the Community Project Sponsorship Program will be included in the County's Preliminary Budget for the coming fiscal year. For example, if the Community Project Sponsorship Program has a Board-Approved Budget of $100,000 for FY 2007-2008, the Preliminary Budget for FY 2008-2009 may include $35,000 to make Community Project Sponsorship Program grants for events or projects being held after July 1st and before November 2008.

The Community Project Sponsorship Program is intended to provide funding – in the form of County sponsorship – for a specific event or project. Accordingly, it should be considered one-time funding. Annual events or reoccurring projects are eligible to submit Community Project Sponsorship Program applications in consecutive years, but there is no assurance of receiving on-going funding.

Grant funding must be applied for, and awarded by the Inyo County Board of Supervisors in advance of the event or project (or component thereof) for which

financial assistance is sought. Funding is not available to pay for costs that have already been incurred by the applicant before the grant funding is awarded by the Board of Supervisors.

The maximum amount of any single grant award made through the Community Project Sponsorship Program is $10,000.00.

Application Periods

The County will usually accept applications to the Community Project Sponsorship Program in October and May. The Board of Supervisors will consider applications to the Community Project Sponsorship Program twice a year.

Applications for the Community Project Sponsorship Program will be available once the Board of Supervisors adopts the County Budget, usually in September. During the month of October, the County will accept applications to the Community Project Sponsorship Program for events and projects that will be implemented prior to June 30th of the fiscal year, and the Board of Supervisors will usually consider all complete and eligible applications in November.

In May, the County will accept applications to the Community Project Sponsorship Program for events and projects that will occur between July 1st and the second Tuesday in November in the next fiscal year. The Board of Supervisors will consider all complete and eligible applications in June.

Eligibility

Only non-profit organizations certified by the Internal Revenue Service as 501(c)(3), 501(c)(4), 501(c)(6), or 501(c)(7) organizations at the time the application is submitted, and having its principal office, primary place of operations and business address in Inyo County, are eligible to apply for a Community Project Sponsorship Program grant. If awarded a grant, an organization must maintain such status during the term of the grant award.

To be considered for a Community Project Sponsorship Program grant, the grant applications must be:

1. Submitted by an eligible organization;
2. For a specific project or event, or a specific component of an on-going project or event, that:
    a. enhances in-county and/or out-of-county visitation to the community; or,
    b. otherwise provides for the cultural or recreational enrichment of the citizens of Inyo County
3. Complete.

A grant application that seeks funding for more than one event or project in the same application will not be considered. However, eligible organizations may submit more

than one Community Project Sponsorship Program grant application. Each project or event, or component thereof for which funding is sought must be accompanied by a separate Community Project Sponsorship Program grant application.

Note: The Community Project Sponsorship Program is not intended to provide funding for projects or events administered by, or that directly benefit any institution operated by the County of Inyo. Applications that appear to seek funding for such projects or events will not be considered.

Selection Process

Applications for Community Project Sponsorship Program grants will not be reviewed until after the submittal deadline printed on the application. Following the application deadline, applications that have been timely submitted will be screened for completeness, and the eligibility of the applicant will be assessed. Incomplete applications, and applications from applicants whose eligibility is not clearly established (e.g., failure to provide documentation of IRS certification of 501(c)(3), 501(c)(4), 501(c)(6), or 501(c)(7), valid tax identification number, or demonstrate its operations as having its principal office, primary place of operations and business address in Inyo County, will not be considered further. It is the sole responsibility of the applicant to ensure that its application is complete, and its eligibility clearly demonstrated.

Applications deemed complete and submitted by an eligible applicant will be forwarded to a Review Panel comprised of County staff, staff from other public agencies, and/or community leaders. The Review Panel will evaluate each application, on its own merits, using the following criteria:

i. **Objective [10 points].** Does the application seek funding for a specific event or project, or component thereof that is likely to enhance in-county or out-of-county visitation to the community, or otherwise provide for the cultural or recreational enrichment of the citizens of Inyo County?

ii. **Community Support [15 points].** Does the project or event have strong community support? Of the total time allocated to the project or event, how many hours will volunteers provide? Are multiple community organizations collaborating to carry out the event or project? Is there evidence of monetary or in-kind support from the local business community?

iii. **Likelihood of Success [10 points].** Is the applicant likely to carry out what is being proposed, and do it well? Does the information contained in the application seem realistic (e.g., total cost, total time, number of volunteers, etc.)? Does the applicant have a track record of successfully implementing the proposed, or similar events or projects? Is the nature of the event or project such that it seems "doable?" If the applicant is a previous County grant recipient, how well did they comply with the terms and conditions of the grant?

iv. **Scope of Benefit [10 points].** Is the benefit of the event or project clearly articulated? Will the event or project benefit the entire community, or primarily benefit only segments of, or specific organizations/businesses in the community? If the event or

project is a fundraiser, how and to which organization(s) will the funds be disbursed? Does the benefit of the event or project extend to the greater region, or the County as a whole?

v. **Overall Merit [15 points].** What is the overall quality of the idea being proposed? Is it unique? Is it "tried and true"? Does it support the tenets of "civic tourism" (e.g., eco tourism, agricultural tourism, cultural tourism, heritage tourism, geotourism, etc.)? [See www.civictourism.org]. Does the proposed activity create an appealing, dynamic, prosperous, and distinctive community identity? Does the event or project articulate or enhance what people love about the community in which they live, recreate or vacation?

vi. **Measurable Outcomes [5 points].** Is the means the applicant proposes to use to measure the success of the project or event reasonable? Is it verifiable?

vii. **Leveraging of Resources [10 points].** If the Community Project Sponsorship Program grant is the primary source of monetary funding for the event or project: (1) what will be the return on the County's investment (e.g., community benefit, funds raised, visitors attracted)? and/or (2) what is the value of the in-kind services or donations being pledged to the event or project? If the amount requested is less than 50% of the cash needs for the event or project, what additional benefit(s) will be derived as a result of receiving Community Project Sponsorship Program funding?

viii. **Regional Context [5 points].** Is the event or project part of an organized series of regional events or a regional theme? Does the event or projects have a possible future regional application?

ix. **Sustainability [5 points].** Is the event or project intended and likely to continue in the future without additional Community Project Sponsorship Program support?

x. **Other County Support [5 points].** Is the funding being requested through the Community Project Sponsorship Program the only form of financial or in-kind support the applicant, or event or project, will receive from Inyo County this fiscal year?

xi. **Clarity [10 points]**. Is the proposed activity, including anticipated outcomes, clearly and concisely stated? Is the information presented in the application consistent? Are the expenses for which Community Project Sponsorship Program grant funding is sought clearly identified, and such that reimbursement for eligible expenses can be easily made?

The points assigned to each criteria category by individual members of the Review Panel will be averaged, and the average score awarded in each criteria category will be totaled. Applications must receive a total score of at least 70 points (out of 100 points possible) to be eligible for funding consideration. The Review Panel will make funding recommendations based on the scores each application receives. The Review Panel may also recommend specific limitations on the use of grant funds.

