



## **CITY OF ATASCADERO CITY COUNCIL AMENDED AGENDA**

**In accordance with City Council Resolution No. 2021-069 and the requirements of AB 361, the City Council Meeting will not be physically open to the public and City Council Members will be teleconferencing into the meeting.**

### **HOW TO OBSERVE THE MEETING:**

To maximize public safety while still maintaining transparency and public access, the meeting will be live-streamed on SLO-SPAN.org, on Spectrum cable Channel 20 in Atascadero, and on KPRL Radio 1230AM and 99.3FM. The video recording of the meeting will repeat daily on Channel 20 at 1:00 am, 9:00 am, and 6:00 pm and will be available through the City's website or by visiting [https://us02web.zoom.us/webinar/register/WN\\_ZwJ7a031S3KXauEym9ehaA](https://us02web.zoom.us/webinar/register/WN_ZwJ7a031S3KXauEym9ehaA).

### **HOW TO SUBMIT PUBLIC COMMENT:**

Members of the public are highly encouraged to participate in live public comment through the Zoom platform using the link above or by calling **805-538-2888** to listen and provide public comment via phone.

If you wish to comment but not via a live platform, please email public comments to [cityclerk@atascadero.org](mailto:cityclerk@atascadero.org) by 12:00 pm on the day of the meeting. Such email **comments must identify the Agenda Item Number in the subject line of the email**. The comments will be forwarded to the City Council and made a part of the administrative record. If a comment is received after the deadline for submission but before the close of the meeting, the comment will still be included as a part of the administrative record of the meeting but will be forwarded to the City Council the next business day. ***Please note, email comments will not be read into the record.***

### **AMERICAN DISABILITY ACT ACCOMMODATIONS:**

Any member of the public who needs accommodations should contact the City Clerk's Office at [cityclerk@atascadero.org](mailto:cityclerk@atascadero.org) or by calling 805-470-3400 at least 48 hours prior to the meeting or time when services are needed. The City will use their best efforts to provide reasonable accommodations to afford as much accessibility as possible while also maintaining public safety in accordance with the City procedure for resolving reasonable accommodation requests.

City Council agendas and minutes may be viewed on the City's website: [www.atascadero.org](http://www.atascadero.org).

Copies of the staff reports or other documentation relating to each item of business referred to on the Agenda are on file in the office of the City Clerk and are available for public inspection on our website, [www.atascadero.org](http://www.atascadero.org). Contracts, Resolutions and Ordinances will be allocated a number once they are approved by the City Council. The Minutes of this meeting will reflect these numbers. All documents submitted by the public during Council meetings that are either read into the record or referred to in their statement will be noted in the Minutes and available for review by contacting the City Clerk's office. All documents will be available for public inspection by appointment during City Hall business hours.



# **CITY OF ATASCADERO CITY COUNCIL**

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## **AMENDED AGENDA**

**Tuesday, November 23, 2021**

**City Hall Council Chambers, 4th floor  
6500 Palma Avenue, Atascadero, California**

**City Council Regular Session:**

**6:00 P.M.**

**City Council Closed Session:**

**Immediately Following  
Regular Session**

**REGULAR SESSION – CALL TO ORDER: 6:00 P.M.**

**PLEDGE OF ALLEGIANCE:** Council Member Funk

**ROLL CALL:**  
Mayor Moreno  
Mayor Pro Tem Newsom  
Council Member Bourbeau  
Council Member Dariz  
Council Member Funk

**APPROVAL OF AGENDA:** Roll Call

Recommendation: Council:

1. Approve this agenda; and
2. Waive the reading in full of all ordinances appearing on this agenda, and the titles of the ordinances will be read aloud by the City Clerk at the first reading, after the motion and before the City Council votes.

**CLOSED SESSION – REPORT (IF ANY)**

**a. November 9, 2021**

**PRESENTATIONS: None.**

- A. CONSENT CALENDAR:** (All items on the consent calendar are considered to be routine and non-controversial by City staff and will be approved by one motion if no member of the Council or public wishes to comment or ask questions. If comment or discussion is desired by anyone, the item will be removed from the Consent Calendar and will be considered in the listed sequence with an opportunity for any member of the public to address the Council concerning the item before action is taken.)

**1. City Council Draft Action Minutes – November 9, 2021**

- Recommendation: Council approve the November 9, 2021 Draft City Council Regular Meeting Minutes. [City Clerk]

**2. October 2021 Accounts Payable and Payroll**

- Fiscal Impact: \$3,552,746.20
- Recommendation: Council approve accounts payable, payroll and payroll vendor checks for October 2021. [Administrative Services]

**3. Sunken Gardens Tree Replanting and Protection**

- Fiscal Impact: \$16,500.00
- Recommendation: Council authorize the Administrative Services Director to appropriate \$16,500 of General Fund Reserves for the replanting and protection of eight trees at Sunken Gardens. [Public Works]

**4. Resolution Authorizing City Manager to Execute Participation Agreements Regarding the Settlement of the National Opioid Litigation**

- Fiscal Impact: The fiscal impact, assuming there is 100% participation by the counties and cities in California will be \$20,584.44 per year paid to the City from the distributors for 18 years and \$10,292.22 per year from Janssen for 9 years. There will be costs incurred by the City in administering the funds to ensure spending for authorized purposes and also costs for complying with the reporting requirements. If the City directs the funds to the County, then the County will spend the funds and be responsible for the reporting requirements.
- Recommendation: Council adopt Draft Resolution authorizing the City Manager to execute participation agreements regarding the settlement of the National Opioid Litigation. [City Attorney]

**5. Virtual Meetings – AB 361 Requirements**

- Fiscal Impact: None.
- Recommendation: Council adopt Draft Resolution making findings consistent with the requirements of AB 361 to continue to allow for the conduct of virtual meetings. [City Manager]

**UPDATES FROM THE CITY MANAGER:** (The City Manager will give an oral report on any current issues of concern to the City Council.)

**COMMUNITY FORUM:** (This portion of the meeting is reserved for persons wanting to address the Council on any matter not on this agenda and over which the Council has jurisdiction. Speakers are limited to three minutes. Please state your name for the record before making your presentation. Comments made during Community Forum will not be a

subject of discussion. A maximum of 30 minutes will be allowed for Community Forum, unless changed by the Council. Comments will be allowed for the entire 30 minute period so if the final speaker has finished before the 30 minute period has ended and a member of the public wishes to make a comment after the Council has commenced another item, the member should raise their hand or call **805-538-2888** within the 30 minute period and the Council will take up that comment upon completion of the item which was commenced. Any members of the public who have questions or need information may contact the City Clerk's Office, between the hours of 8:30 a.m. and 5:00 p.m. at (805) 470-3400, or [cityclerk@atascadero.org](mailto:cityclerk@atascadero.org).)

**B. PUBLIC HEARINGS:**

**1. SB9 Urgency Ordinance (CPP21-0095)**

- Fiscal Impact: None.
- Recommendations: Council continue the public hearing to the December 14, 2021 City Council Meeting to allow additional time for drafting and review of proposed guidance and local objective standards for the implementation of SB9 (urban lot splits and urban dwelling units). [Community Development]

**C. MANAGEMENT REPORTS:**

**1. Sale of Chicago Grade Landfill**

- Fiscal Impact: None.
- Recommendations: Council authorize the City Manager to send a letter to Chicago Grade Landfill, Inc. providing written consent from the City of Atascadero for the sale of Chicago Grade Landfill to Waste Connections. [City Manager]

**D. COUNCIL ANNOUNCEMENTS AND COMMITTEE REPORTS:** (On their own initiative, Council Members may make a brief announcement or a brief report on their own activities. The following represent standing committees. Informative status reports will be given, as felt necessary):

Mayor Moreno

1. City Selection Committee
2. County Mayors Round Table
3. Regional Economic Action Coalition (REACH)
4. SLO Council of Governments (SLOCOG)
5. SLO Regional Transit Authority (RTA)

Mayor Pro Tem Newsom

1. City / Schools Committee
2. Design Review Committee
3. League of California Cities – Council Liaison
4. Visit SLO CAL Advisory Committee

Council Member Bourbeau

1. City of Atascadero Finance Committee
2. City / Schools Committee
3. Integrated Waste Management Authority (IWMA)
4. SLO County Water Resources Advisory Committee (WRAC)

Council Member Dariz

1. Air Pollution Control District
2. California Joint Powers Insurance Authority (CJPIA) Board
3. City of Atascadero Finance Committee

Council Member Funk

1. Atascadero Basin Ground Water Sustainability Agency (GSA)
2. Design Review Committee
3. Homeless Services Oversight Council

- E. INDIVIDUAL DETERMINATION AND / OR ACTION:** (Council Members may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda. The Council may take action on items listed on the Agenda.)

1. City Council
2. City Clerk
3. City Treasurer
4. City Attorney
5. City Manager

**F. ADJOURN REGULAR MEETING TO CLOSED SESSION**

**CITY COUNCIL CLOSED SESSION:**

**1. CLOSED SESSION -- PUBLIC COMMENT**

**2. COUNCIL LEAVES TO BEGIN CLOSED SESSION**

**3. CLOSED SESSION -- CALL TO ORDER**

- a. **Conference with Real Property Negotiators** (Govt. Code 54956.8)  
Real Property: 9510 Calle Milano, Atascadero, CA 93422  
Agency Negotiator: Rachelle Rickard, City Manager  
Negotiating Parties: Curtis J. Coleman and Julie A. Coleman  
Subject of Negotiations: Price and terms of payment.

**4. CLOSED SESSION – ADJOURNMENT**

**5. CLOSED SESSION – REPORT (IF ANY)**

Announcement(s) of any reportable action(s) taken in Closed Session that occur(s) after the adjournment of Regular Session will be made at the beginning of the next Regular City Council meeting as Closed Session is not recorded or videotaped.

**Please note:** Should anyone challenge any proposed development entitlement listed on this Agenda in court, that person may be limited to raising those issues addressed at the public hearing described in this notice, or in written correspondence delivered to the City Council at or prior to this public hearing. Correspondence submitted at this public hearing will be distributed to the Council and available for review in the City Clerk's office.



# **CITY OF ATASCADERO CITY COUNCIL**

## **DRAFT MINUTES**

**Tuesday, November 9, 2021**

**City Hall Council Chambers, 4th floor  
6500 Palma Avenue, Atascadero, California**

**City Council Closed Session: 5:30 P.M.**

**City Council Regular Session: 6:00 P.M.**

### **COUNCIL CLOSED SESSION: 5:30 P.M.**

Mayor Moreno called Closed Session to order at 5:33 p.m.

#### **1. ROLL CALL**

Present: **By Teleconference** - Council Members Bourbeau, Dariz and Funk, and Mayor Moreno

Absent: Mayor Pro Tem Newsom

Others Present: None

Staff Present: **By Teleconference** – Administrative Services Director Jeri Rangel, City Attorney Brian Pierik, Deputy City Manager/City Clerk Lara Christensen, and IT Manager Luke Knight

#### **2. CLOSED SESSION -- PUBLIC COMMENT**

The following citizens spoke by telephone or through the webinar on this item: Jed McClure

***Mayor Moreno closed the Public Comment period.***

#### **3. COUNCIL LEAVES TO BEGIN CLOSED SESSION**

IT Manager Knight did not attend this portion of the meeting.

#### 4. CLOSED SESSION -- CALL TO ORDER

**a. Conference with Legal Counsel - Existing Litigation**

Government Code Section 54956.9 (d) (1)

Name of Case: MDL 2804 Opiate Litigation in Northern District of Ohio  
(Judge Aaron Polster)

**b. Conference with Real Property Negotiators** (Govt. Code 54956.8)

Real Property: 9510 Calle Milano, Atascadero, CA 93422

Agency Negotiator: Rachelle Rickard, City Manager

Negotiating Parties: Curtis J. Coleman and Julie A. Coleman

Subject of Negotiations: Price and terms of payment.

#### 5. CLOSED SESSION – ADJOURNMENT

#### 6. COUNCIL RETURNS

#### 7. CLOSED SESSION – REPORT (IF ANY)

City Attorney Pierik reported that there was no reportable action from Closed Session on October 26, 2021 or on Closed Session Item a (above).

He noted that more time would be needed to complete the discussion on Closed Session Item b and that Council would be recessing Closed Session until after the close of Regular Session.

#### REGULAR SESSION – CALL TO ORDER: 6:00 P.M.

Mayor Moreno called the meeting to order at 6:01 p.m. and led the Pledge of Allegiance.

#### ROLL CALL:

Present: **By Teleconference** - Council Members Bourbeau, Dariz and Funk, and Mayor Moreno

Absent: Mayor Pro Tem Newsom

Others Present: Treasurer Sibbach

Staff Present: **By Teleconference** – Administrative Services Director Jeri Rangel, Public Works Director Nick DeBar, Police Chief Robert Masterson, City Attorney Brian Pierik, Deputy City Manager/City Clerk Lara Christensen, Deputy City Manager Terrie Banish, Deputy Community Development Director Loreli Cappel and IT Manager Luke Knight

#### APPROVAL OF AGENDA:

**MOTION:** By Council Member Bourbeau and seconded by Council Member Funk to:  
1. Approve this agenda; and,

2. Waive the reading in full of all ordinances appearing on this agenda, and the titles of the ordinances will be read aloud by the City Clerk at the first reading, after the motion and before the City Council votes.

*Motion passed 4:0 by a roll-call vote. Newsom absent.*

**PRESENTATIONS: None.**

**A. CONSENT CALENDAR:**

1. **City Council Draft Action Minutes – October 26, 2021**

- Recommendation: Council approve the October 26, 2021 Draft City Council Regular Meeting Minutes. [City Clerk]

2. **Unclaimed Funds**

- Fiscal Impact: This action will result in recognition of General Fund revenue in the amount of \$2,825.02.
- Recommendation: Council transfer unclaimed Special Funds to General Fund. [Administrative Services]

**MOTION: By Council Member Dariz and seconded by Council Member Funk to approve the Consent Calendar.**

*Motion passed 4:0 by a roll-call vote. Newsom absent.*

**UPDATES FROM THE CITY MANAGER:**

Deputy City Manager Terrie Banish gave an update on projects and issues within the City.

**COMMUNITY FORUM:**

The following citizens spoke by telephone or through the webinar on this item: Peggy O'Malley, Wendy Lewis, and Geoff Auslen

*Mayor Moreno closed the COMMUNITY FORUM period.*

**B. PUBLIC HEARINGS: None.**

**C. MANAGEMENT REPORTS:**

1. **Integrated Waste Management Authority Resolution to Remain a Member Agency, Amendments to the Joint Powers Agreement & Memorandum of Understanding**

- Fiscal Impact: IWMA-related fees are a cost to solid waste customers that are typically reflected in the rates paid at the landfill and for garbage collection.
- Recommendations: Council:



1. Adopt Draft Resolution to remain a member agency of the San Luis Obispo County Integrated Waste Management Authority provided certain conditions are satisfied.
2. Adopt Draft Resolution authorizing execution of the San Luis Obispo Integrated Waste Management Authority Joint Powers Agreement Amendment #2 and the related Memorandum of Agreement Amendment #1. [City Manager]

Deputy City Manager Christensen gave the report and answered questions from the Council.

**PUBLIC COMMENT:**

The following citizens spoke by telephone or through the webinar on this item: Geoff Auslen

***Mayor Moreno closed the Public Comment period.***

**MOTION: By Council Member Bourbeau and seconded by Council Member Funk to:**

1. Adopt Resolution No. 2021-070 to remain a member agency of the San Luis Obispo County Integrated Waste Management Authority provided certain conditions are satisfied.
2. Adopt Resolution No. 2021-071 authorizing execution of the San Luis Obispo Integrated Waste Management Authority Joint Powers Agreement Amendment #2 and the related Memorandum of Agreement Amendment #1.

***Motion passed 4:0 by a roll-call vote. Newsom absent.***

**2. Updated Atascadero Chamber of Commerce Contract**

- Fiscal Impact: \$120,000 annually in budgeted funds.
- Recommendation: Council authorize the City Manager to execute a new contract with the Atascadero Chamber of Commerce. [City Manager]

Deputy City Manager Christensen gave the report and answered questions from the Council.

**PUBLIC COMMENT:**

The following citizens spoke by telephone or through the webinar on this item: None

***Mayor Moreno closed the Public Comment period.***

**MOTION: By Council Member Funk and seconded by Council Member Bourbeau to authorize the City Manager to execute a new contract with the Atascadero Chamber of Commerce amending the last sentence of Task D.2 to read: Using targeted, trackable strategies such as geo-fencing, a series of ads will be placed to capture interest.**

***Motion passed 4:0 by a roll-call vote. Newsom absent.***

**D. COUNCIL ANNOUNCEMENTS AND COMMITTEE REPORTS:**

The following Council Members made brief announcements and gave brief update reports on their committees since their last Council meeting:

Mayor Moreno

1. County Mayors Round Table
2. SLO Regional Transit Authority (RTA)

Council Member Bourbeau

1. Integrated Waste Management Authority (IWMA)

Council Member Dariz

1. Air Pollution Control District

Council Member Funk

1. Atascadero Basin Ground Water Sustainability Agency (GSA)
2. Design Review Committee
3. Homeless Services Oversight Council

**E. INDIVIDUAL DETERMINATION AND / OR ACTION: None**

**F. ADJOURN**

Mayor Moreno recessed the Regular Meeting at 7:50 p.m. and reconvened the Closed Session Meeting at 7:51 p.m.

The meeting was adjourned at 8:07 pm; no reportable action.

**MINUTES PREPARED BY:**

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Lara K. Christensen  
City Clerk

**APPROVED:**



# Atascadero City Council

## Staff Report - Administrative Services Department

### October 2021 Accounts Payable and Payroll

#### RECOMMENDATION:

Council approve certified City accounts payable, payroll and payroll vendor checks for October 2021.

#### DISCUSSION:

Attached for City Council review and approval are the following:

##### Payroll

Dated	10/14/21	Checks # 35263 - 35280	\$	21,677.02
		Direct Deposits		456,718.48
Dated	10/28/21	Checks # 35281 - 35292		12,762.14
		Direct Deposits		326,484.11

##### Accounts Payable

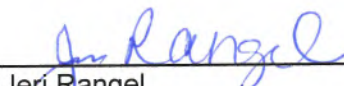
Dated	10/1/21-10/31/21	Checks # 168939 - 169223 & EFTs 4183 - 4217		2,735,104.45
<b>TOTAL AMOUNT</b>				<b>\$ 3,552,746.20</b>

#### FISCAL IMPACT:

Total expenditures for all funds is \$ 3,552,746.20

#### CERTIFICATION:

The undersigned certifies that the attached demands have been released for payment and that funds are available for these demands.

