



Imperial City Council

James Tucker – Mayor
Ida Obeso-Martinez – Mayor Pro-Tem
Stacy Mendoza – Council Member
Katherine Burnworth – Council Member
Robert Amparano – Council Member

AGENDA

Regular Meeting of the Imperial City Council

City Council Chambers
220 West 9th Street
Imperial, CA 92251-1637

March 5, 2025

Closed Session at 06:00 pm

Open Session at 07:00 pm

The Imperial City Council meetings, including public comments, are livestreamed on social media pages. By remaining in the room, you are giving your permission to be recorded.

You are encouraged to watch the City Council meetings via Livestream on the City of Imperial Facebook page.

All documents containing an executive summary and staff recommendation associated with open session action items are available for public inspection on the City's website, www.imperial.ca.gov, seventy-two (72) hours before the posted meeting time.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in the meeting, please contact (760) 355-4373. Notification of 48 hours before the meeting will enable the city to make reasonable arrangements to ensure accessibility to this meeting [28 CFR 35.102-35.104 ADA title II].

6:00 P.M. CLOSED SESSION

ROLL CALL

PUBLIC COMMENT FOR CLOSED SESSION ITEMS ONLY: At this time, members of the public may address the City Council on Closed Session items in person or by contacting the City Clerk's Office at CityClerk@imperial.ca.gov. Pursuant to State Law, the City Council may not discuss or take action on issues not on the meeting agenda (Government Code Section 54954.2). If you are compensated to communicate with City officials, you may be required to register and/or make certain disclosures as a lobbyist. Please see the City Clerk for additional information. There is a time limit of three (3) minutes for anyone wishing to address the City Council on these matters.

CITY COUNCIL ADJOURNS INTO CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL: The City Council finds, based on advice from the City Attorney, that discussion in open session of the following described matter(s) will prejudice the position of the City in existing and anticipated litigation.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Section 54956.9)

Case Name: R. Collado

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9

Number of Potential Cases: 1

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation - G.C §54956.9 (d)(2)

Number of Cases: 1

CONFERENCE WITH LABOR NEGOTIATORS – G.C.5957.6

Agency Designated Representatives: City Manager

Employee Organization: Imperial Police Officers Association, Teamsters Local No. 542 and Employee Organization Management Supervisory, Professional, Confidential, and Police Captain/Unrepresented

7:00 P.M. REGULAR MEETING

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

ADJUSTMENTS TO THE AGENDA: The City Council may amend the order, add urgency items, note abstentions or “no” votes on consent calendar items, and request consent calendar items be removed from the consent calendar for discussion. The City Council may also remove items from the consent calendar before that portion of the agenda. The City Council may address these issues by entertaining a formal motion.

CITY ATTORNEY REPORT ON CLOSED SESSION

PUBLIC COMMENT: Matters not appearing on the agenda: If you wish to address the City Council concerning any item within the City Council’s jurisdiction, please raise your hand and be acknowledged by the Mayor. At that time, state your name and address for the record. The Mayor reserves the right to place a time limit of three (3) minutes on each person’s presentation.

A. PRESENTATIONS:

- A-1.** Proclamation presentation for Women’s History Month
- A-2.** Proclamation presentation for Engineer’s Week
- A-3.** Friends of Imperial Parks presentation by Tony Lopez, Parks & Recreation Director

B. CONSENT AGENDA: All items appearing under the “Consent Agenda” will be acted upon by the City Council with one motion without discussion. Should any Council member or other person request that any item be considered separately, that item will then be taken up at the time as determined by the Mayor.

- B-1.** Approval of Warrants Report.
- B-2.** Approval of City Council meeting minutes for the Regular Meeting of February 19, 2025.
- B-3.** Receive and file the independent city audit report for fiscal year 2023.
- B-4.** Declare Public Services equipment as surplus and authorize the sale and disposal.

C. ACTION ITEMS (DISCUSSION/ACTION):

- C-1.** Approve the purchase of two (2) new 2024 Ford F250 service trucks for the Water Treatment Plant.

Presenter: David Dale, Public Services Director

Recommendation: Approve the purchase of two (2) new 2024 Ford service trucks for the Water Treatment Plant.

- C-2.** Approve an agreement between the City of Imperial and the Imperial Irrigation District (IID) for an IID Pole Attachment Program.

Presenter: R. Alejandro Estrada, DoIT Director

Recommendation: Approve an agreement between the City of Imperial and the Imperial Irrigation District (IID) for an IID Pole Attachment Program.

- C-3.** Approval and adoption of the City of Imperial’s Vacancy, Recruitment, and Retention Efforts Policy.

Presenter: Kristen Smith, Human Resources Manager

Recommendation: Approval and adoption of the City of Imperial’s Vacancy, Recruitment, and Retention Efforts Policy.

D. REPORTS:

- D-1.** Department Reports
- D-2.** City Manager Report
- D-3.** Mayor and Councilmember Reports

ADJOURNMENT: The next regular meeting of the Imperial City Council will be held on Wednesday, March 19, 2025.

Check Register Report

B-1

Date: 02/26/2025
Time: 2:03 pm
Page: 1

CITY OF IMPERIAL

BANK: UNION BANK

Check Number	Check Date	Status	Void/Stop Date	Reconcile Date	Vendor Number	Vendor Name	Check Description	Amount
UNION BANK Checks								
123320	02/19/25	Printed			735	ACADEMI AWARDS & TROPHIES	8318 81882	38.97
123321	02/19/25	Printed			023	AIRWAVE COMMUNICATIONS	450206 81886	130.00
123322	02/19/25	Printed			2357	ALL VALLEY FENCE AND MATERIALS	25-1836 82143	259.04
123326	02/19/25	Printed			4400	BABCOCK LABORATORIES, INC.	CB50526-8203 82316	832.30
123328	02/19/25	Printed			732	BAKER & TAYLOR BOOKS	2038778513 81489	555.73
123330	02/19/25	Printed			3395	BLACKMAN PLUMBING INC.	25-69709 82303	659.55
123331	02/19/25	Printed			7158	BLUETARP FINANCIAL, INC.	I05969/5 81891	183.15
123334	02/19/25	Printed			4093	CHRIS KEMP	2/24/25 - 2/27/25 2025 MTC	185.75
123335	02/19/25	Printed			514	CORE & MAIN LP	W310843 82317	5,197.50
123336	02/19/25	Printed			132	COSTCO WHOLESALE	46407 82145	241.13
123337	02/19/25	Printed			6857	COUNTY MOTOR PARTS CO, INC	565512 82138	719.91
123347	02/19/25	Printed			7720	GREEN RUBBER-KENNEDY AG	I-106663 82304	737.23
123348	02/19/25	Printed			8490	GUARDIAN ALLIANCE TECHNOLOGIES	27137 81872	125.00
123351	02/19/25	Printed			2096	HOME DEPOT CREDIT SERVICES	4973454 82324	2,672.69
123352	02/19/25	Printed			4271	HUMANE SOCIETY OF IMPERIAL	JANUARY 2025 81888	3,055.00
123353	02/19/25	Printed			3205	IMPERIAL COUNTY SHERIFFS DEPT.	12312024-01 DISPATCH Q4 81874	70,000.00
123356	02/19/25	Printed			3187	IMPERIAL TRUSS & LUMBER CO.	B73759 82137	770.40
123357	02/19/25	Printed			008	JIM REITER'S LOCKSMITH & SAFE	277588 81878	22.73
123358	02/19/25	Printed			3846	JOE BOULDER	9964-0140/605 W 14TH	4.66
123362	02/19/25	Printed			4481	O'REILLY	2687-121706 82139	945.78
123364	02/19/25	Printed			5336	PEDRO ROCHA	COICO32225-1 BALANCE 82142	2,750.00
123365	02/19/25	Printed			3369	PMW ASSOCIATES INC.	1018242 81887	525.00
123368	02/19/25	Printed			3848	ROSA PEREZ	9313-0293/221 BUCKSKIN RANCH	3.29
123372	02/19/25	Printed			5257	SKM ENGINEERING LLC	29397 82333	15,476.94
123373	02/19/25	Printed			3845	THE BRIEFING ROOM LLC	1218 81880	1,089.82
123376	02/19/25	Printed			6883	ULINE	188272284 82321	144.31
123381	02/19/25	Printed			8626	VISION TRAFFIC CONTROL INC.	717 82318	3,556.01
123382	02/19/25	Printed			5639	WAGEWORKS, INC	1023-OR39530 OCT 2023 81546	600.00
123385	02/19/25	Printed			3847	YOMAR ALEJANDRO VELEZ	9978-0978/2300 MYRTLE #34	130.42
123387	02/26/25	Printed			5956	AMAZON CAPITAL SERVICES	1JM9-H4W4-3KT6 81376	737.44
123388	02/26/25	Printed			6306	AMERICAN FIDELITY ASSURANCE	D816037 81932	5,293.72
123389	02/26/25	Printed			6745	ASSOCIATION FOR RURAL & SMALL	74941 82179	225.00
123390	02/26/25	Printed			1851	AT&T LONG DISTANCE	338 371-6557 02/20/25	113.70
123391	02/26/25	Printed			250	BLUE SHIELD OF CALIFORNIA	250420020917 81931	59,864.31
123392	02/26/25	Printed			7158	BLUETARP FINANCIAL, INC.	I05805/5 82257	88.69
123393	02/26/25	Printed			8296	BRAWLEY ANALYTICAL, INC.	000933 82345	319.50
123394	02/26/25	Printed			455	CALIFORNIA STATE DISBURSEMENT	2/21/25	2,706.88
123395	02/26/25	Printed			3669	CANON U.S.A. INC	38629081 81933	2,652.55
123396	02/26/25	Printed			132	COSTCO WHOLESALE	46438 82356	85.75
123397	02/26/25	Printed			6857	COUNTY MOTOR PARTS CO, INC	565330 82212	138.87
123398	02/26/25	Printed			4595	DAVID SHAW	9923-0377/687 DIAMOND	142.05
123399	02/26/25	Printed			517	DYNAMIC CONSULTING ENGINEERS	392325.17 82210	1,420.00
123400	02/26/25	Printed			517	DYNAMIC CONSULTING ENGINEERS	3907107.01 82211	4,400.00
123401	02/26/25	Printed			3853	ELI VALENZUELA	8823-0082/616 CINNABAR	42.30
123402	02/26/25	Printed			3850	FARFAN ALVAREZ	9419-0232/670 FLYNG CLOUD	49.50

Check Register Report

Date: 02/26/2025
Time: 2:03 pm
Page: 2

CITY OF IMPERIAL

BANK: UNION BANK

Check Number	Check Date	Status	Void/Stop Date	Reconcile Date	Vendor Number	Vendor Name	Check Description	Amount
UNION BANK Checks								
123403	02/26/25	Printed			314	FRANCHISE TAX BOARD	01/10/2025	381.00
123404	02/26/25	Printed			331	HACH COMPANY	14370890 82096	498.02
123405	02/26/25	Printed			3039	HOLTVILLE TRIBUNE	0101800 82219	270.00
123406	02/26/25	Printed			2096	HOME DEPOT CREDIT SERVICES	6973378 82214	108.97
123407	02/26/25	Printed			3160	IMPERIAL COUNTY AUDITOR-CONTRO	JAN 1- DEC 31, 2024 81935	36,382.44
123408	02/26/25	Printed			028	IMPERIAL IRRIGATION DISTRICT	FEBRUARY 24, 2025	17,414.81
123409	02/26/25	Printed			102	IMPERIAL POLICE OFFICERS ASSN.	2/21/25	1,417.50
123410	02/26/25	Printed			3187	IMPERIAL TRUSS & LUMBER CO.	B73838 82358	126.21
123411	02/26/25	Printed			3980	IMS INFRASTRUCTURE MANAGEMENT	241129-24 82217	1,275.00
123413	02/26/25	Printed			6472	INGRAM LIBRARY SERVICES	86722726 81754	835.44
123414	02/26/25	Printed			8644	JESSICA HURTADO	2/21/25	394.62
123415	02/26/25	Printed			3726	JORGE RUIZ	TUITION REIMB #928484 81550	100.00
123416	02/26/25	Printed			2245	JULIAN PIE COMPANY	1917041 82359	4,237.50
123417	02/26/25	Printed			868	K-C WELDING & RENTALS, INC.	209352 82357	657.93
123418	02/26/25	Printed			2901	KIMBALL MIDWEST	103032898 82340	965.51
123419	02/26/25	Printed			5580	KOPPEL & GRUBER PUBLIC FINANCE	25-1004 MORNINGSTAR 81934	1,504.25
123420	02/26/25	Printed			6596	LC ENGINEERING CONSULTANTS INC	2421 82203	4,048.00
123421	02/26/25	Printed			6596	LC ENGINEERING CONSULTANTS INC	2547 82207	1,012.00
123422	02/26/25	Printed			1996	LEE TIRE CO.	402673 82256	1,994.00
123423	02/26/25	Printed			101	LINCOLN LIFE	2/21/25	767.00
123424	02/26/25	Printed			3854	LUCIANO GARCIA	9845-0720/203 W 10TH	69.98
123425	02/26/25	Printed			3852	LUIS LIZARRAGA	3/2/25 - 3/6/25 TRAFFIC COLLISION	387.00
123426	02/26/25	Printed			3723	MARCO A. LOPEZ	7781-1 BALANCE 82353	150.00
123427	02/26/25	Printed			6499	MARIO ROACHO	BBB 03/22/2025 - BALANCE 82352	4,750.00
123428	02/26/25	Printed			6499	MARIO ROACHO	BBB 03/22/2025 - DEPOSIT 82351	4,750.00
123429	02/26/25	Printed			1190	MISSIONSQUARE - 304257	02/21/2025	551.40
123430	02/26/25	Printed			8633	NC CHILD SUPPORT CENTRALIZED	2/21/25	264.00
123431	02/26/25	Printed			4507	PACIFIC PIPELINE SUPPLY	S100472158.001 82342	17,580.29
123432	02/26/25	Printed			2782	PRINCIPAL LIFE INSURANCE COMP	1044724-10001 MAR 2025 81936	6,258.52
123433	02/26/25	Printed			2983	RUSH STEEL SUPPLY	49566 82255	5.17
123434	02/26/25	Printed			281	SERRA COOPERATIVE	201 82181	1,930.00
123435	02/26/25	Printed			1239	SHERWIN-WILLIAMS	5049-8 82205	626.99
123436	02/26/25	Printed			4569	SIERRA MATERIAL TESTING	2220 82336	5,520.00
123437	02/26/25	Printed			3262	SIMNSA HEALTH PLAN	136901 81930	11,535.68
123438	02/26/25	Printed			135	SOCALGAS	420 S IMPERIAL 1/10-2/10/25 82337	70.63
123439	02/26/25	Printed			1265	SUPERIOR READY MIX CONCRETE LP	466677 82339	3,246.69
123440	02/26/25	Printed			3570	SWANK MOTION PICTURES, INC	BO 2424693 82360	510.00
123441	02/26/25	Printed			104	TEAMSTERS, LOCAL 542	02/21/2025	2,123.00
123442	02/26/25	Printed			3849	TERILYN MENVIELLE	9719-0014/673 KITTY HAWK	104.25
123443	02/26/25	Printed			7443	TEXAS LIFE INSURANCE COMPANY	02/21/2025	1,147.12
123444	02/26/25	Printed			3851	TK ARMOR SYSTEMS LLC	S26406 82262	9,178.83
123445	02/26/25	Printed			7708	TUCKER MINI STORAGE	MARCH 2025 UNIT 425 82146	250.00
123446	02/26/25	Printed			2008	UNITED PARCEL SERVICE	Y00924075 2/24/25	94.21
123447	02/26/25	Printed			944	UNITED WAY OF IMPERIAL COUNTY	2/21/25	6.00
123448	02/26/25	Printed			615	VALLEY PEST SERVICES, INC	521840 82361	2,575.00
123449	02/26/25	Printed			611	VERIZON WIRELESS	6105359843	983.15

Check Register Report

Date: 02/26/2025
Time: 2:03 pm
Page: 3

CITY OF IMPERIAL

BANK: UNION BANK

Check Number	Check Date	Status	Void/Stop Date	Reconcile Date	Vendor Number	Vendor Name	Check Description	Amount
UNION BANK Checks								
123450	02/26/25	Printed			8217	VICTOR FIERRO	TUITION REIMB-VWV GRADE 2 81548	229.99
123451	02/26/25	Printed			8626	VISION TRAFFIC CONTROL INC.	434 82343	108.25
123452	02/26/25	Printed			5674	WAGEWORKS, INC	INV7544687 FEB 2025 81549	140.60
123453	02/26/25	Printed			487	XPRESS LUBE	212752 82147	198.72

Total Checks: 95 **Checks Total (excluding void checks): 339,628.24**

Total Payments: 95 **Bank Total (excluding void checks): 339,628.24**

Total Payments: 95 **Grand Total (excluding void checks): 339,628.24**



- James Tucker – Mayor*
- Ida Obeso-Martinez – Mayor Pro-Tem*
- Stacy Mendoza – Council Member*
- Katherine Burnworth – Council Member*
- Robert Amparano – Council Member*

MINUTES

Regular Meeting of the Imperial City Council

City Council Chambers
220 West 9th Street
Imperial, CA 92251-1637

February 19, 2025

Closed Session at 06:00 pm

Open Session at 07:00 pm

6:00 P.M. CLOSED SESSION

CALLED TO ORDER: Mayor Tucker called the meeting to order at 6:13 p.m.

ROLL CALL: Council Members Amparano, Burnworth, Mayor Tucker, City Manager Morita, Assistant to the City Manager Garcia, and City Attorney Turner.

Mayor Pro-Tem Obeso-Martinez arrived at 6:20 p.m., and Council Member Mendoza arrived at 6:43 p.m.

PUBLIC COMMENT FOR CLOSED SESSION ITEMS ONLY: Flavio Grijalva, Jr., was present for public comment regarding Teamsters 542—Labor Negotiations.

CITY COUNCIL ADJOURNS INTO CLOSED SESSION:
Moved by Amparano, seconded by Burnworth to adjourn into closed session.

CONFERENCE WITH LEGAL COUNSEL:

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9
Number of Potential Cases: 1

Significant exposure to litigation - G.C §54956.9 (d)(2)
Number of Cases: 1

CONFERENCE WITH LABOR NEGOTIATORS – G.C.5957.6
Agency Designated Representatives: City Manager
Employee Organization: Imperial Police Officers Association, Teamsters Local No. 542 and Employee Organization Management
Supervisory, Professional, Confidential, and Police Captain/Unrepresented

7:00 P.M. REGULAR MEETING

CALL TO ORDER: Mayor Tucker called the meeting to order at 7:03 p.m.

ROLL CALL: Council Members Amparano, Mendoza, Mayor Pro-Tem Obeso-Martinez and Mayor Tucker.

ABSENT: Council Member Burnworth.

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was led by Council Member Amparano.

ADJUSTMENTS TO THE AGENDA: The City Manager noted that item A-4 will be moved to a future date.

Council Member Amparano noted that action items C-2, C-4, C-6, and C-7 will be moved to the consent agenda.

Moved by Amparano, seconded by Obeso-Martinez to approve action items C-2, C-4, C-6, and C-7 be moved to the consent agenda.

AYES: Amparano, Mendoza, Obeso-Martinez and Tucker

NOES: None

ABSTAIN: None

ABSENT: Burnworth

MOTION CARRIES: 4-0

CITY ATTORNEY REPORT ON CLOSED SESSION: City Attorney Turner stated that direction was given for one item of anticipated litigation, which has significant exposure to litigation and labor negotiators.

PUBLIC COMMENT: None

A. PRESENTATIONS:

- A-1.** Certificate of Recognition for Dakar 2025 Champions.
- A-2.** Presentation of National FFA Week Proclamation.
- A-3.** Legislative updates from JCG Government Affairs.
- A-4.** Friends of Imperial Parks presentation by Tony Lopez, Parks & Recreation Director

B. CONSENT AGENDA:

- B-1.** Approval of Warrants Report.
- B-2.** Approval of City Council meeting minutes for the Regular Meeting of January 15, 2025, and February 5, 2025.
- B-3.** Receive and file the Q2 Quarterly Budget Report ending December 31, 2024.
- B-4.** Authorize the donation or disposal of surplus Library items/furniture as recommended by the Library Board of Trustees.

Moved by Mendoza, seconded by Obeso-Martinez to approve the Consent Agenda, including action items C-2, C-4, C-6, and C-7.

AYES: Amparano, Mendoza, Obeso-Martinez and Tucker

NOES: None

ABSTAIN: None

ABSENT: Burnworth

MOTION CARRIES: 4-0

C. ACTION ITEMS (DISCUSSION/ACTION):

C-1. Approval of a Memorandum of Understanding between the City of Imperial, San Diego State University (SDSU) and SDSU Imperial Valley Campus.

Presenter: Ember Haller, Library Administrator

Recommendation: Approve the MOU with SDSU and SDSU Imperial Valley Campus and authorize the Mayor to sign.

Moved by Amparano, seconded by Obeso-Martinez to approve the MOU with SDSU and SDSU Imperial Valley Campus and authorize the Mayor to Sign.

AYES: Amparano, Mendoza, Obeso-Martinez and Tucker

NOES: None

ABSTAIN: None

ABSENT: Burnworth

MOTION CARRIES: 4-0

C-2. Declare a 1999 Ford F350 crane truck as surplus and authorize the Public Services Department to sell or auction the vehicle.

Presenter: David Dale, Public Services Director

Recommendation: Approve the declaration of a 1999 Ford F350 Crane Truck vehicle as surplus and authorize the Public Services Department to sell or auction.

Action item C-2 was moved to the consent agenda per Council Member Amparano.

C-3. Adopt Resolution No. 2025-06, authorizing the replacement of the Grit Washer Tank for the Wastewater Treatment Plant Headworks.

Presenter: David Dale, Public Services Director

Recommendation: Adopt Resolution No. 2025-06, FINDING THAT SOLE SOURCE IS NECESSARY FOR REPLACEMENT OF THE GRIT WASHER TANK RoSF4 FOR THE WASTEWATER TREATMENT PLANT HEADWORKS

Moved by Obeso-Martinez, seconded by Amparano to approve Resolution No. 2025-06.

AYES: Amparano, Mendoza, Obeso-Martinez and Tucker

NOES: None

ABSTAIN: None

ABSENT: Burnworth
MOTION CARRIES: 4-0

- C-4.** Adopt Resolution No. 2025-07, authorizing the repair of the Wastewater Treatment Plant Headworks Fine Screen.

Presenter: David Dale, Public Services Director

Recommendation: Adopt Resolution No. 2025-07, FINDING THAT SOLE SOURCE IS NECESSARY FOR THE REPAIR OF THE WASTEWATER TREATMENT PLANT HEADWORKS FINE SCREEN.

Action Item C-4 was moved to the consent agenda per Council Member Amparano.

- C-5.** Adopt Resolution No. 2025-08, approving the purchase of valve exercise equipment for the Water Treatment Plant.

Presenter: David Dale, Public Services Director

Recommendation: Adopt Resolution No. 2025-08, FINDING THAT SOLE SOURCE IS NECESSARY FOR THE PURCHASE OF WACHS VALVE EXERCISE EQUIPMENT FOR THE WATER TREATMENT PLANT

Moved by Mendoza, seconded by Obeso-Martinez to approve Resolution No. 2025-08.