The Review Panel will forward applications that score 70 points or higher, and associated funding recommendations to the Board of Supervisors. The Board of Supervisors may accept, modify or reject the Review Panel's recommendations. The decision of the Board of Supervisors will be final and not subject to appeal.

Use of Funds

Community Project Sponsorship Program grant funds shall only be used as described, and to carry out the specific event or project identified in the grant application as approved by the Inyo County Board of Supervisors.

Grant funds may be used to pay for regularly paid staff time, exclusive of overtime and benefits, providing that the amount of staff time paid for with grant funds does not exceed staff time allocated to the specific event or project.

Community Project Sponsorship Program grant funds cannot be used to pay for expenses associated with the applicant's day-to-day operating costs (e.g., office rent, office utilities, general office supplies, general travel expense, general insurance, per diem, etc.).

Requirements

All grant applicants must successfully execute Inyo County Standard Contract Number 159 (copy attached), including provision of a valid W-9 form, documentation of IRS certification of 501(c)(3), 501(c)(4), 501(c)(6), or 501(c)(7), and demonstrated proof of insurance, including but not limited to General Liability, Automobile Liability, Workers' Compensation, Errors and Omissions, etc. (see Inyo County Standard Contract Number 159 for complete details about insurance requirements and provisions that must be met by grant applicants).

Requirements that the grant applicant is expected to comply with include, but are not limited to:

- All events and projects must be completed within the fiscal year (July 1 to June 30) in which the grant award was made.

- The County of Inyo must be listed as an event or project sponsor on all advertisements, promotional items, or other collateral materials (including brochures, web sites, etc.) associated with the event or project. This includes featuring the County seal, web site and/or being credited by name in writing if so specified by the County. Acceptable credit lines in advertisements, posters, web pages, etc., include "Sponsored by the County of Inyo," "Co-Sponsored by the County of Inyo," "Funded in part by the County of Inyo," or other similar phrasing. The official seal of the County of Inyo (not the marketing brand/graphic for "The Other Side of California") shall be used unless otherwise approved in writing by the County. The acknowledgement of the County's contribution should be in roughly equal proportion to the level of sponsorship. If the web pages of sponsors are being included in promotional material, www.theothersideofcalifornia should be used, not the County's general government web page. There are some cases where promotional material is used to both thank sponsors and help promote sponsors. In such cases, event

organizers should use "The Other Side of California" brand/logo. County staff will be available to help determine how the grant recipient can include the appropriate credit for the County's contribution to the event or project. The applicant will be required to demonstrate compliance with this requirement prior to receiving the last 25% of its grant award.

- If there is a circumstance which makes it unpractical, physically improbable, or graphically and technically inappropriate to include the required credit or sponsorship information noted above, the County must be notified and then approve in advance, in writing or e-mail, any advertisement or promotional item that does not include listing or crediting the County as an event sponsor or contributor. The County and the applicant will, at that time, agree on alternative ways (press releases, Web page announcements, other material related to the event) to give the county the appropriate credit for co-sponsoring or co-funding the event. NOTE: Experience indicates that it would be a rare circumstance that would preclude compliance with the requirement to list the county as a sponsor on all ads and promotional material. The County's approval will not be unreasonably withheld.

- All content and photos, information, logos, etc. used in advertisements and promotional items must be appropriately licensed.

- Inyo County expects the grant recipient to grant the County the right to access and use, in county promotional or advertising campaigns, all artwork and collateral components (photos, drawings, logos, etc.) of the promotional or advertising materials funded with Community Project Sponsorship monies.

- Only costs incurred after the Board of Supervisors has approved the grant award are eligible for reimbursement.

- Prepaid expenses are not eligible for grant funding until the good or service is actually received, unless prepaid costs are specifically identified in the grant application and subsequently approved by the County.

- Prepayment of print, Web, television, billboard, radio or other types of advertising is permitted. Those advertising buys must be identified in detail in the grant application with regard to the media buy and estimated price.

- Reimbursement of the final 25% of the grant award will not be made until the applicant has:

  - Completed the event or project identified in the grant application.
  - Submitted appropriate documentation of eligible expenses to the County.
  - Submitted samples of all promotional materials produced in relation to the event or project, and demonstrating that all promotional materials for the event or project identified Inyo County as a sponsor of the activity.
  - Completed and submitted the Final Report form provided by the County.

- Submitted a final written report to the County that includes an overview of the event or project, a statistical overview of the event or project – number of participants, etc. – or other relevant details about the event or project. If the final written report is deemed satisfactory, County staff can present the final written report and other supplemental information about the event or project and provide an oral report to the Board of Supervisors, but grantees still have the option to attend and make a presentation.
- If there are questions or concerns expressed by county staff about the expenditure of the grant money as outlined in the final written report, or if the Board of Supervisors has additional questions and determines it needs more information than in the written final report, the grant recipient will appear in front of the Board to present a final, oral and written report.

- Reimbursement of eligible paid staff costs will only be made after the event or project has been completed, thus the invoice or billing for staff costs can only be included in the Final Report, which is completed in order to receive the final 25 percent of the grant funds.

Failure to comply with any of these requirements, or other provisions of Standard Contract Number 159 may result in a suspension of grant funding, require reimbursement of grant monies already advanced, and disqualify the applicant from consideration for future grant funding.

Receipt of Grant Funds

Upon the County and Applicant executing Inyo County Standard Contract Number 159, the grant recipient will, within 30 calendar days, receive 50% of the amount of their grant award (excluding paid staff costs).

The County will advance to the grant recipient an additional 25% of their total grant award within 30 calendar days of the County's receipt of satisfactory documentation demonstrating that the grant recipient has expended the initial grant funding consistent with the terms of their application and contract with the County.

If the grant recipient does not have readily available satisfactory documentation demonstrating the initial 75 percent of grant funding has been spent consistent with the terms of the application and contract with the County, the matter will be presented to the Board of Supervisors for a determination of whether the recipient must reimburse the County for the initial grant funds. Additional terms and conditions with regard to future Community Sponsorship Grants can also be placed on the grant recipient at the direction and discretion of the Board of Supervisors.

The County will pay the final 25% of the grant award, and all eligible paid staff expenses within 30 calendar days after:

- Completion of the event or project; and,

- Receipt and approval of a Final Reimbursement Request including appropriate documentation of expenses; and,
- Receipt of the completed Final Report Form; and,
- Receipt of copies of all promotional materials developed in association with the event or project, and pre-approved by the County, and demonstrating acknowledgement of the County as a sponsor of the activity; and,
- Grantees can make a final presentation in front of the board, or can submit a final report and have county staff present the final report to the board. If there are questions or concerns expressed by county staff about the expenditure of the grant money as outlined in the final written report, or if the Board of Supervisors has additional questions and determines it needs more information than in the written final report, the grant recipient will appear in front of the Board to present a final, oral and written report.