  
\_\_\_\_\_  
Jeri Rangel  
Director of Administrative Services

#### ATTACHMENT:

October 2021 Eden Warrant Register in the amount of \$ 2,735,104.45

**City of Atascadero**  
Disbursement Listing

For the Month of October 2021

ITEM NUMBER: A-2  
DATE: 11/23/21  
ATTACHMENT: 1

Check Number	Check Date	Vendor	Description	Amount
4183	10/01/2021	STATE DISBURSEMENT UNIT	Payroll Vendor Payment	467.07
4184	10/01/2021	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	22,141.76
4185	10/01/2021	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	29,413.40
4186	10/01/2021	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	1,927.13
4187	10/01/2021	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	2,698.33
4188	10/01/2021	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	5,066.24
4189	10/01/2021	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	9,449.51
4190	10/01/2021	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	8,410.43
4191	10/01/2021	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	12,552.85
4192	10/05/2021	RABOBANK, N.A.	Payroll Vendor Payment	55,606.79
4193	10/05/2021	EMPLOYMENT DEV DEPARTMENT	Payroll Vendor Payment	17,034.03
4194	10/05/2021	EMPLOYMENT DEV. DEPARTMENT	Payroll Vendor Payment	2,613.28
168939	10/07/2021	ANTHEM BLUE CROSS HEALTH	Payroll Vendor Payment	189,917.57
168940	10/07/2021	LINCOLN NATIONAL LIFE INS CO	Payroll Vendor Payment	1,843.05
168941	10/07/2021	MEDICAL EYE SERVICES	Payroll Vendor Payment	1,669.66
168942	10/07/2021	PREFERRED BENEFITS INSURANCE	Payroll Vendor Payment	8,747.10
168943	10/08/2021	13 STARS MEDIA	Accounts Payable Check	827.53
168944	10/08/2021	A SUPERIOR CRANE, LLC	Accounts Payable Check	1,080.00
168945	10/08/2021	AIR-LEFT HEATING & AIR CONDT.	Accounts Payable Check	1,604.00
168946	10/08/2021	ALL SIGNS AND GRAPHICS, INC.	Accounts Payable Check	3,528.60
168947	10/08/2021	JOE ALLEN	Accounts Payable Check	126.85
168948	10/08/2021	ALLIANT INSURANCE SERVICES INC	Accounts Payable Check	478.00
168949	10/08/2021	ALLTECH SERVICES, INC.	Accounts Payable Check	12,160.22
168950	10/08/2021	ALPHA ELECTRIC SERVICE	Accounts Payable Check	10,857.00
168951	10/08/2021	ALTA LANGUAGE SERVICES, INC.	Accounts Payable Check	55.00
168952	10/08/2021	ASSN. PROPERTIES	Accounts Payable Check	3,396.40
168954	10/08/2021	ATASCADERO MUTUAL WATER CO.	Accounts Payable Check	28,178.60
168955	10/08/2021	ATASCADERO PICKLEBALL CLUB, INC	Accounts Payable Check	181.50
168956	10/08/2021	TERRIE BANISH	Accounts Payable Check	97.04
168957	10/08/2021	BANK OF NEW YORK MELLON	Accounts Payable Check	1,925.00
168958	10/08/2021	BATTERY SYSTEMS, INC.	Accounts Payable Check	262.83
168959	10/08/2021	BAY AREA DRIVING SCHOOL, INC.	Accounts Payable Check	55.99
168960	10/08/2021	VOID	Accounts Payable Check	0.00
168961	10/08/2021	KEITH R. BERGHER	Accounts Payable Check	585.00
168962	10/08/2021	JUSTIN BLACK	Accounts Payable Check	133.85
168963	10/08/2021	BRANCH SMITH PROPERTIES	Accounts Payable Check	362.00
168964	10/08/2021	BURKE, WILLIAMS, & SORENSON LLP	Accounts Payable Check	38,644.20
168965	10/08/2021	BURT INDUSTRIAL SUPPLY	Accounts Payable Check	231.95
168966	10/08/2021	CA BUILDING STANDARDS COMM.	Accounts Payable Check	146.70
168967	10/08/2021	CARQUEST OF ATASCADERO	Accounts Payable Check	325.50
168968	10/08/2021	CASEY PRINTING, INC.	Accounts Payable Check	4,825.67
168969	10/08/2021	CHARTER COMMUNICATIONS	Accounts Payable Check	90.00
168970	10/08/2021	BRADY CHERRY	Accounts Payable Check	126.84

**City of Atascadero**  
Disbursement Listing

For the Month of October 2021

ITEM NUMBER: A-2  
DATE: 11/23/21  
ATTACHMENT: 1

Check Number	Check Date	Vendor	Description	Amount
168971	10/08/2021	TERI CHESTERMAN ROBERT FLORES	Accounts Payable Check	578.00
168972	10/08/2021	CIO SOLUTIONS, LP	Accounts Payable Check	35,395.75
168973	10/08/2021	CIRCLE GRAPHICS, INC.	Accounts Payable Check	447.01
168974	10/08/2021	JENNI K. CISCO	Accounts Payable Check	4,168.11
168975	10/08/2021	KAREN A. CLANIN	Accounts Payable Check	133.00
168976	10/08/2021	CLEVER CONCEPTS, INC.	Accounts Payable Check	47.95
168977	10/08/2021	COASTAL COPY, INC.	Accounts Payable Check	334.43
168978	10/08/2021	COBAN TECHNOLOGIES, INC.	Accounts Payable Check	125.00
168979	10/08/2021	CHRISTOPHER & ELIZABETH COLLINS	Accounts Payable Check	4,456.93
168980	10/08/2021	CRYSTAL SPRINGS WATER	Accounts Payable Check	20.00
168981	10/08/2021	MARK DARIZ	Accounts Payable Check	319.54
168982	10/08/2021	SHARON J. DAVIS	Accounts Payable Check	91.00
168983	10/08/2021	NICHOLAS DEBAR	Accounts Payable Check	300.00
168984	10/08/2021	DEPARTMENT OF CONSERVATION	Accounts Payable Check	645.42
168985	10/08/2021	DESTINATION TRAVEL NETWORK	Accounts Payable Check	75.00
168986	10/08/2021	IRENE F. DONOVAN	Accounts Payable Check	3,873.00
168987	10/08/2021	DOOMSDAY SKATE, LLC	Accounts Payable Check	285.00
168988	10/08/2021	DRIVE CUSTOMS	Accounts Payable Check	4,222.85
168989	10/08/2021	PHILIP DUNSMORE	Accounts Payable Check	300.00
168990	10/08/2021	EARTH SYSTEMS PACIFIC	Accounts Payable Check	1,891.25
168991	10/08/2021	ECS IMAGING, INC.	Accounts Payable Check	12,943.00
168992	10/08/2021	CHRISTINE EDSTROM O'HARA	Accounts Payable Check	4,091.60
168993	10/08/2021	EMERGENCY VEHICLE SPECIALISTS	Accounts Payable Check	1,500.00
168994	10/08/2021	EN FUEGO EVENTS	Accounts Payable Check	5,000.00
168995	10/08/2021	EPIC IT SUPPORT	Accounts Payable Check	437.50
168996	10/08/2021	IRIS FIGUEROA	Accounts Payable Check	115.68
168997	10/08/2021	FRUTH GROUP, INC.	Accounts Payable Check	22,897.32
168998	10/08/2021	GARAGISTE EVENTS, INC.	Accounts Payable Check	5,000.00
168999	10/08/2021	GAS COMPANY	Accounts Payable Check	148.17
169000	10/08/2021	GMV SYNCROMATICS	Accounts Payable Check	9,500.00
169001	10/08/2021	JEREL HALEY	Accounts Payable Check	41.95
169002	10/08/2021	BARRY HARDY	Accounts Payable Check	29.97
169003	10/08/2021	JAMES R. HEWITT	Accounts Payable Check	3,873.00
169004	10/08/2021	ANN HOCHSTETLER	Accounts Payable Check	60.53
169005	10/08/2021	HOME DEPOT CREDIT SERVICES	Accounts Payable Check	1,757.10
169006	10/08/2021	IRON MOUNTAIN RECORDS MGMNT	Accounts Payable Check	124.68
169007	10/08/2021	JK'S UNLIMITED, INC.	Accounts Payable Check	1,166.42
169008	10/08/2021	JOANN HEAD LAND SURVEYING	Accounts Payable Check	12,759.78
169009	10/08/2021	JOE A. GONSALVES & SON	Accounts Payable Check	3,000.00
169010	10/08/2021	PATRICIA R. JOHNSTONE	Accounts Payable Check	4,233.00
169011	10/08/2021	ANN JUTRAS	Accounts Payable Check	75.34
169012	10/08/2021	KIRK CONSTRUCTION	Accounts Payable Check	64,282.18
169013	10/08/2021	WADE KNOWLES	Accounts Payable Check	41.95

**City of Atascadero**  
Disbursement Listing

For the Month of October 2021

ITEM NUMBER: A-2  
DATE: 11/23/21  
ATTACHMENT: 1

Check Number	Check Date	Vendor	Description	Amount
169014	10/08/2021	LENOVO (UNITED STATES) INC.	Accounts Payable Check	2,668.73
169015	10/08/2021	LIFE ASSIST, INC.	Accounts Payable Check	1,251.82
169016	10/08/2021	MADRONE LANDSCAPES, INC.	Accounts Payable Check	401.00
169017	10/08/2021	MARBORG INDUSTRIES	Accounts Payable Check	62.28
169018	10/08/2021	CAROL MARDEN HASS	Accounts Payable Check	46.00
169019	10/08/2021	VOID	Accounts Payable Check	0.00
169020	10/08/2021	DELMA MEYER	Accounts Payable Check	60.53
169021	10/08/2021	MICHAEL K. NUNLEY & ASSC, INC.	Accounts Payable Check	10,193.98
169022	10/08/2021	MINER'S ACE HARDWARE	Accounts Payable Check	140.76
169023	10/08/2021	MISSION UNIFORM SERVICE	Accounts Payable Check	202.66
169024	10/08/2021	MNS ENGINEERS, INC.	Accounts Payable Check	107.50
169025	10/08/2021	DAVE MUEHLHAUSEN	Accounts Payable Check	70.29
169026	10/08/2021	MV TRANSPORTATION, INC.	Accounts Payable Check	19,482.98
169027	10/08/2021	NUTRIEN AG SOLUTIONS, INC.	Accounts Payable Check	1,460.77
169028	10/08/2021	OFFICE DEPOT INC.	Accounts Payable Check	320.90
169029	10/08/2021	O'REILLY AUTOMOTIVE, INC.	Accounts Payable Check	43.21
169030	10/08/2021	TARA ORLICK	Accounts Payable Check	20.53
169032	10/08/2021	PACIFIC GAS AND ELECTRIC	Accounts Payable Check	62,112.76
169033	10/08/2021	PASO ROBLES SAFE & LOCK, INC.	Accounts Payable Check	1,183.60
169034	10/08/2021	DAVE PAYTON	Accounts Payable Check	126.84
169035	10/08/2021	PEAKWIFI, LLC	Accounts Payable Check	1,767.25
169036	10/08/2021	PRAXAIR DISTRIBUTION, INC.	Accounts Payable Check	59.86
169037	10/08/2021	PRO TOW	Accounts Payable Check	380.00
169038	10/08/2021	PROCARE JANITORIAL SUPPLY, INC.	Accounts Payable Check	826.39
169039	10/08/2021	PROFORCE LAW ENFORCEMENT	Accounts Payable Check	568.55
169040	10/08/2021	QUINCY ENGINEERING, INC.	Accounts Payable Check	12,510.27
169041	10/08/2021	RAIN FOR RENT	Accounts Payable Check	11,215.72
169042	10/08/2021	RAINSCAPE, A LANDSCAPE SVC CO.	Accounts Payable Check	7,352.28
169043	10/08/2021	JERI RANGEL	Accounts Payable Check	300.00
169044	10/08/2021	READYREFRESH BY NESTLE	Accounts Payable Check	68.51
169045	10/08/2021	RECOGNITION WORKS	Accounts Payable Check	130.51
169046	10/08/2021	VOID	Accounts Payable Check	0.00
169047	10/08/2021	MARCELES RODRIGUEZ	Accounts Payable Check	600.00
169048	10/08/2021	MARK RUSSO	Accounts Payable Check	20.53
169049	10/08/2021	SAM'S TREE 805, INC.	Accounts Payable Check	22,800.00
169050	10/08/2021	SAN LUIS POWERHOUSE, INC.	Accounts Payable Check	1,183.98
169051	10/08/2021	CONNIE SANCHEZ FAMILY TRUST 2019	Accounts Payable Check	2,279.60
169052	10/08/2021	SCOTT SATTERTHWAITE	Accounts Payable Check	126.85
169053	10/08/2021	VOID	Accounts Payable Check	0.00
169054	10/08/2021	SOUZA CONSTRUCTION, INC.	Accounts Payable Check	891,099.80
169055	10/08/2021	SP MAINTENANCE SERVICES, INC.	Accounts Payable Check	375.00
169056	10/08/2021	SPECIALIZED EQUIPMENT REPAIR	Accounts Payable Check	1,355.02
169057	10/08/2021	JENNIFER L. SPOTTEN	Accounts Payable Check	192.00

**City of Atascadero**  
Disbursement Listing

For the Month of October 2021

ITEM NUMBER: A-2  
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Check Number	Check Date	Vendor	Description	Amount
169058	10/08/2021	STANLEY CONVERGENT SECURITY	Accounts Payable Check	287.46
169059	10/08/2021	SUNLIGHT JANITORIAL, INC.	Accounts Payable Check	961.00
169060	10/08/2021	TARGET SOLUTIONS LEARNING, LLC	Accounts Payable Check	93.36
169061	10/08/2021	RONALD R. TARICA	Accounts Payable Check	175.60
169062	10/08/2021	TEMPLETON UNIFORMS, LLC	Accounts Payable Check	15.66
169063	10/08/2021	KARL O. TOERGE	Accounts Payable Check	174.00
169064	10/08/2021	ULTREX BUSINESS PRODUCTS	Accounts Payable Check	105.75
169065	10/08/2021	UNDERGROUND SERVICE ALERT OF	Accounts Payable Check	3,399.37
169066	10/08/2021	UNITED RENTALS (NORTH AM), INC	Accounts Payable Check	6,144.39
169067	10/08/2021	DAVID VAN SON	Accounts Payable Check	230.00
169068	10/08/2021	VERDIN	Accounts Payable Check	8,400.40
169069	10/08/2021	VERIZON WIRELESS	Accounts Payable Check	2,224.24
169070	10/08/2021	VERIZON WIRELESS-VSAT	Accounts Payable Check	50.00
169071	10/08/2021	WALLACE GROUP	Accounts Payable Check	1,640.26
169072	10/08/2021	WCJ PROPERTY SERVICES	Accounts Payable Check	1,170.00
169073	10/08/2021	WEST COAST AUTO & TOWING, INC.	Accounts Payable Check	865.00
169074	10/08/2021	WEX BANK - 76 UNIVERSL	Accounts Payable Check	13,503.60
169075	10/08/2021	WEX BANK - WEX FLEET UNIVERSAL	Accounts Payable Check	8,415.96
169076	10/08/2021	KAREN B. WYKE	Accounts Payable Check	622.50
169077	10/08/2021	ZACHARY J YEAMAN-SANCHEZ	Accounts Payable Check	562.00
169078	10/08/2021	YOUTH EVOLUTION SOCCER	Accounts Payable Check	4,608.00
169079	10/08/2021	ZEE MEDICAL SERVICES CO.	Accounts Payable Check	236.69
169080	10/08/2021	ZOOM IMAGING SOLUTIONS, INC.	Accounts Payable Check	986.91
4195	10/14/2021	ANTHEM BLUE CROSS HSA	Payroll Vendor Payment	16,841.82
169081	10/14/2021	ATASCADERO MID MGRS ORG UNION	Payroll Vendor Payment	80.00
169082	10/14/2021	ATASCADERO POLICE OFFICERS	Payroll Vendor Payment	1,787.50
169083	10/14/2021	ATASCADERO PROF. FIREFIGHTERS	Payroll Vendor Payment	1,027.05
169084	10/14/2021	MASS MUTUAL WORKPLACE SOLUTION	Payroll Vendor Payment	14,040.50
169085	10/14/2021	NATIONWIDE RETIREMENT SOLUTION	Payroll Vendor Payment	984.78
169086	10/14/2021	NAVIA BENEFIT SOLUTIONS	Payroll Vendor Payment	3,426.85
169087	10/14/2021	SEIU LOCAL 620	Payroll Vendor Payment	850.49
169088	10/14/2021	VANTAGEPOINT TRNSFR AGT 106099	Payroll Vendor Payment	416.88
169089	10/14/2021	VANTAGEPOINT TRNSFR AGT 304633	Payroll Vendor Payment	12,464.34
169090	10/14/2021	VANTAGEPOINT TRNSFR AGT 706276	Payroll Vendor Payment	1,046.00
4196	10/15/2021	STATE DISBURSEMENT UNIT	Payroll Vendor Payment	467.07
4197	10/15/2021	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	35,171.33
4198	10/15/2021	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	53,026.40
4199	10/15/2021	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	2,754.51
4200	10/15/2021	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	4,244.08
4201	10/15/2021	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	9,045.53
4202	10/15/2021	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	13,172.27
4203	10/15/2021	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	16,223.66
4204	10/15/2021	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	21,383.43

**City of Atascadero**  
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Check Number	Check Date	Vendor	Description	Amount
4205	10/19/2021	RABOBANK, N.A.	Payroll Vendor Payment	110,389.90
4206	10/19/2021	EMPLOYMENT DEV DEPARTMENT	Payroll Vendor Payment	39,038.06
4207	10/19/2021	EMPLOYMENT DEV. DEPARTMENT	Payroll Vendor Payment	4,518.85
169091	10/22/2021	13 STARS MEDIA	Accounts Payable Check	1,015.60
169092	10/22/2021	A & M ROOFING	Accounts Payable Check	3,875.00
169093	10/22/2021	A & T ARBORISTS & VEGETATION	Accounts Payable Check	2,800.00
169094	10/22/2021	A SUPERIOR CRANE, LLC	Accounts Payable Check	2,184.42
169095	10/22/2021	AGM CALIFORNIA, INC.	Accounts Payable Check	3,140.00
169096	10/22/2021	AGP VIDEO, INC.	Accounts Payable Check	2,902.50
169097	10/22/2021	ALLIANT INSURANCE SERVICES INC	Accounts Payable Check	296.00
169098	10/22/2021	ALPHA ELECTRIC SERVICE	Accounts Payable Check	125.00
169099	10/22/2021	ALTHOUSE & MEADE, INC.	Accounts Payable Check	1,571.25
169100	10/22/2021	AMERICAN WEST TIRE & AUTO INC	Accounts Payable Check	1,545.34
169101	10/22/2021	APPLIED CONCEPTS, INC.	Accounts Payable Check	9,799.06
169102	10/22/2021	KELLY AREBALO	Accounts Payable Check	473.24
169104	10/22/2021	AT&T	Accounts Payable Check	1,400.85
169105	10/22/2021	AT&T	Accounts Payable Check	420.81
169106	10/22/2021	ATASCADERO HAY & FEED	Accounts Payable Check	3,149.73
169107	10/22/2021	ATASCADERO HISTORICAL SOCIETY	Accounts Payable Check	991.00
169108	10/22/2021	AURORA WORLD, INC.	Accounts Payable Check	209.09
169109	10/22/2021	AVILA TRAFFIC SAFETY	Accounts Payable Check	507.06
169110	10/22/2021	BASSETT'S CRICKET RANCH, INC.	Accounts Payable Check	971.78
169111	10/22/2021	STEVEN N. BECK	Accounts Payable Check	3,396.40
169112	10/22/2021	BERRY MAN, INC.	Accounts Payable Check	2,154.90
169113	10/22/2021	BURT INDUSTRIAL SUPPLY	Accounts Payable Check	527.27
169114	10/22/2021	CA DEPT OF TAX AND FEE ADMIN.	Accounts Payable Check	8,589.00
169115	10/22/2021	CAL-COAST REFRIGERATION, INC	Accounts Payable Check	247.00
169116	10/22/2021	CARQUEST OF ATASCADERO	Accounts Payable Check	49.60
169117	10/22/2021	CHARTER COMMUNICATIONS	Accounts Payable Check	247.39
169118	10/22/2021	CITY OF ATASCADERO	Accounts Payable Check	237.50
169119	10/22/2021	CRYSTAL CRIMBCHIN	Accounts Payable Check	118.47
169120	10/22/2021	CRYSTAL CREAMERY, INC.	Accounts Payable Check	1,092.24
169121	10/22/2021	CUESTA POLYGRAPH & INVEST. LLC	Accounts Payable Check	8,907.33
169122	10/22/2021	DIVISION OF STATE ARCHITECT	Accounts Payable Check	46.80
169123	10/22/2021	MONICA DOMINGUEZ	Accounts Payable Check	15.23
169124	10/22/2021	DRIVE CUSTOMS	Accounts Payable Check	420.00
169125	10/22/2021	ECONOMIC & PLANNING SYSTEM INC	Accounts Payable Check	16,051.25
169126	10/22/2021	EMERGENCY VEHICLE SPECIALISTS	Accounts Payable Check	3,250.00
169127	10/22/2021	EMI SPORTWEAR	Accounts Payable Check	228.16
169128	10/22/2021	ESCUELA DEL RIO	Accounts Payable Check	840.00
169129	10/22/2021	FERGUSON ENTERPRISES, LLC	Accounts Payable Check	129.63
169130	10/22/2021	BRIAN FERRELL	Accounts Payable Check	115.44
169131	10/22/2021	FGL ENVIRONMENTAL	Accounts Payable Check	855.00