AYES: Amparano, Mendoza, Obeso-Martinez and Tucker

NOES: None

ABSTAIN: None

ABSENT: Burnworth

MOTION CARRIES: 4-0

- C-6.** Approve the property transfer and accept ownership of parcels 063-064-001 and 063-064-022 through Grant Deeds for retention basin purposes.

Presenter: David Dale, Public Services Director

Recommendation: Approve the property transfer and accept ownership of parcels 063-064-001 and 063-064-022 through Grant Deeds for retention basin purposes.

Action item C-6 was moved to the consent agenda per Council Member Amparano.

- C-7.** Approve the property transfer and accept ownership of parcel number 044-602-018 through a Grant Deed for retention basin purposes.

Presenter: David Dale, Public Services Director

Recommendation: Approve the property transfer and accept ownership of parcel number 044-602-018 through a Grant Deed for retention purposes.

Action item C-7 was moved to the consent agenda per Council Member Amparano.

D. REPORTS:

- D-1.** Departments reported on their activities since the last city council meeting.
- D-2.** City Manager Report: None
- D-3.** The mayor and council members have reported on their activities since the last city council meeting and upcoming events.

ADJOURNMENT:

Seeing no further business before the Council, Mayor Tucker ended this meeting at 8:20 p.m. and adjourned until the next council meeting on March 5, 2025, at 7:00 p.m.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the city of Imperial, California, this 5th day of March 2025.

KRISTINA SHIELDS
City Clerk

DATE SUBMITTED 2/26/2025
 SUBMITTED BY Victor Manriquez
 DATE ACTION REQUIRED 3/5/20

COUNCIL ACTION (X)
 PUBLIC HEARING REQUIRED ()
 RESOLUTION ()
 ORDINANCE 1ST READING ()
 ORDINANCE 2ND READING ()
 CITY CLERK'S INITIALS ()

IMPERIAL CITY COUNCIL AGENDA ITEM

SUBJECT: DISCUSSION/ACTION: FISCAL YEAR 2023 INDEPENDENT AUDIT REPORT 1. - Receive and file the attached Independent City audit for fiscal year ending June 30, 2023.	
DEPARTMENT INVOLVED: Administration Services	
BACKGROUND/SUMMARY: The FY 2023 independent audit was performed by the CPA firm Moss, Levy, and Hartzheim LLP on the City of Imperial's financial statement for the fiscal year ending June 30, 2023. The City of Imperial received an "unmodified" audit opinion on the city financial statements as they were found by our auditors to "above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Imperial, California, as of June 30, 2023."	
FISCAL IMPACT: NOT TO EXCEED No fiscal impact, this is a " Receive and File" report.	FINANCE INITIALS <u>VMS</u>
STAFF RECOMMENDATION: Staff recommends for City Council to receive and file the Annual Independent Audit for fiscal year ending June 30, 2023	DEPT. INITIALS <u>VMS</u>
MANAGER'S RECOMMENDATION: <i>approve staff recommendation</i>	CITY MANAGER'S INITIALS <u>0Hm</u>
MOTION:	
SECONDED: AYES: NAYES: ABSENT: APPROVED () DISAPPROVED () REFERRED TO: REJECTED () DEFERRED ()	

CITY OF IMPERIAL
Annual Financial Report
Fiscal Year Ended June 30, 2023

CITY OF IMPERIAL, CALIFORNIA
ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2023

TABLE OF CONTENTS

I. FINANCIAL SECTION

A. Independent Auditor's Report	1
B. Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	5
Statement of Activities	6
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	8
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	9
Statement of Revenues, Expenditures, and Changes in Fund Balances	10
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	11
Proprietary Funds:	
Statement of Net Position	12
Statement of Revenues, Expenses, and Changes in Net Position	13
Statement of Cash Flows	14
Fiduciary Funds:	
Statement of Fiduciary Net Position	15
Statement of Changes in Fiduciary Net Position	16
Notes to Basic Financial Statements	17
D. Required Supplementary Information:	
General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual.....	43
LTA Measure D – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual.....	44
ARPA – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual.....	45
Schedule of the City's Proportionate Share of the Net Pension Liability	46
Schedule of Pension Contributions	47
E. Supplemental Information	
Description of Nonmajor Governmental Funds	49
Combining Nonmajor Governmental Funds Balance Sheet.....	52
Combining Nonmajor Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances.....	60



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA
ALEXANDER C HOM, CPA
ADAM V GUISE, CPA
TRAVIS J HOLE, CPA
WILSON LAM, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES

8383 WILSHIRE BLVD., SUITE 800
BEVERLY HILLS, CA 90211
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES

5800 HANNUM AVE., SUITE E
CULVER CITY, CA 90230
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

INDEPENDENT AUDITOR'S REPORT

The Members of the City Council of the
City of Imperial
Imperial, California

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Imperial, California as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Imperial, California, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and those standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – General Fund, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – LTA Measure D Special Revenue Fund, Expenditures, and Changes in Fund Balance – Budget to Actual – ARPA Special Revenue Fund, Schedule of Changes in the Net Pension Liability and Related Ratios, and Schedule of Pension Contributions on pages 47 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Management has chosen not to present a Management's Discussion and Analysis. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Imperial's basic financial statements. The Combining Financial Statements for the Nonmajor Governmental Funds listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Combining Financial Statements for the Nonmajor Governmental Funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the

underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Moss, Levy & Hartzheim, LLP
Culver City, California
February 2, 2025

Page intentionally left blank

CITY OF IMPERIAL
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and Investments	\$ 23,022,570	\$ 22,945,786	\$ 45,968,356
Cash and Investments with Fiscal Agent		7,986,766	7,986,766
Accounts Receivable	1,217,086	1,234,882	2,451,968
Notes Receivable	1,277,391		1,277,391
Inventory		35,842	35,842
Capital Assets, Not Being Depreciated	5,802,867	278,397	6,081,264
Capital Assets, Net of Accumulated Depreciation	23,458,917	29,365,701	52,824,618
Total Assets	<u>54,778,831</u>	<u>61,847,374</u>	<u>116,626,205</u>
Deferred Outflows of Resources:			
Pension related	2,635,008	593,109	3,228,117
Total Deferred Outflows of Resources	<u>2,635,008</u>	<u>593,109</u>	<u>3,228,117</u>
Liabilities:			
Accounts Payable	1,537,444	1,204,226	2,741,670
Deposits Payable	234,110	812,934	1,047,044
Noncurrent Liabilities:			
Net Pension Liability	4,515,805	1,227,482	5,743,287
Due Within One Year		1,581,354	1,581,354
Due in More Than One Year	535,562	29,142,924	29,678,486
Total Liabilities	<u>6,822,921</u>	<u>33,968,920</u>	<u>40,791,841</u>
Deferred Inflows of Resources:			
Pension related	115,685	31,446	147,131
Total Deferred Inflows of Resources	<u>115,685</u>	<u>31,446</u>	<u>147,131</u>
Net Position:			
Net Investment in Capital Assets	29,261,784	6,974,670	36,236,454
Restricted for:			
Parks and Recreation	2,804,517		2,804,517
Public Works	3,882,901		3,882,901
Public Safety	1,542,274		1,542,274
Community Development	2,821,763		2,821,763
Unrestricted	10,161,994	21,465,447	31,627,441
Total Net Position	<u>\$ 50,475,233</u>	<u>\$ 28,440,117</u>	<u>\$ 78,915,350</u>

The notes to the financial statements are an integral part of this statement.

CITY OF IMPERIAL
Statement of Activities
For the Fiscal Year Ended June 30, 2023

Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 4,457,611	\$ 2,763,222	\$ 5,965,787	\$ -
Public Safety	5,820,862	71,690	407,969	
Community Development	726,983	17,224	13,885	
Public Works	5,138,684	432,352	1,595,323	1,140,637
Parks and Recreation	1,946,744	127,148	254,231	
Total Governmental Activities	18,090,884	3,411,636	8,237,195	1,140,637
Business-type Activities:				
Water	4,808,859	6,418,975		
Sewer	6,664,393	6,677,286	(121,920)	
Total Business-type Activities	11,473,252	13,096,261	(121,920)	
Total Primary Government	\$ 29,564,136	\$ 16,507,897	\$ 8,115,275	\$ 1,140,637

General Revenues:

Taxes:

Property Taxes
Sales and Use Taxes
Business License Taxes
Transient Occupancy Taxes
Franchise Taxes
Other Taxes
Unrestricted Motor Vehicle License Tax
Licenses and Permits
Fines and Forfeitures
Use of Money and Property
Other Revenue

Transfers

Total General Revenues and Transfers

Change in net position

Net Position - Beginning of Fiscal Year

Prior Period Adjustments

Net Position - Beginning of Fiscal Year (restated)

Net Position - End of Fiscal Year

The notes to the financial statements are an integral part of this statement.

Net (Expenses) Revenues and Changes in Net Position

Governmental Activities	Business- type Activities	Total
\$ 4,271,398	\$ -	\$ 4,271,398
(5,341,203)		(5,341,203)
(695,874)		(695,874)
(1,970,372)		(1,970,372)
(1,565,365)		(1,565,365)
(5,301,416)		(5,301,416)
	1,610,116	1,610,116
	(109,027)	(109,027)
	1,501,089	1,501,089
(5,301,416)	1,501,089	(3,800,327)
2,168,895		2,168,895
3,803,410		3,803,410
66,979		66,979
235,390		235,390
347,402		347,402
172,463		172,463
2,163,728		2,163,728
9,415		9,415
193,445		193,445
97,174	127,577	224,751
101,450		101,450
211,437	(211,437)	
9,571,188	(83,860)	9,487,328
4,269,772	1,417,229	5,687,001
46,003,334	27,046,492	73,049,826
202,127	(23,604)	178,523
46,205,461	27,022,888	73,228,349
\$ 50,475,233	\$ 28,440,117	\$ 78,915,350

CITY OF IMPERIAL
Balance Sheet
Governmental Funds
June 30, 2023

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>		
	<u>General</u>	<u>LTA Measure D</u>	<u>ARPA</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:						
Cash and Investments	\$ 10,040,562	\$ 19,512	\$ 1,439,846	\$ 66,179	\$ 11,456,471	\$ 23,022,570
Accounts Receivable	987,095				229,991	1,217,086
Loans Receivable					1,277,391	1,277,391
Due from Other Funds	235,417					235,417
Total Assets	<u>\$ 11,263,074</u>	<u>\$ 19,512</u>	<u>\$ 1,439,846</u>	<u>\$ 66,179</u>	<u>\$ 12,963,853</u>	<u>\$ 25,752,464</u>
Liabilities and Fund Balances:						
Liabilities:						
Accounts Payable	\$ 710,739	\$ 159,633	\$ 4,893	\$ 84,637	\$ 577,542	\$ 1,537,444
Deposits Payable	234,110					234,110
Due to Other Funds					235,417	235,417
Total Liabilities	<u>944,849</u>	<u>159,633</u>	<u>4,893</u>	<u>84,637</u>	<u>812,959</u>	<u>2,006,971</u>
Deferred Inflows of Resources::						
Loans Related - unavailable					1,277,391	1,277,391
Total Deferred Inflows of Resources	<u></u>	<u></u>	<u></u>	<u></u>	<u>1,277,391</u>	<u>1,277,391</u>
Total Liabilities and Deferred Inflows of Resources	<u>944,849</u>	<u>159,633</u>	<u>4,893</u>	<u>84,637</u>	<u>2,090,350</u>	<u>3,284,362</u>
Fund Balances:						
Restricted for:						
Community Development					2,821,763	2,821,763
Public Safety					1,542,274	1,542,274
Public Works					3,882,901	3,882,901
Parks and Recreation					2,804,517	2,804,517
Unassigned	10,318,225	(140,121)	1,434,953	(18,458)	(177,952)	11,416,647
Total Fund Balances	<u>10,318,225</u>	<u>(140,121)</u>	<u>1,434,953</u>	<u>(18,458)</u>	<u>10,873,503</u>	<u>22,468,102</u>
Total Liabilities and Fund Balances	<u>\$ 11,263,074</u>	<u>\$ 19,512</u>	<u>\$ 1,439,846</u>	<u>\$ 66,179</u>	<u>\$ 12,963,853</u>	<u>\$ 25,752,464</u>

The notes to the financial statements are an integral part of this statement.

CITY OF IMPERIAL
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2023

Total fund balances - governmental funds	\$ 22,468,102
---	---------------

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.

Capital assets at historical cost	\$ 61,637,926	
Accumulated depreciation	<u>(32,376,142)</u>	29,261,784

Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

Deferred outflows related to pension	2,635,008
Deferred inflows related to pension	(115,685)

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Net pension liability	(4,515,805)
Compensated absences payable	(535,562)

Certain notes receivable are not available to pay for current period expenditures and, therefore, are offset by deferred inflows of resources in the governmental funds.

Total net position - governmental activities	<u><u>\$ 50,475,233</u></u>
---	-----------------------------

The notes to the financial statements are an integral part of this statement.

CITY OF IMPERIAL
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2023

		Special Revenue Funds		Capital Projects Fund		
	General	LTA Measure D	ARPA	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes	\$ 2,168,895	\$ -	\$ -	\$ -	\$ -	\$ 2,168,895
Sales and Use Taxes	3,803,410	1,580,696				5,384,106
Business License Taxes	66,979					66,979
Transient Occupancy Tax	235,390					235,390
Other Taxes	2,336,191					2,336,191
Licenses and Permits	9,415					9,415
Fines and Forfeitures	193,445					193,445
Use of Money and Property	16,949	1,607	4,168		74,450	97,174
Charges for Services	2,940,370				696,064	3,636,434
Intergovernmental	3,999,622	169,370	2,167,345		1,460,799	7,797,136
Franchise Tax	347,402					347,402
Other	101,298				152	101,450
Total Revenues	16,219,366	1,751,673	2,171,513		2,231,465	22,374,017
Expenditures						
Current:						
General Government	2,880,562		359,624	256,400		3,496,586
Public Safety	4,815,521				88,962	4,904,483
Public Works	3,154,726	853,773			222,383	4,230,882
Parks and Recreation	1,811,232			29,258	106,254	1,946,744
Community Development	703,491				23,492	726,983
Capital Outlay	213,677		199,984	2,473,467		2,887,128
Total Expenditures	13,579,209	853,773	559,608	2,759,125	441,091	18,192,806
Excess (Deficiency) of Revenues over (under) Expenditures	2,640,157	897,900	1,611,905	(2,759,125)	1,790,374	4,181,211
Other Financing Sources (Uses):						
Transfers In	1,443,186			2,740,667	1,024,754	5,208,607
Transfers Out	(1,055,040)	(2,539,565)	(50,764)		(1,351,801)	(4,997,170)
Total Other Financing Sources (Uses)	388,146	(2,539,565)	(50,764)	2,740,667	(327,047)	211,437
Net Change in Fund Balances	3,028,303	(1,641,665)	1,561,141	(18,458)	1,463,327	4,392,648
Fund Balances - June 30, 2022	7,731,103	1,501,544	(126,188)		9,458,333	18,564,792
Prior Period Adjustments	(441,181)				(48,157)	(489,338)
Fund Balances - June 30, 2022, Restated	7,289,922	1,501,544	(126,188)		9,410,176	18,075,454
Fund Balances - June 30, 2023	\$ 10,318,225	\$ (140,121)	\$ 1,434,953	\$ (18,458)	\$ 10,873,503	\$ 22,468,102

The notes to the financial statements are an integral part of this statement.

CITY OF IMPERIAL
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2023

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	4,392,648
---	-----------	------------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those capital assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital outlay	\$	2,832,910	
Depreciation expense		<u>(2,372,373)</u>	460,537

Certain notes receivable are reported in the governmental funds as expenditures and then, offset by a deferred inflow of resources, as they are not available to pay current expenditures. Likewise, when the note is collected, it is reflected in revenue. This is the net change between notes receivable collected and issued.

(224,798)

Compensated absence expenditures reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in a governmental fund. This is the net change in compensated absences for the current period.

(107,441)

In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. In addition, changes in Net Pension Liability are deferred inflows and outflows and amortized. This is the difference between accrual-basis pension costs and actual employer contributions and amortization of deferred inflows and outflows in the current fiscal year.

(251,174)

Change in net position of governmental activities

\$ 4,269,772

The notes to the financial statements are an integral part of this statement.

CITY OF IMPERIAL
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-type Activities-Enterprise Funds		
	Water Fund	Sewer Fund	Total
Assets			
Current Assets:			
Cash and Investments	\$ 11,221,022	\$ 11,724,764	\$ 22,945,786
Cash and Investments with Fiscal Agent	7,148,779	837,987	7,986,766
Accounts Receivable	636,962	597,920	1,234,882
Inventory	35,842		35,842
Total Current Assets	<u>19,042,605</u>	<u>13,160,671</u>	<u>32,203,276</u>
Noncurrent Assets:			
Capital Assets:			
Land	99,357	179,040	278,397
Building and Improvements	11,207,018	8,063,593	19,270,611
Machinery and Equipment	4,887,452	1,912,784	6,800,236
Infrastructure	14,531,898	34,236,519	48,768,417
Less:			
Accumulated Depreciation	<u>(23,793,900)</u>	<u>(21,679,663)</u>	<u>(45,473,563)</u>
Total Noncurrent Assets	<u>6,931,825</u>	<u>22,712,273</u>	<u>29,644,098</u>
Deferred Outflows of Resources:			
Pension Related	361,022	232,087	593,109
Total Deferred Outflows of Resources	<u>361,022</u>	<u>232,087</u>	<u>593,109</u>
Total Assets and Deferred Outflows of Resources	<u>26,335,452</u>	<u>36,105,031</u>	<u>62,440,483</u>
Liabilities			
Current Liabilities:			
Accounts Payable	1,029,344	174,882	1,204,226
Deposits Payable	407,444	405,490	812,934
Long Term Debt - Due within One Year	764,200	817,154	1,581,354
Total Current Liabilities	<u>2,200,988</u>	<u>1,397,526</u>	<u>3,598,514</u>
Noncurrent Liabilities:			
Compensated Absences	53,614	14,470	68,084
Net Pension Liability	747,161	480,321	1,227,482
Due in More Than One Year	10,658,861	18,415,979	29,074,840
Total Noncurrent Liabilities	<u>11,459,636</u>	<u>18,910,770</u>	<u>30,370,406</u>
Deferred Inflows of Resources:			
Pension Related	19,141	12,305	31,446
Total Deferred Inflows of Resources	<u>19,141</u>	<u>12,305</u>	<u>31,446</u>
Total Liabilities and Deferred Inflows of Resources	<u>13,679,765</u>	<u>20,320,601</u>	<u>34,000,366</u>
Net Position			
Net Investment in Capital Assets	2,657,543	4,317,127	6,974,670
Unrestricted	9,998,144	11,467,303	21,465,447
Total Net Position	<u>\$ 12,655,687</u>	<u>\$ 15,784,430</u>	<u>\$ 28,440,117</u>

The notes to the financial statements are an integral part of this statement.

CITY OF IMPERIAL
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2023

	Business-type Activities - Enterprise funds		
	Water Fund	Sewer Fund	Total
Operating Revenues:			
Charges for Services	\$ 6,675,905	\$ 6,417,816	\$ 13,093,721
Other Operating Revenue	1,381	1,159	2,540
Total Operating Revenues	<u>6,677,286</u>	<u>6,418,975</u>	<u>13,096,261</u>
Operating Expenses:			
Personnel	1,336,189	1,050,671	2,386,860
Administrative	1,504,479	259,634	1,764,113
Materials and Supplies	1,122,786	634,927	1,757,713
Maintenance	1,128,925	557,231	1,686,156
Depreciation	1,271,157	1,669,810	2,940,967
Total Operating Expenses	<u>6,363,536</u>	<u>4,172,273</u>	<u>10,535,809</u>
Operating Income	<u>313,750</u>	<u>2,246,702</u>	<u>2,560,452</u>
Non-operating Revenues (Expenses):			
Interest Revenue	79,006	48,571	127,577
Interest and Fiscal Charges	(300,857)	(636,586)	(937,443)
Intergovernmental Revenue (Expense)		(121,920)	(121,920)
Total Non-Operating Revenue (Expenses)	<u>(221,851)</u>	<u>(709,935)</u>	<u>(931,786)</u>
Income before transfers	<u>91,899</u>	<u>1,536,767</u>	<u>1,628,666</u>
Transfers			
Transfers Out	<u>(132,221)</u>	<u>(79,216)</u>	<u>(211,437)</u>
Total Transfers	<u>(132,221)</u>	<u>(79,216)</u>	<u>(211,437)</u>
Change in Net Position	<u>(40,322)</u>	<u>1,457,551</u>	<u>1,417,229</u>
Net Position - Beginning of Fiscal Year	12,585,559	14,460,933	27,046,492
Prior Period Adjustments	<u>110,450</u>	<u>(134,054)</u>	<u>(23,604)</u>
Net Position - Beginning of the Fiscal Year, Restated	<u>12,696,009</u>	<u>14,326,879</u>	<u>27,022,888</u>
Net Position - End of Fiscal Year	<u>\$ 12,655,687</u>	<u>\$ 15,784,430</u>	<u>\$ 28,440,117</u>

The notes to the financial statements are an integral part of this statement.

CITY OF IMPERIAL
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds		
	Water Fund	Sewer Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Users	\$ 6,650,373	\$ 6,403,028	\$ 13,053,401
Cash Payments to Suppliers and Contractors	(2,920,907)	(1,613,008)	(4,533,915)
Cash Payments to Employees	(1,292,816)	(1,022,787)	(2,315,603)
Net Cash Provided (Used) By Operating Activities	2,436,650	3,767,233	6,203,883
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers Out	(132,221)	(79,216)	(211,437)
Net Cash Provided (Used) By Noncapital Financing Activities	(132,221)	(79,216)	(211,437)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Received	79,006	48,571	127,577
Net Cash Provided (Used) in Investing Activities	79,006	48,571	127,577
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of Property, Plant, and Equipment	(65,459)	(317,027)	(382,486)
Intergovernmental		(121,920)	(121,920)
Principal Payments on Debt Borrowings	(675,000)	(745,000)	(1,420,000)
Interest Paid	(393,159)	(683,740)	(1,076,899)
Net Cash Provided (Used) In Capital and Related Financing Activities	(1,133,618)	(1,867,687)	(3,001,305)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,249,817	1,868,901	3,118,718
CASH AND CASH EQUIVALENTS, BEGINNING OF FISCAL YEAR	17,119,984	10,693,850	27,813,834
CASH AND CASH EQUIVALENTS, END OF FISCAL YEAR	<u>\$ 18,369,801</u>	<u>\$ 12,562,751</u>	<u>\$ 30,932,552</u>
Reconciliation to Statement of Net Position:			
Cash and Investments	\$ 11,221,022	\$ 11,724,764	\$ 22,945,786
Cash and Investments with Fiscal Agent	7,148,779	837,987	7,986,766
	<u>\$ 18,369,801</u>	<u>\$ 12,562,751</u>	<u>\$ 30,932,552</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating Income	\$ 313,750	\$ 2,246,702	\$ 2,560,452
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	1,271,157	1,669,810	2,940,967
Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows:			
(Increase) Decrease in Accounts Receivable	(26,913)	(15,947)	(42,860)
Increase (Decrease) in Accounts Payable	759,006	(193,079)	565,927
Increase (Decrease) in Net Pension Liability	452,610	290,966	743,576
(Increase) Decrease in Pension Related Deferred Outflows	(208,966)	(134,336)	(343,302)
Increase (Decrease) in Pension Related Deferred Inflows	(200,271)	(128,746)	(329,017)
Increase (Decrease) in Deposits Payable	76,277	31,863	108,140
Total Adjustments	2,122,900	1,520,531	3,643,431
Net Cash Provided (Used) By Operating Activities	<u>\$ 2,436,650</u>	<u>\$ 3,767,233</u>	<u>\$ 6,203,883</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF IMPERIAL
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
June 30, 2023**

	Private Purpose Trust Fund	
	RDA	
	Successor Agency	Custodial Fund
ASSETS		
Cash and investments	\$ 756,987	\$ 2,484,627
Cash and investments with fiscal agent		3,051,812
Capital assets, net of accumulated depreciation	311,012	
Total Assets	1,067,999	\$ 5,536,439
LIABILITIES		
Deposits payable		5,536,439
Long-term debt, due within one year	830,000	
Long-term debt, due in more than one year	15,230,000	
Total Liabilities	16,060,000	\$ 5,536,439
NET POSITION		
Held in trust for others	(14,992,001)	
Total Net Position	\$ (14,992,001)	

The notes to the financial statements are an integral part of this statement.