29

CITY OF BISHOP

377 West Line Street – Bishop, CA 93514
P.O. Box 1236 – Bishop, CA 93515
City Hall (760) 873-5863 – Fax (760) 873-4873

June 20, 2016

County of Inyo Board of Supervisors
224 North Edwards
Independence, CA 93526

RE: November 8, 2016 General Municipal Election

Dear Board of Supervisors:

Please find attached three resolutions which were approved and adopted by the Bishop City Council at their May 23, 2016 regular City Council meeting. The attached three resolutions, Resolution No. 2016-06, Resolution No. 2016-07, and Resolution No. 2016-08 are to facilitate the City of Bishop General Municipal Election to be consolidated with the Statewide General Election scheduled on Tuesday, November 8, 2016 for the election of three Council Members and a City Treasurer. The terms for Laura Smith, Jim Ellis, and Pat Gardner will be expiring.

Resolution No. 2016-06 calls for the holding of a General Municipal Election to be held on Tuesday, November 8, 2016, for the election of certain officers as required by the provisions of the laws of the State of California relating to general law cities.

Resolution No. 2016-07 requests the Board of Supervisors of the County of Inyo to consolidate a General Municipal Election to be held on November 8, 2016, with the Statewide General Election to be held on the date pursuant to Section 10403 of the Elections Code.

Resolution No. 2016-08 adopts regulations for candidates for elective office pertaining to candidates statements submitted to the voters at an election to be held on Tuesday, November 8, 2016.

Should you have any questions or concerns, please feel free to contact me directly at (760) 873-5863.

Sincerely,

Jim Tatum
City Administrator

Enclosures (3)

RESOLUTION NO. 2016-06

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BISHOP, CALIFORNIA, CALLING FOR THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 8, 2016, FOR THE ELECTION OF CERTAIN OFFICERS AS REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES.

WHEREAS, under the provisions of the laws relating to general law cities in the State of California, a General Municipal Election shall be held on November 8, 2016, for the election of Municipal Officers; and

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

SECTION 1. That pursuant to the requirements of the laws of the State of California relating to General Law Cities, there is called and ordered to be held in the City of Bishop, California, on Tuesday, November 8, 2016, a General Municipal Election for the purpose of electing three Members of the City Council for the full term of four years; and a City Treasurer for the full term of four years.

SECTION 2. That the ballots to be used at the election shall be in form and content as required by law.

SECTION 3. That the City Clerk is authorized, instructed and directed to coordinate with the County of Inyo Registrar-Recorder/County Clerk to] procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

SECTION 4. That the polls for the election shall be open at seven o'clock a.m. of the day of the election and shall remain open continuously from that time until eight o'clock p.m. of the same day when the polls shall be closed, pursuant to Election Code § 10242, except as provided in § 14401 of the Elections Code of the State of California.

SECTION 5. That in all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 6. That notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.

SECTION 7. That in the event of a tie vote (if any two or more persons receive an equal and the highest number of votes for an office) as certified by the County of Inyo Registrar-Recorder/County Clerk, the City Council, in accordance with Election Code § 15651(a), shall set a date and time and place and summon the candidates who have received the tie votes to appear and will determine the tie by lot.

SECTION 8. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

SECTION 9. The City Council authorizes the City Clerk to administer said election and all reasonable and actual election expenses shall be paid by the City upon presentation of a properly submitted bill.

PASSED, APPROVED AND ADOPTED ON MAY 23, 2016.

Laura Smith, Mayor

ATTEST: Jim Tatum, City Clerk

By: _____
Robin Picken, Assistant City Clerk

STATE OF CALIFORNIA
COUNTY OF INYO
CITY OF BISHOP

I, Robin Picken, Assistant City Clerk for the City of Bishop, do hereby certify that the whole number of members of the City Council of said City of Bishop is five (5); that the foregoing Resolution No. 2016-06 was duly passed and adopted by said City Council; approved and signed by the Mayor of said City; and attested by the City Clerk of said City, all at a regular meeting of said City Council, held on May 23, 2016, and that the same was so passed and adopted by the following roll call vote.

AYES: Schwartz, Ellis, Gardner, Pecsi, Smith

ABSENT: None

NOES: None

DISQUALIFIED: None

WITNESS, my hand and the seal of the City of Bishop this 24th day of May 2016.

Robin Picken

Robin Picken, Assistant City Clerk
CITY OF BISHOP

RESOLUTION NO. 2016-08

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BISHOP, CALIFORNIA, ADOPTING REGULATIONS FOR CANDIDATES FOR ELECTIVE OFFICE PERTAINING TO CANDIDATES STATEMENTS SUBMITTED TO THE VOTERS AT AN ELECTION TO BE HELD ON TUESDAY, NOVEMBER 8, 2016.

WHEREAS, §13307 of the Elections Code of the State of California provides that the governing body of any local agency adopt regulations pertaining to materials prepared by any candidate for a municipal election, including costs of the candidates statement;

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

SECTION 1. GENERAL PROVISIONS. That pursuant to §13307 of the Elections Code of the State of California, each candidate for elective office to be voted for at an Election to be held in the City of Bishop on November 8, 2016 may prepare a candidate's statement on an appropriate form provided by the City Clerk. The statement may include the name, age and occupation of the candidate and a brief description of no more than 200 words of the candidate's education and qualifications expressed by the candidate himself or herself. The statement shall not include party affiliation of the candidate, nor membership or activity in partisan political organizations. The statement shall be filed in typewritten form in the office of the City Clerk at the time the candidate's nomination papers are filed. The statement may be withdrawn, but not changed, during the period for filing nomination papers and until 5:00 p.m. of the next working day after the close of the nomination period.

SECTION 2. FOREIGN LANGUAGE POLICY.

A. Pursuant to the Federal Voting Rights Act, candidates statements will be translated into all languages required by the County of Inyo. At this time, the County of Inyo has no foreign language requirements.
B. The County will print and mail sample ballots and candidates statements to all voters in any foreign language requested as an option by the candidate.

SECTION 3. PAYMENT.

A. Translations:
   1. The candidate shall be required to pay for the cost of translating the candidates statement into any foreign language that is <u>not required</u> as specified in (A) and/or (B) of Section 2 above, pursuant to Federal and\or State law, but is requested as an option by the candidate.
B. Printing:
   1. The candidate shall be required to pay for the cost of printing the candidates statement in English in the main voter pamphlet.
   2. The candidate shall be required to pay for the cost of printing the candidates statement in a foreign language requested by the candidate per (B) of Section 2 above, in the main voter pamphlet.