**City of Atascadero**  
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Check Number	Check Date	Vendor	Description	Amount
169132	10/22/2021	FIRST AMERICAN TITLE CO	Accounts Payable Check	71,578.00
169133	10/22/2021	FRIENDS OF TRACY AVIARY	Accounts Payable Check	195.16
169134	10/22/2021	FURNITURE INSTALLATION TEAM	Accounts Payable Check	6,283.89
169135	10/22/2021	GARRY BRILL PRODUCTIONS	Accounts Payable Check	150.00
169136	10/22/2021	GAS COMPANY	Accounts Payable Check	432.33
169137	10/22/2021	CHRISTOPHER HALL	Accounts Payable Check	179.00
169138	10/22/2021	HAMNER, JEWELL & ASSOCIATES	Accounts Payable Check	12,176.86
169139	10/22/2021	REBECCA HEREDIA	Accounts Payable Check	134.06
169140	10/22/2021	CHRISTOPHER HESTER	Accounts Payable Check	179.00
169141	10/22/2021	HIGH COUNTRY OUTDOOR, INC.	Accounts Payable Check	400.00
169142	10/22/2021	HUMAN PERFORMANCE TRAINING &	Accounts Payable Check	375.00
169143	10/22/2021	JIFFY LUBE	Accounts Payable Check	92.01
169144	10/22/2021	JK2 APPAREL	Accounts Payable Check	1,800.95
169145	10/22/2021	JK'S UNLIMITED, INC.	Accounts Payable Check	12,358.83
169146	10/22/2021	KNECHT'S PLUMBING & HEATING	Accounts Payable Check	95.00
169147	10/22/2021	KPRL 1230 AM	Accounts Payable Check	1,120.00
169148	10/22/2021	LANTERN PRESS	Accounts Payable Check	570.76
169149	10/22/2021	LAYNE LABORATORIES, INC.	Accounts Payable Check	2,020.58
169150	10/22/2021	LIGHTHOUSE UNIFORM	Accounts Payable Check	2,632.60
169151	10/22/2021	CRAIG C. LOWRIE	Accounts Payable Check	450.00
169152	10/22/2021	MADRONE LANDSCAPES, INC.	Accounts Payable Check	388.56
169153	10/22/2021	NICHOLAS MCCLURE	Accounts Payable Check	8,676.33
169154	10/22/2021	SAMUEL HENRY MCMILLAN, JR.	Accounts Payable Check	325.00
169155	10/22/2021	SAMUEL H. MCMILLAN, SR.	Accounts Payable Check	175.00
169156	10/22/2021	MICHAEL K. NUNLEY & ASSC, INC.	Accounts Payable Check	1,828.77
169157	10/22/2021	MID-COAST MOWER & SAW, INC.	Accounts Payable Check	27.91
169158	10/22/2021	MID-STATE CONCRETE PRODUCTS	Accounts Payable Check	6,434.65
169160	10/22/2021	MINER'S ACE HARDWARE	Accounts Payable Check	1,549.46
169161	10/22/2021	MATTHEW J. MIRANDA	Accounts Payable Check	179.00
169162	10/22/2021	MISSION UNIFORM SERVICE	Accounts Payable Check	336.11
169163	10/22/2021	MORRO BAY BUG COMPANY	Accounts Payable Check	3,444.64
169164	10/22/2021	DAVE MUEHLHAUSEN	Accounts Payable Check	199.00
169165	10/22/2021	MWI ANIMAL HEALTH	Accounts Payable Check	110.03
169166	10/22/2021	NORTH COAST ENGINEERING INC.	Accounts Payable Check	455.00
169167	10/22/2021	OFFICE DEPOT INC.	Accounts Payable Check	318.29
169168	10/22/2021	ORANGE CO SHERIFF'S DEPARTMENT	Accounts Payable Check	130.00
169169	10/22/2021	O'REILLY AUTOMOTIVE, INC.	Accounts Payable Check	3.95
169170	10/22/2021	PACIFIC GAS AND ELECTRIC	Accounts Payable Check	2,661.09
169171	10/22/2021	PENGUIN RANDOM HOUSE, LLC	Accounts Payable Check	101.64
169172	10/22/2021	PERRY'S PARCEL & GIFT	Accounts Payable Check	125.00
169173	10/22/2021	PROCARE JANITORIAL SUPPLY, INC.	Accounts Payable Check	918.68
169174	10/22/2021	PRW STEEL SUPPLY, INC.	Accounts Payable Check	523.39
169175	10/22/2021	RAINSCAPE, A LANDSCAPE SVC CO.	Accounts Payable Check	350.00

**City of Atascadero**  
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Check Number	Check Date	Vendor	Description	Amount
169176	10/22/2021	RAMINHA CONSTRUCTION, INC.	Accounts Payable Check	107,904.67
169177	10/22/2021	READYREFRESH BY NESTLE	Accounts Payable Check	825.99
169178	10/22/2021	RECOGNITION WORKS	Accounts Payable Check	309.94
169179	10/22/2021	JAMES STEVEN ROBINSON DVM	Accounts Payable Check	1,200.00
169180	10/22/2021	SAN LUIS CUSTOMS, INC.	Accounts Payable Check	998.10
169181	10/22/2021	SAN LUIS POWERHOUSE, INC.	Accounts Payable Check	165.00
169182	10/22/2021	SCOTT O'BRIEN FIRE & SAFETY CO	Accounts Payable Check	250.29
169183	10/22/2021	SERVICE SYSTEMS ASSC, INC.	Accounts Payable Check	2,500.00
169184	10/22/2021	SLO COUNTY SHERIFF'S OFFICE	Accounts Payable Check	4,600.00
169185	10/22/2021	SLO COUNTY TAX COLLECTOR	Accounts Payable Check	65.92
169186	10/22/2021	SLO COUNTY TRAINING OFFICERS	Accounts Payable Check	200.00
169187	10/22/2021	JOHN C. SMALL	Accounts Payable Check	4,233.00
169188	10/22/2021	SPEAKWRITE, LLC.	Accounts Payable Check	1,349.61
169189	10/22/2021	SPECIALIZED EQUIPMENT REPAIR	Accounts Payable Check	1,040.79
169190	10/22/2021	STANLEY CONVERGENT SECURITY	Accounts Payable Check	637.53
169191	10/22/2021	STAPLES CREDIT PLAN	Accounts Payable Check	86.78
169192	10/22/2021	SUNLIGHT JANITORIAL, INC.	Accounts Payable Check	1,700.00
169193	10/22/2021	TENT CITY BEER COMPANY	Accounts Payable Check	150.00
169194	10/22/2021	TERRA VERDE ENVIRONMENTAL CONS	Accounts Payable Check	2,560.94
169195	10/22/2021	TESCO CONTROLS, INC.	Accounts Payable Check	13,300.00
169196	10/22/2021	CHRISTOPHER DANIEL THOMAS	Accounts Payable Check	400.00
169197	10/22/2021	THOMSON REUTERS - WEST	Accounts Payable Check	175.10
169202	10/22/2021	U.S. BANK	Accounts Payable Check	27,771.74
169203	10/22/2021	UNITED RENTALS (NORTH AM), INC	Accounts Payable Check	6,144.39
169204	10/22/2021	VERITONE, INC.	Accounts Payable Check	3,400.00
169205	10/22/2021	VERIZON WIRELESS	Accounts Payable Check	57.68
169206	10/22/2021	VINO VICE, INC.	Accounts Payable Check	536.25
169207	10/22/2021	VITAL RECORDS CONTROL	Accounts Payable Check	169.99
169208	10/22/2021	WALLACE GROUP	Accounts Payable Check	25,080.36
169209	10/22/2021	WEST COAST AUTO & TOWING, INC.	Accounts Payable Check	335.00
169210	10/22/2021	WHITLOCK & WEINBERGER TRANS.	Accounts Payable Check	3,057.50
169211	10/22/2021	WILKINS ACTION GRAPHICS	Accounts Payable Check	665.10
169212	10/22/2021	WISHPETS CO.	Accounts Payable Check	497.30
169213	10/22/2021	DANIEL YORK	Accounts Payable Check	228.36
4208	10/28/2021	ANTHEM BLUE CROSS HSA	Payroll Vendor Payment	8,996.82
169214	10/28/2021	ATASCADERO MID MGRS ORG UNION	Payroll Vendor Payment	80.00
169215	10/28/2021	ATASCADERO POLICE OFFICERS	Payroll Vendor Payment	1,741.50
169216	10/28/2021	ATASCADERO PROF. FIREFIGHTERS	Payroll Vendor Payment	1,027.05
169217	10/28/2021	MASS MUTUAL WORKPLACE SOLUTION	Payroll Vendor Payment	6,754.94
169218	10/28/2021	NATIONWIDE RETIREMENT SOLUTION	Payroll Vendor Payment	1,064.50
169219	10/28/2021	NAVIA BENEFIT SOLUTIONS	Payroll Vendor Payment	3,426.85
169220	10/28/2021	SEIU LOCAL 620	Payroll Vendor Payment	833.82
169221	10/28/2021	VANTAGEPOINT TRNSFR AGT 106099	Payroll Vendor Payment	830.13

City of Atascadero  
Disbursement Listing

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Check Number	Check Date	Vendor	Description	Amount
169222	10/28/2021	VANTAGEPOINT TRNSFR AGT 304633	Payroll Vendor Payment	5,349.56
169223	10/28/2021	VANTAGEPOINT TRNSFR AGT 706276	Payroll Vendor Payment	785.00
4209	10/29/2021	STATE DISBURSEMENT UNIT	Payroll Vendor Payment	467.07
4210	10/29/2021	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	23,186.31
4211	10/29/2021	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	32,928.88
4212	10/29/2021	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	2,080.32
4213	10/29/2021	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	2,770.13
4214	10/29/2021	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	5,623.27
4215	10/29/2021	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	9,889.76
4216	10/29/2021	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	9,491.96
4217	10/29/2021	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	14,721.79
				<u>\$ 2,735,104.45</u>



# ***Atascadero City Council***

## ***Staff Report – Public Works Department***

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### **Sunken Gardens Tree Replanting and Protection**

#### **RECOMMENDATION:**

Council authorize the Administrative Services Director to appropriate \$16,500 of General Fund Reserves for the replanting and protection of eight trees at Sunken Gardens.

#### **DISCUSSION:**

##### Background

On April 9, 2019, the City Council approved the Sunken Gardens Replanting Plan (Plan) to ensure a gradual reforestation of the park. Beginning in the 1920's, the Sunken Gardens has featured deodar cedars, magnolias and a variety of evergreen trees and shrubs, resulting in an inviting outdoor activity space for the community. Prior to the adoption of the Plan, a large southern magnolia at the corner of East Mall and Palma Avenue and a large deodar cedar on West Mall were removed because the trees were past their lifespan. The Plan considers the following factors to ensure the park remains the idyllic setting it is today:

- Historic symmetry of the park and setting of City Hall
- Viability and life expectancy of existing trees
- Potential varieties of trees for ease of maintenance, shade coverage, durability and rate of growth
- Spacing of trees to allow for adequate growth and preservation of adequate recreation space
- Arborist recommendations

The Plan identifies the planting of eight trees in Sunken Gardens, including one coast live oak in the area that once held the magnolia. Coast live oaks are considered a native tree and typically perform well in Atascadero, as evidenced by the longevity of the trees within and around the park that were planted shortly after the establishment of the Colony's civic center. The remaining magnolia, at the corner of West Mall and Palm Avenue would remain in place until it too fails and would then be replaced with a coast live oak at that time. As identified in Attachment 1, the Plan also calls for the planting of one deodar cedar and six coastal redwoods. The deodar cedar will be planted near the area where the previous tree was removed to ensure the layout of four deodar cedars surround the fountain. The six coastal redwoods will be planted as follows:

- Two coast redwoods, one each along West Mall and East Mall in the lawn area between the deodar cedars nearest Palma Avenue; and
- Four redwoods, two each along West Mall and East Mall in the lawn area between the existing and the missing deodar cedars and oak trees near El Camino Real.

Staff intends to plant the trees by the end of 2021 or early January 2022, which provides the ideal conditions for planting because of the additional moisture in the ground and lower temperatures. In addition to the planting of the eight trees, the irrigation that services the identified area for the coastal live oak and the existing magnolia tree needs to be transitioned from a spray to a drip line system. This will help ensure the proper growth and health of the young coastal live oak while providing the appropriate amount of water to the existing magnolia tree. Staff is also recommending the installation of a temporary protective barrier around all eight of the planted trees. The barrier will help deter community members from disturbing the young trees until they are well established and their root system is healthy and strong. In an effort to conserve water during the summer months, staff will remove and replace the existing wood chips in the two planting areas on the corners of East and West Mall and Palma Avenue with wood chips recycled from previous tree trimming efforts.

At their April 2019 meeting, when the replanting plan was discussed, Council directed staff to incorporate these costs in the upcoming 2021-23 Budget. However, these costs were overlooked as part of the budget process and are now being requested to be paid from the City's General Fund. Staff is recommending that Council appropriate \$16,500 of General Fund reserves for the replanting and protection of eight trees at Sunken Gardens.

## **ENVIRONMENTAL REVIEW:**

The California Environmental Quality Act does not apply to the recommended action in this report, because the action does not constitute a "Project" under CEQA Guidelines Sec. 15378. The grant application will include the required environmental report, which will be conducted by the Planning Department.

## **FISCAL IMPACT:**

The total cost to purchase and install eight trees, irrigation upgrades and temporary protective barriers is \$16,500.

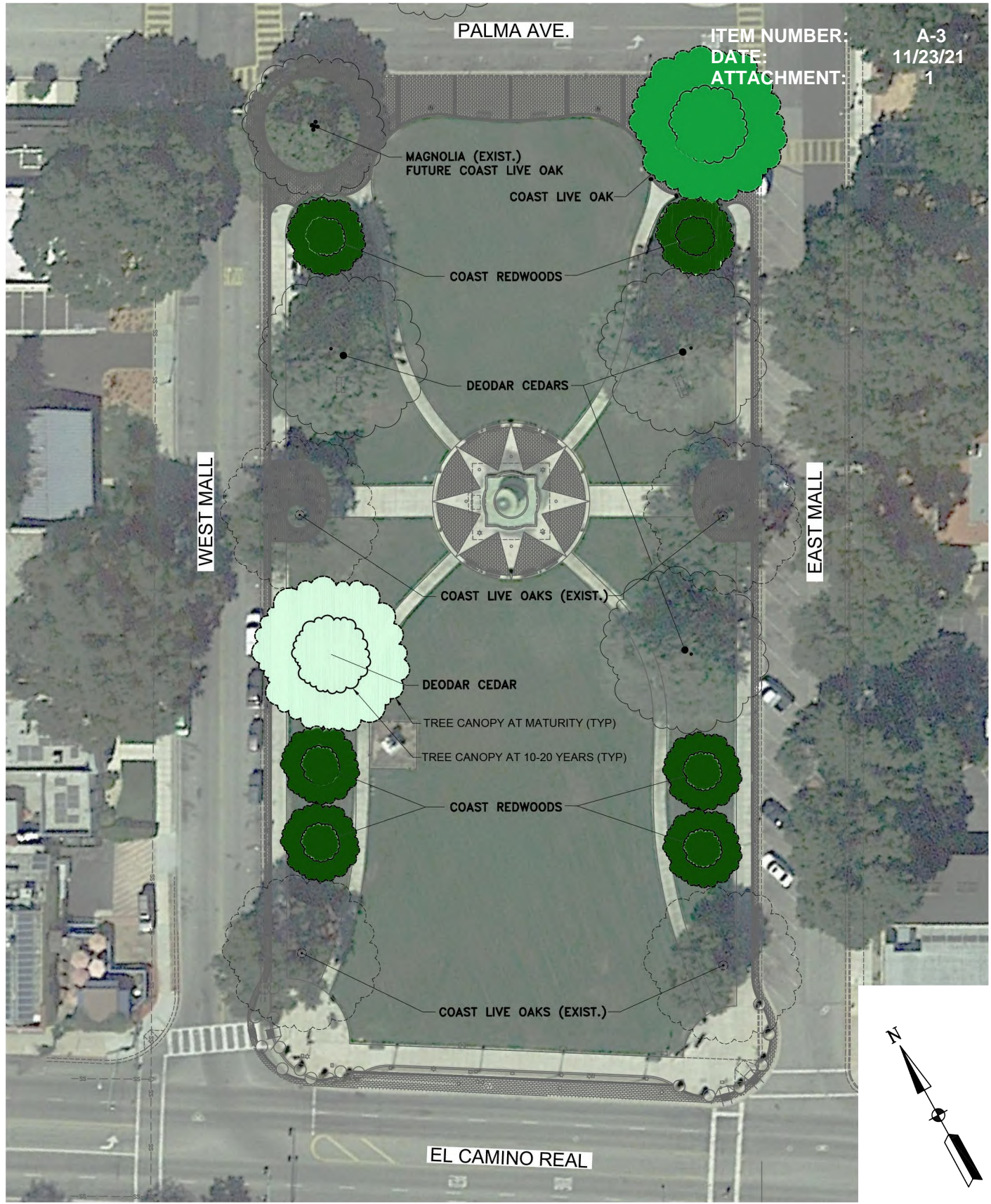
## **ALTERNATIVES:**

Council may choose not to appropriate the funding to implement the Sunken Gardens Tree Replanting Plan. Should the Council choose this alternative, staff recommends to request the funding as part of the 2023-25 Budget.

## **ATTACHMENT:**

Sunken Gardens Tree Replanting Plan





ITEM NUMBER: A-3  
DATE: 11/23/21  
ATTACHMENT: 1



ATTACHMENT NO. 1  
**SUNKEN GARDENS REPLANTING PLAN**  
OPTION 1: COAST REDWOODS

Page 22 of 102

DRAWN BY:	N. DEBAR
DATE:	4/1/2019
SCALE:	1"=60'
PAGE NO:	1 OF 1



# ***Atascadero City Council***

## ***Staff Report - City Attorney***

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### **Resolution Authorizing City Manager to Execute Participation Agreements Regarding the Settlement of the National Opioid Litigation**

#### **RECOMMENDATION:**

Council adopt Draft Resolution authorizing the City Manager to execute participation agreements regarding the settlement of the National Opioid Litigation.