**CITY OF IMPERIAL
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2023**

	Private Purpose Trust Fund RDA Successor Agency
Additions:	
Intergovernmental	\$ 2,179,446
Use of money and property	18,944
Total additions	<u>2,198,390</u>
Deductions:	
Interest Expense	618,974
Contribution to City	<u>3,528,790</u>
Total deductions	<u>4,147,764</u>
Change in net position	<u>(1,949,374)</u>
Net Position - July 1, 2022	(12,541,554)
Prior period adjustment	<u>(501,073)</u>
Net Position, July 1, 2022, Restated	<u>(13,042,627)</u>
Net Position - June 30, 2023	<u><u>\$ (14,992,001)</u></u>

The notes to the financial statements are an integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Imperial is a municipal corporation governed by an elected five-member City Council who, in turn, elects one of its members to serve as the Mayor. As required by accounting principles generally accepted in the United States of America, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the City. The blended component units have a June 30 fiscal year end to coincide with the City's.

Blended Component Units. In May 1994, the Imperial Financing Authority (Authority) was formed in order to provide a funding vehicle for necessary street improvements within the City. The governing board of the Imperial Financing Authority is the City Council, and the City Manager acts as Executive Director. A separate financial report is not being issued for the Imperial Financing Authority. The activity of the Authority is reported within the General Fund of the City.

The Imperial Community Facilities District (District) was formed in order to provide funding for necessary community development projects within the City. The City currently has six separate Districts: 2004-1 Victoria, 2004-2 Mayfield, 2004-3 Bratton, 2005-1 Springfield, 2006-Monterrey Park, and 2006-2 Savannah Ranch.

B. Basis of Presentation

Government-wide Financial Statements

The statement of net position and statement of activities display information about the primary government (the City). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted net positions are available, unrestricted resources are used only after the restricted resources are depleted.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Fund Financial Statements

The fund financial statements provide information about the City's funds, including fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

Proprietary funds distinguish *operating* revenues from *Nonoperating*, such as charges for services, as they result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reports four major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes activities such as public protection, public works and facilities, parks and recreation, and community development.
- The *LTA Measure D Special Revenue Fund* was established to account for all proceeds and expenditures associated with street and highway projects received as part of the local transportation authority Measure D sales tax.
- The *ARPA Special Revenue Fund* was established to account for all proceeds and expenditures associated the American Rescue Plan.
- The *Capital Projects Capital Projects Fund* was established to account for revenue and expenditures related to capital projects within the City.

The City reports the following two major enterprise funds:

- The *Water Fund* was established to account for the financial activity for the purpose of operation and maintenance of City's water utility. The costs of providing these services to the general public are financed or recovered through user charges.
- The *Sewer Fund* was established to account for the financial activity for the purpose of operation and maintenance of the City's sewer system including the wastewater treatment plant. The costs of providing these services to the general public are financed or recovered through user charges.

The City reports the following additional fund types:

Fiduciary Funds

Custodial Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other government units, and/or other funds.

Private Purpose Trust Fund accounts for the operations of the former redevelopment agency.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting and Measurement Focus

The government-wide, proprietary, and fiduciary funds financial statements except for Agency Funds (that have no measurement focus) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for debt service expenditures which are recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt and capital leases are reported as other financing sources.

Property taxes, transient occupancy taxes, and interest are susceptible to accrual. Sales taxes collected and held by the state at fiscal year-end on behalf of the City are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

D. Assets, Liabilities, and Equity

1. Deposits and Investments

In order to maximize the flexibility of its investment program and to aid in cash budgeting, the City pools the cash of all funds, except for monies deposited with fiscal agents in accordance with related bond indentures. The cash and investments balance in each fund represents that fund's equity share of the City's cash and investment pool. As the City places no restrictions on the deposit or withdrawal of a particular fund's equity in the pool, the pool operates like a demand deposit account for the participating funds.

Interest income earned on pooled cash and investments is allocated monthly to the various funds based on month-end balances and is adjusted at fiscal year-end. Interest income on restricted cash and investments with fiscal agents is credited directly to the related fund.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Equity (Continued)

1. Deposits and Investments (Continued)

In accordance with the State of California Government Code, the City adopts an investment policy annually that, among other things, authorizes types and concentrations of investments and maximum investment terms.

The City's investments are carried at fair value. The fair value of equity and debt securities is determined based on sales prices or bid-and-asked quotations from SEC-registered securities exchanges or NASDAQ dealers. LAIF determines the fair value of its portfolio quarterly and reports a factor to the City; the City applies that factor to convert its share of LAIF from amortized cost to fair value. Changes in fair value are allocated to each participating fund.

For purposes of the statement of cash flows, the City has defined cash and cash equivalents to be change and petty cash funds, equity in the City's cash and investment pool, and restricted non-pooled investments with initial maturities of three months or less.

Investments are stated at fair value in accordance with GASB Statement No.31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Short-term investments are reported at cost, which approximates fair value. The fair values are based on quoted market prices, if available, or estimated using quoted market prices for similar securities. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Interest, dividends, and realized and unrealized gains and losses, based on the specific identification method, are included in interest revenue when earned.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Available means when due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period. The County of Imperial collects property taxes for the City and Agency. Tax liens attach annually on the first day in January preceding the fiscal year for which the taxes are levied. The tax levy covers the fiscal period July 1st to June 30th. One-half of the taxes on real property are due on November 1st; the second installment is due on March 1st. All taxes are delinquent, if unpaid by December 10th and April 10th respectively. Unsecured personal property taxes become due on July 1st of each year and are delinquent, if unpaid by August 31st.

The City has elected to receive the City's portion of the property taxes from the county under the county Teeter Bill program. Under this program, the City receives 100 percent of the City's share of the levied property taxes in periodic payments with the county assuming the responsibility for the delinquencies

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Equity (Continued)

2. Receivables and Payables (Continued)

GASB Statement No. 96, SBITAs

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in GASB Statement No. 87, Leases, as amended.

The City did not report any significant accounting changes from the implementation of this Statement during the fiscal year ended June 30, 2023.

3. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

4. Capital Assets

Capital assets, which include property, plant, equipment, fine art, and infrastructure assets (e.g., roads, bridges, sidewalks, traffic lights and signals, street lights, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the capital asset or materially extend capital asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the fiscal year ended June 30, 2023.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets				Years	
Buildings					30
Improvements other than buildings					30
Infrastructure					20 to 40
Utility systems					40 to 75
Vehicles					5 to 15
Computer equipment					7
Other equipment and furnishings					7

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Equity (Continued)

5. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. All vacation and sick leave benefits are accrued as earned by employees. A portion of unused sick leave benefits, varying by employee bargaining unit, vests and is payable upon retirement. For proprietary funds, a current liability is reported for that portion of the estimated value of vacation and sick leave benefits to be used during the subsequent fiscal year, and the estimated value of vacation vested sick leave benefits of employees approaching or at their respective retirement ages. The balance is considered a long-term obligation.

A liability is accrued for all earned but unused leave benefits in the government-wide and enterprise fund statements. This liability will be liquidated as either additional cash payments in the event of employee termination or as part of budgeted salary expenditures if used by employees as compensated leave time while still employed by the City. In the fund financial statements, governmental funds accrue current liabilities for material vacation leave benefits due on demand to governmental fund employees that have terminated prior to fiscal year-end. Non-current amounts will be recorded as fund expenditures in the fiscal year in which they are paid or become due on demand to terminated employees.

6. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Debt premiums and discounts are deferred and amortized over the life of the indebtedness using the straight line method. Notes payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize debt premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net Investment In Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents net position of the City, not restricted for any project or other purpose.

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the City's policy is to apply restricted resources first.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Fund Balance

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

- Nonspendable fund balance – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- Restricted fund balance – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance – amounts that can only be used for specific purposes determined by formal action of the City’s highest level of decision-making authority (the City Council) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- Assigned fund balance – amounts that are constrained by the City’s intent to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose.
- Unassigned fund balance – the residual classification for the City’s funds that include amounts not contained in the other classifications.

The City Council establishes, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution.

G. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements.

The provisions for GASB Statement Number 99, “Omnibus 2022” are effective for fiscal year beginning after June 15, 2023.

The provisions of Statement Number 100 “Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62” are effective for fiscal years beginning after June 15, 2023.

The provisions of Statement Number 101 “Compensated Absences” are effective for fiscal years beginning after December 15, 2023.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

a. General Budget Policies

1. The annual budget adopted by the City Council provides for the general operation of the City. It includes proposed expenditures and the means of financing them.
2. The City Council approves total budgeted appropriations and any amendments to appropriations throughout the fiscal year. All amendments made during the fiscal year are included in the budgetary amounts reported herein. The “appropriated budget” covers all City expenditures, with the exception of debt service on bond issues and capital improvement projects carried forward from prior fiscal years, which expenditures constitute legally authorized “non-appropriated budget”. Actual expenditures may not exceed budgeted appropriations at the fund level, which is the legal level of control.
3. Formal budgetary integration is employed as a management control device during the fiscal year. Commitments for materials and services, such as purchase orders and contracts, are recorded as encumbrances to assist in controlling expenditures. Appropriations which are encumbered, lapse at fiscal year-end, and then are added to the following fiscal year’s budgeted appropriations.
4. Budgets for the General and Special Revenue Funds are adopted on a basis substantially consistent with accounting principles generally accepted in the United States of America (USGAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items. For the fiscal year ended June 30, 2023 the following nonmajor funds did not have legally adopted budgets : COPS, Dial-a-ride, Asset Forfeiture, Library Literacy, Police Tech Grant, August Worthington, Community Services Grant, STLP, ARPA Utility, CARES, Early Learning Grant, Per Capita, Utility Assistance, SB 1383.

The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Budget comparisons are not presented for the Proprietary Funds, as the City is not legally required to adopt a budget for these fund types.

B. Budget/USGAAP Reconciliation

No funds adopted project-length or budgetary basis budgets and, therefore, no schedule reconciling the amounts on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget to Actual to the amounts on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances has been prepared.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

C. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2023, the following funds had excess expenditures over appropriations.

Fund	Amount
<u>Major Governmental Fund:</u>	
General Fund:	
Public Works	\$ 1,272,502
Capital Outlay	213,677

D. Deficit Fund Equity

At June 30, 2023, the following funds had an accumulated deficit:

Fund	Amount
<u>Major Governmental Funds:</u>	
LTA Measure D	\$ 140,121
Capital Projects	18,458
<u>Nonmajor Governmental Funds:</u>	
Per Capita	177,952

These fund balance deficits are primarily due to the City incurring costs in excess of receiving revenues. The Funds should alleviate these deficits as revenues are received or as General Fund transfers funds.

NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2023 are classified in the accompanying financial statements as follows:

Cash and investments as of June 30, 2023 consist of the following:

Cash on hand	\$ 450
Deposits with financial institutions	44,443,592
Investments	15,804,506
Total cash and investments	\$ 60,248,548

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

A. Investments Authorized by the California Government Code and the City’s Investment Policy

The table below identifies the investment types that are authorized for the City of Imperial (City) by the California Government Code (or the City’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City’s investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City rather than the general provisions of the California Government Code or the City’s investment policy.

		Maximum	Maximum	Maximum
		Maturity	Percentage	Investment
<u>Authorized Investment Type</u>			of Portfolio	in One Issuer
Bonds issued by the City		N/A	None	None
US Treasury Obligations		5 years	None	None
Federal Agency Issues		5 years	None	None
Negotiable Certificates of Deposit		5 years	30%	None
Repurchase Agreements		1 year	None	None
Bankers' Acceptances		180 days	40%	30%
Medium Term Notes		5 years	30%	None
Money Market Mutual Funds		N/A	None	10%
Commercial Paper		270 days	25%	None
County Pool Investment Funds		N/A	None	None
Local Agency Investment Fund (LAIF)		N/A	None	\$75 Million
Collateralized Bank Deposits		N/A	None	None
Mortgage Pass-through Securities		5 years	20%	None
Shares of Beneficial Interest by a JPA		N/A	None	None

The investment policy allows for the above investments which have equal safety and liquidity as all other allowed investments. Maturity depends on the cash needs of the City.

B. Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements rather than the general provisions of the California Government Code or the City’s investment policy. The table below identifies the Investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 3 – CASH AND INVESTMENTS (Continued)

B. Investments Authorized by Debt Agreements (Continued)

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	N/A	None	None
U.S. Treasury Obligations	N/A	None	None
State Obligations	N/A	None	None
U.S. Government Agency Issues	N/A	None	None
Money Market Mutual Fund	N/A	None	None
Bankers Acceptances	N/A	None	None
Commercial Paper	270 days	None	None
Certificates of Deposit	N/A	None	None
Repurchase Agreements	N/A	None	None
Investment Agreements	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

The investment policy allows for the above investments which have equal safety and liquidity as all other allowed investments. Maturity depends on the cash needs of the City.

C. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

<u>Investment Type</u>	<u>Totals</u>	<u>Remaining maturity (in Months)</u>			
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25-60 Months</u>	<u>More Than 60 Months</u>
State Investment Pool (LAIF)	\$ 15,804,506	\$ 15,804,506	\$ -	\$ -	\$ -
	\$ 15,804,506	\$ 15,804,506	\$ -	\$ -	\$ -

D. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City has no investments (including investments held by bond trustees) that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 3 – CASH AND INVESTMENTS (Continued)

E. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating, as of fiscal year end, for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Fiscal Year End</u>			
				<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Not Rated</u>
State Investment Pool	\$ 15,804,506	N/A	\$ -	\$ -	\$ -	\$ -	\$ 15,804,506
Total	<u>\$ 15,804,506</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,804,506</u>

F. Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer (other than money market) that represent 5% or more of total City's investments.

G. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2023, all of the City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 3 – CASH AND INVESTMENTS (Continued)

H. Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

I. Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy establish by generally accepted accounting principles. These principles recognize a three tiered fair value hierarchy as follows: Level 1 – Investments reflect prices quoted in active markets; Level 2 – Investments reflect prices that are based on similar observable asset either directly or indirectly, which may include inputs in markets that are not considered active; and Level 3 – Investments reflect prices based upon unobservable sources. The City did not have any investments applicable to recurring fair value measurements as of June 30, 2023.

NOTE 4 – INTERFUND TRANSACTIONS

A. Interfund Receivables and Payables

During the course of normal operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds". The following presents a summary of current interfund balances at June 30, 2023:

Receivable Fund	Amount	Payable Fund	Amount
Major Governmental Fund:		Nonmajor Governmental Funds:	
General Fund	\$ 235,417	Public Safety Prop 172	\$ 57,465
		Per Capita	177,952
Totals	<u>\$ 235,417</u>	Totals	<u>\$ 235,417</u>

B. Transfers between Funds

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various City operations, and re-allocations of special revenues. All inter-fund transfers between individual government funds have been eliminated on the government-wide statements. The following schedule briefly summarizes the City's transfer activity for the fiscal year ended June 30, 2023:

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 4 – INTERFUND TRANSACTIONS (CONTINUED)

B. Transfers between Funds (Continued)

Fund	Transfers-in	Transfers-out
Major Governmental Funds:		
General Fund	\$ 1,443,186	\$ 1,055,040
LTA Measure D		2,539,565
ARPA		50,764
Capital Projects Capital Projects Fund	2,740,667	
Major Enterprise Funds:		
Water Fund		132,221
Sewer Fund		79,216
Nonmajor Governmental Funds:		
TCRF Special Revenue Fund	29,996	
Traffic Safety Special Revenue Fund		3,500
Gas Tax Special Revenue Fund		400,000
Local Transportation Special Revenue Fund		5,000
Public Safety Prop 172 Special Revenue Fund		97,942
COPS Grant Special Revenue Fund	61,895	76,720
Housing Rehabilitation Special Revenue Fund		5,000
RLA Special Revenue Fund		5,000
Wildflower Landscaping and Lighting Special Revenue Fund		17,124
Paseo Del Sol Landscaping and Lighting Special Revenue Fund		69,578
Sky Ranch District Special Revenue Fund		99,243
Prop 1B Special Revenue Fund	164,419	
Library Literacy Special Revenue Fund		42,856
Police Technology Grant	112,075	
SB1 Special Revenue Fund		499,213
Housing General Special Revenue Fund		5,000
Park Impact Fees Special Revenue Fund		25,625
STPL Special Revenue Fund	615,001	
Per Capita Special Revenue Fund	41,368	
ARPA Utility Special Revenue Fund		
Utility Assistance Special Revenue Fund		
Totals	\$ 5,208,607	\$ 5,208,607

Transfers into the General Fund are related to administrative costs and overhead costs that are part of a city-wide cost allocation plan.

Transfers from the General Fund are related to contributions made from unassigned funds to assist in capital projects and other operating costs of special revenue and capital project funds.

Transfers from the General Fund may also be council approved transfers to offset accumulated deficits that special revenue or capital projects funds may have accumulated due to unanticipated costs or change orders.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 5 – CAPITAL ASSETS

Capital Asset activity for the fiscal year ended June 30, 2023 was as follows:

	Balance at June 30, 2022	Additions	Deletions	Transfers	Prior Period Adjustment	Balance at June 30, 2023
Governmental activities:						
Capital assets, not being depreciated:						
Land	\$ 3,329,400	\$ -	\$ -	\$ -	\$ -	\$ 3,329,400
Construction in progress	-	2,473,467				2,473,467
Total capital assets, not being depreciated	<u>3,329,400</u>	<u>2,473,467</u>				<u>5,802,867</u>
Capital assets, being depreciated:						
Machinery and Equipment	8,743,015	359,443			113,224	9,215,682
Infrastructure	46,236,205				383,172	46,619,377
Total capital assets being depreciated	<u>54,979,220</u>	<u>359,443</u>			<u>496,396</u>	<u>55,835,059</u>
Less accumulated depreciation for:						
Machinery and Equipment	(7,139,020)	(534,848)			195,069	(7,478,799)
Infrastructure	(23,059,818)	(1,837,525)				(24,897,343)
Total accumulated depreciation	<u>(30,198,838)</u>	<u>(2,372,373)</u>			<u>195,069</u>	<u>(32,376,142)</u>
Total capital assets, being depreciated, net	<u>24,780,382</u>	<u>(2,012,930)</u>			<u>691,465</u>	<u>23,458,917</u>
Governmental activities capital assets, net	<u>\$ 28,109,782</u>	<u>\$ 460,537</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 691,465</u>	<u>\$ 29,261,784</u>
Business-type activities:						
Capital assets, not being depreciated:						
Land	\$ 278,397	\$ -	\$ -	\$ -	\$ -	\$ 278,397
Construction in progress	20,813,874	177,499		(20,991,373)		
Total capital assets, not being depreciated	<u>21,092,271</u>	<u>177,499</u>		<u>(20,991,373)</u>		<u>278,397</u>
Capital assets, being depreciated:						
Buildings and Improvements	19,270,611					19,270,611
Machinery and Equipment	6,613,514	186,722				6,800,236
Infrastructure	27,758,782	18,266		20,991,373		48,768,421
Total capital assets, being depreciated	<u>53,642,907</u>	<u>204,988</u>		<u>20,991,373</u>		<u>74,839,268</u>
Less accumulated depreciation for:						
Buildings and Improvements	(17,322,387)	(607,844)			97,192	(17,833,039)
Machinery and Equipment	(5,869,579)	(196,368)				(6,065,947)
Infrastructure	(19,703,777)	(2,136,755)			265,951	(21,574,581)
Total accumulated depreciation	<u>(42,895,743)</u>	<u>(2,940,967)</u>			<u>363,143</u>	<u>(45,473,567)</u>
Total capital assets, being depreciated, net	<u>10,747,164</u>	<u>(2,735,979)</u>		<u>20,991,373</u>	<u>363,143</u>	<u>29,365,701</u>
Business-type activities capital assets, net	<u>\$ 31,839,435</u>	<u>\$ (2,558,480)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 363,143</u>	<u>\$ 29,644,098</u>

Depreciation

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 790,791
Public Works	790,791
Public Safety	<u>790,791</u>
Total depreciation expense – governmental functions	<u>\$ 2,372,373</u>

Depreciation expense was charged to business-type functions as follows:

Water	\$ 1,271,157
Sewer	<u>1,669,810</u>
Total depreciation expense – business-type functions	<u>\$ 2,940,967</u>

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 6 – NOTES RECEIVABLE

The City has established a number of housing assistance loan programs using HOME Investment Partnerships Program grant funds. These loans consist of several loans for first-time home buyers assistance and home rehabilitation assistance loans for qualified persons. The City also utilizes Community Development Block Grant (CDBG) to provide business assistance loans and home rehabilitation loans to qualified persons.