The City Clerk shall estimate the total cost of printing, handling, translating, and mailing the candidate's statements filed pursuant to this section, including costs incurred as a result of complying with the Voting Rights Act of 1965 (as amended), and require each candidate filing a statement to pay in advance to the local agency his or her estimated pro rata share as a condition of having his or her statement included in the voter's pamphlet. In the event the estimated payment is required, the estimate is just an approximation of the actual cost that varies from one election to another election and may be significantly more or less than the estimate, depending on the actual number of candidates filing statements. Accordingly, the clerk is not bound by the estimate and may, on a pro rata basis, bill the candidate for additional actual expense or refund any excess paid depending on the final actual cost. In the event of underpayment, the clerk may require the candidate to pay the balance of the cost

incurred. In the event of overpayment, the clerk shall prorate the excess amount among the candidates and refund the excess amount paid within 30 days of the election.

SECTION 4. MISCELLANEOUS.

A) All translations shall be provided by professionally-certified translators.
B) The City Clerk shall allow upper and lower case and block paragraph form to the same extent and manner as allowed by the County.
C) The City Clerk shall comply with all recommendations and standards set forth by the California Secretary of State regarding occupational designations and other matters relating to elections.

SECTION 5. ADDITIONAL MATERIALS. No candidate will be permitted to include additional materials in the sample ballot package.

SECTION 6. That the City Clerk shall provide each candidate or the candidate's representative a copy of this Resolution at the time nominating petitions are issued.

SECTION 7. That all previous resolutions establishing council policy on payment for candidates statements are repealed.

SECTION 8. That this resolution shall apply at the next ensuing municipal election and at each municipal election after that time.

SECTION 9. That this resolution shall apply only to the election to be held on November 8, 2016 and shall then be repealed.]

SECTION 10. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED ON MAY 23, 2016.

Laura Smith, Mayor

ATTEST: Jim Tatum, City Clerk

By: _____
Robin Picken, Assistant City Clerk

STATE OF CALIFORNIA
COUNTY OF INYO
CITY OF BISHOP

I, Robin Picken, Assistant City Clerk for the City of Bishop, do hereby certify that the whole number of members of the City Council of said City of Bishop is five (5); that the foregoing Resolution No. 2016-08 was duly passed and adopted by said City Council; approved and signed by the Mayor of said City; and attested by the City Clerk of said City, all at a regular meeting of said City Council, held on May 23, 2016, and that the same was so passed and adopted by the following roll call vote.

AYES: Schwartz, Ellis, Gardner, Pecsi, Smith

ABSENT: None

NOES: None

DISQUALIFIED: None

WITNESS, my hand and the seal of the City of Bishop this 24th day of May 2016.

Robin Picken, Assistant City Clerk
CITY OF BISHOP

RESOLUTION NO. 2016-07

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BISHOP, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF INYO TO CONSOLIDATE A GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 8, 2016, WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON THE DATE PURSUANT TO § 10403 OF THE ELECTIONS CODE.

WHEREAS, the City Council of the City of Bishop called a General Municipal Election to be held on November 8, 2016, for the purpose of the election of three Members of the City Council, a City Treasurer; and

WHEREAS, it is desirable that the General municipal election be consolidated with the Statewide General election to be held on the same date and that within the city the precincts, polling places and election officers of the two elections be the same, and that the county election department of the County of Inyo canvass the returns of the General Municipal Election and that the election be held in all respects as if there were only one election;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BISHOP DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That pursuant to the requirements of § 10403 of the Elections Code, the Board of Supervisors of the County of Inyo is hereby requested to consent and agree to the consolidation of a General Municipal Election with the Statewide General election on Tuesday, November 8, 2016, for the purpose of the election of three Members of the City Council, and a City Treasurer.

SECTION 2. That the county election department is authorized to canvass the returns of the General Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used. The election will be held and conducted in accordance with the provisions of law regulating the statewide or special election.

SECTION 3. That the Board of Supervisors is requested to issue instructions to the county election department to take any and all steps necessary for the holding of the consolidated election.

SECTION 4. That the City of Bishop recognizes that additional costs will be incurred by the County by reason of this consolidation and agrees to reimburse the County for any costs.

SECTION 5. That the City Clerk is hereby directed to file a certified copy of this resolution with the Board of Supervisors and the county election department of the County of Inyo.

SECTION 6. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED ON MAY 23, 2016.

Laura Smith, Mayor

ATTEST: Jim Tatum, City Clerk

By: Robin Picken
Robin Picken, Assistant City Clerk

STATE OF CALIFORNIA
COUNTY OF INYO
CITY OF BISHOP

I, Robin Picken, Assistant City Clerk for the City of Bishop, do hereby certify that the whole number of members of the City Council of said City of Bishop is five (5); that the foregoing Resolution No. 2016-07 was duly passed and adopted by said City Council; approved and signed by the Mayor of said City; and attested by the City Clerk of said City, all at a regular meeting of said City Council, held on May 23, 2016, and that the same was so passed and adopted by the following roll call vote.

AYES: Schwartz, Ellis, Gardner, Pecsi, Smith

ABSENT: None

NOES: None

DISQUALIFIED: None

WITNESS, my hand and the seal of the City of Bishop this 24th day of May 2016.

Robin Picken

Robin Picken, Assistant City Clerk
CITY OF BISHOP

30

NORTHERN INYO HOSPITAL
Northern Inyo Healthcare District

150 Pioneer Lane
Bishop, California 93514
(760) 873-5811 voice
(760) 872-2768 fax

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2016 JUN 29 AM 8:42

Board of Directors

- **Denise Hayden**
  President
- **Peter Watercott**
  Vice President
- **M.C. Hubbard**
  Secretary
- **John Ungersma**
  M.D.
  Treasurer
- **Mary Mae**
  Kilpatrick
  Member At Large

June 17, 2016

Inyo County Board of Supervisors
P.O. Drawer N
Independence, CA 93526

Dear County Board of Supervisors:

Pursuant to the enclosed copy of Resolution 16-04 adopted by the Northern Inyo Healthcare District Board of Directors on June 15, 2016, we respectfully request permission to hold the Healthcare District election of Directors at the time of the general election on November 8, 2016.

Also enclosed please find a copy of our Notice of Elective Offices to be Filled filed with the Inyo County Clerk.

Thank you for your consideration of this request.

Respectfully,

Kevin S. Flanigan, MD, MBA
Chief Executive Officer
Northern Inyo Healthcare District

Enclosures

Web Site
www.nih.org

Notice to County Clerk of Elective Offices to be Filled and Transmittal of Map and Boundaries

(Residential and Landowner Voting Districts)

(Elections Code §10509, 10522, 10524)

NORTHERN INYO HEALTHCARE DISTRICT

(Name of District)

To the County Clerk of Inyo County.

(1) Notice is hereby given that the elective offices of the district to be filled at the General District Election on November 8, 2016 are as follows:

2 yr.

4 yr. BOARD MEMBER, DISTRICT ZONE 1
BOARD MEMBER, DISTRICT ZONE 2
BOARD MEMBER, DISTRICT ZONE 4

(2) The divisions of the district, if any, in which a director is to be elected is as follows:[1]
SEE ATTACHED ZONE DESCRIPTIONS AND MAP

(3) The elective officers of the district to be elected are as follows:[2]
Name of officers: ZONE 1, JOHN UNGERSMA, N.D.
ZONE 2, DENISE HAYDEN
ZONE 4, MARY MAE KILPATRICK

(4) A map showing the boundaries of the district and the boundaries of the divisions of the district, if any, within this county is attached hereto.