#### **DISCUSSION:**

##### **I. OVERVIEW**

The national opioid crisis created by opioid manufacturers, distributors, and dispensers has been well-documented over the last decade as communities have struggled to address its devastating impacts. Since 2018, numerous jurisdictions across the country have been engaged in a multi-jurisdictional lawsuit against some of the principal parties responsible for creating the crisis. After years of Court-supervised negotiations, the parties reached a resolution of the case against several defendants.

The settlement with these defendants allows non-litigating parties, such as the City of Atascadero, to join the National Opioid Settlements with opioid distributors AmerisourceBergen, Cardinal Health and McKesson (the "Distributors") and one of the manufacturers, Janssen Pharma ("Janssen") (collectively the "Settlement Agreements") and release any potential claims the City has against these defendants in exchange for the payment of opioid abatement funds and injunctive relief guarding against future unlawful business practices. Johnson and Johnson is the parent company of Janssen. Cities and counties with at least a 10,000 population as of the 2019 Census count can join in the settlement. The Distributors are funding about 80% of the settlement to be paid out over 18 years and Janssen is funding 20% of the settlement to be paid out over about 9 years.

The amount that will be received by counties and cities in California will depend upon the number of counties and cities which agree to the proposed settlement. The maximum amount the City of Atascadero will receive is \$463,150 which assumes 100% participation in the proposed settlement. In regard to the annual amount that would be received by the City over time, here are the numbers. 80% of \$463,150 is \$370,520 divided by 18 years = \$20,584.44 per year from the Distributors. 20% of \$463,150 is \$92,630 divided by 9 years = \$10,292.22 per year from Janssen.

If the Settlement Agreements are approved, settlement funds could begin to flow to jurisdictions as early as April of 2022.

## II. BACKGROUND

A national multi-district litigation regarding the opioid crisis is being adjudicated in federal court by Judge Dan Aaron Polster in the Northern District of Ohio and is referred to as: MDL 2804 Opiate Litigation. On July 21, 2021, an agreement on the proposed terms of a nationwide settlement to resolve all opioid litigation brought by various states and local political subdivisions against the “Distributors” and Janssen. The Settlement Agreements are highly complex, spanning more than 700 pages. Copies of the agreements, as well as helpful flowcharts and FAQs, can be accessed at the following website: [www.nationalopioidsettlement.com](http://www.nationalopioidsettlement.com).

The settlement requires the Distributors to pay up to \$21 billion and Janssen to pay up to \$5 billion. Roughly \$2.6 billion of the two settlements are expected to be directed to California and its subdivisions. Although the settlement was reached in July, each participating state had to then reach an intrastate allocation agreement to determine how to apportion and distribute the settlement funds among the various entities. After several months of negotiating the allocation agreements were reached at the end of October.

## III. DETAILS ON SETTLEMENT ALLOCATION

The General structure for the intrastate allocation agreement for distributing the roughly \$2.6 billion coming to California is as follows:

- 15% will be given to the State,
- 70% will be made available to Cities and Counties (that have greater than 10,000 in population). This is referred to as the “Abatement fund.” These funds can be paid directly to the local agencies, if the agency elects. The default is that the money will be directed to the County, unless an entity elects for the direct payment. Local subdivisions have the ability to change their election regarding the direct payments
- 15% will be given to the litigating entities to defray costs they have expended in the litigation to this point. It was noted in the webinar that this group of litigating entities is rather large by representation. It reportedly includes agencies which represent 86% of the population of the state.

If an entity does not join in the settlement, then the money apportioned to that subdivision will be directed to the state.

## IV. USES OF THE SETTLEMENT FUNDS

Under the Settlement Agreements, all of the proceeds received by non-litigating entities such as the City of Atascadero must be spent on activities to abate the impacts of the opioid crisis, such as providing matching funds for operating costs for substance use disorder (SUD) facilities, creating new or expanded SUD treatment infrastructure, addressing the needs of communities of color and vulnerable populations that are disproportionately impacted by SUD, preventing addiction in vulnerable youth, dispensing Narcan, etc.



Attached as Exhibit E from the Settlement Agreement is a List of Opioid Remediation Uses which identifies the permitted uses for the expenditure of settlement funds.

The City's allocated amount will be delivered to the City on a yearly basis. Note that receiving the funds is accompanied by reporting requirements where the City will need to file reports with the State documenting how the money is spent.

If the City elects to receive the funds directly, the City will be required to prepare written reports at least annually regarding the use of those funds, until those funds are fully expended and for one year thereafter. The City will have to certify that all funds received through the settlement have been used in compliance with the Settlement Agreements. The report will be in a form determined by the California Department of Health Care Services ("DHCS"). The forms have not been specified at this time. However, at a minimum the City will have to track all deposits and expenditures, which are otherwise subject to the normal budgetary and expenditure process.

Instead of accepting direct payment, participating entities can choose to have their funds directed to the County for abatement purposes. Based on the language in the Settlement Agreements, the City could change its mind even after it has made an election provided that the change is communicated at least 60 days prior to the next payment due date. For example, the City could elect to have its funds directed to the County for the first five years, but then elect to receive direct payment thereafter so long as the City is able to meet the funding requirements.

#### V. NEXT STEPS/PARTICIPATION

To participate in the settlement each non-plaintiff local subdivision such as the City of Atascadero has to first register with the National Opioid Settlement website, this ensures that the City will receive all information and documents in order to formally join in the settlement. City of Atascadero has already completed registration.

The next step will be to decide whether to join in the settlement, and then complete the participation agreements for both settlements. City of Atascadero will then have to complete the participation agreement and timely submit it prior to the January 2, 2022 deadline.

#### **FISCAL IMPACT:**

The fiscal impact, assuming there is 100% participation by the counties and cities in California will be \$20,584.44 per year paid to the City from the distributors for 18 years and \$10,292.22 per year from Janssen for 9 years. There will be costs incurred by the City in administering the funds to ensure spending for authorized purposes and also costs for complying with the reporting requirements. If the City directs the funds to the County, then the County will spend the funds and be responsible for the reporting requirements.

## **ALTERNATIVES:**

Decide not to join the proposed National Opioid Settlement

## **ATTACHMENTS:**

1. Draft Resolution
2. Exhibit E: List of Opioid Remediation Uses
3. Distributors Agreement
4. Distributors Signature Block
5. Janssen Agreement
6. Janssen Signature Block

## **DRAFT RESOLUTION**

### **RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, AUTHORIZING CITY MANAGER TO EXECUTE PARTICIPATION AGREEMENTS REGARDING THE SETTLEMENT OF THE NATIONAL OPIOID LITIGATION**

**WHEREAS**, a national multi-district lawsuit regarding the opioid crisis is being adjudicated in federal court by Judge Dan Aaron Polster in the Northern District of Ohio and is referred to as MDL 2804 Opiate Litigation; and

**WHEREAS**, on July 21, 2021 the National Prescription Opiate Litigation Multi-District Litigation (MDL) Plaintiffs' Executive Committee, several State Attorneys General, and four major defendants announced agreement on terms of a proposed nationwide settlements to resolve all Opioids litigation brought by various states and local political subdivisions against the three largest pharmaceutical distributors: McKesson, Cardinal Health and AmerisourceBergen ("Distributors"), and manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson (collectively, "J&J"); and

**WHEREAS**, the settlement requires the Distributors to pay up to \$21 billion and Janssen to pay up to \$5 billion, and that roughly \$2.6 billion of this settlement is to be directed to the State of California and its subdivisions, subject to the State Attorney General and political subdivisions reaching an allocation agreement to determine how to apportion and distribute the settlement funds directed to California; and

**WHEREAS**, In October 2021, an allocation agreement was reached, whereby 70% of the total settlement funds sent to California will be allocated to the political subdivisions of the State who elect to participate in the settlement and, consequently, release their own potential claims against the defendants; and

**WHEREAS**, in order for the City of Atascadero to participate, the City must elect to participate by January 2, 2022, by completing the participation agreements; and

**WHEREAS**, in participating, if the entity elects to participate and wants to receive direct payments, it must notify the Settlement Distributor Administrator, otherwise, the funds will be directed to the County.

**NOW, THEREFORE BE IT RESOLVED**, by the City Council of the City of Atascadero that the foregoing recitals are true and correct, and they are hereby incorporated by reference into this Resolution.

**BE IT FURTHER RESOLVED**, that the City Council of the City of Atascadero hereby resolves as follows:

1. Authorize the City Manager to execute the Settlement Agreements and any other necessary documents, in a form approved by the City Attorney, required to join the Settlement Agreements, and

2. Authorize the City Manager to take all necessary actions to join in the settlements in the National Opioid Litigation and to release any potential claims against the identified defendants, Distributors and J&J and accept payment based on the terms and conditions set forth in the Settlement Agreements.

**PASSED AND ADOPTED** at a regular meeting of the City Council held on the 23rd day of November, 2021.

On motion by \_\_\_\_\_ and seconded by \_\_\_\_\_, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

AYES:

NOES:

ABSENT:

ADOPTED:

CITY OF ATASCADERO

\_\_\_\_\_  
Heather Moreno, Mayor

ATTEST:

\_\_\_\_\_  
Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Brian A. Pierik, City Attorney

ITEM NUMBER: A-4  
DATE: 11/23/21  
ATTACHMENT: 2  
DISTRIBUTORS' 9.18.21  
EXHIBIT UPDATES

# **DISTRIBUTOR SETTLEMENT** **AGREEMENT**

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**EXHIBIT E**

**List of Opioid Remediation Uses**

**Schedule A  
Core Strategies**

States and Qualifying Block Grantees shall choose from among the abatement strategies listed in Schedule B. However, priority shall be given to the following core abatement strategies ("*Core Strategies*").<sup>14</sup>

- A. **NALOXONE OR OTHER FDA-APPROVED DRUG TO REVERSE OPIOID OVERDOSES**
1. Expand training for first responders, schools, community support groups and families; and
  2. Increase distribution to individuals who are uninsured or whose insurance does not cover the needed service.
- B. **MEDICATION-ASSISTED TREATMENT ("MAT") DISTRIBUTION AND OTHER OPIOID-RELATED TREATMENT**
1. Increase distribution of MAT to individuals who are uninsured or whose insurance does not cover the needed service;
  2. Provide education to school-based and youth-focused programs that discourage or prevent misuse;
  3. Provide MAT education and awareness training to healthcare providers, EMTs, law enforcement, and other first responders; and
  4. Provide treatment and recovery support services such as residential and inpatient treatment, intensive outpatient treatment, outpatient therapy or counseling, and recovery housing that allow or integrate medication and with other support services.

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<sup>14</sup> As used in this Schedule A, words like "expand," "fund," "provide" or the like shall not indicate a preference for new or existing programs.



C. **PREGNANT & POSTPARTUM WOMEN**

1. Expand Screening, Brief Intervention, and Referral to Treatment (“*SBIRT*”) services to non-Medicaid eligible or uninsured pregnant women;
2. Expand comprehensive evidence-based treatment and recovery services, including MAT, for women with co-occurring Opioid Use Disorder (“*OUD*”) and other Substance Use Disorder (“*SUD*”) / Mental Health disorders for uninsured individuals for up to 12 months postpartum; and
3. Provide comprehensive wrap-around services to individuals with OUD, including housing, transportation, job placement/training, and childcare.

D. **EXPANDING TREATMENT FOR NEONATAL ABSTINENCE SYNDROME (“*NAS*”)**

1. Expand comprehensive evidence-based and recovery support for NAS babies;
2. Expand services for better continuum of care with infant-need dyad; and
3. Expand long-term treatment and services for medical monitoring of NAS babies and their families.

E. **EXPANSION OF WARM HAND-OFF PROGRAMS AND RECOVERY SERVICES**

1. Expand services such as navigators and on-call teams to begin MAT in hospital emergency departments;
2. Expand warm hand-off services to transition to recovery services;
3. Broaden scope of recovery services to include co-occurring SUD or mental health conditions;
4. Provide comprehensive wrap-around services to individuals in recovery, including housing, transportation, job placement/training, and childcare; and
5. Hire additional social workers or other behavioral health workers to facilitate expansions above.

F. **TREATMENT FOR INCARCERATED POPULATION**

1. Provide evidence-based treatment and recovery support, including MAT for persons with OUD and co-occurring SUD/MH disorders within and transitioning out of the criminal justice system; and
2. Increase funding for jails to provide treatment to inmates with OUD.

G. **PREVENTION PROGRAMS**

1. Funding for media campaigns to prevent opioid use (similar to the FDA's "Real Cost" campaign to prevent youth from misusing tobacco);
2. Funding for evidence-based prevention programs in schools;
3. Funding for medical provider education and outreach regarding best prescribing practices for opioids consistent with the 2016 CDC guidelines, including providers at hospitals (academic detailing);
4. Funding for community drug disposal programs; and
5. Funding and training for first responders to participate in pre-arrest diversion programs, post-overdose response teams, or similar strategies that connect at-risk individuals to behavioral health services and supports.

H. **EXPANDING SYRINGE SERVICE PROGRAMS**

1. Provide comprehensive syringe services programs with more wrap-around services, including linkage to OUD treatment, access to sterile syringes and linkage to care and treatment of infectious diseases.

I. **EVIDENCE-BASED DATA COLLECTION AND RESEARCH ANALYZING THE EFFECTIVENESS OF THE ABATEMENT STRATEGIES WITHIN THE STATE**

**Schedule B**  
**Approved Uses**

Support treatment of Opioid Use Disorder (OUD) and any co-occurring Substance Use Disorder or Mental Health (SUD/MH) conditions through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:

PART ONE: TREATMENT

**A. TREAT OPIOID USE DISORDER (OUD)**

Support treatment of Opioid Use Disorder (“OUD”) and any co-occurring Substance Use Disorder or Mental Health (“SUD/MH”) conditions through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, those that:<sup>15</sup>

1. Expand availability of treatment for OUD and any co-occurring SUD/MH conditions, including all forms of Medication-Assisted Treatment (“MAT”) approved by the U.S. Food and Drug Administration.
2. Support and reimburse evidence-based services that adhere to the American Society of Addiction Medicine (“ASAM”) continuum of care for OUD and any co-occurring SUD/MH conditions.
3. Expand telehealth to increase access to treatment for OUD and any co-occurring SUD/MH conditions, including MAT, as well as counseling, psychiatric support, and other treatment and recovery support services.
4. Improve oversight of Opioid Treatment Programs (“OTPs”) to assure evidence-based or evidence-informed practices such as adequate methadone dosing and low threshold approaches to treatment.
5. Support mobile intervention, treatment, and recovery services, offered by qualified professionals and service providers, such as peer recovery coaches, for persons with OUD and any co-occurring SUD/MH conditions and for persons who have experienced an opioid overdose.
6. Provide treatment of trauma for individuals with OUD (*e.g.*, violence, sexual assault, human trafficking, or adverse childhood experiences) and family members (*e.g.*, surviving family members after an overdose or overdose fatality), and training of health care personnel to identify and address such trauma.
7. Support evidence-based withdrawal management services for people with OUD and any co-occurring mental health conditions.

<sup>15</sup> As used in this Schedule B, words like “expand,” “fund,” “provide” or the like shall not indicate a preference for new or existing programs.

8. Provide training on MAT for health care providers, first responders, students, or other supporting professionals, such as peer recovery coaches or recovery outreach specialists, including telementoring to assist community-based providers in rural or underserved areas.
9. Support workforce development for addiction professionals who work with persons with OUD and any co-occurring SUD/MH conditions.
10. Offer fellowships for addiction medicine specialists for direct patient care, instructors, and clinical research for treatments.
11. Offer scholarships and supports for behavioral health practitioners or workers involved in addressing OUD and any co-occurring SUD/MH or mental health conditions, including, but not limited to, training, scholarships, fellowships, loan repayment programs, or other incentives for providers to work in rural or underserved areas.
12. Provide funding and training for clinicians to obtain a waiver under the federal Drug Addiction Treatment Act of 2000 ("*DATA 2000*") to prescribe MAT for OUD, and provide technical assistance and professional support to clinicians who have obtained a DATA 2000 waiver.
13. Disseminate of web-based training curricula, such as the American Academy of Addiction Psychiatry's Provider Clinical Support Service–Opioids web-based training curriculum and motivational interviewing.
14. Develop and disseminate new curricula, such as the American Academy of Addiction Psychiatry's Provider Clinical Support Service for Medication–Assisted Treatment.

**B. SUPPORT PEOPLE IN TREATMENT AND RECOVERY**

Support people in recovery from OUD and any co-occurring SUD/MH conditions through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the programs or strategies that:

1. Provide comprehensive wrap-around services to individuals with OUD and any co-occurring SUD/MH conditions, including housing, transportation, education, job placement, job training, or childcare.
2. Provide the full continuum of care of treatment and recovery services for OUD and any co-occurring SUD/MH conditions, including supportive housing, peer support services and counseling, community navigators, case management, and connections to community-based services.
3. Provide counseling, peer-support, recovery case management and residential treatment with access to medications for those who need it to persons with OUD and any co-occurring SUD/MH conditions.

4. Provide access to housing for people with OUD and any co-occurring SUD/MH conditions, including supportive housing, recovery housing, housing assistance programs, training for housing providers, or recovery housing programs that allow or integrate FDA-approved medication with other support services.
5. Provide community support services, including social and legal services, to assist in deinstitutionalizing persons with OUD and any co-occurring SUD/MH conditions.
6. Support or expand peer-recovery centers, which may include support groups, social events, computer access, or other services for persons with OUD and any co-occurring SUD/MH conditions.
7. Provide or support transportation to treatment or recovery programs or services for persons with OUD and any co-occurring SUD/MH conditions.
8. Provide employment training or educational services for persons in treatment for or recovery from OUD and any co-occurring SUD/MH conditions.
9. Identify successful recovery programs such as physician, pilot, and college recovery programs, and provide support and technical assistance to increase the number and capacity of high-quality programs to help those in recovery.
10. Engage non-profits, faith-based communities, and community coalitions to support people in treatment and recovery and to support family members in their efforts to support the person with OUD in the family.
11. Provide training and development of procedures for government staff to appropriately interact and provide social and other services to individuals with or in recovery from OUD, including reducing stigma.
12. Support stigma reduction efforts regarding treatment and support for persons with OUD, including reducing the stigma on effective treatment.
13. Create or support culturally appropriate services and programs for persons with OUD and any co-occurring SUD/MH conditions, including new Americans.
14. Create and/or support recovery high schools.
15. Hire or train behavioral health workers to provide or expand any of the services or supports listed above.

**C. CONNECT PEOPLE WHO NEED HELP TO THE HELP THEY NEED**  
**(CONNECTIONS TO CARE)**

Provide connections to care for people who have—or are at risk of developing—OUD and any co-occurring SUD/MH conditions through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, those that:

1. Ensure that health care providers are screening for OUD and other risk factors and know how to appropriately counsel and treat (or refer if necessary) a patient for OUD treatment.
2. Fund SBIRT programs to reduce the transition from use to disorders, including SBIRT services to pregnant women who are uninsured or not eligible for Medicaid.
3. Provide training and long-term implementation of SBIRT in key systems (health, schools, colleges, criminal justice, and probation), with a focus on youth and young adults when transition from misuse to opioid disorder is common.
4. Purchase automated versions of SBIRT and support ongoing costs of the technology.
5. Expand services such as navigators and on-call teams to begin MAT in hospital emergency departments.
6. Provide training for emergency room personnel treating opioid overdose patients on post-discharge planning, including community referrals for MAT, recovery case management or support services.
7. Support hospital programs that transition persons with OUD and any co-occurring SUD/MH conditions, or persons who have experienced an opioid overdose, into clinically appropriate follow-up care through a bridge clinic or similar approach.
8. Support crisis stabilization centers that serve as an alternative to hospital emergency departments for persons with OUD and any co-occurring SUD/MH conditions or persons that have experienced an opioid overdose.
9. Support the work of Emergency Medical Systems, including peer support specialists, to connect individuals to treatment or other appropriate services following an opioid overdose or other opioid-related adverse event.
10. Provide funding for peer support specialists or recovery coaches in emergency departments, detox facilities, recovery centers, recovery housing, or similar settings; offer services, supports, or connections to care to persons with OUD and any co-occurring SUD/MH conditions or to persons who have experienced an opioid overdose.
11. Expand warm hand-off services to transition to recovery services.
12. Create or support school-based contacts that parents can engage with to seek immediate treatment services for their child; and support prevention, intervention, treatment, and recovery programs focused on young people.
13. Develop and support best practices on addressing OUD in the workplace.