NOTE 7 – LONG-TERM LIABILITIES

The following is a schedule of long-term liabilities for Governmental Activities and Business-type Activities for the fiscal year ended June 30, 2023:

	Balance at June 30, 2022	Additions	Repayments	Balance at June 30, 2023	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 428,121	\$ 384,904	\$ (277,463)	\$ 535,562	\$ -
Total	<u>\$ 428,121</u>	<u>\$ 384,904</u>	<u>\$ (277,463)</u>	<u>\$ 535,562</u>	<u>\$ -</u>
Business-type Activities:					
Water Fund:					
Compensated absences	\$ 53,614	\$ 53,614	\$ (53,614)	\$ 53,614	\$ -
2012 Certificates of participation	3,350,000		(615,000)	2,735,000	635,000
2012 Certificates of participation premium	178,587		(41,212)	137,375	41,212
2019 Water revenue bonds	7,990,000		(60,000)	7,930,000	65,000
2019 Water revenue bonds premium	643,674		(22,988)	620,686	22,988
Sewer Fund:					
Compensated absences	14,470	14,470	(14,470)	14,470	
2012 Certificates of participation	3,600,000		(660,000)	2,940,000	690,000
2012 Certificates of participation premium	48,346		(11,156)	37,190	11,156
2019 Wastewater revenue bonds	15,405,000		(85,000)	15,320,000	80,000
2019 Wastewater revenue bonds premium	971,941		(35,998)	935,943	35,998
Total	<u>\$ 32,255,632</u>	<u>\$ 68,084</u>	<u>\$ (1,599,438)</u>	<u>\$ 30,724,278</u>	<u>\$ 1,581,354</u>

1. Business-type Activities – Water/Wastewater 2012 COP

On April 1, 2012, the City issued the 2012 certificates of participation in the amount of \$10,065,000 for the water facility and \$8,550,000 for the wastewater facility. The proceeds of the sale were used together with other available moneys to provide funds to the City to prepay and defease on a current basis the City's Refunding Certificates of Participation Series 2001 of which \$7,190,000 (water) and \$4,995,000 (sewer) remained outstanding, and to finance certain capital improvements to the City's water and wastewater system, to fund a reserve fund for the Bonds, and to pay certain costs of issuing the Bonds. Interest is payable semi-annually on April and October 15 commencing on October 15, 2012 through October 15, 2026 and ranges from 3% to 5%. As of June 30, 2023, the balances remaining for Water and Wastewater Refunding COPs are \$2,735,000 and \$2,940,000 respectively. In the event of a default, the full outstanding balance of the debt is due and payable.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

Annual debt service requirements for the Certificates of Participation are shown below:

Fiscal Year Ended June 30,	2012 Certificates of Participation - Water		
	Principal	Interest	Total
2024	\$ 635,000	\$ 120,875	\$ 755,875
2025	665,000	88,375	753,375
2026	700,000	54,250	754,250
2027	735,000	18,375	753,375
	<u>\$ 2,735,000</u>	<u>\$ 281,875</u>	<u>\$ 3,016,875</u>

Fiscal Year Ended June 30,	2012 Certificates of Participation - Wastewater		
	Principal	Interest	Total
2024	\$ 690,000	\$ 110,287	\$ 800,287
2025	720,000	80,324	800,324
2026	750,000	49,087	799,087
2027	780,000	16,575	796,575
	<u>\$ 2,940,000</u>	<u>\$ 256,273</u>	<u>\$ 3,196,273</u>

2. Business-type Activities – Wastewater Revenue Bonds 2019

On May 1, 2019, the City issued the 2019 Wastewater revenue bonds in the amount of \$15,620,000 and pledged the City's Wastewater Fund as the specific revenue source for the repayment of the debt. The proceeds of the sale were used to provide funds to the City to prepay and defease on a current basis the City's Wastewater Parity COP 2005 in the amount of \$2,105,000 and to finance certain capital improvements to the City's wastewater system, to fund a reserve fund for the Bonds, and to pay certain costs of issuing the Bonds. Interest is payable semi-annually on April and October 15 commencing on October 15, 2019 through October 15, 2049 and ranges from 3% to 5%.. As of June 30, 2023, the balance outstanding for 2019 Wastewater revenue bonds was \$15,320,000. In the event of a default, the full outstanding balance of the debt is due and payable.

On December 1, 2019, the City issued the 2019 Water revenue bonds in the amount of \$8,115,000 and pledged the City's Water Fund as the specific revenue source for the repayment of the debt. The proceeds of the sale were used to provide funds to the City to prepay and defease on a current basis the City's Water Parity COP 2005 in the amount of \$1,535,000 and to finance certain capital improvements to the City's water system, to fund a reserve fund for the Bonds, and to pay certain costs of issuing the Bonds. Interest is payable semi-annually on April and October 15 commencing on April 15, 2020 through April 15, 2050 and ranges from 3% to 5%. As of June 30, 2023, the balance outstanding for 2019 Water revenue bonds was \$7,930,000. In the event of a default, the full outstanding balance of the debt is due and payable.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

2. Business-type Activities – Wastewater Revenue Bonds 2019 (Continued)

Annual debt service requirements for the Revenue Bonds are shown below:

Fiscal Year Ended June 30,	2019 Wastewater Revenue Bonds		
	Principal	Interest	Total
2024	\$ 80,000	\$ 590,526	\$ 670,526
2025	85,000	588,051	673,051
2026	90,000	585,426	675,426
2027	90,000	582,726	672,726
2028	465,000	569,751	1,034,751
2029-2033	2,695,000	2,467,427	5,162,427
2034-2038	3,055,000	1,831,905	4,886,905
2039-2043	3,195,000	1,274,755	4,469,755
2044-2048	3,840,000	611,933	4,451,933
2049-2050	1,725,000	56,469	1,781,469
	<u>\$ 15,320,000</u>	<u>\$ 9,158,969</u>	<u>\$ 24,478,969</u>

Fiscal Year Ended June 30,	2019 Water Revenue Bonds		
	Principal	Interest	Total
2024	\$ 65,000	\$ 280,600	\$ 345,600
2025	65,000	278,726	343,726
2026	65,000	276,776	341,776
2027	70,000	274,500	344,500
2028	270,000	270,400	540,400
2029-2033	1,515,000	1,181,600	2,696,600
2034-2038	1,625,000	862,000	2,487,000
2039-2043	1,560,000	618,915	2,178,915
2044-2048	1,865,000	271,573	2,136,573
2049-2050	830,000	75,345	905,345
	<u>\$ 7,930,000</u>	<u>\$ 4,390,435</u>	<u>\$ 12,320,435</u>

3. Compensated Absences

The City's policy relating to compensated absences is described in Note (1). Compensated absences are liquidated primarily by the general fund and proprietary funds. The total amount outstanding at June 30, 2023, was \$535,562 for governmental activities and \$58,084 for business-type activities.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 8 – RISK MANAGEMENT

California Joint Powers Insurance Authority (CJPIA)

The City is a member of the California Joint Powers Insurance Authority's (Authority) Joint Liability Protection and worker's compensation coverage programs. The Authority is composed of 119 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance for property and other lines of coverage. The Authority began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee. Audited financial statements for the Authority are available from Finance Director, at California Joint Powers Insurance Authority, 8081 Moody Street, La Palma, California 90623.

NOTE 9 – CONTINGENT LIABILITIES

The City is subject to litigation arising in the normal course of business. In the opinion of the City's management, there is no pending litigation that is likely to have a material adverse effect on the financial position of the City.

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS

The City does not offer any other post-employment benefits.

NOTE 11 – PENSION PLAN

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

A. General Information about the Pension Plan

Plan Descriptions - All qualified employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Plans, cost sharing defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 11 – PENSION PLAN (Continued)

A. General Information about the Pension Plan (Continued)

The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

	City Misc Plan		City Safety Plan	
	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Hire date				
Benefit formula	2% @ 55	2% @ 62	3.0% @ 50	3.0% @ 50
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	55	62	50	50
Monthly benefits, as a percentage of eligible compensation	2.00%	2.00%	3.0%	1.0% to 2.5%
Required employee contribution rates	7.00%	6.25%	9.00%	11.50%
Required employer contribution rates	6.709%	6.237%	13.813%	6.237%

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2023, the City reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

Proportionate Share of Net Pension Liability	
Misc. Plan	Safety Plan
\$ 2,924,206	\$ 2,819,081

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2021 and 2022 was as follows:

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 11 – PENSION PLAN (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

	City Miscellaneous Plan	City Safety Plan
Proportion - June 30, 2021	0.04426%	0.04057%
Proportion - June 30, 2022	0.06249%	0.04103%
Change - Increase (Decrease)	0.01823%	0.00046%

For the fiscal year ended June 30, 2023, the City recognized pension expense of \$928,581. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 996,599	\$ -
Net differences between projected and actual earnings on pension plan investments	980,809	-
Difference between actual vs proportionate contribution		(147,131)
Difference in actual experience	105,452	
Changes of assumptions	583,895	
Adjustment due to differences in proportions	561,362	-
Total	<u>\$ 3,228,117</u>	<u>\$ (147,131)</u>

\$996,599 reported as deferred outflows of resources related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and will be recognized as pension expense as follows:

Fiscal Year Ended June 30,	Amount
2024	\$ 663,303
2025	534,946
2026	286,963
2027	599,175
Total	<u>\$ 2,084,387</u>

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 11 – PENSION PLAN (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions - The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	3.30%-14.20% (1)	3.30%-14.20% (1)
Investment Rate of Return	6.90% (2)	6.90% (2)
Mortality	Derived using CalPERS' Membership Data	

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2022 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate - The discount rate used to measure the total pension liability was 6.90% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound geometric returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated and adjusted to account for assumed administrative expenses rate.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 11 – PENSION PLAN (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	Assumed	Real Return
	Asset Allocation	Years 1 - 10(a) (b)
Global Equity - cap-weighted	30.00%	4.45%
Global Equity - non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

(a) An expected inflation of 2.0% used for this period.

(b) Figures are based on the 2021-22 Asset Liability Management study.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate -The following presents the net pension liability of the Local Government for each Plan, calculated using the discount rate for each Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Discount Rate -1%	Current Discount Rate	Discount Rate +1%
	5.90%	6.90%	7.90%
Employer's Net Pension Liability - Misc	\$ 4,865,748	\$ 2,924,206	\$ 1,326,800
Employer's Net Pension Liability - Safety	4,318,806	2,819,081	1,593,394
Employer's Net Pension Liability - Total	\$ 9,184,553	\$ 5,743,287	\$ 2,920,194

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 12 - SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Imperial (City) that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 12 - SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

The Bill provides that upon dissolution of a redevelopment agency, either the city or other unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of the City resolution number 2012-04.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence as of the date of the dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

Successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

A. Capital assets of the Successor Agency as of June 30, 2023 consisted of the following:

	Balance at June 30, 2022	Additions	Deletions	Balance at June 30, 2023
Capital assets, not being depreciated:				
Land	\$ 311,012	\$ -	\$ -	\$ 311,012
Total capital assets, not being depreciated	311,012			311,012
Total capital assets, net	<u>\$ 311,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 311,012</u>

B. Long-term debt of the Successor Agency as of June 30, 2023, consisted of the following:

	Balance at June 30, 2022	Additions	Deletions	Balance at June 30, 2023	Due within one year
2016 A Series Tax Allocation Bond	\$ 4,695,000	\$ -	\$ (250,000)	\$ 4,445,000	\$ 250,000
2016 B Series Tax Allocation Bond	12,175,000		(560,000)	11,615,000	580,000
Totals	<u>\$ 16,870,000</u>	<u>\$ -</u>	<u>\$ (810,000)</u>	<u>\$ 16,060,000</u>	<u>\$ 830,000</u>

2016 Series A Tax Allocation Bonds

On May 18, 2016, the Successor Agency of the City of Imperial (the “Agency”) issued \$6,050,000 refunding the 2005 Tax Allocation Notes. Interest is payable semi-annually every June 1 and December 1 of each year, commencing June 1, 2016 and maturing on June 1, 2037 and ranges from 2% to 4%. As of June 30, 2023, the outstanding principal balance is \$4,445,000. In the event of a default, the full outstanding balance of the debt is due and payable.

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 12 - SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

2016 Series A Tax Allocation Bonds (Continued)

Fiscal Year Ended June 30,	2016 Series A Tax Allocation Bonds		
	Principal	Interest	Total
2024	250,000	167,900	\$ 417,900
2025	255,000	162,850	417,850
2026	260,000	155,100	415,100
2027	270,000	143,150	413,150
2028	280,000	130,800	410,800
2029-2033	1,600,000	470,800	2,070,800
2034-2037	1,530,000	125,400	1,655,400
	<u>\$ 4,445,000</u>	<u>\$ 1,356,000</u>	<u>\$ 5,801,000</u>

2016 Series B Tax Allocation Bonds

On May 18, 2016, the Successor Agency of the City of Imperial (the “Agency”) issued \$15,145,000 refunding the 2008 Tax Allocation Notes. Interest is payable semi-annually every June 1 and December 1 of each year, commencing June 1, 2016 and maturing on June 1, 2037 and ranges from 0.75% to 4%. As of June 30, 2023, the outstanding principal balance is \$11,615,000. In the event of a default, the full outstanding balance of the debt is due and payable.

Fiscal Year Ended June 30,	2016 Series B Tax Allocation Bonds		
	Principal	Interest	Total
2024	\$ 580,000	\$ 418,656	\$ 998,656
2025	595,000	401,756	996,756
2026	615,000	383,606	998,606
2027	630,000	364,538	994,538
2028	650,000	342,913	992,913
2029-2033	3,620,000	1,335,022	4,955,022
2034-2038	4,925,000	550,300	5,475,300
	<u>\$ 11,615,000</u>	<u>\$ 3,796,791</u>	<u>\$ 15,411,791</u>

CITY OF IMPERIAL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 13 – FUND BALANCES

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

Fund Balances	General	LTDA Measure D	ARPA	Capital Projects	Nonmajor Governmental Funds	Total
<u>Restricted for:</u>						
Community Development	\$ -	\$ -	\$ -	\$ -	\$ 2,821,763	\$ 2,821,763
Public Safety					1,542,274	1,542,274
Public Works					3,882,901	3,882,901
Parks and Recreation					2,804,517	2,804,517
Total Restricted					11,051,455	11,051,455
Unassigned:	10,318,225	(140,121)	1,434,953	(18,458)	(177,952)	11,416,647
Total Fund Balances	<u>\$ 10,318,225</u>	<u>\$ (140,121)</u>	<u>\$ 1,434,953</u>	<u>\$ (18,458)</u>	<u>\$ 10,873,503</u>	<u>\$ 22,468,102</u>

NOTE 14 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$(48,157) was posted in the Circulations Impact Fees fund due to an overstatement of receivables in the prior fiscal year.

A prior period adjustment of \$(501,073) was posted in the RDA Successor Agency Private Purpose Trust Fund due to an overstatement of receivables in the prior fiscal year.

A prior period adjustment of \$181,618 was posted in the Water Fund due to an overstatement of accumulated depreciation in the prior fiscal year.

A prior period adjustment of \$(71,168) was posted in the Water Fund due to an overstatement of receivables in the prior fiscal year.

A prior period adjustment of \$181,526 was posted in the Wastewater Fund due to an overstatement of accumulated depreciation in the prior fiscal year.

A prior period adjustment of \$(315,580) was posted in the Wastewater Fund due to an overstatement of receivables in the prior fiscal year.

NOTE 15 – SUBSEQUENT EVENTS

The City may be negatively impacted by the effects of the worldwide coronavirus pandemic. The City is closely monitoring its operations, liquidity, and reserves and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the full impact to the City's financial position is not known.

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF IMPERIAL
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Property Taxes	\$ 1,926,846	\$ 1,926,846	\$ 2,168,895	\$ 242,049
Sales and Use Taxes	3,899,500	3,899,500	3,803,410	(96,090)
Business License Taxes	65,000	65,000	66,979	1,979
Transient Occupancy Tax	35,000	35,000	235,390	200,390
Other Taxes	56,711	56,711	2,336,191	2,279,480
Licenses and Permits	8,200	8,200	9,415	1,215
Fines and Forfeitures	113,500	113,500	193,445	79,945
Use of Money and Property	6,000	6,000	16,949	10,949
Charges for Services	2,734,410	2,734,410	2,940,370	205,960
Intergovernmental	2,417,070	2,417,070	3,999,622	1,582,552
Franchise Tax	250,000	250,000	347,402	97,402
Other	599,750	599,750	101,298	(498,452)
Total Revenues	12,111,987	12,111,987	16,219,366	4,107,379
Expenditures				
Current				
General Government	4,436,163	4,436,163	2,880,562	1,555,601
Public Safety	4,970,827	4,970,827	4,815,521	155,306
Public Works	1,882,224	1,882,224	3,154,726	(1,272,502)
Parks and Recreation	2,000,618	2,000,618	1,811,232	189,386
Community Development	753,621	753,621	703,491	50,130
Capital Outlay			213,677	(213,677)
Total Expenditures	14,043,453	14,043,453	13,579,209	464,244
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,931,466)	(1,931,466)	2,640,157	4,571,623
Other Financing Sources (uses):				
Transfers In	1,946,558	1,946,558	1,443,186	(503,372)
Transfers Out			(1,055,040)	(1,055,040)
Total Other Financing Sources (Uses)	1,946,558	1,946,558	388,146	(1,558,412)
Net Change in Fund Balance	15,092	15,092	3,028,303	3,013,211
Fund Balance - July 1, 2022	7,731,103	7,731,103	7,731,103	
Prior Period Adjustments			(441,181)	(441,181)
Fund Balance - July 1, 2022, Restated	7,731,103	7,731,103	7,289,922	(441,181)
Fund Balance - June 30, 2023	\$ 7,746,195	\$ 7,746,195	\$ 10,318,225	\$ 2,572,030

CITY OF IMPERIAL
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LTA MEASURE D SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Sales and Use Taxes	\$ 850,000	\$ 850,000	\$ 1,580,696	\$ 730,696
Use of Money and Property	200	200	1,607	1,407
Intergovernmental	8,217,302	8,217,302	169,370	(8,047,932)
Total Revenues	9,067,502	9,067,502	1,751,673	(7,315,829)
Expenditures				
Current				
Public Works	142,000	142,000	853,773	(711,773)
Capital Outlay	9,353,540	9,353,540	-	9,353,540
Total Expenditures	9,495,540	9,495,540	853,773	8,641,767
Excess (Deficiency) of Revenues Over (Under) Expenditures	(428,038)	(428,038)	897,900	1,325,938
Other Financing Sources (uses):				
Transfers Out	(566,311)	(566,311)	(2,539,565)	(1,973,254)
Total Other Financing Sources (Uses)	(566,311)	(566,311)	(2,539,565)	(1,973,254)
Net Change in Fund Balance	(994,349)	(994,349)	(1,641,665)	(647,316)
Fund Balance - July 1, 2022	1,501,544	1,501,544	1,501,544	
Fund Balance - June 30, 2023	\$ 507,195	\$ 507,195	\$ (140,121)	\$ (647,316)

**CITY OF IMPERIAL
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ARPA SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Use of Money and Property	\$ 200	\$ 100	\$ 4,168	\$ 4,068
Intergovernmental	2,167,344	2,167,544	2,167,345	(199)
Total Revenues	2,167,544	2,167,644	2,171,513	3,869
Expenditures				
Current				
General Government	750,000	750,000	359,624	390,376
Capital Outlay	3,495,623	3,495,623	199,984	3,295,639
Total Expenditures	4,245,623	4,245,623	559,608	3,686,015
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,078,079)	(2,077,979)	1,611,905	3,689,884
Other Financing Sources (uses):				
Transfers Out	(107,024)		(50,764)	(50,764)
Total Other Financing Sources (Uses)			(50,764)	(50,764)
Net Change in Fund Balance	(2,078,079)	(2,077,979)	1,561,141	3,639,120
Fund Balance - July 1, 2022	(126,188)	(126,188)	(126,188)	
Fund Balance - June 30, 2023	\$ (2,204,267)	\$ (2,204,167)	\$ 1,434,953	\$ 3,639,120

**CITY OF IMPERIAL
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2023**

Cost Sharing Defined Benefit Pension Plans

Schedule of the City's Proportionate Share of the Net Pension Liability – Last 10 Years*

	June 30, 2019		June 30, 2018		June 30, 2017		June 30, 2016		June 30, 2015	
	Misc Plan	Safety Plan	Misc Plan	Safety Plan	Misc Plan	Safety Plan	Misc Plan	Safety Plan	Misc Plan	Safety Plan
Proportion of the net pension liability	0.04726%	0.03965%	0.04640%	0.03980%	0.04310%	0.04135%	0.03591%	0.04491%	0.05532%	0.04857%
Proportionate share of the net pension liability	\$ 1,781,201	\$ 2,326,685	\$ 1,829,307	\$ 2,377,969	\$ 1,497,198	\$ 2,141,864	\$ 985,073	\$ 1,850,541	\$ 1,367,153	\$ 1,821,888
Covered-employee payroll	\$ 3,150,971	\$ 1,550,355	\$ 1,926,480	\$ 1,022,595	\$ 1,739,004	\$ 1,059,307	\$ 1,642,544	\$ 1,032,855	\$ 1,651,054	\$ 1,075,212
Proportionate Share of the net pension liability as a percentage of covered-employee payroll	56.53%	150.07%	94.96%	232.54%	86.10%	202.19%	59.97%	179.17%	82.80%	169.44%
Plan's fiduciary net position	\$ 8,248,766	\$ 5,822,158	\$ 7,433,062	\$ 5,382,173	\$ 6,695,486	\$ 4,662,680	\$ 6,449,768	\$ 5,357,528	\$ 5,663,481	\$ 5,067,491
Plan's total pension liability	\$ 10,029,967	\$ 8,148,843	\$ 9,262,369	\$ 7,760,142	\$ 8,192,684	\$ 6,804,544	\$ 7,434,841	\$ 7,208,069	\$ 7,030,634	\$ 6,889,379
Plan fiduciary net position as a percentage of total pension liability	82.24%	71.45%	80.25%	69.36%	81.73%	68.52%	86.75%	74.33%	80.55%	73.56%
	June 30, 2023		June 30, 2022		June 30, 2021		June 30, 2020			
	Misc Plan	Safety Plan	Misc Plan	Safety Plan	Misc Plan	Safety Plan	Misc Plan	Safety Plan	Misc Plan	Safety Plan
Proportion of the net pension liability	0.06249%	0.04103%	0.04426%	0.04057%	0.05447%	0.03873%	0.05071%	0.03895%		
Proportionate share of the net pension liability	\$ 2,924,206	\$ 2,819,081	\$ 840,360	\$ 1,423,795	\$ 2,297,687	\$ 2,580,520	\$ 2,030,745	\$ 2,431,739		
Covered-employee payroll	\$ 2,756,411	\$ 1,435,255	\$ 2,811,240	\$ 1,432,882	\$ 2,791,116	\$ 1,336,992	\$ 3,332,704	\$ 1,779,072		
Proportionate Share of the net pension liability as a percentage of covered-employee payroll	106.09%	196.42%	29.89%	99.37%	82.32%	193.01%	60.93%	136.69%		
Plan's fiduciary net position	\$ 11,318,527	\$ 8,040,745	\$ 12,326,290	\$ 8,667,190	\$ 9,716,791	\$ 7,193,696	\$ 8,941,408	\$ 6,473,977		
Plan's total pension liability	\$ 14,242,733	\$ 10,859,826	\$ 13,166,650	\$ 10,090,985	\$ 12,014,478	\$ 9,774,215	\$ 10,972,153	\$ 8,905,717		
Plan fiduciary net position as a percentage of total pension liability	79.47%	74.04%	93.62%	85.89%	80.88%	73.60%	81.49%	72.69%		

Notes to Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Change in Assumptions: In 2023, the accounting discount rate reduced from 7.14% to 6.90%.

In 2017, the accounting discount rate reduced from 7.65% to 7.15%.

*Fiscal year 2015 was the 1st year of implementation, therefore only nine years are shown.