(5) The qualifications of a nominee and of an elective officer of the district are as follows:[3]
RESIDENT ELECTOR WITHIN THE DISTRICT OR DIVISION THEREOF, IF ANY

(6) The[4] DISTRICT is to pay for the publication of a Candidate's Statement, pursuant to E.C. §13307.

(7) Measures, if any:[5]

Dated: June 17, 2016

Seal of the District

Sandra J. Blumberg
(District Secretary)

---

[1] Insert name or number designating the division as it is to appear on the ballot

[2] If officers are to be elected by division write NONE in this space

[3] The qualifications of a nominee and of an elective officer of a district are determined by the principal act of that district (E.C. §10514). Generally the qualification for a resident voting district is "resident elector within the district or division thereof, if any." The qualification for a landowner voting district is "resident and freeholder within the district or division thereof, if any."

[4] Insert either "district" or "candidate."

[5] Include proposals for change in the number of divisions or units or the method of electing directors. If space is insufficient note and attach full text of proposal.

RESOLUTION NO. 16-04

RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTHERN INYO HEALTHCARE DISTRICT REQUESTING CONSOLIDATION OF ELECTION

WHERAS, it is necessary that three (3) directors be elected to the Board of Directors of Northern Inyo Healthcare District, one each from Zones I, II, and IV of said District; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Northern Inyo Healthcare District that it request that the Board of Supervisors of the County of Inyo, State of California, consolidate said election of directors with the statewide election to be held on November 8, 2016; and,

BE IT FURTHER RESOLVED THAT THE Hospital Chief Executive Officer be, and is hereby directed to file copies of this Resolution with said Board of Supervisors of the County of Inyo, State of California, and the County Clerk-Recorder, Registrar of Voters of said County.

Adopted, signed and approved this 15th day of June, 2016.

Denise M. Hayden

Denise Hayden, President

Attest: Peter J. Watercott

Peter Watercott, Vice President

INYO COUNCIL FOR THE ARTS
137 S. Main St. Bishop, CA 93514 Phone: 760-873-8014 Fax: 760-873-5518 E-mail: inyoarts@inyo.org

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2016 JUN 27 AM 8:24

June 21, 2016

Inyo County Board of Supervisors
P.O. Drawer N
Independence, CA 93526

Dear Supervisors:

The Inyo Council for the Arts (ICA) requests closure of the Millpond Recreation Area to the public from Friday, September 16, 2016, at 6:00 a.m., through Sunday, September 18, 2016 at midnight, so that ICA can hold the 25rd annual Millpond Music Festival.

We have booked the line-up for the Festival. Inyo and Mono County students through eighth grade will be admitted free, and free tickets are also offered to underserved constituents including Owens Valley seniors and the Owens Valley Native American tribes.

In addition, many of our Millpond performers will be giving performances in Inyo County schools before and after the festival.

Thank you for your continued support and cooperation.

Sincerely,

Lynn Cooper

Lynn Cooper
Executive Director

32

INYO COUNTY
FISH AND WILDLIFE COMMISSION

787 NORTH MAIN STREET STE 220
BISHOP, CA 93514

COMMISSION MEMBERS
DOUGLAS BROWN
GARY GUNSOLLEY
BRUCE IVY
GARRETT McMURTRIE
JOE PECSI

ALTERNATE MEMBER
JOHN FREDERICKSON

REPLY TO:
Pat Gunsolley, Secretary
4801 Alison Lane
Bishop, CA 93514
pgunsolley@gmail.com

June 28, 2016

Inyo County Board of Supervisors
P. O. Drawer N
Independence, CA 93514

Gentlemen:

At their June, 2016 meeting the Inyo Fish and Wildlife Commission considered and approved requesting the Board of Supervisors send a letter to the California Fish and Game Commission, the State Department of Fish and Wildlife, and the Governor requesting improved fish stocking activities in the Eastern Sierra.

Attached is a draft letter for your Board's consideration

Sincerely,

Patricia Gunsolley

Patricia Gunsolley, Secretary

Charlton Bonham, Director
California Department of Fish and Wildlife
1416 9th Street, 12th Floor
Sacramento, CA 95814
director@wildlife.ca.gov

California Fish and Game Commission
P. O. Box 944209
Sacramento, CA 95814
fgc@fgc.ca.gov

The Honorable Jerry Brown
Governor, State of California
State Capitol, First Floor
Sacramento, CA 95814

Gentlemen:

The Inyo County Board of Supervisors strongly urges the California Department of Fish and Wildlife to increase the number and size of fish planted in the Eastern Sierra. Over the past several years the region has seen a decrease in the numbers and size of fish planted which has directly impacted the fishing opportunities available to our visiting anglers.

As a tourist based economy, Inyo County depends heavily on our fishing resources for our economic wellbeing. Department statistic show that in the past 10 years sales of resident fishing licenses have declined from 1,245,007 to 985,986, which correlates to a significant reduction in State revenues. In addition to the diminishing numbers of fish, the size of the fish planted have also continued to be smaller. The competition with other States for California fresh water anglers' tourist dollars is becoming more and more diverse as other States look to the millions of California residents to improve their economies. It is important to ensure that our fresh water angling opportunities maintain the necessary ingredients to keep our fishing opportunities viable and competitive. The only way to do this is to improve the numbers and size of fish available. Inyo County is a tourist destination for millions of southern California residents, as well as visitors from around the globe. As a primary fishing destination for many of our visitors, it is imperative that those who pay for a State fishing license see a compensatory result for their purchase.

While the County recognizes the challenges of running an efficient department within the constraints of diminishing revenues, it is imperative for the Department to protect its fresh water fishing industry which has had a proven positive fiscal impact for our State. Without immediate action to protect this industry, we believe that this vital economic industry for our State and most especially for our small rural county will become non-existent in the future.

Your recognition of the importance of Inyo County's fishing resources to our economic well-being is greatly appreciated and we look forward to improved local hatchery operations and in the size and numbers of fish planted in the Eastern Sierra in the very in the near future.