14. Support assistance programs for health care providers with OUD.
15. Engage non-profits and the faith community as a system to support outreach for treatment.
16. Support centralized call centers that provide information and connections to appropriate services and supports for persons with OUD and any co-occurring SUD/MH conditions.

**D. ADDRESS THE NEEDS OF CRIMINAL JUSTICE-INVOLVED PERSONS**

Address the needs of persons with OUD and any co-occurring SUD/MH conditions who are involved in, are at risk of becoming involved in, or are transitioning out of the criminal justice system through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, those that:

1. Support pre-arrest or pre-arraignment diversion and deflection strategies for persons with OUD and any co-occurring SUD/MH conditions, including established strategies such as:
  1. Self-referral strategies such as the Angel Programs or the Police Assisted Addiction Recovery Initiative (“PAARP”);
  2. Active outreach strategies such as the Drug Abuse Response Team (“DART”) model;
  3. “Naloxone Plus” strategies, which work to ensure that individuals who have received naloxone to reverse the effects of an overdose are then linked to treatment programs or other appropriate services;
  4. Officer prevention strategies, such as the Law Enforcement Assisted Diversion (“LEAD”) model;
  5. Officer intervention strategies such as the Leon County, Florida Adult Civil Citation Network or the Chicago Westside Narcotics Diversion to Treatment Initiative; or
  6. Co-responder and/or alternative responder models to address OUD-related 911 calls with greater SUD expertise.
2. Support pre-trial services that connect individuals with OUD and any co-occurring SUD/MH conditions to evidence-informed treatment, including MAT, and related services.
3. Support treatment and recovery courts that provide evidence-based options for persons with OUD and any co-occurring SUD/MH conditions.

4. Provide evidence-informed treatment, including MAT, recovery support, harm reduction, or other appropriate services to individuals with OUD and any co-occurring SUD/MH conditions who are incarcerated in jail or prison.
5. Provide evidence-informed treatment, including MAT, recovery support, harm reduction, or other appropriate services to individuals with OUD and any co-occurring SUD/MH conditions who are leaving jail or prison or have recently left jail or prison, are on probation or parole, are under community corrections supervision, or are in re-entry programs or facilities.
6. Support critical time interventions (“CTP”), particularly for individuals living with dual-diagnosis OUD/serious mental illness, and services for individuals who face immediate risks and service needs and risks upon release from correctional settings.
7. Provide training on best practices for addressing the needs of criminal justice-involved persons with OUD and any co-occurring SUD/MH conditions to law enforcement, correctional, or judicial personnel or to providers of treatment, recovery, harm reduction, case management, or other services offered in connection with any of the strategies described in this section.

**E. ADDRESS THE NEEDS OF PREGNANT OR PARENTING WOMEN AND THEIR FAMILIES, INCLUDING BABIES WITH NEONATAL ABSTINENCE SYNDROME**

Address the needs of pregnant or parenting women with OUD and any co-occurring SUD/MH conditions, and the needs of their families, including babies with neonatal abstinence syndrome (“NAS”), through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, those that:

1. Support evidence-based or evidence-informed treatment, including MAT, recovery services and supports, and prevention services for pregnant women—or women who could become pregnant—who have OUD and any co-occurring SUD/MH conditions, and other measures to educate and provide support to families affected by Neonatal Abstinence Syndrome.
2. Expand comprehensive evidence-based treatment and recovery services, including MAT, for uninsured women with OUD and any co-occurring SUD/MH conditions for up to 12 months postpartum.
3. Provide training for obstetricians or other healthcare personnel who work with pregnant women and their families regarding treatment of OUD and any co-occurring SUD/MH conditions.
4. Expand comprehensive evidence-based treatment and recovery support for NAS babies; expand services for better continuum of care with infant-need dyad; and expand long-term treatment and services for medical monitoring of NAS babies and their families.



5. Provide training to health care providers who work with pregnant or parenting women on best practices for compliance with federal requirements that children born with NAS get referred to appropriate services and receive a plan of safe care.
6. Provide child and family supports for parenting women with OUD and any co-occurring SUD/MH conditions.
7. Provide enhanced family support and child care services for parents with OUD and any co-occurring SUD/MH conditions.
8. Provide enhanced support for children and family members suffering trauma as a result of addiction in the family; and offer trauma-informed behavioral health treatment for adverse childhood events.
9. Offer home-based wrap-around services to persons with OUD and any co-occurring SUD/MH conditions, including, but not limited to, parent skills training.
10. Provide support for Children's Services—Fund additional positions and services, including supportive housing and other residential services, relating to children being removed from the home and/or placed in foster care due to custodial opioid use.

PART TWO: PREVENTION
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**F. PREVENT OVER-PRESCRIBING AND ENSURE APPROPRIATE PRESCRIBING AND DISPENSING OF OPIOIDS**

Support efforts to prevent over-prescribing and ensure appropriate prescribing and dispensing of opioids through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:

1. Funding medical provider education and outreach regarding best prescribing practices for opioids consistent with the Guidelines for Prescribing Opioids for Chronic Pain from the U.S. Centers for Disease Control and Prevention, including providers at hospitals (academic detailing).
2. Training for health care providers regarding safe and responsible opioid prescribing, dosing, and tapering patients off opioids.
3. Continuing Medical Education (CME) on appropriate prescribing of opioids.
4. Providing Support for non-opioid pain treatment alternatives, including training providers to offer or refer to multi-modal, evidence-informed treatment of pain.
5. Supporting enhancements or improvements to Prescription Drug Monitoring Programs ("PDMPs"), including, but not limited to, improvements that:

1. Increase the number of prescribers using PDMPs;
2. Improve point-of-care decision-making by increasing the quantity, quality, or format of data available to prescribers using PDMPs, by improving the interface that prescribers use to access PDMP data, or both; or
3. Enable states to use PDMP data in support of surveillance or intervention strategies, including MAT referrals and follow-up for individuals identified within PDMP data as likely to experience OUD in a manner that complies with all relevant privacy and security laws and rules.
6. Ensuring PDMPs incorporate available overdose/naloxone deployment data, including the United States Department of Transportation's Emergency Medical Technician overdose database in a manner that complies with all relevant privacy and security laws and rules.
7. Increasing electronic prescribing to prevent diversion or forgery.
8. Educating dispensers on appropriate opioid dispensing.

**G. PREVENT MISUSE OF OPIOIDS**

Support efforts to discourage or prevent misuse of opioids through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:

1. Funding media campaigns to prevent opioid misuse.
2. Corrective advertising or affirmative public education campaigns based on evidence.
3. Public education relating to drug disposal.
4. Drug take-back disposal or destruction programs.
5. Funding community anti-drug coalitions that engage in drug prevention efforts.
6. Supporting community coalitions in implementing evidence-informed prevention, such as reduced social access and physical access, stigma reduction—including staffing, educational campaigns, support for people in treatment or recovery, or training of coalitions in evidence-informed implementation, including the Strategic Prevention Framework developed by the U.S. Substance Abuse and Mental Health Services Administration (“SAMHSA”).
7. Engaging non-profits and faith-based communities as systems to support prevention.

8. Funding evidence-based prevention programs in schools or evidence-informed school and community education programs and campaigns for students, families, school employees, school athletic programs, parent-teacher and student associations, and others.
9. School-based or youth-focused programs or strategies that have demonstrated effectiveness in preventing drug misuse and seem likely to be effective in preventing the uptake and use of opioids.
10. Create or support community-based education or intervention services for families, youth, and adolescents at risk for OUD and any co-occurring SUD/MH conditions.
11. Support evidence-informed programs or curricula to address mental health needs of young people who may be at risk of misusing opioids or other drugs, including emotional modulation and resilience skills.
12. Support greater access to mental health services and supports for young people, including services and supports provided by school nurses, behavioral health workers or other school staff, to address mental health needs in young people that (when not properly addressed) increase the risk of opioid or another drug misuse.

**H. PREVENT OVERDOSE DEATHS AND OTHER HARMS (HARM REDUCTION)**

Support efforts to prevent or reduce overdose deaths or other opioid-related harms through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:

1. Increased availability and distribution of naloxone and other drugs that treat overdoses for first responders, overdose patients, individuals with OUD and their friends and family members, schools, community navigators and outreach workers, persons being released from jail or prison, or other members of the general public.
2. Public health entities providing free naloxone to anyone in the community.
3. Training and education regarding naloxone and other drugs that treat overdoses for first responders, overdose patients, patients taking opioids, families, schools, community support groups, and other members of the general public.
4. Enabling school nurses and other school staff to respond to opioid overdoses, and provide them with naloxone, training, and support.
5. Expanding, improving, or developing data tracking software and applications for overdoses/naloxone revivals.
6. Public education relating to emergency responses to overdoses.

7. Public education relating to immunity and Good Samaritan laws.
8. Educating first responders regarding the existence and operation of immunity and Good Samaritan laws.
9. Syringe service programs and other evidence-informed programs to reduce harms associated with intravenous drug use, including supplies, staffing, space, peer support services, referrals to treatment, fentanyl checking, connections to care, and the full range of harm reduction and treatment services provided by these programs.
10. Expanding access to testing and treatment for infectious diseases such as HIV and Hepatitis C resulting from intravenous opioid use.
11. Supporting mobile units that offer or provide referrals to harm reduction services, treatment, recovery supports, health care, or other appropriate services to persons that use opioids or persons with OUD and any co-occurring SUD/MH conditions.
12. Providing training in harm reduction strategies to health care providers, students, peer recovery coaches, recovery outreach specialists, or other professionals that provide care to persons who use opioids or persons with OUD and any co-occurring SUD/MH conditions.
13. Supporting screening for fentanyl in routine clinical toxicology testing.

**PART THREE: OTHER STRATEGIES**

**I. FIRST RESPONDERS**

In addition to items in section C, D and H relating to first responders, support the following:

1. Education of law enforcement or other first responders regarding appropriate practices and precautions when dealing with fentanyl or other drugs.
2. Provision of wellness and support services for first responders and others who experience secondary trauma associated with opioid-related emergency events.

**J. LEADERSHIP, PLANNING AND COORDINATION**

Support efforts to provide leadership, planning, coordination, facilitations, training and technical assistance to abate the opioid epidemic through activities, programs, or strategies that may include, but are not limited to, the following:

1. Statewide, regional, local or community regional planning to identify root causes of addiction and overdose, goals for reducing harms related to the opioid epidemic, and areas and populations with the greatest needs for treatment

intervention services, and to support training and technical assistance and other strategies to abate the opioid epidemic described in this opioid abatement strategy list.

2. A dashboard to (a) share reports, recommendations, or plans to spend opioid settlement funds; (b) to show how opioid settlement funds have been spent; (c) to report program or strategy outcomes; or (d) to track, share or visualize key opioid- or health-related indicators and supports as identified through collaborative statewide, regional, local or community processes.
3. Invest in infrastructure or staffing at government or not-for-profit agencies to support collaborative, cross-system coordination with the purpose of preventing overprescribing, opioid misuse, or opioid overdoses, treating those with OUD and any co-occurring SUD/MH conditions, supporting them in treatment or recovery, connecting them to care, or implementing other strategies to abate the opioid epidemic described in this opioid abatement strategy list.
4. Provide resources to staff government oversight and management of opioid abatement programs.

#### **K. TRAINING**

In addition to the training referred to throughout this document, support training to abate the opioid epidemic through activities, programs, or strategies that may include, but are not limited to, those that:

1. Provide funding for staff training or networking programs and services to improve the capability of government, community, and not-for-profit entities to abate the opioid crisis.
2. Support infrastructure and staffing for collaborative cross-system coordination to prevent opioid misuse, prevent overdoses, and treat those with OUD and any co-occurring SUD/MH conditions, or implement other strategies to abate the opioid epidemic described in this opioid abatement strategy list (*e.g.*, health care, primary care, pharmacies, PDMPs, etc.).

#### **L. RESEARCH**

Support opioid abatement research that may include, but is not limited to, the following:

1. Monitoring, surveillance, data collection and evaluation of programs and strategies described in this opioid abatement strategy list.
2. Research non-opioid treatment of chronic pain.
3. Research on improved service delivery for modalities such as SBIRT that demonstrate promising but mixed results in populations vulnerable to opioid use disorders.

4. Research on novel harm reduction and prevention efforts such as the provision of fentanyl test strips.
5. Research on innovative supply-side enforcement efforts such as improved detection of mail-based delivery of synthetic opioids.
6. Expanded research on swift/certain/fair models to reduce and deter opioid misuse within criminal justice populations that build upon promising approaches used to address other substances (*e.g.*, Hawaii HOPE and Dakota 24/7).
7. Epidemiological surveillance of OUD-related behaviors in critical populations, including individuals entering the criminal justice system, including, but not limited to approaches modeled on the Arrestee Drug Abuse Monitoring (“*ADAM*”) system.
8. Qualitative and quantitative research regarding public health risks and harm reduction opportunities within illicit drug markets, including surveys of market participants who sell or distribute illicit opioids.
9. Geospatial analysis of access barriers to MAT and their association with treatment engagement and treatment outcomes.

**Proposed California State-Subdivision Agreement  
Regarding Distribution and Use of  
Settlement Funds – Distributor Settlement**

**1. Introduction**

Pursuant to the Distributor Settlement Agreement, dated as of July 21, 2021, and any revision thereto (the “Distributor Settlement Agreement”), including Section V and Exhibit O, the State of California proposes this agreement (the “CA Distributor Allocation Agreement”) to govern the allocation, distribution, and use of Settlement Fund payments made to California pursuant to Sections IV and V of the Distributor Settlement Agreement.<sup>1</sup> For the avoidance of doubt, this agreement does not apply to payments made pursuant to Sections IX or X of the Distributor Settlement Agreement.

Pursuant to Exhibit O, Paragraph 4, of the Distributor Settlement Agreement, acceptance of this CA Distributor Allocation Agreement is a requirement to be an Initial Participating Subdivision.

**2. Definitions**

- a) *CA Participating Subdivision* means a Participating Subdivision that is also (a) a Plaintiff Subdivision and/or (b) a Primary Subdivision with a population equal to or greater than 10,000. For the avoidance of doubt, eligible CA Participating Subdivisions are those California subdivisions listed in Exhibit C (excluding Litigating Special Districts) and/or Exhibit I to the Distributor Settlement Agreement.
- b) *Janssen Settlement Agreement* means the Janssen Settlement Agreement dated July 21, 2021, and any revision thereto.
- c) *Litigating Special District* means a school district, fire protection district, health authority, health plan, or other special district that has filed a lawsuit against an Opioid Defendant. Litigating Special Districts include Downey Unified School District, Elk Grove Unified School District, Kern High School District, Montezuma Fire Protection District (located in Stockton, California), Santa Barbara San Luis Obispo Regional Health Authority, Inland Empire Health Plan, Health Plan of San Joaquin, and LA Care Health Plan.
- d) *Plaintiff Subdivision* means a Subdivision located in California, other than a Litigating Special District, that filed a lawsuit, on behalf of the Subdivision and/or through an official of the Subdivision on behalf of the People of the State of California, against one or more Opioid Defendants prior to October 1, 2020.

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<sup>1</sup> A parallel but separate agreement (the “CA Janssen Allocation Agreement”) will govern the allocation, distribution, and use of settlement fund payments under the Janssen Settlement Agreement. An eligible Subdivision may elect to participate in either the Distributor Settlement or the Janssen Settlement, or in both.

- e) *Opioid Defendant* means any defendant (including but not limited to Johnson & Johnson, Janssen Pharmaceuticals, Inc., Purdue Pharma L.P., Cardinal Health, Inc., AmerisourceBergen Corporation, and McKesson Corporation) named in a lawsuit seeking damages, abatement, or other remedies related to or caused by the opioid public health crisis in any lawsuit brought by any state or local government on or before October 1, 2020.

### **3. General Terms**

This agreement is subject to the requirements of the Distributor Settlement Agreement, as well as applicable law, and the Distributor Settlement Agreement governs over any inconsistent provision of this CA Distributor Allocation Agreement. Terms used in this CA Distributor Allocation Agreement have the same meaning as in the Distributor Settlement Agreement unless otherwise defined herein.

Pursuant to Section V(D)(1) of the Distributor Settlement Agreement, (a) all Settlement Fund payments will be used for Opioid Remediation, except as allowed by Section V(B)(2) of the Distributor Settlement Agreement; and (b) at least seventy percent (70%) of Settlement Fund payment amounts will be used solely for future Opioid Remediation.

### **4. State Allocation**

The Settlement Fund payments to California,<sup>2</sup> pursuant to the Distributor Settlement Agreement, shall be allocated as follows: 15% to the State Fund; 70% to the Abatement Accounts Fund; and 15% to the Subdivision Fund. For the avoidance of doubt, all funds allocated to California from the Settlement Fund shall be combined pursuant to this CA Distributor Allocation Agreement, and 15% of that total shall be allocated to the State of California (the “State of California Allocation”), 70% to the California Abatement Accounts Fund (“CA Abatement Accounts Fund”), and 15% to the California Subdivision Fund (“CA Subdivision Fund”).

#### **A. State of California Allocation**

Fifteen percent of the total Settlement Fund payments will be allocated to the State and used by the State for future Opioid Remediation.

#### **B. CA Abatement Accounts Fund**

##### **i. Allocation of CA Abatement Accounts Funds**

- a) Seventy percent of the total Settlement Fund payments will be allocated to the CA Abatement Accounts Fund. The funds in the CA Abatement Accounts Fund will be

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<sup>2</sup> For purposes of clarity, use of the term “California” refers to the geographic territory of California and the state and its local governments therein. The term “State” or “State of California” refers to the State of California as a governmental unit.



allocated based on the allocation model developed in connection with the proposed negotiating class in the National Prescription Opiate Litigation (MDL No. 2804), as adjusted to reflect only those cities and counties that are eligible, based on population or litigation status, to become a CA Participating Subdivision. The percentage from the CA Abatement Accounts Fund allocated to each CA Participating Subdivision is set forth in Appendix 1 in the column entitled abatement percentage (the “Local Allocation”). For the avoidance of doubt, Litigating Special Districts and California towns, cities, and counties with a population less than 10,000 are not eligible to receive an allocation of CA Abatement Accounts Funds.