**CITY OF IMPERIAL
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2023**

Cost Sharing Defined Benefit Pension Plans

Schedule of Contributions – Last 10 Years*

	June 30, 2019		June 30, 2018		June 30, 2017		June 30, 2016		June 30, 2015	
	Misc Plan	Safety Plan	Misc Plan	Safety Plan	Misc Plan	Safety Plan	Misc Plan	Safety Plan	Misc Plan	Safety Plan
Contractual required contribution (actuarially determined)	\$ 196,053	\$ 200,094	\$ 146,000	\$ 152,674	\$ 249,335	\$ 161,109	\$ 223,103	\$ 182,273	\$ 313,414	\$ 374,623
Contributions in relation to the actuarially determined contributions	(196,053)	(200,094)	(146,000)	(152,674)	(249,335)	(161,109)	(223,103)	(182,273)	(313,414)	(374,623)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 3,332,704	\$ 1,779,072	\$ 3,150,971	\$ 1,550,355	\$ 1,926,480	\$ 1,022,595	\$ 173,904	\$ 1,059,307	\$ 1,642,544	\$ 1,032,855
Contributions as a percentage of covered employee payroll	5.88%	11.25%	4.63%	9.85%	12.94%	15.75%	128.29%	17.21%	19.08%	36.27%

	June 30, 2023		June 30, 2022		June 30, 2021		June 30, 2020			
	Misc Plan	Safety Plan	Misc Plan	Safety Plan	Misc Plan	Safety Plan	Misc Plan	Safety Plan		
Contractual required contribution (actuarially determined)	\$ 543,587	\$ 453,012	\$ 486,544	\$ 442,037	\$ 425,121	\$ 501,738	\$ 305,578	\$ 412,284		
Contributions in relation to the actuarially determined contributions	(543,587)	(453,012)	(486,544)	(442,037)	(425,121)	(501,738)	(305,578)	(412,284)		
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Covered employee payroll	\$ 2,749,211	\$ 1,512,012	\$ 2,756,411	\$ 1,435,255	\$ 2,811,240	\$ 1,432,882	\$ 2,791,116	\$ 1,336,992		
Contributions as a percentage of covered employee payroll			19.77%	29.96%	17.65%	30.80%	15.12%	35.02%	10.95%	30.84%

Notes to Schedule

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For detail, see June 30, 2012 Funding Valuation Report
Assets Valuation Method	Actuarial Value of Assets. For details, see June 30, 2012 Funding Valuation Report.
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	6.90% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates included 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

*Fiscal year 2015 was the 1st year of implementation, therefore only nine years are shown.

Page intentionally left blank

OTHER SUPPLEMENTAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

The Traffic Congestion Relief Fund was established to account for TCRF funding for streets and road projects to ease congestion.

The Traffic Safety Fund was established to account money received for traffics safety programs.

The Gas Tax Fund was established to account for state gas tax revenues based on population. The revenues may be expended only for street and road repair, maintenance, design, construction, and traffic signal design and installation.

The Local Transportation Fund was established to funding received for local transportation capital projects.

The Dial-A-Ride Fund was established to account for monies received as part of the TDA paratransit program.

The Successor Housing Fund was established to account for the housing loan and housing rehabilitation loans as part of the former redevelopment agency.

The Public Safety Prop 172 Fund was established to account for Prop 172 public safety funds received by the City and dedicated to local public safety.

The COPS Grants Fund was established to account for monies received as part of several COPS police hiring grant from the United States Department of Justice.

The Asset Forfeiture Fund was established to account for monies received from asset seizures in the City's jurisdiction. The monies are to be spent on police protection and enforcement.

The CDBG HOME Fund was established to account for federal grants under the Housing and Community Development Act, to assist low and moderate income groups in obtaining loans to rehabilitate or revitalize their homes.

The Housing Rehabilitation Fund was established to account for funds to assist low and moderate income groups in obtaining loans to rehabilitate or revitalize their homes.

The ED CDBG Grants Fund was established to account for federal planning grants under the Housing and Community Development Act.

The RLA Fund was established to bridge the gap between old development and new development where Landscaping and Lighting Districts are not set up.

The Wildflower Landscaping and Lighting Fund was established to account for revenues received and expenditures made for projects and maintenance within the Wildflower Landscaping and Lighting District.

The Paseo Del Sol Landscaping and Lighting Fund was established to account for revenues received and expenditures made for projects and maintenance within the Paseo Del Sol Landscaping and Lighting District.

The Joshua Tree Street Improvement Fund was established to account for revenues received and expenditures made for Joshua Tree Street Improvement project.

The Library Donation Fund was established to account for donations received at the library.

The Sky Ranch District Fund was established to account for revenues received and expenditures made for projects and maintenance within the Sky Ranch District.

The Prop 1B Fund was established to account for Prop 1B funds that are used for local streets and roads.

The Library Literacy Fund was established to account for funds received and expended as part of the library literacy program.

The Police Technology Grant Fund was established to account for funds received as part of police technology grants.

The Austin Worthington Roads Fund was established to account for costs related to Austin Worthington Roads projects.

The Community Services Grant Fund was established to account for community services grants.

The General Housing Fund was established to account program revenue and costs associated with general housing programs.

The Fire Impact Fees Fund was established to account for fire impact fees.

The Police Impact Fees Fund was established to account for police impact fees.

The Administrative Impact Fees Fund was established to account for administrative impact fees.

The Library Impact Fees Fund was established to account for library impact fees.

The Park Impact Fees Fund was established to account for park impact fees.

The Circulation Impact Fees Fund was established to account for circulation impact fees.

The STPL Fund was established to account for funds received and expended for highway planning and construction projects.

The EDA Fund was established for funds received for Economic Development Administration programs.

The SB 1 Fund was established to account for funds provided for street projects as part of California Senate Bill 1.

ARPA Utility Fund was established to account for funds received as part of the American Rescue Plan dedicated towards utility assistance.

CARES Fund was established to account for funds received as part of COVID-19 Economic Relief Act.

Early Learning Grant Fund was established to account for funds received as part of California Early Learning and Care Workforce Development Pathways Grant.

Per Capita Grant Fund was established to account for funds made available for local park rehabilitation, creation, and improvement grants to local governments on a per capita basis

Utility Assistance Fund was established to account for funds provided for utility assistance for residents.

SB 1383 Fund was established to account funding provided as part of SB 1383 to measure and report organic waste material activity, including composting and anaerobic digestion.

**CITY OF IMPERIAL
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023**

	Special Revenue Funds				
	Traffic Congestion Relief	Traffic Safety	Gas Tax	Local Transportation	Dial-A- Ride
Assets					
Cash and Investments	\$ -	\$ 10,912	\$ 954,348	\$ 404,292	\$ 14,607
Accounts Receivable			48,051		
Loans Receivable					
Total Assets	<u>\$ -</u>	<u>\$ 10,912</u>	<u>\$ 1,002,399</u>	<u>\$ 404,292</u>	<u>\$ 14,607</u>
Liabilities					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due To Other Funds					
Total Liabilities					
Deferred Inflows of Resources:					
Loan Related					
Total Deferred Inflows of Resources					
Total Liabilities and Deferred Inflows of Resources					
Fund Balances (Deficits)					
Restricted		10,912	1,002,399	404,292	14,607
Unassigned					
Total Fund Balances (Deficits)		<u>10,912</u>	<u>1,002,399</u>	<u>404,292</u>	<u>14,607</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 10,912</u>	<u>\$ 1,002,399</u>	<u>\$ 404,292</u>	<u>\$ 14,607</u>

Special Revenue Funds					
Successor Housing	Public Safety Prop 172	COPS Grants	Asset Forfeiture	CDBG HOME Grant	Housing Rehab
\$ 246,920	\$ -	\$ 165,484	\$ 16,312	\$ 150,538	\$ 52,262
158,000	137,111			582,736	276,535
<u>\$ 404,920</u>	<u>\$ 137,111</u>	<u>\$ 165,484</u>	<u>\$ 16,312</u>	<u>\$ 733,274</u>	<u>\$ 328,797</u>
\$ -	\$ -	\$ 9,993	\$ 26	\$ -	\$ -
	57,465				
	57,465	9,993	26		
158,000				582,736	276,535
158,000				582,736	276,535
158,000	57,465	9,993	26	582,736	276,535
246,920	79,646	155,491	16,286	150,538	52,262
246,920	79,646	155,491	16,286	150,538	52,262
<u>\$ 404,920</u>	<u>\$ 137,111</u>	<u>\$ 165,484</u>	<u>\$ 16,312</u>	<u>\$ 733,274</u>	<u>\$ 328,797</u>

Continued

CITY OF IMPERIAL
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023
(CONTINUED)

	Special Revenue Funds				
	ED CDBG	RLA	Wildflower Landscape Lighting	Paseo Del Sol Landscape Lighting	Joshua Tree Street Improvement
Assets					
Cash and Investments	\$ 50	\$ 81,827	\$ 273,277	\$ 40,047	\$ 31,287
Accounts Receivable			271		
Loans Receivable		151,977			
Total Assets	<u>\$ 50</u>	<u>\$ 233,804</u>	<u>\$ 273,548</u>	<u>\$ 40,047</u>	<u>\$ 31,287</u>
Liabilities					
Accounts Payable	\$ -	\$ -	\$ 1,140	\$ 1,290	\$ -
Due To Other Funds					
Total Liabilities			1,140	1,290	
Deferred Inflows of Resources:					
Loan Related		151,977			
Total Deferred Inflows of Resources		151,977			
Total Liabilities and Deferred Inflows of Resources		151,977	1,140	1,290	
Fund Balances (Deficits)					
Restricted	50	81,827	272,408	38,757	31,287
Unassigned					
Total Fund Balances (Deficits)	<u>50</u>	<u>81,827</u>	<u>272,408</u>	<u>38,757</u>	<u>31,287</u>
Total Liabilities and Fund Balances	<u>\$ 50</u>	<u>\$ 233,804</u>	<u>\$ 273,548</u>	<u>\$ 40,047</u>	<u>\$ 31,287</u>

Special Revenue Funds					
Library Donation	Sky Ranch District	Prop 1B	Library Literacy	Police Technology Grant	Austin Worthington
\$ 925	\$ 586,578 1,470	\$ -	\$ 102,843	\$ -	\$ 95,750
\$ 925	\$ 588,048	\$ -	\$ 102,843	\$ -	\$ 95,750
\$ -	\$ 3,636	\$ -	\$ 6,939	\$ -	\$ -
	3,636		6,939		
	3,636		6,939		
925	584,412		95,904		95,750
925	584,412		95,904		95,750
\$ 925	\$ 588,048	\$ -	\$ 102,843	\$ -	\$ 95,750

Continued

CITY OF IMPERIAL
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023
(CONTINUED)

	Special Revenue Funds				
	Community Services Grant	General Housing	Fire Impact Fees	Police Impact Fees	Admin Impact Fees
Assets					
Cash and Investments	\$ 45,958	\$ 545,742	\$ 223,498	\$ 1,067,353	\$ 1,027,943
Accounts Receivable					
Loans Receivable		108,143			
Total Assets	<u>\$ 45,958</u>	<u>\$ 653,885</u>	<u>\$ 223,498</u>	<u>\$ 1,067,353</u>	<u>\$ 1,027,943</u>
Liabilities					
Accounts Payable	\$ 103	\$ -	\$ -	\$ -	\$ -
Due to Other Funds					
Total Liabilities	<u>103</u>				
Deferred Inflows of Resources:					
Loan Related		108,143			
Total Deferred Inflows of Resources		<u>108,143</u>			
Total Liabilities and Deferred Inflows of Resources	<u>103</u>	<u>108,143</u>			
Fund Balances (Deficits)					
Restricted	45,855	545,742	223,498	1,067,353	1,027,943
Unassigned					
Total Fund Balances (Deficits)	<u>45,855</u>	<u>545,742</u>	<u>223,498</u>	<u>1,067,353</u>	<u>1,027,943</u>
Total Liabilities and Fund Balances	<u>\$ 45,958</u>	<u>\$ 653,885</u>	<u>\$ 223,498</u>	<u>\$ 1,067,353</u>	<u>\$ 1,027,943</u>

Special Revenue Funds					
Library Impact Fees	Park Impact Fees	Circulation Impact Fees	STPL	EDA	SB 1
\$ 798,988	\$ 1,862,845	\$ 1,335,881	\$ -	\$ 602,085	\$ 548,321 43,088
<u>\$ 798,988</u>	<u>\$ 1,862,845</u>	<u>\$ 1,335,881</u>	<u>\$ -</u>	<u>\$ 602,085</u>	<u>\$ 591,409</u>
\$ -	\$ -	\$ 499,213	\$ -	\$ -	\$ -
		499,213			
		499,213			
798,988	1,862,845	836,668		602,085	591,409
<u>798,988</u>	<u>1,862,845</u>	<u>836,668</u>		<u>602,085</u>	<u>591,409</u>
<u>\$ 798,988</u>	<u>\$ 1,862,845</u>	<u>\$ 1,335,881</u>	<u>\$ -</u>	<u>\$ 602,085</u>	<u>\$ 591,409</u>

CITY OF IMPERIAL
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023
(CONTINUED)

Special Revenue Funds				
	ARPA Utility	CARES	Early Learning Grant	Per Capita
Assets				
Cash and Investments	\$ 2,970	\$ 18,751	\$ 73,997	\$ -
Accounts Receivable				
Loans Receivable				
Total Assets	<u>\$ 2,970</u>	<u>\$ 18,751</u>	<u>\$ 73,997</u>	<u>\$ -</u>
Liabilities				
Accounts Payable	\$ -	\$ -	\$ 1,075	\$ -
Due to Other Funds				177,952
Total Liabilities			<u>1,075</u>	<u>177,952</u>
Deferred Inflows of Resources:				
Loan Related				
Total Deferred Inflows of Resources				
Total Liabilities and Deferred Inflows of Resources			<u>1,075</u>	<u>177,952</u>
Fund Balances (Deficits)				
Restricted	2,970	18,751	72,922	
Unassigned				(177,952)
Total Fund Balances (Deficits)	<u>2,970</u>	<u>18,751</u>	<u>72,922</u>	<u>(177,952)</u>
Total Liabilities and Fund Balances	<u>\$ 2,970</u>	<u>\$ 18,751</u>	<u>\$ 73,997</u>	<u>\$ -</u>

<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
Utility Assistance	SB 1383	
\$ 19,753	\$ 54,127	\$ 11,456,471
		229,991
		1,277,391
<u>\$ 19,753</u>	<u>\$ 54,127</u>	<u>\$ 12,963,853</u>
\$ -	\$ 54,127	\$ 577,542
		235,417
	54,127	812,959
		1,277,391
		1,277,391
	54,127	2,090,350
19,753		11,051,455
		(177,952)
<u>19,753</u>		<u>10,873,503</u>
<u>\$ 19,753</u>	<u>\$ 54,127</u>	<u>\$ 12,963,853</u>

CITY OF IMPERIAL
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2023

	Special Revenue Funds				
	Traffic Congestion Relief	Traffic Safety	Gas Tax	Local Transportation	Dial-A- Ride
Revenues:					
Use of Money and Property	\$ -	\$ 36	\$ 3,009	\$ 1,245	\$ -
Charges for Services		3,933			
Intergovernmental			503,053		
Other					
Total Revenues		3,969	506,062	1,245	
Expenditures:					
Current:					
Community Development					
Public Safety					
Public Works				10,752	
Parks and Recreation					
Capital Outlay					
Total Expenditures				10,752	
Excess (Deficiency) of Revenues over (Under) Expenditures		3,969	506,062	(9,507)	
Other Financing Sources (Uses):					
Transfers In	29,996				
Transfers Out		(3,500)	(400,000)	(5,000)	
Total Other Financing Sources (Uses)	29,996	(3,500)	(400,000)	(5,000)	
Net Change in Fund Balances	29,996	469	106,062	(14,507)	
Fund Balances - June 30, 2022	(29,996)	10,443	896,337	418,799	14,607
Prior Period Adjustments					
Fund Balances - June 30, 2022, Restated	(29,996)	10,443	896,337	418,799	14,607
Fund Balances - June 30, 2023	\$ -	\$ 10,912	\$ 1,002,399	\$ 404,292	\$ 14,607

Special Revenue Funds					
Successor Housing	Public Safety Prop 172	COPS Grants	Asset Forfeiture	CDBG HOME Grant	Housing Rehab
\$ 28,188	\$ 288	\$ 217	\$ 47	\$ 16,260	\$ 545
	137,111	84,305		3,496	3,162
28,188	137,399	84,522	47	19,756	3,707
		86,761	219		
		86,761	219		
28,188	137,399	(2,239)	(172)	19,756	3,707
	(97,942)	61,895 (76,720)			(5,000)
	(97,942)	(14,825)			(5,000)
28,188	39,457	(17,064)	(172)	19,756	(1,293)
218,732	40,189	172,555	16,458	130,782	53,555
218,732	40,189	172,555	16,458	130,782	53,555
\$ 246,920	\$ 79,646	\$ 155,491	\$ 16,286	\$ 150,538	\$ 52,262

Continued

CITY OF IMPERIAL
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2023
(CONTINUED)

	Special Revenue Funds				
	ED CDBG	RLA	Wildflower Landscape Lighting	Paseo Del Sol Landscape Lighting	Joshua Tree Street Improvement
Revenues:					
Use of Money and Property	\$ -	\$ 1,747	\$ 725	\$ 819	\$ -
Charges for Services			63,880	68,175	
Intergovernmental		2,108			
Other					
Total Revenues		<u>3,855</u>	<u>64,605</u>	<u>68,994</u>	
Expenditures:					
Current:					
Community Development					
Public Safety					
Public Works			17,208	6,181	
Parks and Recreation					
Capital Outlay					
Total Expenditures			<u>17,208</u>	<u>6,181</u>	
Excess (Deficiency) of Revenues over (Under) Expenditures		<u>3,855</u>	<u>47,397</u>	<u>62,813</u>	
Other Financing Sources (Uses):					
Transfers In					
Transfers Out		(5,000)	(17,124)	(69,578)	
Total Other Financing Sources (Uses)		<u>(5,000)</u>	<u>(17,124)</u>	<u>(69,578)</u>	
Net Change in Fund Balances		<u>(1,145)</u>	<u>30,273</u>	<u>(6,765)</u>	
Fund Balances - June 30, 2022	50	82,972	242,135	45,522	31,287
Prior Period Adjustments					
Fund Balances - June 30, 2022, Restated	<u>50</u>	<u>82,972</u>	<u>242,135</u>	<u>45,522</u>	<u>31,287</u>
Fund Balances - June 30, 2023	<u>\$ 50</u>	<u>\$ 81,827</u>	<u>\$ 272,408</u>	<u>\$ 38,757</u>	<u>\$ 31,287</u>

Special Revenue Funds					
Library Donation	Sky Ranch District	Prop 1B	Library Literacy	Police Technology Grant	Austin Worthington
\$ -	\$ 2,274 216,861	\$ -	\$ 160	\$ -	\$ -
			133,091		
152					
152	219,135		133,251		
	187,112		46,790		
	187,112		46,790		
152	32,023		86,461		
	(99,243)	164,419	(42,856)	112,075	
	(99,243)	164,419	(42,856)	112,075	
152	(67,220)	164,419	43,605	112,075	
773	651,632	(164,419)	52,299	(112,075)	95,750
773	651,632	(164,419)	52,299	(112,075)	95,750
\$ 925	\$ 584,412	\$ -	\$ 95,904	\$ -	\$ 95,750

Continued

CITY OF IMPERIAL
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2023
(CONTINUED)

	Special Revenue Funds				
	Community Services Grant	General Housing	Fire Impact Fees	Police Impact Fees	Admin Impact Fees
Revenues:					
Use of Money and Property	\$ 17	\$ 1,701	\$ 555	\$ 2,906	\$ 2,782
Charges for Services		17,224	22,255	45,502	47,650
Intergovernmental	44,880				
Other					
Total Revenues	<u>44,897</u>	<u>18,925</u>	<u>22,810</u>	<u>48,408</u>	<u>50,432</u>
Expenditures:					
Current:					
Community Development					991
Public Safety			990	992	
Public Works					
Parks and Recreation	155				
Capital Outlay					
Total Expenditures	<u>155</u>		<u>990</u>	<u>992</u>	<u>991</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>44,742</u>	<u>18,925</u>	<u>21,820</u>	<u>47,416</u>	<u>49,441</u>
Other Financing Sources (Uses):					
Transfers In					
Transfers Out		(5,000)			
Total Other Financing Sources (Uses)		<u>(5,000)</u>			
Net Change in Fund Balances	<u>44,742</u>	<u>13,925</u>	<u>21,820</u>	<u>47,416</u>	<u>49,441</u>
Fund Balances - June 30, 2022	1,113	531,817	201,678	1,019,937	978,502
Prior Period Adjustments					
Fund Balances - June 30, 2022, Restated	<u>1,113</u>	<u>531,817</u>	<u>201,678</u>	<u>1,019,937</u>	<u>978,502</u>
Fund Balances - June 30, 2023	<u>\$ 45,855</u>	<u>\$ 545,742</u>	<u>\$ 223,498</u>	<u>\$ 1,067,353</u>	<u>\$ 1,027,943</u>

Special Revenue Funds					
Library Impact Fees	Park Impact Fees	Circulation Impact Fees	STPL	EDA	SB 1
\$ 2,161 46,450	\$ 4,900 80,698	\$ 2,047 83,436	\$ -	\$ -	\$ 1,384
					468,214
48,611	85,598	85,483			469,598
		991			139
15,865	991				
15,865	991	991			139
32,746	84,607	84,492			469,459
			615,001		(499,213)
	(25,625)				
	(25,625)		615,001		(499,213)
32,746	58,982	84,492	615,001		(29,754)
766,242	1,803,863	800,333	(615,001)	602,085	621,163
		(48,157)			
766,242	1,803,863	752,176	(615,001)	602,085	621,163
\$ 798,988	\$ 1,862,845	\$ 836,668	\$ -	\$ 602,085	\$ 591,409

CITY OF IMPERIAL
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2023
(CONTINUED)

	Special Revenue Funds			
	ARPA Utility	CARES	Early Learning Grant	Per Capita
Revenues:				
Use of Money and Property	\$ 308	\$ 71	\$ 58	\$ -
Charges for Services				
Intergovernmental			76,260	
Other				
Total Revenues	<u>308</u>	<u>71</u>	<u>76,318</u>	
Expenditures:				
Current:				
Community Development		2,000	15,382	
Public Safety				
Public Works				
Parks and Recreation				42,453
Capital Outlay				
Total Expenditures		<u>2,000</u>	<u>15,382</u>	<u>42,453</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>308</u>	<u>(1,929)</u>	<u>60,936</u>	<u>(42,453)</u>
Other Financing Sources (Uses):				
Transfers In				41,368
Transfers Out				
Total Other Financing Sources (Uses)				<u>41,368</u>
Net Change in Fund Balances	<u>308</u>	<u>(1,929)</u>	<u>60,936</u>	<u>(1,085)</u>
Fund Balances - June 30, 2022	2,662	20,680	11,986	(176,867)
Prior Period Adjustments				
Fund Balances - June 30, 2022, Restated	<u>2,662</u>	<u>20,680</u>	<u>11,986</u>	<u>(176,867)</u>
Fund Balances - June 30, 2023	<u>\$ 2,970</u>	<u>\$ 18,751</u>	<u>\$ 72,922</u>	<u>\$ (177,952)</u>

<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
Utility Assistance	SB 1383	
\$ -	\$ -	\$ 74,450
		696,064
	5,119	1,460,799
		152
	5,119	2,231,465
	5,119	23,492
		88,962
		222,383
		106,254
	5,119	441,091
		1,790,374
		1,024,754
		(1,351,801)
		(327,047)
		1,463,327
19,753		9,458,333
		(48,157)
19,753		9,410,176
\$ 19,753	\$ -	\$ 10,873,503

Agenda Item No. B-4

DATE SUBMITTED 2/25/25
 SUBMITTED BY PUBLIC SERVICES
 DATE ACTION REQUIRED 3/5/25

COUNCIL ACTION (X)
 PUBLIC HEARING REQUIRED ()
 RESOLUTION ()
 ORDINANCE 1ST READING ()
 ORDINANCE 2ND READING ()
 CITY CLERK'S INITIALS ()

IMPERIAL CITY COUNCIL AGENDA ITEM

SUBJECT: DISCUSSION/ACTION:
 1. (1) Declare non-operational or no longer in use equipment as surplus
 (2) Authorize the sale and/or disposal of surplus items

DEPARTMENT INVOLVED: Public Services

BACKGROUND/SUMMARY:

The Public Services Department is requesting the Imperial City Council's consideration to declare various pieces of equipment as surplus. The equipment has been deemed non-operational and/or no longer in use/need. If declared, appropriate items will be sold and those beyond repair will be discarded.