Sincerely,

Jeff Griffiths, Chairperson
Inyo County Board of Supervisors

CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE

Sport Fishing

Items Reported by License Year

AS OF 04/30/2016

Licenses	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Resident Fishing (Annual)	1,112,783	999,968	1,035,224	1,030,016	990,474	985,986	552,904			
Resident Fishing Voucher (Annual)	N/A	64,296	55,942	52,908	49,035	48,285	41,429			
Lifetime Fishing	11,639	11,008	11,057	10,664	11,288	11,944	9,894			
Non-Resident Fishing (Annual)	9,942	11,133	11,501	11,748	11,039	10,741	6,115			
Non-Resident Fishing (10 Day)	14,081	14,887	15,968	15,979	14,500	14,571	1,979			
1-Day Sportfishing (Res/Nonres)	529,129	513,322	542,535	553,098	573,890	562,924	94,028			
2-Day Sportfishing (Res/Nonres)	122,493	104,857	102,978	104,238	96,322	93,013	9,404			
Disabled Veteran Fishing	Not Avail.	8,406	9,974	11,661	12,958	14,201	10,113			
Recovering Service Member	N/A	N/A	N/A	22	27	25	11			
Reduced Fee Low Income Senior	Not Avail.	3,878	3,121	2,776	2,616	2,414	1,934			
Reduced Fee Disabled Veteran/Low Income	11,244	-	-	-	-	-	-			
Free Sport Fishing	Not Avail.	11,027	15,332	18,437	19,911	21,966	14,809			
Sub Total - Licenses	*1,811,311*	*1,742,782*	*1,803,632*	*1,811,547*	*1,782,060*	*1,766,070*	*742,620*	-	-	-
Second Rod Sport Fish Validation	225,576	243,621	256,704	257,056	252,086	257,307	194,389			
Lifetime Second Rod Sport Fish Validation	5,103	4,565	4,497	4,277	4,426	4,555	3,903			
Spiny Lobster Report Card	29,108	33,376	37,193	18,048	-	-	-			
Spiny Lobster report Card (Full Season)	N/A	N/A	N/A	30,136	36,419	32,670	-			
Abalone Report Card	34,169	31,183	29,202	30,579	25,798	25,542	10,670			
North Coast Salmon Report Card	17,963	26,540	31,090	29,409	23,927	23,275	7,710			
Lifetime North Coast Salmon Report Card	5,057	3,521	3,338	2,805	2,589	2,553	2,167			
Steelhead Report Card	42,024	48,952	55,650	55,433	49,404	51,013	32,666			
Lifetime Steelhead Report Card	5,057	3,478	3,307	2,839	2,620	2,579	2,229			
Sturgeon Fishing Report Card	Not Avail.	111,699	112,804	50,913	49,263	48,346	39,650			
Ocean Enhancement Validation	229,537	229,441	238,924	242,015	257,451	265,816	142,938			
Lifetime Ocean Enhancement Validation	5,103	4,522	4,421	4,187	4,340	4,442	3,782			
Sub Total - Validations & Report Cards	*598,697*	*740,898*	*777,130*	*727,697*	*708,323*	*718,098*	*440,104*	-	-	-
TOTAL SPORT FISHING	2,410,008	2,483,680	2,580,762	2,539,244	2,490,383	2,484,168	1,182,724	-	-	-

CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE

Sport Fishing

Items Reported by License Year

Licenses	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Resident Fishing (Annual)	1,265,420	1,229,770	1,180,641	1,124,024	1,268,728	1,245,007	1,256,784	1,283,454	1,203,586	1,179,195
Lifetime Fishing	2,447	3,260	4,235	5,464	7,101	7,632	8,546	9,440	10,145	10,804
Non-Resident Fishing (Annual)	11,663	11,570	11,234	10,504	11,400	11,253	11,457	11,442	10,623	10,380
Non-Resident Fishing (l0 Day)	14,413	13,897	12,247	12,098	15,362	15,786	16,535	17,268	16,009	14,495
1-Day Sportfishing	N/A	N/A	N/A	N/A	535,114	553,081	598,563	608,606	570,751	572,027
2-Day Sportfishing	443,207	459,701	476,020	472,212	167,056	152,292	148,296	146,590	134,079	128,037
Reduced Fee Sportfishing	19,394	18,357	17,387	12,230	11,862	11,636	11,374	10,427	10,049	10,468
Resident Upgrade	16,178	16,238	16,979	14,781	N/A	N/A	N/A	N/A	N/A	N/A
Resident Pacific Ocean Only	155,974	152,795	156,542	142,983	N/A	N/A	N/A	N/A	N/A	N/A
Pacific Ocean (1 Day)	105,800	98,849	95,767	83,774	N/A	N/A	N/A	N/A	N/A	N/A
Pacific Ocean/Enhancement (1 Day)	241,059	230,237	222,888	205,874	N/A	N/A	N/A	N/A	N/A	N/A
Sub Total - Licenses	*2,275,555*	*2,234,674*	*2,193,940*	*2,083,944*	*2,016,623*	*1,996,687*	*2,051,555*	*2,087,227*	*1,955,242*	*1,925,406*
Bay-Delta Enhancement Stamp	N/A	N/A	N/A	N/A	321,486	305,080	293,371	306,955	278,547	280,327
Lifetime Bay-Delta Enhancement Stamp	N/A	N/A	N/A	N/A	3,429	3,639	4,006	4,360	4,648	4,881
Second Rod Sport Fish Validation	178,130	178,783	184,472	185,596	176,861	178,766	186,172	195,375	220,740	227,749
Lifetime Second Rod Sport Fish Stamp	Not Avail.	Not Avail.	Not Avail.	Not Avail.	3,429	3,639	4,006	4,360	4,648	4,881
Spiny Lobster Report Card	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	27,472	32,343
Abalone Report Card	39,277	40,857	35,857	36,769	36,406	35,047	37,391	39,789	37,407	38,553
North Coast Salmon Report Card	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12,583	15,563
Lifetime North Coast Salmon Report Card	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4,649	4,890
Salmon Punch Card	33,741	40,862	42,234	41,467	37,448	29,921	24,921	32,035	N/A	N/A
Lifetime Salmon Punch Card	Not Avail.	Not Avail.	Not Avail.	Not Avail.	3,429	3,639	4,006	4,360	N/A	N/A
Steelhead Report Card	43,980	51,246	55,744	55,757	51,827	47,091	40,558	50,162	44,994	43,814
Lifetime Steelhead Report Card	Not Avail.	Not Avail.	Not Avail.	Not Avail.	3,430	3,639	4,006	4,360	4,649	4,894
Striped Bass Stamp	304,570	302,321	302,152	305,589	N/A	N/A	N/A	N/A	N/A	N/A
Sturgeon Fishing Report Card	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Not Avail.	Not Avail.	Not Avail.
Ocean Enhancement Stamp	282,832	273,477	273,124	251,978	271,407	259,940	270,327	270,440	257,009	250,594
Lifetime Ocean Enhancement Stamp	Not Avail.	Not Avail.	Not Avail.	Not Avail.	3,429	3,639	4,006	4,360	4,648	4,881
Sub Total - Stamps & Report Cards	*882,530*	*887,546*	*893,583*	*877,156*	*912,581*	*874,040*	*872,770*	*916,556*	*901,994*	*913,370*
TOTAL SPORT FISHING	3,158,085	3,122,220	3,087,523	2,961,100	2,929,204	2,870,727	2,924,325	3,003,783	2,857,236	2,838,776

BIG PINE PAIUTE TRIBE OF THE OWENS VALLEY
Big Pine Paiute Indian Reservation
P.O. Box 700 · 825 South Main Street · Big Pine, CA 93513
(760) 938-2003 · fax (760) 938-2942
www.bigpinepaiute.org

July 1, 2016

James Yannotta
Aqueduct Manager
Los Angeles Department of Water and Power
300 Mandich Street
Bishop, CA 93514

Dear Mr. Yannotta:

Subject: California Public Records Act Request for Documentation of Changes to Project Description for the Proposed Bell Canyon Well in Big Pine

The Big Pine Paiute Tribe of the Owens Valley (Tribe) respectfully requests that the Los Angeles Department of Water and Power (DWP) clarify when and how the decision was made to change the location and depth of the proposed Bell Canyon well. Additionally, the Tribe requests all documents regarding DWP's decision to change the location and depth of the proposed Bell Canyon well. Please consider this a request with regard to California's Public Records Act, Government Code § 6250 *et. seq*.