- b) A CA Participating Subdivision that is a county, or a city and county, will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision, and will receive payments as provided in the Distributor Settlement Agreement.
- c) A CA Participating Subdivision that is a city will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision. The Local Allocation share for a city that is a CA Participating Subdivision will be paid to the county in which the city is located, rather than to the city, so long as: (a) the county is a CA Participating Subdivision, and (b) the city has not advised the Settlement Fund Administrator that it requests direct payment at least 60 days prior to a Payment Date. A Local Allocation share allocated to a city but paid to a county is not required to be spent exclusively for abatement activities in that city, but will become part of the county’s share of the CA Abatement Accounts Funds, which will be used in accordance with Section 4.B.ii (Use of CA Abatement Accounts Funds) and reported on in accordance with Section 4.B.iii (CA Abatement Accounts Fund Oversight).
- d) A city within a county that is a CA Participating Subdivision may opt in or out of direct payment at any time, and it may also elect direct payment of only a portion of its share, with the remainder going to the county, by providing notice to the Settlement Fund Administrator at least 60 days prior to a Payment Date. For purposes of this CA Distributor Allocation Agreement, the Cities of Los Angeles, Oakland, San Diego, San Jose and Eureka will be deemed to have elected direct payment if they become Participating Subdivisions.
- e) The State will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision.
- f) Funds received by a CA Participating Subdivision, and not expended or encumbered within five years of receipt and in accordance with the Distributor Settlement Agreement and this CA Distributor Allocation Agreement shall be transferred to the State; provided however, that CA Participating Subdivisions have seven years to expend or encumber CA Abatement Accounts Funds designated to support capital outlay projects before they must be transferred to the State. This provision shall not apply to the Cost Reimbursement Funds, which shall be controlled by Appendix 2.

**ii. Use of CA Abatement Accounts Funds**

- a) The CA Abatement Accounts Funds will be used for future Opioid Remediation in one or more of the areas described in the List of Opioid Remediation Uses, which is Exhibit E to the Distributor Settlement Agreement.
- b) In addition to this requirement, no less than 50% of the funds received by a CA Participating Subdivision from the Abatement Accounts Fund in each calendar year will be used for one or more of the following High Impact Abatement Activities:
  - (1) the provision of matching funds or operating costs for substance use disorder facilities within the Behavioral Health Continuum Infrastructure Program;
  - (2) creating new or expanded Substance Use Disorder (“SUD”) treatment infrastructure;
  - (3) addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD;
  - (4) diversion of people with SUD from the justice system into treatment, including by providing training and resources to first and early responders (sworn and non-sworn) and implementing best practices for outreach, diversion and deflection, employability, restorative justice, and harm reduction; and/or
  - (5) interventions to prevent drug addiction in vulnerable youth.
- c) The California Department of Health Care Services (“DHCS”) may add to this list (but not delete from it) by designating additional High Impact Abatement Activities. DHCS will make reasonable efforts to consult with stakeholders, including the CA Participating Subdivisions, before adding additional High Impact Abatement Activities to this list.
- d) For the avoidance of doubt, and subject to the requirements of the Distributor Settlement Agreement and applicable law, CA Participating Subdivisions may form agreements or ventures, or otherwise work in collaboration with, federal, state, local, tribal or private sector entities in pursuing Opioid Remediation activities funded from the CA Abatement Accounts Fund. Further, provided that all CA Abatement Accounts Funds are used for Opioid Remediation consistent with the Distributor Settlement Agreement and this CA Distributor Allocation Agreement, a county and any cities or towns within the county may agree to reallocate their respective shares of the CA Abatement Accounts Funds among themselves, provided that any direct distribution may only be to a CA Participating Subdivision and any CA Participating Subdivision must agree to their share being reallocated.

**iii. CA Abatement Accounts Fund Oversight**

- a) Pursuant to Section 5 below, CA Participating Subdivisions receiving settlement funds must prepare and file reports annually regarding the use of those funds. DHCS may regularly review the reports prepared by CA Participating Subdivisions about the use of CA Abatement Accounts Funds for compliance with the Distributor Settlement Agreement and this CA Distributor Allocation Agreement.
- b) If DHCS determines that a CA Participating Subdivision's use of CA Abatement Accounts Funds is inconsistent with the Distributor Settlement Agreement or this CA Distributor Allocation Agreement, whether through review of reports or information from any other sources, DHCS shall send a request to meet and confer with the CA Participating Subdivision. The parties shall meet and confer in an effort to resolve the concern.
- c) If the parties are unable to reach a resolution, DHCS may conduct an audit of the Subdivision's use of the CA Abatement Accounts Funds within one year of the request to meet and confer, unless the parties mutually agree in writing to extend the meet and confer time frame.
- d) If the concern still cannot be resolved, the State may bring a motion or action in the court where the State has filed its Consent Judgment to resolve the concern or otherwise enforce the requirements of the Distributor Settlement Agreement or this CA Distributor Allocation Agreement. However, in no case shall any audit be conducted, or motion be brought, as to a specific expenditure of funds, more than five years after the date on which the expenditure of the funds was reported to DHCS, in accordance with this agreement.
- e) Notwithstanding the foregoing, this Agreement does not limit the statutory or constitutional authority of any state or local agency or official to conduct audits, investigations, or other oversight activities, or to pursue administrative, civil, or criminal enforcement actions.

**C. CA Subdivision Fund**

- i. Fifteen percent of the total Settlement Fund payments will be allocated to the CA Subdivision Fund. All funds in the CA Subdivision Fund will be allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. The funds will be used, subject to any limits imposed by the Distributor Settlement Agreement and this CA Distributor Allocation Agreement, to fund future Opioid Remediation and reimburse past opioid-related expenses, which may include fees and expenses related to litigation, and to pay the reasonable fees and expenses of the Special Master as set forth in Appendix 2.

The CA Subdivision Funds will be allocated as follows:

- a) First, funds in the CA Subdivision Fund shall be used to pay the Special Master's reasonable fees and expenses in accordance with the procedures and limitations set forth in Appendix 2 to this document;
- b) Second, funds will be allocated to Plaintiff Subdivisions that are Initial Participating Subdivisions that have been awarded Costs, as defined by and in accordance with the procedures and limitations set forth in Appendix 2 to this document.
- c) Funds remaining in the CA Subdivision Fund, which shall consist of no less than 50% of the total CA Subdivision Fund received in any year pursuant to Appendix 2, Section 2.c.v, will be distributed to Plaintiff Subdivisions that are Initial Participating Subdivisions, in relative proportion to the Local Allocation. These funds shall be used to fund future opioid-related projects and to reimburse past opioid-related expenses, which may include fees and expenses related to litigation against any Opioid Defendant.

**D. Provision for State Back-Stop Agreement**

On August 6, 2021, Judge Dan Polster of the U.S. District Court, Northern District of Ohio, Eastern Division, issued an order (ECF Docket Number 3814) ("MDL Fees Order") in the National Prescription Opiate Litigation (MDL No. 2804) "cap[ping] all applicable contingent fee agreements at 15%." Private counsel representing Plaintiff Subdivisions should seek its contingency fees and costs from the Attorney Fee Fund or Cost Funds under the Distributor Settlement Agreement and, if applicable, the Janssen Settlement Agreement.

A Plaintiff Subdivision may separately agree to use its share of the CA Subdivision Fund to pay for fees or costs incurred by its contingency-fee counsel ("State Back-Stop Agreement"), pursuant to Exhibit R, section I(R), of the Distributor Settlement Agreement and the MDL Fees Order, so long as such contingency fees do not exceed a total contingency fee of 15% of the total gross recovery of the Plaintiff Subdivision pursuant to the Distributor Settlement, and if applicable, the Janssen Settlement, inclusive of contingency fees from the national Attorney Fee Fund and this State Back-Stop Agreement. Before seeking fees or litigation costs and expenses from a State Back-Stop Agreement, private counsel representing Plaintiff Subdivisions must first seek contingency fees and costs from the Attorney Fee Fund or Cost Funds created under the Distributor Settlement Agreement and, if applicable, the Janssen Settlement Agreement. Further, private counsel may only seek reimbursement for litigation fees and costs that have not previously been reimbursed through prior settlements or judgments.

To effectuate a State Back-Stop Agreement pursuant to this section, an agreement in the form of Appendix 3 may be entered into by a Plaintiff Subdivision, private counsel, and the California Office of the Attorney General. The California Office of the Attorney General shall, upon the request of a Plaintiff Subdivision, execute any agreement executed by a Plaintiff Subdivision and its private counsel if it is in the form of Appendix 3. The California Office of the Attorney

General will also consider requests from Plaintiff Subdivisions to execute and enter into agreements presented in other forms.

For the avoidance of doubt, this agreement does not require a Plaintiff Subdivision to request or enter into a State Back-Stop Agreement, and no State Back-Stop Agreement shall impose any duty or obligation on the State of California or any of its agencies or officers, including without limitation the Attorney General.

## **5. State and Subdivision Reporting**

- a) DHCS will prepare an annual written report regarding the State's use of funds from the settlement until those funds are fully expended and for one year thereafter. These reports will be made publicly available on the DHCS web site.
- b) Each CA Participating Subdivision that receives payments of funds from the settlement will prepare written reports at least annually regarding the use of those funds, until those funds are fully expended and for one year thereafter. These reports will also include a certification that all funds that the CA Participating Subdivision has received through the settlement have been used in compliance with the Distributor Settlement Agreement and this CA Distributor Allocation Agreement. The report will be in a form reasonably determined by DHCS. Prior to specifying the form of the report DHCS will confer with representatives of the Plaintiff Subdivisions.
- c) The State and all CA Participating Subdivisions receiving CA Abatement Accounts Funds will track all deposits and expenditures. Each such subdivision is responsible solely for the CA Abatement Accounts Funds it receives. A county is not responsible for oversight, reporting, or monitoring of CA Abatement Accounts Funds received by a city within that county that receives direct payment. Unless otherwise exempt, Subdivisions' expenditures and uses of CA Abatement Accounts Funds and other Settlement Funds will be subject to the normal budgetary and expenditure process of the Subdivision.
- d) Each Plaintiff Subdivision receiving CA Subdivision Funds will track all deposits and expenditures, as required by the Distributor Settlement Agreement and this CA Distributor Allocation Agreement. Among other things, Plaintiff Subdivisions using monies from the CA Subdivision Fund for purposes that do not qualify as Opioid Remediation must identify and include in their annual report, the amount and how such funds were used, including if used to pay attorneys' fees, investigation costs, or litigation costs. Pursuant to Section V(B)(2) of the Distributor Settlement Agreement, such information must also be reported to the Settlement Fund Administrator and the Distributors.
- e) In each year in which DHCS prepares an annual report DHCS will also host a meeting to discuss the annual report and the Opioid Remediation activities being carried out by the State and Participating Subdivisions.

**6. Miscellaneous**

- a) The State or any CA Participating Subdivision may bring a motion or action in the court where the State has filed its Consent Judgment to enforce the requirements of this CA Distributor Allocation Agreement. Before filing such a motion or action the State will meet and confer with any CA Participating Subdivision that is the subject of the anticipated motion or action, and vice versa.
- b) Except as provided in the Distributor Settlement Agreement, this CA Distributor Allocation Agreement is not enforceable by any party other than the State and the CA Participating Subdivisions. It does not confer any rights or remedies upon, and shall not be enforceable by, any third party.
- c) Except as provided in the CA Distributor Allocation Agreement, if any provision of this agreement or the application thereof to any person, entity, or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this agreement, or the application of such provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, and each other provision of this agreement will be valid and enforceable to the fullest extent permitted by law.
- d) Except as provided in the Distributor Settlement Agreement, this agreement shall be governed by and interpreted in accordance with the laws of California.

The undersigned, Atascadero city, ACKNOWLEDGES acceptance of this Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds - Distributor Settlement is a requirement to be an Initial Participating Subdivision in the Distributor Settlement and ACCEPTS this Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds - Distributor Settlement.

I swear under penalty of perjury that I have all necessary power and authorization to execute this Election and Release on behalf of the Governmental Entity.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**Proposed California State-Subdivision Agreement  
Regarding Distribution and Use of  
Settlement Funds – Janssen Settlement**

**1. Introduction**

Pursuant to the Janssen Settlement Agreement, dated as of July 21, 2021, and any revision thereto (the “Janssen Settlement Agreement”), including Section VI and Exhibit O, the State of California proposes this agreement (the “CA Janssen Allocation Agreement”) to govern the allocation, distribution, and use of Settlement Fund payments made to California pursuant to Sections V and VI of the Janssen Settlement Agreement.<sup>1</sup> For the avoidance of doubt, this agreement does not apply to payments made pursuant to Sections X or XI of the Janssen Settlement Agreement.

Pursuant to Exhibit O, Paragraph 4, of the Janssen Settlement Agreement, acceptance of this CA Janssen Allocation Agreement is a requirement to be an Initial Participating Subdivision.

**2. Definitions**

- a) *CA Participating Subdivision* means a Participating Subdivision that is also (a) a Plaintiff Subdivision and/or (b) a Primary Subdivision with a population equal to or greater than 10,000. For the avoidance of doubt, eligible CA Participating Subdivisions are those California subdivisions listed in Exhibit C (excluding Litigating Special Districts) and/or Exhibit I to the Janssen Settlement Agreement.
- b) *Distributor Settlement Agreement* means the Distributor Settlement Agreement dated July 21, 2021, and any revision thereto.
- c) *CA Litigating Special District* means a Litigating Special District located in California. CA Litigating Special Districts include Downey Unified School District, Elk Grove Unified School District, Kern High School District, Montezuma Fire Protection District (located in Stockton, California), Santa Barbara San Luis Obispo Regional Health Authority, Inland Empire Health Plan, Health Plan of San Joaquin, and LA Care Health Plan.
- d) *Plaintiff Subdivision* means a Subdivision located in California, other than a CA Litigating Special District, that filed a lawsuit, on behalf of the Subdivision and/or through an official of the Subdivision on behalf of the People of the State of California, against one or more Opioid Defendants prior to October 1, 2020.
- e) *Opioid Defendant* means any defendant (including but not limited to Johnson & Johnson, Janssen Pharmaceuticals, Inc., Purdue Pharma L.P., Cardinal Health, Inc.,

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<sup>1</sup> A parallel but separate agreement (the “CA Distributor Allocation Agreement”) will govern the allocation, distribution, and use of settlement fund payments under the Distributor Settlement Agreement. An eligible Subdivision may elect to participate in either the Distributor Settlement or the Janssen Settlement, or in both.



AmerisourceBergen Corporation, and McKesson Corporation) named in a lawsuit seeking damages, abatement, or other remedies related to or caused by the opioid public health crisis in any lawsuit brought by any state or local government on or before October 1, 2020.

### **3. General Terms**

This agreement is subject to the requirements of the Janssen Settlement Agreement, as well as applicable law, and the Janssen Settlement Agreement governs over any inconsistent provision of this CA Janssen Allocation Agreement. Terms used in this CA Janssen Allocation Agreement have the same meaning as in the Janssen Settlement Agreement unless otherwise defined herein.

Pursuant to Section VI(D)(1) of the Janssen Settlement Agreement, (a) all Settlement Fund payments will be used for Opioid Remediation, except as allowed by Section VI(B)(2) of the Janssen Settlement Agreement; and (b) at least seventy percent (70%) of Settlement Fund payment amounts will be used solely for future Opioid Remediation.

### **4. State Allocation**

The Settlement Fund payments to California,<sup>2</sup> pursuant to the Janssen Settlement Agreement, shall be allocated as follows: 15% to the State Fund; 70% to the Abatement Accounts Fund; and 15% to the Subdivision Fund. For the avoidance of doubt, all funds allocated to California from the Settlement Fund shall be combined pursuant to this CA Janssen Allocation Agreement, and 15% of that total shall be allocated to the State of California (the “State of California Allocation”), 70% to the California Abatement Accounts Fund (“CA Abatement Accounts Fund”), and 15% to the California Subdivision Fund (“CA Subdivision Fund”).

#### **A. State of California Allocation**

Fifteen percent of the total Settlement Fund payments will be allocated to the State and used by the State for future Opioid Remediation.

#### **B. CA Abatement Accounts Fund**

##### **i. Allocation of CA Abatement Accounts Funds**

- a) Seventy percent of the total Settlement Fund payments will be allocated to the CA Abatement Accounts Fund. The funds in the CA Abatement Accounts Fund will be allocated based on the allocation model developed in connection with the proposed negotiating class in the National Prescription Opiate Litigation (MDL No. 2804), as adjusted to reflect only those cities and counties that are eligible, based on population or litigation status, to become a CA Participating Subdivision. The percentage from the CA

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<sup>2</sup> For purposes of clarity, use of the term “California” refers to the geographic territory of California and the state and its local governments therein. The term “State” or “State of California” refers to the State of California as a governmental unit.

Abatement Accounts Fund allocated to each CA Participating Subdivision is set forth in Appendix 1 in the column entitled abatement percentage (the “Local Allocation”). For the avoidance of doubt, CA Litigating Special Districts and California towns, cities, and counties with a population less than 10,000 are not eligible to receive an allocation of CA Abatement Accounts Funds.

- b) A CA Participating Subdivision that is a county, or a city and county, will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision, and will receive payments as provided in the Janssen Settlement Agreement.
- c) A CA Participating Subdivision that is a city will be allocated its Local Allocation share as of the date on which it becomes a Participating Subdivision. The Local Allocation share for a city that is a CA Participating Subdivision will be paid to the county in which the city is located, rather than to the city, so long as: (a) the county is a CA Participating Subdivision, and (b) the city has not advised the Settlement Fund Administrator that it requests direct payment at least 60 days prior to a Payment Date. A Local Allocation share allocated to a city but paid to a county is not required to be spent exclusively for abatement activities in that city, but will become part of the county’s share of the CA Abatement Accounts Funds, which will be used in accordance with Section 4.B.ii (Use of CA Abatement Accounts Funds) and reported on in accordance with Section 4.B.iii (CA Abatement Accounts Fund Oversight).
- d) A city within a county that is a CA Participating Subdivision may opt in or out of direct payment at any time, and it may also elect direct payment of only a portion of its share, with the remainder going to the county, by providing notice to the Settlement Fund Administrator at least 60 days prior to a Payment Date. For purposes of this CA Janssen Allocation Agreement, the Cities of Los Angeles, Oakland, San Diego, San Jose and Eureka will be deemed to have elected direct payment if they become Participating Subdivisions.
- e) The State will receive the Local Allocation share of any payment to the Settlement Fund that is attributable to a county or city that is eligible to become a CA Participating Subdivision, but that has not, as of the date of that payment to the Settlement Fund, become a Participating Subdivision.
- f) Funds received by a CA Participating Subdivision, and not expended or encumbered within five years of receipt and in accordance with the Janssen Settlement Agreement and this CA Janssen Allocation Agreement shall be transferred to the State; provided however, that CA Participating Subdivisions have seven years to expend or encumber CA Abatement Accounts Funds designated to support capital outlay projects before they must be transferred to the State. This provision shall not apply to the Cost Reimbursement Funds, which shall be controlled by Appendix 2.

**ii. Use of CA Abatement Accounts Funds**

- a) The CA Abatement Accounts Funds will be used for future Opioid Remediation in one or more of the areas described in the List of Opioid Remediation Uses, which is Exhibit E to the Janssen Settlement Agreement.
- b) In addition to this requirement, no less than 50% of the funds received by a CA Participating Subdivision from the Abatement Accounts Fund in each calendar year will be used for one or more of the following High Impact Abatement Activities:
  - (1) the provision of matching funds or operating costs for substance use disorder facilities within the Behavioral Health Continuum Infrastructure Program;
  - (2) creating new or expanded Substance Use Disorder (“SUD”) treatment infrastructure;
  - (3) addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD;
  - (4) diversion of people with SUD from the justice system into treatment, including by providing training and resources to first and early responders (sworn and non-sworn) and implementing best practices for outreach, diversion and deflection, employability, restorative justice, and harm reduction; and/or
  - (5) interventions to prevent drug addiction in vulnerable youth.
- c) The California Department of Health Care Services (“DHCS”) may add to this list (but not delete from it) by designating additional High Impact Abatement Activities. DHCS will make reasonable efforts to consult with stakeholders, including the CA Participating Subdivisions, before adding additional High Impact Abatement Activities to this list.
- d) For the avoidance of doubt, and subject to the requirements of the Janssen Settlement Agreement and applicable law, CA Participating Subdivisions may form agreements or ventures, or otherwise work in collaboration with, federal, state, local, tribal or private sector entities in pursuing Opioid Remediation activities funded from the CA Abatement Accounts Fund. Further, provided that all CA Abatement Accounts Funds are used for Opioid Remediation consistent with the Janssen Settlement Agreement and this CA Janssen Allocation Agreement, a county and any cities or towns within the county may agree to reallocate their respective shares of the CA Abatement Accounts Funds among themselves, provided that any direct distribution may only be to a CA Participating Subdivision and any CA Participating Subdivision must agree to their share being reallocated.