Please see attached document identifying potential surplus items.

FISCAL IMPACT:

None

FINANCE
INITIALS

JMS

STAFF RECOMMENDATION:

The department recommends declaring non-op or no longer in use equipment as surplus and authorizing the sale and/or disposal of the surplus items.

DEPT. INITIALS

JMS

MANAGER'S RECOMMENDATION:

approve

CITY
MANAGER'S
INITIALS

04/27

MOTION:

SECONDED:
 AYES:
 NAYES:
 ABSENT:

APPROVED ()
 DISAPPROVED ()

REJECTED ()
 DEFERRED ()

REFERRED TO:

Floor Sweeper (Tripe Brushes)



SBR-30M 30" 3 in 1 Shear, Brake & Roll Machine



50" x 14 Ga Box & Pan Brake Foot Clamp



Metal Cutting Band Saw



Welder & Compressor (Welderator)

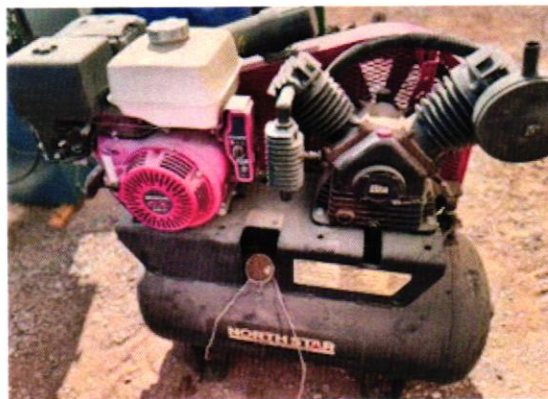
Bobcat 225 Welder



Cable Puller



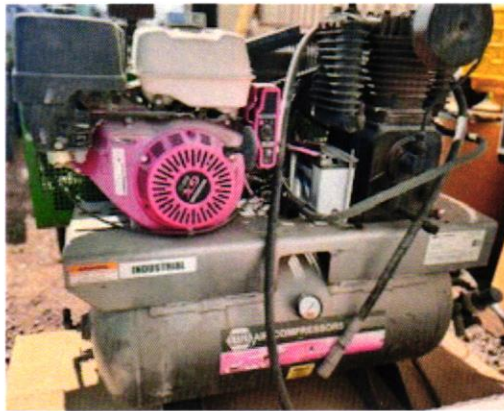
Air Compressor



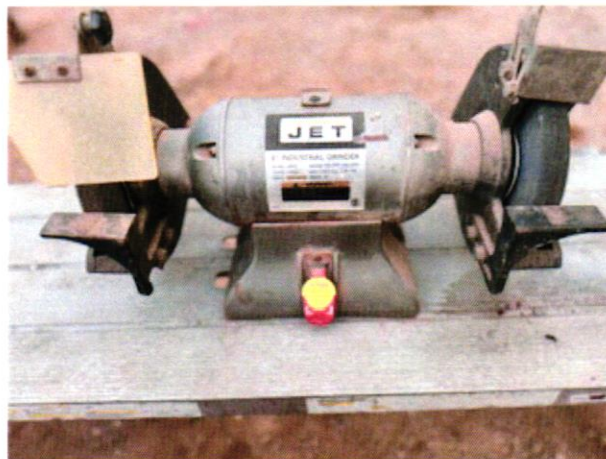
Electric Welder



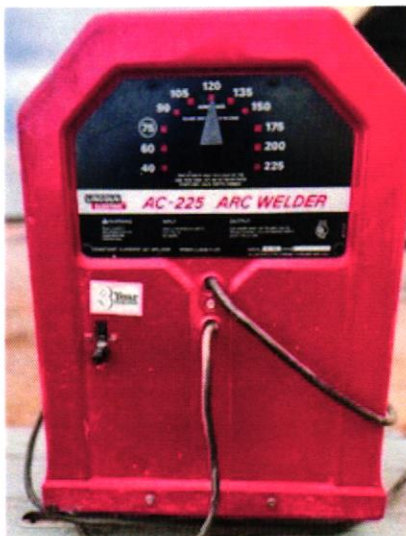
Air Compressor



8" Industrial Grinder



ARC Stick Welder



ARC Stick Welder



Plasma Cutter (Power Max 85)



Plasma Cutter (Power Max 65)



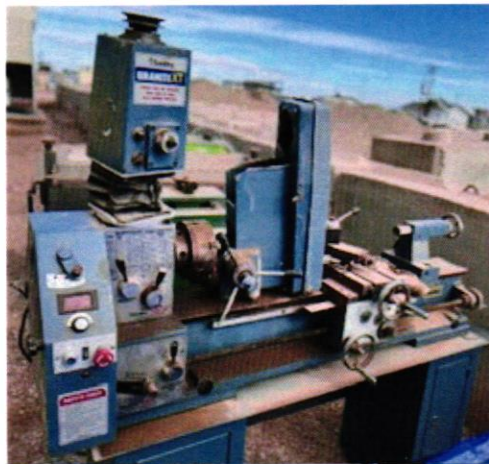
MIG Welder FP130



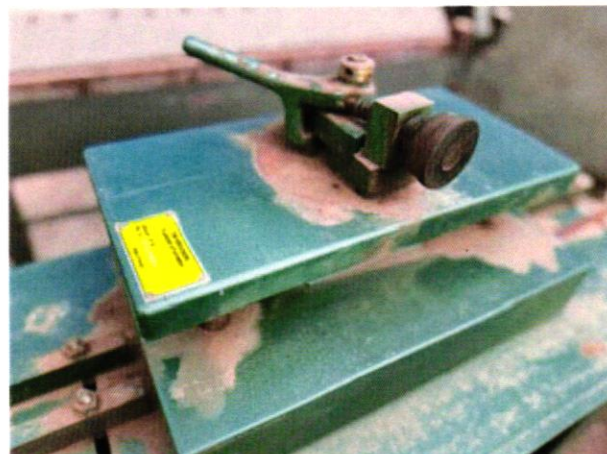
Band Saw



Granite XT



Flanging Attachment



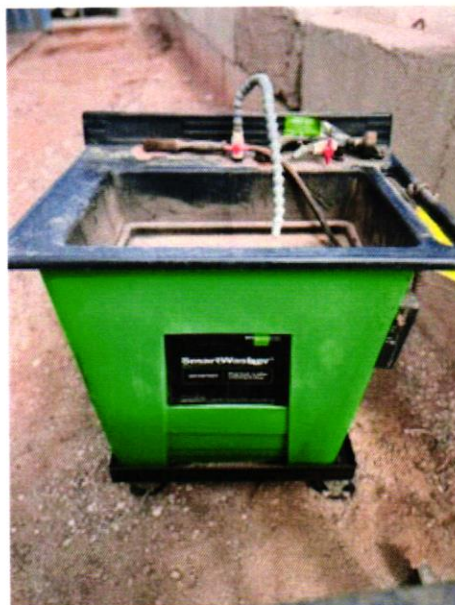
Pittsburgh Machine 20 Ga



Benchtop Pro



Parts Washer



Burn Table CNC Plasma Cutter



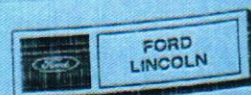
Agenda Item No. C-1

DATE SUBMITTED 2/26/25
 SUBMITTED BY PUBLIC SERVICES
 DATE ACTION REQUIRED 3/5/25

COUNCIL ACTION ☒
 PUBLIC HEARING REQUIRED ☐
 RESOLUTION ☐
 ORDINANCE 1ST READING ☐
 ORDINANCE 2ND READING ☐
 CITY CLERK'S INITIALS ☐

IMPERIAL CITY COUNCIL AGENDA ITEM

SUBJECT: DISCUSSION/ACTION: 1. Approve purchase of two (2) new 2024 Ford F250 services trucks for Water Treatment Plant	
DEPARTMENT INVOLVED: Public Services	
BACKGROUND/SUMMARY: Currently, the Water Treatment Plant has four (4) vehicles in their fleet to perform daily operations. Out of the 4 vehicles, there are 2, a 2014 Dodge Ram 2500 and 2013 Dodge Ram 3500, that continue to have varying malfunctions. These vehicles have become unreliable and can pose potential delay and/or non-response to potential emergency situations that are time sensitive. Four (4) quotes were requested with outcomes outlined next to each: El Centro Motors = \$72,737.25/vehicle - both available now on lot Sunrise Ford = \$68,270.41/vehicle - units have to be built, requires our forces to pick up vehicles Chino Hills Ford = \$71,655.53/vehicle - requires our forces to pick up vehicles Sedano Ford = \$73,541.31/vehicle - requires our forces to pick up vehicles We request approval to proceed with purchasing the 2 new 2024 F250 services trucks through El Centro Motors for an estimated amount of \$145,474.50. Funds are budgeted and allocated within this FY budget.	
FISCAL IMPACT: \$145,474.50 Account: 50-510-5442	FINANCE INITIALS <u>JMS</u>
STAFF RECOMMENDATION: It is the department's recommendation for City Council to approve the purchase of 2 new service trucks for the Water Treatment Plant Division.	DEPT. INITIALS <u>Jmg</u>
MANAGER'S RECOMMENDATION: <u>approve</u>	CITY MANAGER'S INITIALS <u>OTZM</u>
MOTION: SECONDED: AYES: NAYES: ABSENT: APPROVED ☐ DISAPPROVED ☐ REFERRED TO: REJECTED ☐ DEFERRED ☐	



1520 West Ford Drive
EL CENTRO, CA 92243
760-336-2100

MOTOR VEHICLE PURCHASE ORDER

Salesperson Jessy C / Act N

Date 1/06/25

Purchaser CITY OF IMPERIAL

500

Res.
PhoneBus.
Phone

Address 420 S. IMPERIAL AVE

CITY IMPERIALState Ca

ZIP 92351

I hereby agree to purchase from you under the terms and conditions specified, the following: Delivery is to be made _____
or as soon thereafter as possible. _____, that neither you nor the Manufacturer will be liable for failure to effect delivery.

RECEIPT OF A FILLED-IN COPY OF THIS AGREEMENT
IS HEREBY ACKNOWLEDGED BY PURCHASER

I have read, and I understand and accept all provisions of the Manufacturer's Warranty Statement covering this new vehicle that I am ordering.

Dealer's Name _____

El Centro Motors

Purchaser's Signature _____

Accepted

~~This order not valid until accepted by DEALER OR SALES MANAGER~~

Purchaser's Signature _____



16005 VALLEY BLVD., FONTANA, CA 92335
FLEET OFFICE (909) 350-3043 FLEET FAX (909) 822-4199

FLEET VEHICLE PURCHASE INVOICE

SOLD TO City of imperial DATE 11/01/2024
420 S Imperial Ave.
Imperial, CA. 92251
PHONE 760-604-7726
P.O. # _____

YEAR 2024 MAKE Ford MODEL F-250
VIN 1FD7X2AA3REE92130 STOCK NUMBER FR3015

TERMS:

NET 0 DAYS NET DUE \$ \$64,770.41

MUST BE RECEIVED NO LATER THAN _____

DELIVERY RECEIPT:
I ACKNOWLEDGE THE RECEIPT OF THE ABOVE VEHICLE:

MAKE CHECKS PAYABLE TO:
SUNRISE FORD
16005 VALLEY BLVD.
FONTANA, CA 92335

SIGNATURE _____ DATE _____
F-250 Super Cab Gas
FORD FLEET # _____
8' Harbor utility bed with ladder rack
RESALE # _____
MSRP-\$66,520.00
R.S. # _____
Total discount-<\$6,532.00> Exempt plates
BID # _____
Matt Charland 951-288-2451
FLEET MANAGER & NUMBER

PRICE \$59,988.00
TAX \$4,655.66
LIC. FEE \$41.75
DOC. FEE \$85.00
TOTAL \$64,770.41
LESS TRADE _____
LESS DOWN _____
NET DUE \$64,770.41

+ \$3,500
extended
warranty



4480 CHINO HILLS PARKWAY, CHINO CA 91710
FLEET OFFICE: 909-325-8104 EMAIL: CAROL@FORDCHINOHILLS.COM

COMMERCIAL VEHICLE PURCHASE FORM

SOLD TO: City of Imperial DATE: 01/15/2025
c/o Ricardo

VEHICLE

YEAR: 2024 MAKE: FORD MODEL: F250
VIN: REF64057 STOCK NUMBER: BP004
Price includes Service Body and Ladder Rack w/2k Rebate

TERMS

NET: _____ DAYS NET DUE \$: _____

MUST RECEIVE NO LATER THEN: _____

DELIVERY RECEIPT: I ACKNOWLEDGE THE RECEIPT OF THE ABOVE VEHICLE:

SIGNATURE _____ DATE _____

FORD FLEET# _____

R.S.#: _____ BID #: _____

CAROL P. SALCEDO -
FLEET MANAGER CONTACT

PAYABLE TO: CHINO HILLS FORD
4480 CHINO HILLS PARKWAY
CHINO, CA 91710

SALE PRICE: 63985.00

SALES TAX: 5285.78

LICENSE FEE: 799.75

DOCUMENT FEE: 85.00

SUB TOTAL: 68155.53

LESS TRADE: _____

LESS DOWN PAYMENT: _____

NET DUE: _____

x2 units.

\$ 3,500
extended
warranty

Sedano Ford

Date: **10/29/2024**

Salesperson: **Shauna Chumacero**

Manager: **Shauna Chumacero**

FOR INTERNAL USE ONLY

**BUSINESS
NAME
CONTACT**

City of imperial

Home Phone :

Address : **IMPERIAL, CA 92251**

Work Phone :

IMPERIAL

E-Mail :

Cell Phone :

VEHICLE

Stock # : **REC47910**

New / Used : **New**

VIN : **1FT7X2AA4REC47910**

Mileage: **5**

Vehicle : **2024 Ford F-250**

Color : **OXFORD WHITE**

Type :

X2A

Body Size :

Style :

Weight : **10000**

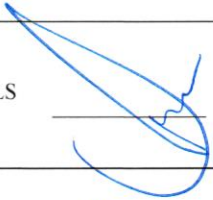
Unit Class :

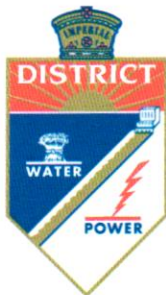
Dealer Asking Price	48,690.00
service body	15,800.00
Total Purchase	64,490.00
Doc Fee	85.00
Tax	5,004.56
Registration Fees	41.75
Net Price	69,621.31
7YR/75K PREM. WARRANTY	3,920.00
Cash Deposit	.00
Balance	73,541.31

DATE SUBMITTED 02/25/2025
 SUBMITTED BY R. ALEJANDRO ESTRADA
 DATE ACTION REQUIRED 3/5/25

COUNCIL ACTION ()
 PUBLIC HEARING REQUIRED ()
 RESOLUTION ()
 ORDINANCE 1ST READING ()
 ORDINANCE 2ND READING ()
 CITY CLERK'S INITIALS ()

IMPERIAL CITY COUNCIL AGENDA ITEM

SUBJECT: DISCUSSION/ACTION: 1. APPROVAL OF THE IID POLE ATTACHMENT PROGRAM AGREEMENT BETWEEN THE CITY OF IMPERIAL AND IID.				
DEPARTMENT INVOLVED: DEPARTMENT OF INNOVATION & TECHNOLOGY				
BACKGROUND/SUMMARY: This agreement is essential for ensuring that the City of Imperial can utilize IID's infrastructure to provide telecommunications services while maintaining the safety, reliability, and capacity of the electrical service provided by IID. The City must obtain IID's approval before making any attachments and submit necessary documentation. IID can deny applications for reasons such as insufficient pole capacity or safety concerns. This agreement serves to formalize the relationship between IID and the City of Imperial, ensuring both parties' interests and responsibilities are clearly defined and adhered to.				
FISCAL IMPACT: Fiscal Impact 263.52 (Six - 2ft attachments) Please see Exhibit D on agreement.	FINANCE INITIALS <u>VMG</u>			
STAFF RECOMMENDATION: It is staffs recommendation to approve agreement	DEPT. INITIALS <u></u>			
MANAGER'S RECOMMENDATION: <u>approve</u>	CITY MANAGER'S INITIALS <u>dtm</u>			
MOTION:				
<table style="width: 100%;"> <tr> <td style="width: 33%;"> SECONDED: AYES: NAYES: ABSENT: </td> <td style="width: 33%; text-align: center;"> APPROVED () DISAPPROVED () REFERRED TO: </td> <td style="width: 33%; text-align: center;"> REJECTED () DEFERRED () </td> </tr> </table>		SECONDED: AYES: NAYES: ABSENT:	APPROVED () DISAPPROVED () REFERRED TO:	REJECTED () DEFERRED ()
SECONDED: AYES: NAYES: ABSENT:	APPROVED () DISAPPROVED () REFERRED TO:	REJECTED () DEFERRED ()		



IID

A century of service.

www.iid.com

Since 1911

January 27, 2025

Dennis H. Morita
City of Imperial
420 South Imperial Avenue
Imperial, CA 92251

Dear Mr. Morita:

Re: Notice of Approval and Execution of Pole Attachment Program Agreement

This letter serves to formally notify you that, as previously communicated, a public meeting of the Imperial Irrigation District Board of Directors was held to discuss the updated fees and the new agreement pertaining to the Pole Attachment Program on November 5, 2024, the Board of Directors approved the revised fees and the corresponding agreement.

As you are aware, the current Pole Attachment Agreement has long expired. Enclosed is the new agreement for your review and signature. Kindly return the fully executed agreement at your earliest convenience.

Should you have any questions or require further clarification regarding the terms of the agreement, please do not hesitate to contact Claudia Duarte at cmduarte@iid.com or at (760) 339-9761.

We appreciate your prompt attention to this matter and look forward to receiving the signed agreement.

Respectfully submitted,

Paul Rodriguez
Deputy Manager, Power Operations & Resources

POLE ATTACHMENT AGREEMENT

This Pole Attachment Agreement ("Agreement") is made by and between the **IMPERIAL IRRIGATION DISTRICT** (referred to herein alternatively as "Permitter", "IID", and "District") and **CITY OF IMPERIAL** ("Permittee"), who agree as follows:

1. **SERVICE AREA:** Permitter hereby gives Permittee permission, on the terms and conditions set forth in this Agreement, to install, maintain, and use certain cable and telecommunications Equipment (as hereafter defined) on poles Permitter heretofore or hereafter installed or acquired in the area served by Permitter with electrical service ("Poles"). Under this Agreement, Poles do not include non-distribution poles (except that street light poles shall be considered poles for wireless Attachment only) that distribute or transmit electricity. "Equipment" includes, without limitation, communication cables, cathodic protection appurtenances, messenger and guy cables, risers, antennas, one or more sets of transmitter/receivers/transceivers, digital signal processors, control electronics, GPS receivers, sheltering, and such other Equipment and appliances related to wired and wireless cable and telecommunications services as Permitter may allow to be attached to Poles under this Agreement.

2. **DEFINITIONS:** For the purposes of this Agreement, the following terms, phrases, words, and their derivations shall have the meaning given herein unless more defined explicitly within a section of this Agreement. Words not defined shall be given their common and ordinary meaning.

- 2.1 "Attachment" means Equipment that is directly connected to a pole and shall not include pedestals, risers, or bonds.
- 2.2 "Distribution Pole(s)" means any District Pole or Poles of 33kV or less to which Permittee's Equipment may be attached.
- 2.3 "District" means Imperial Irrigation District, an irrigation district organized and existing under the California Water Code.
- 2.4 "Equipment" means Permittee's communication-type conductive cables, wires, appliance, splice enclosures, conductive messenger-carrier cable, guy wires, anchors, and other Equipment and appurtenances attached to or installed upon or adjacent to Pole(s) pursuant to this License, unless a limitation is otherwise stated below.
- 2.5 "Facilities" means District poles, cables, wires, appliances, guy wires, anchors, and other Equipment affected by Equipment installed, operated, and maintained pursuant to this License.
- 2.6 "License" or Agreement means this license agreement between **Imperial Irrigation District** and **City of Imperial**.

2.7 "Permittee" means **City of Imperial**.

2.8 "Parties" means District and Permittee.

2.9 "Party" means District or Permittee.

2.10 "Transmission Pole(s)" means District pole or poles containing a circuit of 92 kV to which Third Party's Equipment may be attached.

2.11 "Attacher" means Permittee(s).

3. **ASSIGNMENT:** This permission is personal to Permittee and shall not be assigned in whole or in part without the prior written consent of IID, which shall not be unreasonably withheld. Permittee agrees that it will give IID thirty (30) days written notice of any change in its name, any transfer of all or a portion of its system, any transfer of substantially all of its assets (whether voluntarily or involuntarily), and any major change in its form of doing business, including but not limited to incorporation, dissolution, merger, reorganization, and bankruptcy proceedings. Notwithstanding the foregoing, Permittee may freely assign its rights and responsibilities under this Agreement to a corporate parent, subsidiary, or commonly-owned affiliate upon written notice to Permitter.

4. **APPLICATION:**

4.1 Except with respect to service drops, Permittee shall not make any Attachment to a Pole without first securing Permitter's written approval on the IID MakeReady Application in the form attached hereto and marked Exhibit "A" ("MakeReady Application"). Additionally, Permittee shall submit a strand map detailing the pole locations and sequence of the proposed route for the Attachments in digital format, CAD, or GIS. For loading analysis purposes, Permittee shall submit to Permitter the size, type and installation tensions of messenger or self-supporting cable and the completed bundle effective diameter and weight per foot. If the MakeReady Application is approved, Permitter will issue a Contact Permit in the form attached hereto and marked Exhibit "B" ("Contact Permit"). Permittee shall commence Attachment of Equipment within one (1) year of the date specified in the Contact Permit. Failure to commence attachment within the one (1) year requirement shall make the approval void.

4.2 Permitter may deny an application for reasons, including but not limited to insufficient Pole capacity, safety, reliability, or engineering concerns. In determining whether to deny or approve an application, Permitter may also consider how Permittee's attachments could impact the reserved capacity required by Permitter of Poles or support structures for delivery of its core utility service.