The Tribe received DWP's recent but undated "Bell Canyon Production Well in Big Pine Wellfield Pre-Construction Evaluation Report" (hereafter referred to as the Pre-Construction Evaluation) and discovered significant changes from the project described in DWP's June 5, 2003, Mitigated Negative Declaration (MND). The project has changed in terms of the proposed location and total depth of the Bell Canyon well.

The 2003 MND states:

> "Construction of the Bell Canyon Well
>
> Under the proposed project, a new well west of the town of Big Pine, in an area known as Bell Canyon, would be constructed. (This well is referred to as the "Bell Canyon Well.") The location of the proposed new well is shown on Figure 1. The well will be drilled to a depth of approximately 500 feet, with an 18-inch-diameter casing. The casing is proposed to be slotted from a depth of approximately 100 to 490 feet."

Change in well location. Attached to this letter is Figure 1 from the MND, which is a map showing the previously proposed location of the well. Note that the Bell Canyon well is shown east of the power line road on the alluvial fan above the main drainage of Bell Canyon. Also attached is Figure 1 from DWP's undated Pre-Construction Evaluation. In this more recent map, the Bell Canyon well location is placed west of the power line road and perhaps in or near the north fork of Bell Canyon. The map from the MND also displays the route of the proposed pipe. If the well location has been reconsidered, it would be necessary for new surveys to be performed of the route of the pipe, access to the site, and route of power lines that will need to be installed to supply electricity to the well. Furthermore, hydrological modeling would need to be modified to estimate the range of influence from pumping the proposed Bell Canyon well.

Change in well depth. The recent Pre Construction Evaluation says, "The new well will be approximately 700 feet deep with a casing and screen diameter of 18 inches. The planned screen interval should be approximately 350 – 700 feet below the ground surface." The Pre-Construction Evaluation also says, "The difference in elevation between the valley floor in the Big Pine area and the base of mountains west of Big Pine is approximately 700 feet," which suggests there was a reason to deepen the proposed well. However, the Pre-Construction Evaluation provides no reason for deepening the proposed well by another 200 feet or for deciding to not draw water from the 100 to 350 foot depth range. The Tribe requests that DWP provide documents pertaining to this decision. The Tribe views the change in location and depth of the proposed Bell Canyon well as significant enough to warrant preparation of a new environmental review pursuant to the California Environmental Quality Act, because the potential effects change with these changes in the project description, both on the ground and due to any future pumping. If the well is to be drilled in a new and as-yet undisturbed area, there would need to be a survey showing potential effects due to road construction and equipment access, powerline infrastructure needed to supply the well, and the routing of the pipeline. The effects of all of this construction on the many cultural resources in that area would need to be addressed. In addition, hydrological modeling from a deeper well in a new location would necessarily show different results from modeling performed as part of the MND. Results of these assessments in turn affect the decision to drill the well and mitigations that may be necessary to make the project feasible.

Please respond to the Tribe in accordance with the requirements of the California Public Records Act § 6253 (c), and direct the correspondence to Dr. Sally Manning, Tribal Environmental Director, s.manning@bigpinepaiute.org (760) 938-2003 ext. 233. If the Bell Canyon well project description was changed by the Los Angeles Board of Water and Power Commissioners, please provide the Tribe with the meeting minutes or assist in helping us find the information online. If the decision was made at a meeting of the Inyo/LA Technical Group, either in public or as a staff meeting or via email, please document the two parties' acceptance of the change. If the decision to alter the project was made some other way, please advise.

Finally, the Tribe provided a letter to you regarding concerns with the proposed Bell Canyon well dated March 16, 2016. The Tribe awaits a response to the letter.

Sincerely,

Shannon Romero
Tribal Chairwoman

CC: Los Angeles Board of Water and Power Commissioners
Inyo County Board of Supervisors
Native American Heritage Commission
Donald B. Mooney, Law Office of Donald B. Mooney