**iii. CA Abatement Accounts Fund Oversight**

- a) Pursuant to Section 5 below, CA Participating Subdivisions receiving settlement funds must prepare and file reports annually regarding the use of those funds. DHCS may regularly review the reports prepared by CA Participating Subdivisions about the use of CA Abatement Accounts Funds for compliance with the Janssen Settlement Agreement and this CA Janssen Allocation Agreement.
- b) If DHCS determines that a CA Participating Subdivision's use of CA Abatement Accounts Funds is inconsistent with the Janssen Settlement Agreement or this CA Janssen Allocation Agreement, whether through review of reports or information from any other sources, DHCS shall send a request to meet and confer with the CA Participating Subdivision. The parties shall meet and confer in an effort to resolve the concern.
- c) If the parties are unable to reach a resolution, DHCS may conduct an audit of the Subdivision's use of the CA Abatement Accounts Funds within one year of the request to meet and confer, unless the parties mutually agree in writing to extend the meet and confer time frame.
- d) If the concern still cannot be resolved, the State may bring a motion or action in the court where the State has filed its Consent Judgment to resolve the concern or otherwise enforce the requirements of the Janssen Settlement Agreement or this CA Janssen Allocation Agreement. However, in no case shall any audit be conducted, or motion be brought, as to a specific expenditure of funds, more than five years after the date on which the expenditure of the funds was reported to DHCS, in accordance with this agreement.
- e) Notwithstanding the foregoing, this Agreement does not limit the statutory or constitutional authority of any state or local agency or official to conduct audits, investigations, or other oversight activities, or to pursue administrative, civil, or criminal enforcement actions.

**C. CA Subdivision Fund**

- i. Fifteen percent of the total Settlement Fund payments will be allocated to the CA Subdivision Fund. All funds in the CA Subdivision Fund will be allocated among the Plaintiff Subdivisions that are Initial Participating Subdivisions. The funds will be used, subject to any limits imposed by the Janssen Settlement Agreement and this CA Janssen Allocation Agreement, to fund future Opioid Remediation and reimburse past opioid-related expenses, which may include fees and expenses related to litigation, and to pay the reasonable fees and expenses of the Special Master as set forth in Appendix 2.

The CA Subdivision Funds will be allocated as follows:

- a) First, funds in the CA Subdivision Fund shall be used to pay the Special Master's reasonable fees and expenses in accordance with the procedures and limitations set forth in Appendix 2 to this document;
- b) Second, funds will be allocated to Plaintiff Subdivisions that are Initial Participating Subdivisions that have been awarded Costs, as defined by and in accordance with the procedures and limitations set forth in Appendix 2 to this document.
- c) Funds remaining in the CA Subdivision Fund, which shall consist of no less than 50% of the total CA Subdivision Fund received in any year pursuant to Appendix 2, Section 2.c.v, will be distributed to Plaintiff Subdivisions that are Initial Participating Subdivisions, in relative proportion to the Local Allocation. These funds shall be used to fund future opioid-related projects and to reimburse past opioid-related expenses, which may include fees and expenses related to litigation against any Opioid Defendant.

**D. Provision for State Back-Stop Agreement**

On August 6, 2021, Judge Dan Polster of the U.S. District Court, Northern District of Ohio, Eastern Division, issued an order (ECF Docket Number 3814) ("MDL Fees Order") in the National Prescription Opiate Litigation (MDL No. 2804) "cap[ping] all applicable contingent fee agreements at 15%." Private counsel representing Plaintiff Subdivisions should seek its contingency fees and costs from the Attorney Fee Fund or Cost Funds under the Janssen Settlement Agreement and, if applicable, the Distributor Settlement Agreement.

A Plaintiff Subdivision may separately agree to use its share of the CA Subdivision Fund to pay for fees or costs incurred by its contingency-fee counsel ("State Back-Stop Agreement"), pursuant to Exhibit R, section I(R), of the Janssen Settlement Agreement and the MDL Fees Order, so long as such contingency fees do not exceed a total contingency fee of 15% of the total gross recovery of the Plaintiff Subdivision pursuant to the Janssen Settlement, and if applicable, the Distributor Settlement, inclusive of contingency fees from the national Attorney Fee Fund and this State Back-Stop Agreement. Before seeking fees or litigation costs and expenses from a State Back-Stop Agreement, private counsel representing Plaintiff Subdivisions must first seek contingency fees and costs from the Attorney Fee Fund or Cost Funds created under the Janssen Settlement Agreement and, if applicable, the Distributor Settlement Agreement. Further, private counsel may only seek reimbursement for litigation fees and costs that have not previously been reimbursed through prior settlements or judgments.

To effectuate a State Back-Stop Agreement pursuant to this section, an agreement in the form of Appendix 3 may be entered into by a Plaintiff Subdivision, private counsel, and the California Office of the Attorney General. The California Office of the Attorney General shall, upon the request of a Plaintiff Subdivision, execute any agreement executed by a Plaintiff Subdivision and its private counsel if it is in the form of Appendix 3. The California Office of the Attorney

General will also consider requests from Plaintiff Subdivisions to execute and enter into agreements presented in other forms.

For the avoidance of doubt, this agreement does not require a Plaintiff Subdivision to request or enter into a State Back-Stop Agreement, and no State Back-Stop Agreement shall impose any duty or obligation on the State of California or any of its agencies or officers, including without limitation the Attorney General.

## **5. State and Subdivision Reporting**

- a) DHCS will prepare an annual written report regarding the State's use of funds from the settlement until those funds are fully expended and for one year thereafter. These reports will be made publicly available on the DHCS web site.
- b) Each CA Participating Subdivision that receives payments of funds from the settlement will prepare written reports at least annually regarding the use of those funds, until those funds are fully expended and for one year thereafter. These reports will also include a certification that all funds that the CA Participating Subdivision has received through the settlement have been used in compliance with the Janssen Settlement Agreement and this CA Janssen Allocation Agreement. The report will be in a form reasonably determined by DHCS. Prior to specifying the form of the report DHCS will confer with representatives of the Plaintiff Subdivisions.
- c) The State and all CA Participating Subdivisions receiving CA Abatement Accounts Funds will track all deposits and expenditures. Each such subdivision is responsible solely for the CA Abatement Accounts Funds it receives. A county is not responsible for oversight, reporting, or monitoring of CA Abatement Accounts Funds received by a city within that county that receives direct payment. Unless otherwise exempt, Subdivisions' expenditures and uses of CA Abatement Accounts Funds and other Settlement Funds will be subject to the normal budgetary and expenditure process of the Subdivision.
- d) Each Plaintiff Subdivision receiving CA Subdivision Funds will track all deposits and expenditures, as required by the Janssen Settlement Agreement and this CA Janssen Allocation Agreement. Among other things, Plaintiff Subdivisions using monies from the CA Subdivision Fund for purposes that do not qualify as Opioid Remediation must identify and include in their annual report, the amount and how such funds were used, including if used to pay attorneys' fees, investigation costs, or litigation costs. Pursuant to Section VI(B)(2) of the Janssen Settlement Agreement, such information must also be reported to the Settlement Fund Administrator and Janssen.
- e) In each year in which DHCS prepares an annual report DHCS will also host a meeting to discuss the annual report and the Opioid Remediation activities being carried out by the State and Participating Subdivisions.

**6. Miscellaneous**

- a) The State or any CA Participating Subdivision may bring a motion or action in the court where the State has filed its Consent Judgment to enforce the requirements of this CA Janssen Allocation Agreement. Before filing such a motion or action the State will meet and confer with any CA Participating Subdivision that is the subject of the anticipated motion or action, and vice versa.
- b) Except as provided in the Janssen Settlement Agreement, this CA Janssen Allocation Agreement is not enforceable by any party other than the State and the CA Participating Subdivisions. It does not confer any rights or remedies upon, and shall not be enforceable by, any third party.
- c) Except as provided in the CA Janssen Allocation Agreement, if any provision of this agreement or the application thereof to any person, entity, or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this agreement, or the application of such provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, and each other provision of this agreement will be valid and enforceable to the fullest extent permitted by law.
- d) Except as provided in the Janssen Settlement Agreement, this agreement shall be governed by and interpreted in accordance with the laws of California.

The undersigned, Atascadero city, ACKNOWLEDGES acceptance of this Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds - Janssen Settlement is a requirement to be an Initial Participating Subdivision in the Janssen Settlement and ACCEPTS this Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds - Janssen Settlement.

I swear under penalty of perjury that I have all necessary power and authorization to execute this Election and Release on behalf of the Governmental Entity.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_







# ***Atascadero City Council***

## ***Staff Report - City Manager***

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### **Virtual Meetings – AB 361 Requirements**

#### **RECOMMENDATION:**

Council adopt Draft Resolution making findings consistent with the requirements of AB 361 to continue to allow for the conduct of virtual meetings.

#### **DISCUSSION:**

On March 4, 2020, Governor Newsom declared a state of emergency due to the novel coronavirus COVID-19. That declaration is still in effect. Since March 12, 2020, Executive Orders from the Governor relaxed various Brown Act meeting requirements relating to teleconferencing rules, temporarily suspending the Brown Act provisions requiring the physical presence of council, board and commission members at public meetings. The most recent extension of those Orders expired on September 30, 2021.

On Friday, September 17, 2021, the Governor signed AB 361. AB 361 amends Government Code section 54953 to provide more clarity on the Brown Act's rules and restrictions surrounding the use of teleconferencing to conduct meetings. The newly enacted Government Code Section 54953(e) creates alternate measures to protect the ability of the public to appear before local legislative bodies.

With the passage of AB 361, local agencies are allowed to continue to conduct virtual meetings during a declared state of emergency, provided local agencies comply with specified requirements. The City Council previously adopted Resolution No. 2021-066 on September 28, 2021, finding that the requisite conditions exist for the legislative bodies of the City of Atascadero to conduct remote teleconference meetings in compliance with AB 361. (Government Code Section 54953(e).) AB 361 requires the City Council to reconsider the circumstances of the state of emergency not later than 30 days after teleconferencing for the first time pursuant to AB 361 and every 30 days thereafter in order to continue to conduct remote teleconference meetings. The City Council previously adopted Resolution No. 2021-069 on October 26, 2021, making the requisite findings to continue remote teleconferencing.

In order to continue remote teleconferencing, the City Council must make the following findings (Gov. Code § 52953(e)(3)):

- The City Council has reconsidered the circumstances of the state of emergency.

- Any of the following circumstances exist:
  - The state of emergency continues to directly impact the ability of the members to meet safely in person.
  - State or local officials continue to impose or recommend measures to promote social distancing.

On August 31, 2021, County Health Officer issued Order No. 6 requiring face coverings in all public indoor settings and this order continues to remain in effect. Additionally, the City remains subject to the State Occupational Safety and Health Administration (CalOSHA) regulations which, among other requirements, obligate an employer to provide training to employees on COVID-19 transmission and risk reduction, including “The fact that particles containing the virus can travel more than six feet, especially indoors, so physical distancing, face coverings, increased ventilation indoors, and respiratory protection decrease the spread of COVID-19, but are most effective when used in combination.” (CCR Section 3205(c)5(D).)

Adoption of the Draft Resolution reaffirms the Health Officer Order and CalOSHA requirements as the basis for continuing to meet virtually. Additionally, adoption of the Draft Resolution does not prohibit the conduct of a traditional or hybrid meeting if the circumstances of the declared health emergency change.

#### **FISCAL IMPACT:**

None.

#### **ATTACHMENT:**

Draft Resolution

**DRAFT RESOLUTION**

**RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF ATASCADERO, CALIFORNIA,  
PROCLAIMING THE CONTINUING NEED TO MEET BY  
TELECONFERENCE PURSUANT TO  
GOVERNMENT CODE SECTION 54953(e)**

**WHEREAS**, all meetings of the City of Atascadero legislative bodies are open and public as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963); and

**WHEREAS**, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

**WHEREAS**, Government Code section 54953(e) was added by AB 361, signed by Governor Newsom on September 17, 2021; and

**WHEREAS**, on March 4, 2020, Governor Newsom declared a State of Emergency as a result of the COVID-19 pandemic; and

**WHEREAS**, on March 17, 2020, the City of Atascadero declared a State of Emergency as a result of the COVID-19 pandemic; and

**WHEREAS**, such State of Emergency remains in effect; and

**WHEREAS**, COVID-19 continues to threaten the health and lives of City of Atascadero residents; and

**WHEREAS**, the Delta variant is highly transmissible in indoor settings and breakthrough cases are becoming more common; and

**WHEREAS**, local officials have imposed or recommended measures to promote social distancing to include the wearing of masks indoors, regardless of vaccination status; and

**WHEREAS**, the City Council previously adopted Resolution No. 2021-066 on September 28, 2021, and Resolution No. 2021-069 on October 26, 2021, finding that the requisite conditions exist and continue to exist for the legislative bodies of the City of Atascadero to conduct remote teleconference meetings in compliance with Government Code Section 54953(e); and

**WHEREAS**, Government Code Section 54953(e) requires that the City Council must reconsider the circumstances of the state of emergency every 30 days in order to continue to conduct remote teleconference meetings in compliance with AB 361.

**NOW, THEREFORE BE IT RESOLVED**, by the City Council of the City of Atascadero:

**SECTION 1. Recitals.** The above recitals are true and correct and are incorporated into this Resolution by this reference.

**SECTION 2. Findings.** The City Council does hereby find that:

1. The City Council has reconsidered the circumstances of the state of emergency declared as a result of the COVID-19 pandemic.
2. The COVID-19 pandemic continues to directly impact the ability of the members to meet safely in person whereby holding legislative body meetings in person will present imminent risk to the health and safety of attendees.
3. State or local officials continue to impose or recommend measures to promote social distancing.

**SECTION 3. Compliance with Government Code Section 54953(e).** The City Council and other legislative bodies will continue to meet by teleconference in accordance with Government Code section 54953(e).

**SECTION 4. Effective Date of Resolution.** This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) 30 days from the date of adoption of this Resolution, or (ii) such time the City Council adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the City of Atascadero may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

**PASSED AND ADOPTED** at a regular meeting of the City Council held on the \_\_\_\_\_ day of \_\_\_\_\_, 2021.

On motion by Council Member \_\_\_\_ and seconded by Council Member \_\_\_\_, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

CITY OF ATASCADERO

\_\_\_\_\_  
Heather Moreno, Mayor

ATTEST:

\_\_\_\_\_  
Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Brian A. Pierik, City Attorney



# ***Atascadero City Council***

## ***Staff Report - Community Development Department***

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### **SB9 Urgency Ordinance (CPP21-0095)**

#### **RECOMMENDATION:**

Council continue the public hearing to the December 14, 2021 City Council Meeting to allow additional time for drafting and review of proposed guidance and local objective standards for the implementation of SB9 (urban lot splits and urban dwelling units).

#### **DISCUSSION:**

On September 16, 2021, the Governor signed into law Senate Bill 9 (the California Housing Opportunity and More efficiency (HOME) Act) aimed at addressing the statewide housing crisis. SB9 allows for urban lot splits and the construction of urban dwelling units (a different kind of second unit) on single-family zoned parcels within designated urbanized areas. The law goes into effect on January 1, 2022.

Staff and the City Attorney's Office are working on draft language to establish guidance and objective standards related to the implementation of SB9 to ensure that public health and safety goals are maintained and that objective standards are identified to promote orderly development once the law goes into effect.

The Public Hearing was legally noticed for review by the City Council at the November 23, 2021 meeting. Staff is requesting the City Council open the Public Hearing and continue to a date certain, December 14, 2021, to allow staff additional time to complete the drafting and review of the proposed amendments.

#### **FISCAL IMPACT:**

None. Staff expects minimal fiscal impact from the adoption of the proposed urgency ordinance.

#### **ATTACHMENTS:**

None.



# ***Atascadero City Council***

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## ***Staff Report – City Manager’s Office***

### **Sale of Chicago Grade Landfill**

#### **RECOMMENDATION:**

Council authorize the City Manager to send a letter to Chicago Grade Landfill, Inc. providing written consent from the City of Atascadero for the sale of Chicago Grade Landfill to Waste Connections.

#### **DISCUSSION:**

Chicago Grade Landfill (CGL) first opened in 1970 and has been accepting solid waste for Atascadero residents for over 50 years. In 2000, CGL and the City of Atascadero entered into an agreement for the exclusive depositing of City waste collections into CGL. Two extensions of the original agreement were executed, and that agreement was set to expire in 2019. A new agreement was negotiated and entered into effective December 1, 2018. The current agreement has a 10-year term with the option to extend up to an additional five years.

Over the past 21 years, contracting with CGL has ensured minimal cost increases for hauled waste disposal to the residents and businesses in Atascadero. Local economic benefits from the operation of CGL are projected to be in excess of \$3 million annually. Key provisions of the agreement are:

- Landfill Rate: \$46.15 per ton (\$47.70 effective January 1, 2022)
- Tipping Fee Paid to City: \$ 1.31 per ton (\$1.35 effective January 1, 2022)
- Term: 10 years with option to extend up to 5 additional years
- City guaranteed lowest “per ton” disposal rate for compacted solid waste delivered to the site in Atascadero Waste Alternatives (AWA) compactor trucks.
- CPI adjustments (70% of current CPI) annually on January 1

#### **Terms Related to Collection:**

- All solid waste collected, within City limits, by City’s franchised waste hauler must be delivered to CGL.
- Contracted landfill rate applies to City and City’s franchised waste hauler only.
- Any waste deposited by franchised waste hauler not kept, accumulated, or generated in the City is charged at the disposal site per ton fee.

In September 2017, CGL notified the City of a pending sale of the landfill to Allos Environmental, Inc. (Allos). CGL may not sell or otherwise delegate its authority to perform any obligations under its agreement with the City without prior written consent of the City Council. After review and presentation of the pending sale to the City Council in November 2017, the Council directed the City Manager to notify CGL of its consent of the sale. The sale of Chicago Grade to Allos became effective January 2018.

In October of this year, CGL again notified the City of a pending sale of the landfill to Waste Connections, Inc. (WCN). Should the City authorize the sale or delegation of authority under the agreement, the provisions of the agreement inure to the benefit of and are binding on the successors and permitted assigns of the parties. While the City Council cannot unreasonably withhold consent, certain information regarding the sale and the buyer will be important to the Council's authorization.

WCN has entered into a definitive agreement to purchase the stock of CGL and the Santa Maria Transfer Station. The transaction is anticipated to close on December 1, 2021. Since this is a stock transaction, there will be no assignment or transfer of any permits or assets and the legal entities, which own and operate CGL, will remain intact.