4.3 Upon Permitter's written consent to approve an attachment, Permittee shall install, maintain, inspect, and use Equipment on the Poles specified in the Contact Permit on the terms and conditions therein stated as well as on the terms and conditions specified in this Agreement, which shall be considered a part of each and every Contact Permit irrespective of whether this Agreement is referred to in the Contact Permit, provided; however, that before commencing the installation Permittee shall notify Permitter of the specific time it proposes to do the Work sufficiently in advance so Permitter may arrange to have its representative present when the Attachment is performed.

4.4 The deadlines set forth in Exhibit "F" shall apply.

4.5 The Exhibits referenced within this Agreement, including the Permitter's estimated unit cost, may be updated or revised as to format and content or converted to an electronic online application in the future by the Permitter upon a sixty (60) day notice to the Permittee, in a manner not inconsistent with the CPUC Decision 98-10-058, dated October 22, 1998. The Permittee shall use the latest version of the Exhibits provided by the Permitter to meet the requirements of this Agreement.

5. **ADDITIONAL EQUIPMENT:** Permittee shall not have the right to place, nor shall it place any additional Equipment upon any Pole without first making a written application for and receiving written permission to do so, all as prescribed in paragraph numbered four (4) hereof; nor shall Permittee change the position of any Equipment attached to any Pole without Permitter's written approval. Notwithstanding the foregoing, after Permittee places its Attachments on a Pole pursuant to this Agreement, Permittee shall not be required to submit a MakeReady Application to replace its Attachment on the subject pole so long as the replacement Attachment does not affect the Loading on the subject pole and the replacement Attachment is located in the space approved by the initial MakeReady Application.

6. **GROUND WIRE CONTACTS:** The Permittee shall not have the right to attach, maintain, use, repair, renew, operate on, or remove protective grounding connections from secondary or common neutral vertical grounding conductors at the attachment level of Permitter's facilities and Equipment. Permittee shall establish its own independent grounding system per General Order 95, Rule 92.3.

7. **ATTACHMENTS:** The Permittee's facilities must be attached directly to the pole surface or attached using metallic or fiberglass offset brackets. Offset brackets (AKA Cross Arm, Buck Arm) should only provide the required horizontal clearance to buildings, signs, trees, and similar facilities or reduce the change in direction (angle) of the Permittee's facilities. Offset brackets should not be used to avoid required vertical clearances. Attachments to metal distribution poles must be clamped or banded to the poles with stainless steel straps. The drilling of holes in a metal pole for a bolt attachment is prohibited except in extreme

cases where expressly authorized by Permitter. All attachments to metal poles require prior approval of Permitter's engineering personnel or Permitter's designee. The use of wood arms for any of Permittee's attachments is not permitted for new installations. The Permittee shall install and maintain tags on the Equipment at each Attachment; these tags shall comply with G.O. 95 Rule 91.5. Cables shall be tagged at the time of installation. The attaching Permittee should make tagging an ongoing effort and work toward complete tagging of all existing cables not previously tagged.

8. **CONDITION, LAWS, AND REGULATIONS:** Permittee shall, at its own risk and expense, place, inspect, and maintain its Equipment on the Poles (1) in a safe condition and in thorough repair; (2) in a manner suitable to Permitter so as not to interfere with the climbing and working space of the pole by Permitter or others using said pole or with the climbing and working space of facilities of Permitter or others on the pole; and (3) Permittees must submit MakeReady design and construction schematics which must comply with the minimum construction requirements set forth in the California Public Utility Commission (CPUC) General Orders (G.O.) 95 which governs overhead construction. The General Orders are available through the CPUC website. (4) and in the event of future amendments to section 253 of the Federal Telecommunications Act of 1996 (47 U.S.C. 253), sections 7901 and 7901.1 of the California Public Utilities Code, section 50030 of the California Government Code, and other applicable federal or state law or administrative regulations (hereinafter "Applicable Law"), or interpretations of Applicable Law by a court of competent jurisdiction which are not subject to further appeal (collectively referred to as "Change of Law") provide or determine that the District is required to impose additional requirements upon Permittee in connection with the attachments authorized by this Agreement including, without limitation, additional fee requirements, then in that event Permitter shall have the right to impose such requirements or charge Permittee additional fees consistent with such change in Applicable Law.

9. **REARRANGEMENT OF FACILITIES:** If in the sole reasonable judgment of Permitter, the accommodation of any of Permittee's Equipment necessitates rearrangement of existing facilities on the Pole, the replacement of any part or parts or any other work of whatsoever kind or nature on the Pole, including without limitation installation work ("Work"), Permitter shall issue to Permittee a "Request for Work" which shall include the estimated cost thereof. If Permittee desires to continue use of the Pole, Permittee shall so indicate on the Request for Work and return it to Permitter. Upon receipt, either Permitter or Permittee (in Permitter's sole reasonable discretion) will make such replacement and perform such other Work, and Permitter or Permittee will make and will request other permittees, if any, of said existing facilities to make such arrangements or transfers of said existing facilities, as may be required, all at the sole expense of Permittee. If Permitter performs the work, Permittee, on receipt of an invoice, will pay to Permitter and such other permittees their charges for making replacements, rearrangements, installations, and transfers and performing other reasonably necessary work. Permitter shall not be responsible to Permittee for any loss sustained by the failure of any other party to make such arrangements or transfers. Any new user, other than Permitter and current users of Permitter's

facilities will be required to reimburse Permittee for MakeReady costs that are created by permitting the new user access to facilities upon which Permittee has made attachments.

10. POLE REPLACEMENT / REARRANGEMENT / ABANDONMENT: If, in Permitter's sole reasonable judgment, Permittee's existing Equipment on a Pole interferes with or prevents the placing of any additional facilities thereon required by Permitter for its purposes, other than to provide a competitive communications service or by any joint owners' facilities on the Pole, and if said facilities could be placed on the Pole by removing Permittee's Equipment therefrom, or by rearranging the existing facilities (excluding rearrangement of Permittee's Equipment above) thereon, Permitter may notify Permittee of the rearrangements of existing facilities or replacement and transfers of existing facilities required in order to continue the accommodation of Permittee's Equipment, together with an estimate of the cost of making any such changes; and, if Permittee desires to continue to maintain its Equipment on the Pole or replace the Pole, and so notifies Permitter, Permitter will make such Pole replacement, if required, and Permitter will make, and will request other joint owners, if any, of said existing facilities to make such rearrangements or transfer of said existing facilities, all at the sole expense of Permittee, and Permittee, upon receipt of an invoice, will reimburse Permitter and such other joint owner(s) for the entire expense thereby incurred. Permitter shall not be responsible to Permittee for any loss sustained by Permittee for any reason or the failure of any such other joint owner to make such rearrangements or transfers. If Permittee does not notify Permitter, Permittee shall remove Permittee's Equipment from the Pole within thirty (30) days from notification from Permitter. During any transfer of facilities between or among Poles, Permittee will continue to be responsible for the payment of attachment fees.

If Permitter notifies Permittee of its intent to abandon a Pole in writing, Permittee shall have ninety (90) days to remove its facilities. If, after the passage of ninety (90) days from written notice, Permittee's attachments have not been removed, Permittee shall be deemed to have accepted ownership of such Pole and agrees to indemnify and hold and harmless the District in connection with Permittee's continued use and sole ownership of such Pole against any claim, demand, loss or damages.

11. ERECTION OF POLE FACILITIES: If Permittee should require Equipment in a location upon any public thoroughfare or other public or private property, and Permitter does not have Poles so located as to fulfill Permittee's requirements, Permittee shall make reasonable efforts, giving consideration to the cost and impact on timely service to Permittee's customers, to notify Permitter in advance of its need for such Poles in order that Permitter may determine whether it agrees to place Poles in that location. If Permitter agrees to erect Poles in such a location adequate to care for the service requirements of Permittee, it shall so notify Permittee and thereupon Permittee shall make an application under this Agreement for permission to place its Equipment thereon. Upon receipt of said application and payment, Permitter shall proceed to erect said Poles. If Permitter does not agree to

install additional pole it is the Permittee's responsibility to install the pole to accommodate its equipment at Permittee's cost. Permittee shall be deemed the owner of the pole.

12. POLE OWNERSHIP: Except in those circumstances where Permittee installs its own pole to provide its own service needs as referenced in Section 11 above, then no use, however extended, of any said Poles under this Agreement shall create or vest in Permittee any ownership rights therein. This Agreement does not impose any obligation on Permitter to grant Permittee access to specific Poles. In the construction and maintenance of any of its contacts and other Work contemplated herein, Permittee agrees to conform to the requirements of the latest edition of the National Electrical Safety Code (NESC), General Orders No. 95 and 128 of the Public Utilities Commission of the State of California and any supplements thereto and revisions thereof. Notwithstanding the foregoing, Permittee shall not be required to retroactively comply with changes to the NESC or General Orders No. 95 and 128 unless explicitly required.

13. ADDITIONAL ANCHORS:

13.1 In those cases where additional anchorage is necessary due to Equipment placed by Permittee, Permitter may elect to place, own, and maintain such anchors as are required to hold the strains of Permittee's Equipment upon said Poles, and Permittee upon receipt of an invoice will reimburse Permitter for all reasonable expenses thereby incurred. If Permitter elects not to place such anchors, Permittee shall, at its own sole risk and expense, place such anchors. The anchor ownership shall immediately vest in Permittee.

13.2 In general, in those cases where the anchorage requirements of Permittee and Permitter are coincident, the strains of Permittee's Equipment and Permitter's facilities on the Poles shall be held by the same anchors; however, in individual cases when in Permitter's sole reasonable judgment such procedure is desirable, Permittee, at its own sole expense, shall provide, maintain, and repair if needed separate anchors to hold the strains of its Equipment upon the Poles and the ownership of such anchors shall vest in Permittee.

13.3 The Permittee's facility must not alter the vertical position of poles or change the sag characteristics of Permitter's conductors. Permittee's proposed Attachment should be installed with the proper tension so that its final sag meets clearance requirements in relation to Permitter's and Permittee's facilities to meet GO 95, National Electrical Safety Code (NESC) and 128 of the Public Utilities Commissions of the State of California. Permittee's cable facilities must make provision to install another anchor rod at least six (6) feet from the Permittee's anchor rod. The spacing (center-to-center) between adjacent guying attachments or between adjacent Permittee facilities and guying attachments should not be less than six (6) inches.

13.4 In those cases where any existing anchors owned by Permitter are, in the sole reasonable judgment of Permitter, inadequate to hold Permittee's strains and separate anchors are not desired or if said anchors being used by Permittee should be, in the sole reasonable judgment of Permitter, inadequate to hold additional strains of Permitter resulting from the placing of additional facilities on said Poles and said anchors would have been adequate to hold the additional strains if Permittee's strains were removed therefrom, Permitter shall cause the existing anchors to be replaced with adequate anchors at the sole risk and expense of Permittee, and Permittee, upon receipt of an invoice, will reimburse Permitter for the entire expense thereby incurred. Ownership of such anchors will remain vested in Permitter.

13.5 To the extent additional anchorage or guys result in excess capacity and Permitter desires to use some or all of this excess capacity, Permitter will reimburse Permittee for that portion of the expense incurred in placing the additional anchorage or guy, which are paid for by Permittee, result in excess capacity being used by Permitter.

14. **GUYING:** Permittee will provide, maintain, and repair, if needed, separate guying to hold the strain of its Equipment upon the Poles. In no instance will joint guying be permitted.

15. **RIGHT OF WAY:** Permittee will obtain from public authorities and private owners of real property any and all permits, licenses, or grants necessary for the lawful exercise of the permission granted by this Agreement or any Contract Permit, and Permittee shall submit to Permitter evidence of compliance with the foregoing requirements prior to Permitter granting permission for any installation of Equipment on any pole.

16. **POLE LOADING:** Permitter shall provide all pole loading calculations as required by G.O. 95.

17. **OVERLASHING:** Each overlash must meet both strength and clearance requirement of G.O. 95. Permittee cannot overlash additional cables to an already existing cable without first providing notification in advance of such overlash. Overlashing will not be allowed without prior notice to Permitter, which notice shall be provided by submitting proper notification no less than fifteen (15) days prior to the date on which the Overlashing is scheduled to occur. Prior to any overlash being made, a Pole Loading Analysis report must be conducted by the Permittee. Permitter reserves the right to perform a Pole Loading Analysis of each Pole on the proposed overlash route. A MakeReady application must be submitted with an accompanied Overlashing request. The Permittee may incur a Pole Loading Analysis Fee; Exhibit D Rates. Overlashed attachments on the same pole shall not constitute a separate attachment for purposes of determining the Pole Attachment Rental Fee.

18. **NOTICE OF EQUIPMENT REMOVAL:**

18.1 To the extent permitted by law and upon being given at least ninety (90) days written notice by Permitter to do so or in cases of emergency less notice as the circumstances reasonably permit, Permittee shall remove said

Equipment from such Poles as Permitter shall designate in said notice, and, at the expiration of the time specified in said notice, all rights and privileges of Permittee hereunder in and to the Poles designated shall terminate. Any request by Permitter to remove Equipment from Permitter's Poles shall be reasonable and shall not be made in an arbitrary manner. If the Equipment is not removed from the designated Poles within the time specified, Permitter shall have the right to do so at the sole cost of Permittee, which hereby agrees to reimburse Permitter for the actual expense for such removal. If Permitter shall so terminate its permission hereunder as to a portion only of said Poles, it shall have the right at any time or from time to time thereafter to terminate its permission as to any portion or all of the remaining Poles.

18.2 Permittee may remove its Equipment from any Poles hereunder upon giving ten (10) days written notice to Permitter. Said notice shall be given by executing the "Notice of Contact Removal" form attached hereto as Exhibit "C" and sending the executed notice to Permitter. Any of Permittee's Equipment removed by Permittee under this subsection shall remain the sole property of Permittee.

18.3 Abandonment of Equipment, other than service drops (for which there shall be no presumption), shall be conclusively presumed if said Equipment is not used for any period of ninety (90) consecutive days; provided; however, a determination of abandonment shall not include periods of non-use resulting from construction or maintenance activities by Permittee. After the expiration of the said period, Permitter shall have the right to remove and retain possession of said Equipment, provided that at least ten (10) days prior to such removal, Permitter has mailed to Permittee written notice of its intention to remove said Equipment. Upon such removal by Permitter, any and all Permittee's rights in the removed Equipment shall terminate and shall vest absolutely in Permitter.

19. PAYMENTS: For the written consent provided for in paragraph one (1) of this Agreement and for the privilege of placing and maintaining said Equipment on said Poles:

19.1 Permittee shall pay Permitter the cost of all work performed by Permitter pursuant to Requests for Work requested by Permittee, such as, but not limited to surveys, inspections, engineering, rearrangement, installations, and removals. All charges shall be based upon Permitter's regular and customary methods for calculating costs charged to third parties in the amount set forth in the applicable rate fee and charges attached hereto to Exhibit "D". Such costs invoiced to Permittee shall be paid in advance unless otherwise agreed to by Permitter. If Permittee cancels or withdraws a Request for Work or Contact Permit after Permitter has begun work under the

Request for Work or Contact Permit, Permitter shall be reimbursed for the expense of all work performed by Permitter associated with the Request for Work or Contact Permit.

19.2 Permittee shall pay to Permitter in advance, annually, not later than the first quarter of each calendar year, the Pole Attachment fee for each of its Attachments to district Poles, at a rate established by Permitter's board of directors for the then current calendar year (Exhibit "D") incorporated herein by this reference. Notwithstanding anything to the contrary in this Agreement, Permittee shall not be required to pay an annual pole attachment fee for risers, down guys, ground wires, bonds or pedestals, or any other Equipment that does not prevent another attacher from attaching to the Pole at the same vertical location. Annually on or before the 1st of December of each calendar year, the Parties, acting in cooperation, shall, subject to the provisions of this Section, tabulate the total number of Permittee's Attachments in accordance with procedures set forth below. In determining the number of Attachments, it shall be presumed that any affixation on a horizontal cable or cable Pole occupies one foot of space. Where an Attachment occupies more than one foot of space, or where multiple attachments on a Pole are separated by more than one foot, the number of attachments shall be calculated based on the number of feet occupied. For the purpose of computing the total annual rental fee due hereunder, the total fee shall be based upon the number of Attachments billed from the most recent audit performed by IID. As of the Effective Date of this Agreement, the Parties agree that Permittee has 31 Attachments on Permitter's poles.

19.3 The Parties will utilize the results of the most recent audit performed and adjust the attachment accounts annually based on contact permits received.

19.4 Permittee shall pay, on a pro-rata basis and in advance, to Permitter, amounts to be computed as of the 1st of December of each calendar year during the existence of this Agreement in accordance with the following and the Fee Rate attached hereto as Exhibit "D" as Permitter may update such Fee Rate from time to time:

$A \times B = \text{Total amount of annual payment.}$

A = Total number of Attachments as the date of computation.

B = The annual fee set forth for Attachments in the Fee Rate on a per foot of usable space basis.

19.5 The parties acknowledge that the number of Attachments reported each year for billing purposes may not accurately reflect the number of actual Attachments, and therefore, this Agreement contains a periodic true-up/true-down payment in Section 21 to compensate for such. For service drops only – Installations will be allowed without prior approval providing the service drop is an extension of a previously-licensed cable installation, not built in climbing spaces, and is reported to Permitter at the time of installation, unless otherwise agreed. The

location of new service drop contacts must be reported on a copy of Permitter's Attachment Application, and accompanied by a completed Make Ready Data Sheet.

20 Physical Inventory: At least once every five (5) years IID shall conduct an inventory or audit of all Pole Attachments of all entities having permitted rights to such including Permittee. All such entities having permitted rights to Pole Attachments shall share the cost of such inventory or audit based upon the percentage of Pole Attachments made by each such entity including Permittee.

20.1 Upon completion of such inventory or audit, IID shall provide the results of such inventory or audit to each entity including Permittee. Permittee shall have thirty (30) days to review the results of such inventory or audit and deliver to IID any evidence, supported by documentation, that supports findings that differ from those of the inventory or audit. IID shall then have thirty (30) days to review the evidence delivered by Permittee and, if in agreement with Permittee's evidence, adjust the findings of the inventory or audit accordingly. If IID disagrees with the evidence provided by Permittee, IID shall so notify Permittee. Should Permittee then determine to challenge IID's decision regarding the results of the inventory or audit, Permittee's sole remedy shall be through binding arbitration consistent with industry rules. Such demand for binding arbitration must be filed by Permittee with thirty (30) days after receiving notice from IID of IID's decision regarding such dispute. Each party to such arbitration shall bear its own costs and fees.

20.2 To the extent that the inventory or audit includes an evaluation of the safety or quality of Poles or Attachments, or collection of other data or information requested by Permittee, Permittee shall pay any resulting increased cost of the inventory or audit.

21 True Up/True Down: Following each physical inventory, the parties will calculate any true up/true down payment for the period between the just-completed inventory and the immediately prior inventory. For each year between said inventories, the parties will, calculate a "Reconciliation Subtotal," which shall be the amount actually billed and paid by the Permittee subtracted from the amount that would have been billed to the Permittee if the change in the number of Attachments had occurred evenly over the time between inventories. The sum of the Reconciliation Subtotals shall be the "Reconciliation Amount." The Reconciliation Amount shall be paid to either IID or the Permittee as determined.

Unless otherwise mutually agreed to by the parties, payment of the Reconciliation Amount shall be separate from the annual rental fee. Upon Agreement by the Parties regarding the actual physical inventory results, the new physical inventory will be used for the 1st of January of the following year.

If the Equipment draws energy from Permitter, Permittee will also be required to pay the regular rate and any charges applicable to the consumption of such energy at the small commercial rate.

The above rates shall apply to all existing uses and Attachments of Permittee as well as all future uses and Attachments. Permitter may update the Fee Schedule from time to time to reflect its annual costs of ownership in accordance with California Public Utilities Code §§ 9510 *et seq.* The updated Fee Schedule shall apply to all uses and Attachments under this Agreement as of the effective date of the updated Fee Schedule.

22 BILLING OF ANNUAL ATTACHMENT FEE: Permittee shall pay Permitter for Attachments within thirty (30) days of receipt of invoice for such Attachments. Nonpayment of any such amount when due shall constitute a default of this Agreement.

23 UNAUTHORIZED CONTACTS; AUDIT: Permittee acknowledges that Attachments made without first obtaining Permitter's written consent thereto where required by this Agreement (hereinafter called "Unauthorized Attachments") are prohibited. Permittee agrees that it will apply to Permitter for permission to maintain each and every "Unauthorized Attachment" and will pay retroactive Pole Attachment fees for such of three (3) years rent. The rental rate for determining the retroactive fee shall be the regular rental rate applicable to each year of the three (3) year period. Permitter may, in its sole discretion and at its expense, conduct audits from time to time to verify the accuracy in the number and type of Pole Attachments.

24 DAMAGE TO FACILITIES: Permittee shall exercise all due care to avoid causing damage to the facilities of Permitter, other permittees, and joint owners supported by the Poles, and Permittee shall assume all responsibility for any and all loss from such damage. Permittee shall make an immediate report of the occurrence of any such damage to the owner of the damaged facilities and shall, upon receipt of an invoice, reimburse said owner for the entire expense.

25 EMERGENCY CONDITIONS: Permittee shall ensure the availability of personnel on a 24-hour basis for response to emergency situations. Upon notification by Permitter, these personnel shall respond in a timely and expeditious fashion and shall be prepared and qualified to make any repairs to Permittee's Equipment necessitated by the emergency.

26 EQUIPMENT INSPECTION: Permitter shall have the right, but not the obligation, to inspect each new installation of Permittee's Equipment on and in the vicinity of Poles within thirty (30) days of installation and to make periodic inspections at reasonable intervals during the term hereof and to require maintenance work by Permittee as necessary to maintain compliance with the latest edition of the National Electrical Safety Code (NESC) see note 1, General Order 95 and 128. Permittee shall pay to Permitter upon receipt of an invoice Permitter's expense for making inspections of new installations. Permitter shall bear the cost of periodic inspections it performs. If in the course of such inspection IID identifies an issue with Permittee's Attachment which could pose a health and safety hazard or is out of compliance with requisite standards, or which is in violation of

this Agreement, then IID shall notify Permittee of such issue. In the event Permittee fails or refuses to address such issue within ninety (90) days after being notified, or less in a case of an emergency, then IID may perform the work and charge Permittee for the cost thereof. Notwithstanding the foregoing, Permittee shall not be required to retroactively comply with changes to the NESC or General Orders No. 95 and 128 unless explicitly required by the same.

27 INDEMNIFICATION: The Parties shall defend, indemnify and hold harmless each other and the other's directors, officers, agents, and employees against all claims, loss, damage, expense, and liability arising out of the Indemnifying Party's performance of this contract and caused by the negligence or misconduct, whether active or passive, of the Indemnifying Party, its agents and employees, and excepting only such loss, damage or liability as may be caused by the negligence or misconduct of the Indemnified Party.