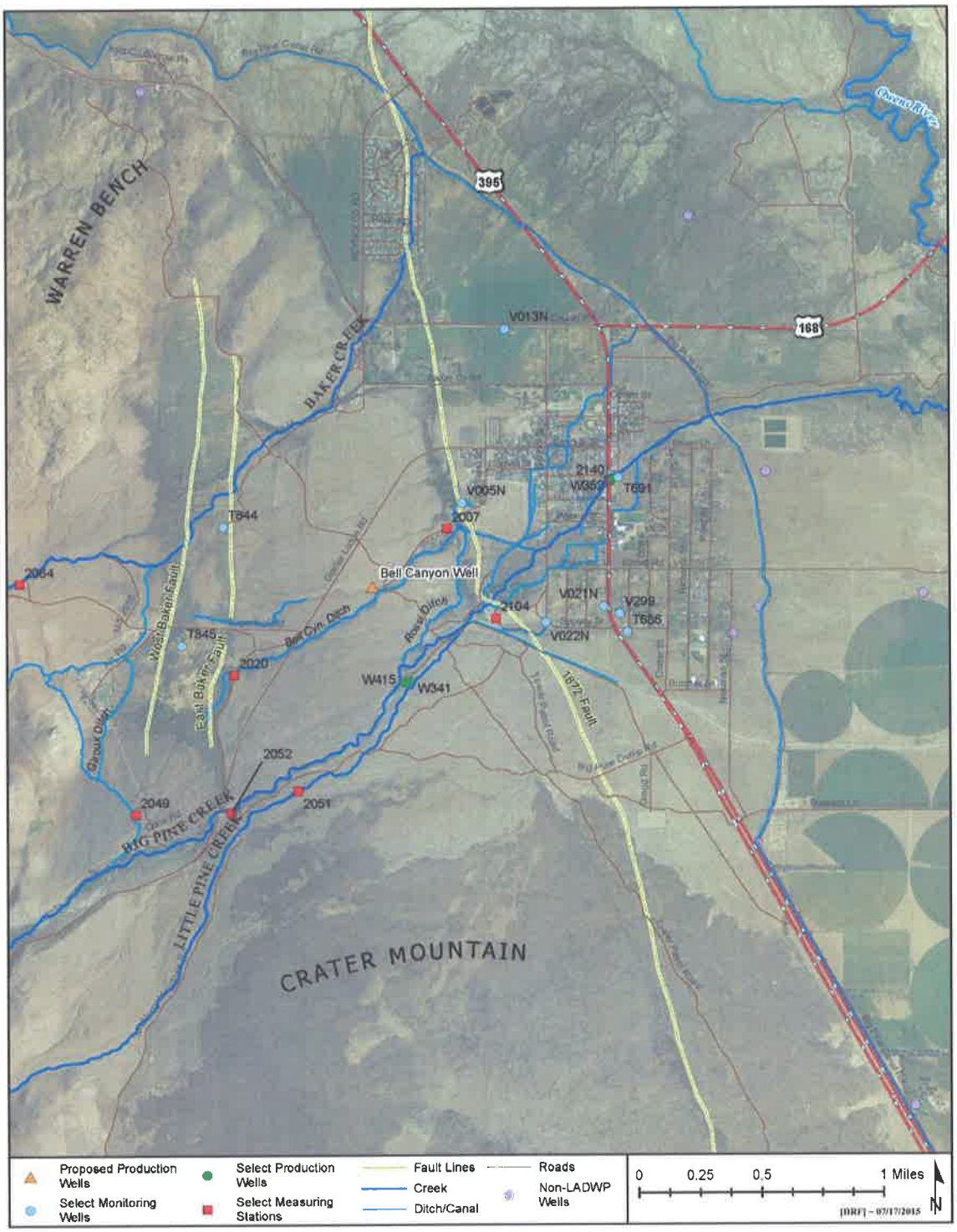

Figure 1 – Select Surface Water in the Area of West Big Pine

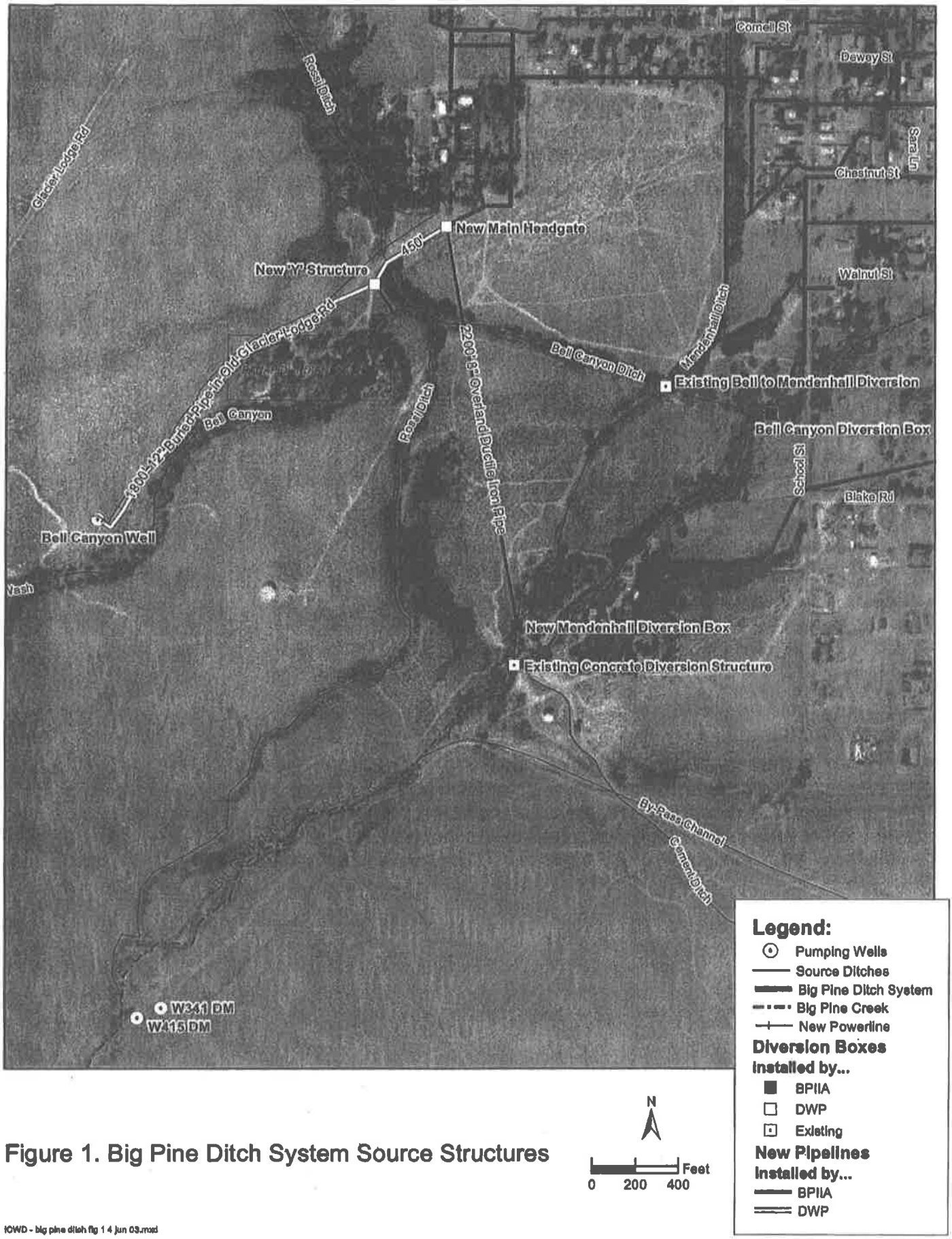

Figure 1. Big Pine Ditch System Source Structures

IOWD - big pine ditch fig 1 4 jun 03.mxd

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2016 JUN 17 AM 11:30

OFFICE OF THE GOVERNOR

June 13, 2016

To the California County Boards of Supervisors:

Consistent with the requirement in Elections Code section 12000, enclosed please find a copy of the proclamation calling the General Election on Tuesday, November 8, 2016.

Sincerely,

PETER A. KRAUSE
Legal Affairs Secretary

Enclosure

Executive Department

State of California

A PROCLAMATION
BY THE GOVERNOR OF THE STATE OF CALIFORNIA

I, **EDMUND G. BROWN JR.**, Governor of the State of California, pursuant to section 12000 of the Elections Code, proclaim that a General Election will be held throughout this State on Tuesday, the 8th day of November, 2016, at which the following offices are to be filled:

Presidential electors;

One United States Senator;

Representatives to the Congress of the United States from each of the 53 congressional districts of the State;

State Senators from odd-numbered districts of the 40 senatorial districts of the State;

Members of the Assembly from each of the 80 assembly districts of the State; and

All such other state, county, judicial, or other officers as are provided by law to be filled at such election.

I further proclaim that at such election there will also be submitted to the voters such proposed constitutional amendments, questions, propositions, and initiative measures as are required to be so submitted by the Constitution and laws of this State.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 9th day of June 2016.

EDMUND G. BROWN JR.
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State