28 INSURANCE: Without limiting any of the other obligations or liabilities of Permittee, Permittee shall secure and maintain, at its own cost and expense throughout the duration of this contract, insurance coverage in accordance with requirements established in the Insurance Requirements Form, which is attached and included as Exhibit "E" to this Agreement and by this reference is made a part hereof. Notwithstanding the foregoing, Permittee shall have the right to self-insure the coverages required herein under terms satisfactory to IID.

29 SUSPENSION OF WORK: Permitter shall have the right to require Permittee to suspend immediately any work being performed or to be performed by Permittee hereunder whenever, in Permitter's sole reasonable opinion, such Work is being performed or is to be performed in a manner contrary to any of the provisions of this Agreement in an unsafe manner or in any manner which might cause injury to persons or damage to property. Permittee shall not resume any such work until Permitter has given Permittee approval to do so.

30 REMOVAL OF EQUIPMENT BY DEFAULT: If Permittee should fail to remove any of its Equipment from any Pole when required within the time allowed for such removal under the terms of this agreement or should default in the performance of any other work which it is obligated to do under this Agreement, Permitter may elect to do such Work at Permittee's sole risk and expense upon advance notice and thirty (30) days' notice to cure, and Permittee, upon receipt of an invoice, shall reimburse Permitter for the entire expense thereby incurred.

31 DEFAULT TERMINATION: Upon any material default of Permittee, Permitter shall have the right to terminate this Agreement upon thirty (30) days' notice, provided Permittee does not cure the material default within said thirty (30) day period.

32 PAST DUE PAYMENTS: Any amount to be paid by Permittee to IID that is not paid within ten (10) days after written notice when due shall bear interest at the rate of one (1) percent per month on the unpaid balance until paid and if not paid

within thirty (30) days following written notice such will constitute a material default and be made subject to the provisions of Section 29.

33 TERMINATION OF AGREEMENT: Any termination of this Agreement shall not relieve either Permittee or Permitter of any obligation, whether indemnity or otherwise, which has accrued prior to such termination or completion of removal of Permittee's Equipment, whichever is later, or which arises out of an occurrence happening prior thereto.

34 Exhibits: The following exhibits hereto are incorporated herein to this Agreement by this reference:

- 34.1 Exhibit A: IID MakeReady Application
- 34.2 Exhibit B: Notice of Contact (Contact Permit)
- 34.3 Exhibit C: Notice of Contact Removal
- 34.4 Exhibit D: Rates and Charges
- 34.5 Exhibit E: Insurance Requirement Form
- 34.6 Exhibit F: Deadlines

The information contained in any such Exhibits may be added to, changed, or amended from time to time on the same terms and conditions as reflected in the Agreement subject to the mutual Agreement in writing by Permittee's designated representative and, in the case of the Permitter, the General Manager.

35 AMENDMENTS: This Agreement may be amended as required; however, no such amendment shall become effective unless and until the amendment has been agreed to in writing by the parties hereto.

36 NOTICE: Wherever in this Agreement notice is provided or required to be given by either Party hereto to the other, such notice shall be in writing and transmitted by United States mail or by personal delivery to:

Permitter at: Imperial Irrigation District
ATTN: Geoffrey P. Holbrook
P.O. Box 937
Imperial, CA 92251

Permittee at: City of Imperial
ATTN: Dennis H. Morita
420 S. Imperial Ave.
Imperial, CA 92251

With a copy of the default notice to:

— — — — —
— — — — —
— — — — —

37 **TERM:** The Agreement shall have an initial term of five (5) years and shall automatically renew on a yearly basis thereafter. Either Party may terminate the Agreement at any time after the expiration of the initial five-year term upon one hundred eighty (180) days prior written notice.

PERMITTER:

PERMITTEE:

IMPERIAL IRRIGATION DISTRICT

Print Name: _____ Print Name: _____

Sign: _____ Sign: _____

Date: _____ Date: _____

Exhibit A
IID MAKEREADY APPLICATION

IID/Energy Dept. Records

Application # _____

To IID:

In accordance with the terms of the Agreement, dated _____, covering the use of IID poles located at _____ County of _____, State of California, we hereby request permission to place and maintain certain Equipment on _____ poles and _____ anchors, as more particularly described and delineated on the attached drawings. In accordance with the prevailing Pole Attachment Agreement, all permits, licenses or grants have been obtained for the attachments covered by this permit.

Permittee:

Signed: _____

Title: _____

Address: _____

Dated: _____

Date of Attachment: _____

To Permittee:

Permission is hereby granted by IID to the Permittee to place the above-described Equipment on the above identified poles, subject to the following:

1. The terms and conditions of the above-mentioned Agreement.
2. Administrative and inspection costs in the amount of: \$ _____.
3. Permittee makes changes or rearrangements at sole risk and expense.

Installation of said Equipment on said poles shall be complete within one (1) year from the date of our Authorization to Install/Rebuild Facilities. Permission hereby granted may be revoked if the Work has not been completed within the one (1) year period.

To Permittee:

You are hereby authorized to make the above-mentioned changes and rearrangements on the above-identified poles, if any, at your expense upon receipt of payment for above charges. Please submit payment with copy of this application to address below.

Imperial Irrigation District

Approved by: _____

Title: _____

Date: _____

Exhibit B

NOTICE OF CONTACT (CONTACT PERMIT)

FROM: IID ATTN: Geoffrey P. Holbrook P.O. BOX 937 IMPERIAL, CA 92251	NUMBER:
	DATE:

Under and pursuant to the Agreement between the Imperial Irrigation District and _____
dated _____, permission is hereby given for facility contact to IID poles and/or anchors as listed
below:

NO. OF POLES	RATE	TOTAL	TO:
NO. OF ANCHORS	RATE	TOTAL	

DATE OF CONTACT:

POLE(S):

ANCHOR(S):

MAP NO: _____

ORDER NO: _____

FORMAL NOTICE MAILED:

BY: _____

DATE: _____

Exhibit C

NOTICE OF CONTACT REMOVAL

FROM: IID ATTN: Geoffrey P. Holbrook P.O. BOX 937 IMPERIAL, CA 92251	NUMBER: DATE:
--	------------------------------------

Under and pursuant to the Agreement between the Imperial Irrigation District and _____, dated _____, formal notice is hereby given for facilities removal/abandonment, as listed below:

NO. OF POLES	RATE	TOTAL	TO:
NO. OF ANCHORS	RATE	TOTAL	

DATE OF REMOVAL:

POLE(S):

ANCHOR(S):

MAP NO. _____

ORDER NO: _____

FORMAL NOTICE MAILED:

BY: _____

DATE: _____

Exhibit D

Pole Attachment Rates and Charges

Pole Attachment
(added [11/05/2024], Resolution [No. 35-2024])

Description	Amount	Unit/Time
Attachment of Equipment to utility poles	\$21.96	Per foot of Attachment per pole per year
Processing Fee	\$55.93	Per pole per application
Unauthorized Attachment	\$300	A flat rate will be issued as a penalty
Pole Loading Analysis (wood poles)	\$380	Pole Load Analysis by IID Engineering
Field Inspection Fee	\$100.77	Actual cost of IID Field Inspection
Map per Copy	\$5	
Mapping Hourly Rate	\$120.00	Actual cost GIS Analyst

Exhibit E
Insurance Requirements Form

TYPES OF COVERAGE		MINIMUM COVERAGE LIMITS	
Commercial General Liability (CGL)		Occurrence	Aggregate
Un-Modified ISO for CG001 10 93, or other acceptable to IID. Additional Insured Endorsement – including ongoing and products/completed operations Coverage Limits shall be endorsed to be dedicated to liability arising under this agreement. Delete Railroad Exclusionary Language Including Contractual Liability.	Bodily Injury, Property Damage, Contractual Liability	\$5M	\$5M
Business Automobile Liability (BAL)		Individual	Accident
Covering claims arising from ownership, operation, loading, unloading owned, hired, leased, non-owned, and/or borrowed private passenger and commercial vehicles. Additional Insured (Coverage noted on certificate)	Bodily Injury, Property Damage	\$5M	\$5M
Environmental Impairment Liability (EIL) / Contractor's Pollution Liability (CPL)		Occurrence	Aggregate
Covering claims arising from handling, abatement, and transport of pollutants including asbestos and lead paint. Additional Insured (Coverage noted on certificate)	Bodily Injury, Property Damage	N/A	N/A
Aircraft Liability (Air)		Per Seat	Occurrence
Covering claims from passengers, IID and other third parties. Additional Insured (Coverage noted on certificate)	Bodily Injury, Property Damage Aircraft Capacity – Pilot Plus Maximum of 3 Passengers Aircraft Capacity – Pilot Plus 4 Passengers or More	N/A	N/A
Professional Errors & Omissions Liability (E&O)		Each Claim	Aggregate
Covering claims arising out of Contractor's Scope of Services. No subcontractor exclusion or subcontractor(s) must carry equal insurance.	Financial Loss, Personal Injury, Bodily Injury, Property Damage	N/A	N/A

Primary Coverage: Insurance required above shall be primary as respects: IID, its directors, officers, representatives, agents, employees, lessors, and/or any other person or entity for which IID has agreed in writing that its contractors or permittees shall include as an additional insured (collectively hereinafter referred to as the "Parties") and any other insurance effected or procured by any or all of the Parties shall be excess of and shall not contribute with the required insurance.

Additional Insureds Severability of Interests. Waiver of Subrogation: These policies, with the exception of W.C., E.L., and E&O coverages, shall name the Parties as additional insureds as respects work performed pursuant to or incidental to this Agreement (including coverage for ongoing and products/completed operations hazards) except for active negligence of the Parties in public works construction contracts (Cal Ins Code §11580.04). ISO forms C.G. 2010 or C.G. 2033(ongoing operations) and C.G. 2037 (products/completed operations), or other forms acceptable to IID, shall be used. CGL severability of interests (cross liability), and CGL, BAL, and W.C. waiver of subrogation clauses shall be included. Pursuant to the terms of this Agreement, insurance effected or procured by Permittee shall not reduce or limit Permittee's obligation to indemnify and defend the Parties for claims made or suits brought which result from, or in connection with, the performance of this Agreement.

Products/Completed Operations: The coverages required herein, when written on an occurrence form, shall be maintained during the entire term of the Agreement. Coverages written on a claims-made form, and E&O, EIL coverage shall be maintained during the entire term of the Agreement and further until at least three (3) years following completion and acceptance of all Work under this Agreement. Additional insured endorsements providing products/completed operations coverage shall continue to provide coverage through the expiration of time within which a claim may be filed under all applicable laws.

Insurer Security: Insurers shall be rated A- / IX or better by A.M. Best, or shall be otherwise acceptable to IID. Insurers need not be admitted by the State of California.

Insurance Certificates, Endorsements, Notice of Policy Change/Cancellation: Before commencing Work under this Agreement, Permittee's broker or agent shall provide copies of additional insured and waiver of subrogation endorsements, as well as deletion of railroad exclusionary language endorsement, and certificates of insurance verifying that at least the minimum insurance coverages required above are in effect. In the event of a loss or claim potentially arising out of Permittee's Scope of Services, Permittee shall promptly provide complete copies of its insurance policies upon written request by IID. Certificates must disclose any self-insured retention of \$250,000 or more. Certificates must specify whether the liability coverages are written on an occurrence form or a claims-made form. There shall be no change(s) to or cancellation(s) of coverage(s) resulting in the Permittee becoming non-compliant with the insurance coverage required herein this Agreement. In the event a change or cancellation will result in Permittee becoming non-compliant with the insurance coverage required herein, Permittee shall provide thirty (30) days advance written notice to IID of any such change or cancellation. Permittee's failure to provide such advance written notice shall be construed to be a material breach of this Agreement.

NOTICES:

IID
P.O. BOX 937
IMPERIAL, CA 92251
ATTENTION: Geoffrey P. Holbrook

Exhibit F

Deadlines

1. Permitter shall respond to a MakeReady Application forty-five (45) days from the date of receipt of the application, or sixty (60) days if the request is to attach to over three hundred (300) poles. If the request is denied, Permitter shall provide in the response the reason for the denial and the remedy to gain access to the utility pole or support structure.

2. If a request to attach is accepted, Permitter, within fourteen (14) days after acceptance of the request, shall provide a cost estimate, based on actual cost, for any necessary MakeReady work required to accommodate the Attachment.

3. Permittee shall accept or reject the MakeReady cost estimate within fourteen (14) days.

4. Within sixty (60) days of acceptance of the cost estimate, Permitter shall notify any existing third-party Attachers that MakeReady work for a new Attacher needs to be performed. Permittee shall have the responsibility to coordinate with third-party existing Attachers for MakeReady work to be completed. All parties shall complete all MakeReady work within one (1) year of the notice, even if the request involves attaching to over three hundred (300) poles.

DATE SUBMITTED 02/25/2025
 SUBMITTED BY Human Resources
 DATE ACTION REQUIRED 03/05/2025

COUNCIL ACTION (X)
 PUBLIC HEARING REQUIRED ()
 RESOLUTION ()
 ORDINANCE 1ST READING ()
 ORDINANCE 2ND READING ()
 CITY CLERK'S INITIALS ()

IMPERIAL CITY COUNCIL AGENDA ITEM

SUBJECT: DISCUSSION/ACTION: 1. Approval and adoption of the Public Hearing and Reporting on City of Imperial Vacancies, and Recruitment and Retention Efforts Policy in compliance with AB 2561 Local Public Employees: Vacant Positions.				
DEPARTMENT INVOLVED: Human Resources				
BACKGROUND/SUMMARY: The City of Imperial is requesting the Council's consideration in the adoption of the Public Hearing and Reporting on City of Imperial Vacancies, and Recruitment and Retention Efforts Policy in compliance with AB 2561 Local Public Employees: Vacant Positions. The purpose of this policy is to be compliant with with AB 2561 which requires agencies to present the status of vacancies, recruitment and retention efforts at a public hearing at least once per fiscal year.				
FISCAL IMPACT: NOT TO EXCEED There is no fiscal impact associated with this action.	FINANCE INITIALS <u>JMS</u>			
STAFF RECOMMENDATION: Recommendation to approve and adopt the Public Hearing and Reporting on City of Imperial Vacancies, and Recruitment and Retention Efforts Policy in compliance with AB 2561 Local Public Employees: Vacant Positions.	DEPT. INITIALS <u>KWS</u>			
MANAGER'S RECOMMENDATION: Approve Staff Recommendation	CITY MANAGER'S INITIALS <u>JHM</u>			
MOTION:				
<table style="width: 100%;"> <tr> <td style="width: 33%;"> SECONDED: AYES: NAYES: ABSENT: </td> <td style="width: 33%;"> APPROVED () DISAPPROVED () REFERRED TO: </td> <td style="width: 33%;"> REJECTED () DEFERRED () </td> </tr> </table>		SECONDED: AYES: NAYES: ABSENT:	APPROVED () DISAPPROVED () REFERRED TO:	REJECTED () DEFERRED ()
SECONDED: AYES: NAYES: ABSENT:	APPROVED () DISAPPROVED () REFERRED TO:	REJECTED () DEFERRED ()		



CITY OF IMPERIAL
PUBLIC HEARING AND REPORTING
ON CITY OF IMPERIAL
VACANCIES, AND RECRUITMENT AND RETENTION EFFORTS POLICY

POLICY NAME: Public Hearing and Reporting on City of Imperial Vacancies, and Recruitment and Retention Efforts Policy	AUTHORITY: City of Imperial
APPLICATION: City Council City Management Human Resources Staff	DATE APPROVED: Pending CC Approval



CITY OF IMPERIAL
PUBLIC HEARING AND REPORTING
ON CITY OF IMPERIAL
VACANCIES, AND RECRUITMENT AND RETENTION EFFORTS POLICY

Purpose:

This policy establishes the framework and requirements for holding public hearings and reporting on the City of Imperial's workforce vacancies, recruitment, and retention efforts in compliance with Assembly Bill ("AB") 2561. (Gov. Code § 3502.3.) The purpose is to ensure transparency, accountability, and responsiveness to community needs regarding the City's staffing and employment practices.

Scope:

This policy applies to the City of Imperial, City management, and the City Council.

Definitions:

Public Hearing: A formal meeting open to the public, where City representatives present information and accept public comments on specific topics, as law requires.

Vacancies: Unfilled positions within the City's workforce that require recruitment efforts to be adequately staffed.

Recruitment: The process of attracting, screening, and selecting qualified candidates for employment with the City of Imperial.

Retention: Efforts to maintain a stable and satisfied workforce by addressing the factors that contribute to stability in the workforce.

Policy Statement:

In accordance with AB 2561 (Gov. Code § 3502.3), the City of Imperial is committed to holding a public hearing on vacancies at the City, the City's recruitment, and retention efforts, and any issues with the City's policies, procedures, and recruitment activities that may lead to obstacles in the hiring process.

The City will hold a public hearing at least once each fiscal year and provide reports on vacancies, recruitment, and retention efforts.



CITY OF IMPERIAL
PUBLIC HEARING AND REPORTING
ON CITY OF IMPERIAL
VACANCIES, AND RECRUITMENT AND RETENTION EFFORTS POLICY

Policy Provisions:

1. Public Hearing Requirements

The City shall conduct public hearings at least on an annual basis (once each fiscal year) to present information on vacancies, recruitment and retention efforts and issues with the policies, procedures, and recruitment activities that may lead to obstacles in the hiring process.

Public hearings shall be announced in advance and provide an opportunity for members of the public to make comments.

Recognized employee organizations shall have the right to present information, concerns, and recommendations at the public hearing.

Separate public hearings may be scheduled to address individual bargaining units or bargaining unit groupings.

The City Council shall ensure that each public hearing is adequately documented, with minutes and recordings made publicly available within 30 days of the hearing.

2. Reporting Requirements

The City shall present information on the following at the public hearing:

1. The status of vacancies at the City of Imperial.
2. Information on the City's recruitment and retention efforts.
3. Identification of any obstacles in the City's policies, procedures, and recruitment activities that may create challenges in the hiring process.

If the City prepares a report that includes the information described above, the City may elect to make the report available to the public via the City of Imperial's website or in print form prior to each public hearing.

3. Special Reporting Requirements for High Vacancy Rates

If the number of job vacancies within a single bargaining unit meets or exceeds 20% of the total number of authorized full-time positions, the City shall, upon request of



CITY OF IMPERIAL
PUBLIC HEARING AND REPORTING
ON CITY OF IMPERIAL
VACANCIES, AND RECRUITMENT AND RETENTION EFFORTS POLICY

the recognized employee organization, include the following information during the public hearing:

1. The total number of job vacancies within the bargaining unit.
 2. The total number of applicants for vacant positions within the bargaining unit.
 3. The average number of days to complete the hiring process from when a position is posted.
 4. Opportunities to improve compensation and other working conditions.
4. Responsibilities

City Council: The City Council is responsible for overseeing compliance with this policy and ensuring public hearings and reports meet the requirements outlined in AB 2561.

City Management: City management shall coordinate with the Human Resources department to gather necessary data and ensure accurate reporting.

Human Resources Department: The Human Resources Department is responsible for compiling vacancy, recruitment, and retention data, and preparing reports in collaboration with City management.

5. Monitoring and Review

The **City Council** shall review the effectiveness of this policy on an annual basis and make revisions as necessary to ensure ongoing compliance with AB 2561 and alignment with best practices in public transparency.

6. Compliance and Enforcement

The City will maintain records of all public hearings, reports, and related documents for a minimum of five years in compliance with public records requirements.



CITY OF IMPERIAL
PUBLIC HEARING AND REPORTING
ON CITY OF IMPERIAL
VACANCIES, AND RECRUITMENT AND RETENTION EFFORTS POLICY

Approval and Revision History:

Approved: [Date of Approval]

Revised: NA

Appendices (if applicable):

1. AB 2561 Text.

**AB-2561 Local public employees: vacant positions.** (2023-2024)

SHARE THIS:



Date Published: 09/23/2024 09:00 PM

Assembly Bill No. 2561**CHAPTER 409**

An act to add Section 3502.3 to the Government Code, relating to public employment.

[Approved by Governor September 22, 2024. Filed with Secretary of State September 22, 2024.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2561, McKinnor. Local public employees: vacant positions.

Existing law, the Meyers-Milias-Brown Act (act), authorizes local public employees, as defined, to form, join, and participate in the activities of employee organizations of their own choosing for the purpose of representation on matters of labor relations. The act requires the governing body of a public agency to meet and confer in good faith regarding wages, hours, and other terms and conditions of employment with representatives of recognized employee organizations and to consider fully presentations that are made by the employee organization on behalf of its members before arriving at a determination of policy or course of action.

This bill would, as specified, require a public agency to present the status of vacancies and recruitment and retention efforts at a public hearing at least once per fiscal year, and would entitle the recognized employee organization to present at the hearing. If the number of job vacancies within a single bargaining unit meets or exceeds 20% of the total number of authorized full-time positions, the bill would require the public agency, upon request of the recognized employee organization, to include specified information during the public hearing. By imposing new duties on local public agencies, the bill would impose a state-mandated local program. The bill would also include related legislative findings.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement shall be made pursuant to these statutory provisions for costs mandated by the state pursuant to this act, but would recognize that a local agency or school district may pursue any available remedies to seek reimbursement for these costs.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**SECTION 1.** The Legislature finds and declares as follows:

- (a) Job vacancies in local government are a widespread and significant problem for the public sector affecting occupations across wage levels and educational requirements.
- (b) High job vacancies impact public service delivery and the workers who are forced to handle heavier workloads, with understaffing leading to burnout and increased turnover that further exacerbate staffing challenges.
- (c) There is a statewide interest in ensuring that public agency operations are appropriately staffed and that high vacancy rates do not undermine public employee labor relations.

SEC. 2. Section 3502.3 is added to the Government Code, to read:

3502.3. (a) (1) A public agency shall present the status of vacancies and recruitment and retention efforts during a public hearing before the governing board at least once per fiscal year.

(2) If the governing board will be adopting an annual or multiyear budget during the fiscal year, the presentation shall be made prior to the adoption of the final budget.

(3) During the hearing, the public agency shall identify any necessary changes to policies, procedures, and recruitment activities that may lead to obstacles in the hiring process.

(b) The recognized employee organization for a bargaining unit shall be entitled to make a presentation at the public hearing at which the public agency presents the status of vacancies and recruitment and retention efforts for positions within that bargaining unit.

(c) If the number of job vacancies within a single bargaining unit meets or exceeds 20 percent of the total number of authorized full-time positions, the public agency shall, upon request of the recognized employee organization, include all of the following information during the public hearing:

- (1) The total number of job vacancies within the bargaining unit.
- (2) The total number of applicants for vacant positions within the bargaining unit.
- (3) The average number of days to complete the hiring process from when a position is posted.
- (4) Opportunities to improve compensation and other working conditions.

(d) This section shall not prevent the governing board from holding additional public hearings about vacancies.

(e) The provisions of this section are severable. If any provision of this section or its application is held invalid, the invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

(f) For purposes of this section, "recognized employee organization" has the same meaning as defined in subdivision (a) of Section 3501.

SEC. 3. The Legislature finds and declares that Section 2 of this act, which adds Section 3502.3 to the Government Code, furthers, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

It is in the public interest, and it furthers the purposes of paragraph (7) of subdivision (b) of Section (3) of Article I of the California Constitution, to ensure that information concerning public agency employment is available to the public.

SEC. 4. No reimbursement shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Part 7 (commencing with Section 17500) and any other law.