WCN is the third largest solid waste company in North America and is publicly traded on the New York Stock Exchange. WCN does business in 44 states and 6 Canadian provinces, employing approximately 19,000 people, with roughly \$14 billion in assets including several here in SLO County. WCN's presence in SLO County began in 2002 with the purchase of the San Luis Hauling Companies, Cold Canyon Landfill and Cold Canyon Processing Facility. WCN provides services in SLO County through six related solid waste companies: Cold Canyon Landfill, Coastal Rolloff, Mission Country Disposal, Morro Bay Garbage, San Luis Garbage, and South County Sanitary Services.

According to information provided by WCN, both local and regional executives have extensive experience in the solid waste industry, including substantial landfill operations, and the local leadership team is comprised of experienced solid waste professionals that have worked and lived in SLO County for over 30 years. WCN represents that the company believes in local autonomy and a decentralized business model providing low-overhead and a highly efficient operational structure in order to empower local employees. WCN has noted the company's commitment to supporting its local managers, the communities in which they operate and meeting the environmental needs of their customers.

City staff met with both the manager of CGL and representatives of WCN in October to discuss the pending transaction. At that meeting, both CGL and WCN reported that there are no plans to substantively change the operations of CGL, thereby this transaction will have little to no impact on the City, its residents, businesses or contractors. According to WCN and CGL, all local on-site management and employees of CGL will be retained and Jeff Clarin, a SLO County resident and professional engineer with over 23 years of experience in all aspects of the solid waste industry will oversee the operations of CGL. CGL remains committed to the community and will continue to participate in local events and supporting local causes. Additionally, staff and management at CGL have discussed the possibility of amending the current contract to address additional needs of the City and increase services being offered.

The current life of CGL is through 2039 with potential expansion opportunities beyond that date. CGL also exceeds all State and Federal financial assurance requirements. When CGL first opened, there were no financial assurances in place. Financial assurances were created and have grown, since 1999, to include a corrective action reserve, insurance, a closure fund, and the establishment of an environmental contingency. With the sale of CGL holdings to Allos, financial assurances grew to \$25.55 million, including a \$550,000 corrective action reserve, \$10 million insurance policy, \$10.5 million closure fund and a \$4 million environmental contingency. There will be no change to this assurance package with the sale to WCN.

CGL is one of three landfills in San Luis Obispo County. Like CGL, Cold Canyon Landfill and Paso Robles Landfill are permitted full-service landfills accepting both waste for disposal and recyclables from municipal waste haulers as well as customers such as local contractors with self-hauled waste, rolloff construction/demolition haulers, agriculture and farm waste producers, and the general public. There is also the Santa Maria Transfer Station, which is a fully permitted 500-ton per day facility that accepts non-hazardous solid waste. Waste is deposited onto a concrete floor, sorted, and then reloaded into larger trailers and trucked up to CGL. This facility also accepts both waste for disposal and recyclables from municipal waste haulers as well as the public. Additionally, for C&D Recycling, green waste from the public, and commingled recyclables from curbside hauling programs there is North County Recycling.

Public rates for CGL and the Santa Maria Transfer Station are market driven and there is a flat rate for loads under 1,000 pounds. As noted above, Cold Canyon Landfill is owned and operated by WCN. These rates are market driven and include a flat rate for loads under 1,160 pounds. Located off Highway 46 East, the Paso Robles Landfill is owned and operated by the City of Paso Robles. Fees for this landfill are adopted by City Council Resolution though management does retain the right to quote specific prices or reject an item whether an applicable rate is listed or not. Paso Robles Landfill also has a flat rate for loads under 1,000 pounds.

Considering the presence of WCN in SLO County, the experience of WCN's local leadership team, financial and community assurances provided by WCN, and the recommendation from current management at CGL, staff does not anticipate this sale having negative impacts on CGL operations and expects an overall benefit to the community at large.

## **ALTERNATIVES:**

Council cannot unreasonably withhold consent to the sale transaction but can direct staff to gather additional information regarding the sale and/or Waste Connections, Inc.

## **FISCAL IMPACT:**

None. City revenues from landfill tipping fees will not be affected by the sale.



**ATTACHMENTS:**

1. Agreement with Chicago Grade Landfill
2. Slides provided by Waste Connections, Inc.



**AGREEMENT BETWEEN THE CITY OF ATASCADERO AND CHICAGO  
GRADE LANDFILL, INC. FOR EXCLUSIVE DEPOSITING OF CITY WASTE  
COLLECTIONS INTO CHICAGO GRADE LANDFILL**

This Agreement for Exclusive Depositing of City Waste Collections Into Chicago Grade Landfill (the "Agreement") is made and entered into, effective as of December 1, 2018 (the "Effective Date"), with reference to the facts recited below by and between the CITY OF ATASCADERO, a municipal corporation, organized and existing under the laws of the State of California ("City"), and CHICAGO GRADE LANDFILL, INC., a California corporation ("Chicago Grade") Chicago Grade and the City may be collectively referred to as the "Parties".

**RECITALS**

**A.** Chicago Grade operates a landfill located at 2290 Homestead Road in Templeton, California (the "Chicago Grade Landfill"), from which Chicago Grade has provided and is capable of providing solid waste disposal services;

**B.** The Parties previously executed that certain Agreement for Exclusive Depositing of City Waste Collections Into Chicago Grade Landfill executed in or about September 2012 (the "Prior Agreement"), pursuant to which City designated the Chicago Grade Landfill as its exclusive location for the disposal of solid waste collected by City's Franchised Waste Hauler, and Chicago Grade provided solid waste disposal services;

**C.** City has duly adopted Ordinance No. 56 which requires contractors providing solid waste handling services for solid waste generated in the City to dispose of all refuse or garbage and rubbish at a disposal site approved by the San Luis Obispo County Department of Health;

**D.** The Chicago Grade Landfill is approved for solid waste disposal by CalRecycle;

**E.** Chicago Grade can and will furnish all personnel, equipment, and supplies necessary to accept disposal of solid waste from all premises within the City;

**F.** City is authorized under its agreements with its franchised waste hauler to designate a specific landfill into which waste collected within the City will be deposited; and

**G.** The City Council has determined that the grant of an exclusive agreement for disposal of waste collected within the City into Chicago Grade Landfill is in the public interest.

**AGREEMENTS:**

**NOW, THEREFORE, CITY AND CHICAGO GRADE DO HEREBY AGREE AS FOLLOWS:**

**1. DESIGNATION OF THE CHICAGO GRADE LANDFILL AS EXCLUSIVE LOCATION FOR THE DISPOSAL OF SOLID WASTE COLLECTED BY CITY'S FRANCHISED WASTE HAULER.** Pursuant to Section 13(H) of its Solid Waste Collection Franchise Agreement, City designates the Chicago Grade Landfill as the exclusive location for the disposal of compacted solid waste collected within the City of Atascadero by its franchised waste hauler.

**1.1** As used herein, the term "compacted solid waste" shall mean municipal solid waste that is collected in the City of Atascadero pursuant to a franchise agreement with the City of Atascadero and delivered in compactor trucks.

**1.2** During the term of this Agreement, City shall not designate or approve the disposal of such compacted solid waste at any other landfill.



**2. TERM OF AGREEMENT.** Subject to Section 12 of this Agreement, the term of this Agreement shall be from December 1, 2018, to December 1, 2028 inclusive. Thereafter, this Agreement may be extended for a period of up to five years by the mutual agreement of the Parties, and City approval shall be at the discretion of the City Manager. In the event this Agreement is terminated, in accordance with its terms, earlier than December 1, 2028, the status of Chicago Grade Landfill as the exclusive disposal site for compacted solid waste kept, accumulated or generated in the City of Atascadero granted hereby shall terminate as of the date of termination of the Agreement.

**3. DEFINITIONS.** Unless otherwise defined, or if the use or context clearly requires a different definition, all words, terms and phrases in this Agreement and the derivations thereof shall have the meanings set forth in Section 6-4.01 of the Atascadero Municipal Code.

**4. CHARGES AND FEES**

**4.1** During the term of this Agreement, Chicago Grade shall charge City and City's franchised waste hauler for accepting for disposal in the Chicago Grade Landfill compacted solid waste kept, accumulated, or generated in the City of Atascadero. Charges shall be in the following amounts:

(a) During the term of this Agreement, Chicago Grade shall charge a maximum of Forty-Two Dollars and Eighty Eight Cents (\$42.88) per ton of solid waste kept, accumulated, or generated in the City of Atascadero that Chicago Grade accepts from City's franchised waste hauler for disposal in the Chicago Grade Landfill (such rate, as increased pursuant to Sections 4.1(a)(i) and (ii), the "Base Rate").

(i) Effective on January 1, 2019, such Base Rate in effect under this Section 4.1(a) shall be increased to \$44.70. This is equal to fifty percent (50%) of the change in the CPI Index (as defined in Section 4.1(a)(iii), below) from (A) the month of September 2016 (the "Base Month"), to (B) the month of September 2018 (the "Adjustment Month") plus the increase in fees payable to the City (as set forth in Section 4.2 below).

(ii) Effective on January 1, 2020, and on January 1<sup>st</sup> of every year thereafter during the remaining Term of this Agreement or any extension period (the "Adjustment Date"), such Base Rate then in effect under this Section 4.1(a) shall be increased by seventy percent (70%) of the percentage change in the CPI Index (as defined in Section 4.1(a)(iii), below) for the most recent twelve month period ending in the month of September immediately prior to the Adjustment Date plus the increase in fees payable to the City (as set forth in Section 4.2 below). For example, the CPI adjustment to take effect on January 1, 2020 will be based on the change in the CPI Index for the period from September 2018 through September 2019. And the CPI adjustment to take effect on January 1, 2021 will be based on the change in the CPI Index for the period from September 2019 through September 2020.

On November 1 of each year in advance of any increase in the Base Rate, Chicago Landfill will provide written notice to the City of the proposed amount of the increase and the calculations supporting the increase.

(iii) For purposes of this Agreement, the term "CPI Index" means the official Consumer's Price Index for Urban Wage Earners and Clerical Workers, All Items, for the Los Angeles-Long Beach- Anaheim, CA area, 1982-1984=100 as published by the United States Department of Labor, Bureau of Labor Statistics. If the CPI Index is no longer published in the Adjustment Month, then appropriate reference figures for the CPI Index for the Base Month and the Adjustment Month shall be derived from any successor comparable index mutually agreed upon by the Parties to be authoritative. If the Parties are unable to agree, then the substituted index shall be selected by the then-presiding judge of the Superior Court for San Luis Obispo County, California (the "County") upon application of either City or Chicago Grade.

(b) In the event Chicago Grade shall reduce its landfill disposal charges to any customer depositing solid waste at Chicago Grade Landfill below the then-current amounts charged for solid waste kept, accumulated or generated in the City of Atascadero as set forth in Section 4.1(a), Chicago Grade shall at the same time reduce its landfill disposal charge in a like amount for the solid waste kept, accumulated, or generated



in the City of Atascadero that Chicago Grade accepts for disposal in its landfill, except that this subparagraph shall not apply in the following instances:

- (i) when Chicago Grade, upon prior written notice to City, grants a discounted disposal charge up to 100% of the disposal charge that Chicago Grade is then charging City, to customers that Chicago Grade considers to be charitable cases ("Charity Discount"), provided that Chicago Grade shall not provide a Charity Discount more frequently than two (2) times per year to the same applicant, or
- (ii) when Chicago Grade shall periodically receive material such as remediated soil, or other materials categorized as beneficial reuse, Chicago Grade shall provide advance written notice to the City prior to receipt of such material. In no instance shall this exception apply to new or existing municipal, commercial or industrial solid waste streams destined for disposal. The notice shall include a description of the materials, the beneficial re-use, the proposed rate, the estimated dates, and the proposed rate to be charged. The City shall have 10 working days to file a challenge to the proposed lower rate. Any challenge filed by the City after the 10 working days shall be effective as of the date of the challenge and the City may not seek restitution for any material deposited prior to the challenge provided that Chicago Grade gave proper notice. If the City does protest the lower rate, Chicago Grade and the City staff shall meet and if Chicago Grade and City staff do not agree, the matter shall be submitted to the City Council for a determination. The City Council determination shall be final.

**4.2** During the term of this Agreement, Chicago Grade shall pay to City fees for the privilege of accepting for disposal in its landfill compacted solid waste kept, accumulated, or generated in the City of Atascadero and delivered to the landfill by City's franchised waste hauler. Fees shall be in the following amounts:

(a) Chicago Grade shall pay to the City not less than One Dollar and No Cent (\$1.00) per ton of compacted solid waste kept, accumulated, or generated in the City of Atascadero that Chicago Grade accepts for disposal from City's franchised waste hauler at the Chicago Grade Landfill, except that Chicago Grade shall not be required to pay to the City this sum, or any other amount, for solid waste that qualifies for the Charity Discount described above.

(b) Effective on January 1, 2019, such fees in effect under this Section 4.2(a) shall be increased to \$1.27. This is equal to fifty percent (50%) of the change in the CPI Index (as defined in Section 4.1(a)(iii), above) from (A) the month of September 2000 (the "Base Month"), to (B) the month of September 2018 (the "Adjustment Month").

(c) Effective on January 1, 2020, and on January 1<sup>st</sup> of every year thereafter during the remaining Term of this Agreement or any extension period (the "Adjustment Date"), such fees then in effect under Section 4.2(b) shall be increased by seventy percent (70%) of the percentage change in the CPI Index (as defined in Section 4.1(a)(iii), above) for the most recent twelve month period ending in the month of September immediately prior to the Adjustment Date.

(d) Fee payments shall be paid quarterly and shall be computed and paid on the basis of tonnage of solid waste kept, accumulated, or generated in the City of Atascadero that Chicago Grade accepts for disposal at the



- (e) Chicago Grade shall transmit all required fees to:

Administrative Services Director  
City of Atascadero  
6500 Palma Avenue  
Atascadero, California 93422

**4.3** Fee payments shall be due and payable on the twentieth (20th) day of the month following the end of each quarter. If fees are not paid by Chicago Grade when due, then in addition to the fees, Chicago Grade shall pay a single late payment penalty for each such unpaid fee in an amount equal to ten percent (10%) of the fee that was not timely paid by Chicago Grade, and Chicago Grade also shall pay interest on the outstanding balance of all unpaid fees at the rate of ten percent (10%) per annum or the maximum legal rate allowed, whichever is less, from the date the fees were due and payable to the date actually paid. If Chicago Grade remits fees by personal delivery to City, such fees shall be deemed timely paid only if delivered on or before the due date. If Chicago Grade remits fees by mail or other delivery service, such fees shall be deemed timely only if (1) the envelope containing the fee payment bears a postmark or receipt showing that the payment was mailed or sent on or before the due date or (2) Chicago Grade submits proof satisfactory to the Administrative Services Director that the fee payment was in fact deposited in the mail or sent on or before the due date.

**4.4** In the event Chicago Grade believes that it has paid fees in excess of the fees due to City, Chicago Grade may submit a request for refund to the Administrative Services Director on a form provided by the Director. If proof of overpayment is satisfactory to the Director, the Director shall refund to Chicago Grade any overpayment. Chicago Grade shall not apply any overpayment as a credit against any other amounts payable to City unless specifically so authorized by the Administrative Services Director in writing. All sums due and payable from City to Chicago Grade shall be due and payable monthly. If any sum is not paid by City when due, then in addition to the fees, City shall pay a late fee of ten percent (10%) of the outstanding balance, and City shall also pay interest on the outstanding balance at the rate of ten percent (10%) per annum, or the maximum legal rate of interest, which is less, from the date the fees were due and payable to the date actually paid.

**4.5 EXTRAORDINARY RATE INCREASE.** The rates set by this Agreement are calculated to pay certain expenses and costs that are of a contingent and uncertain nature. Therefore, in addition to the annual rate adjustment provided by Section 4.1(i), the rates under this Agreement shall, upon written request of Chicago Grade or City, be further adjusted on an interim basis for increased or decreased expenses associated with performance of the services hereunder due to any one or more of the following causes:

- (a) material changes in Chicago Grade's costs resulting from a Force Majeure event;
- (b) changes to Chicago Grade's operations or the City fee in Section 4.2(a) or other fees required or initiated by City;
- (c) Chicago Grade desires to provide additional new services or the City requests the Chicago Grade to provide any additional new services, or Chicago Grade desires or the City requests the Chicago Grade to change the method of providing, or the technology used to provide, existing services under this Agreement;
- (d) any change in law, statute, rule, regulation, ordinance, order or requirement of any federal, state, regional or local government that occurs after the Effective Date of this Agreement and that directly affects the expenses associated with performance of the services hereunder.

If Chicago Grade and City staff cannot agree on terms and conditions of such extraordinary rate adjustments the matter shall be submitted to the City Council for a determination of whether an extraordinary rate adjustment would be allowed and the amount of the adjustment. The City Council's determination shall be final.



## **5. DISPOSAL OF SOLID WASTE**

**5.1** Chicago Grade shall accept disposal of all solid waste collected or transported by City's franchised waste hauler to Chicago Grade Landfill. Chicago Grade shall, during the term of this Agreement, maintain sufficient landfill capacity to accept disposal of all solid waste collected or transported by City's franchised waste hauler to Chicago Grade landfill.

**5.2** During the term of this Agreement, City shall direct all franchised waste haulers permitted to collect solid waste within City to deliver such solid waste to Chicago Grade Landfill. City shall not, during the term of this Agreement, direct that solid waste hauled pursuant to the City's franchise agreement be delivered to a disposal site other than Chicago Grade Landfill. In the event City is currently party to a contract with a contractor to collect and dispose of solid waste kept, accumulated or generated within City, City shall endeavor to immediately amend such contract to specify that the contractor shall deliver solid waste collected under such contract to Chicago Grade Landfill for disposal.

**5.3** During the term of this Agreement, Chicago Grade shall accept free of charge (other than pick-up and delivery charges) for disposal (a) all non-hazardous "sludge" generated by City, and (b) all non-hazardous biosolids generated by City's Wastewater Treatment Plant, and (c) any dead deer or other animals killed on City streets as may be acquired by the City Operations Staff.

## **6. REPORTS**

**6.1** Chicago Grade shall submit to City quarterly reports stating the total amount of solid waste that Chicago Grade accepted for disposal from within the City during the reportable quarter; the total weight (in tons) of all other solid waste accepted by Chicago Grade during the reportable quarter; and the total weight and the weight by material category (in tons) of solid waste accepted by Chicago Grade during the reportable quarter. Such quarterly reports shall be prepared in the form required by the Public Works Director. Each quarterly report shall be submitted on or before the 15th day of the month following the end of the quarter (*i.e.*, report due April 15 for first quarter of the year) and submitted to:

Public Works Director  
City of Atascadero  
6500 Palma Avenue  
Atascadero, California 93422

**6.2** If the report required under Section 6.1 is not filed by the due date specified above, the report shall be deemed delinquent. If the report remains delinquent for more than five (5) days after Chicago Grade's receipt of a written notice from City, Chicago Grade shall pay to City a delinquent report charge in the amount of One Hundred Dollars (\$100.00). If the report remains delinquent for more than forty-five (45) days, Chicago Grade shall pay to City a delinquent report charge in the amount of Five Hundred Dollars (\$500.00). Such delinquent report charges shall be in addition to any fees or other charges payable by Chicago Grade under this Agreement.

## **7. CHICAGO GRADE'S RECORDS AND CITY'S RECORDS**

**7.1** Chicago Grade shall keep and maintain books of account, income statements and supporting documents of all business transactions conducted by Chicago Grade in connection with the solid waste landfill disposal services of Chicago Grade under this Agreement. Such records shall be kept at Chicago Grade's place of business for a period of three (3) years after the end of the calendar year to which such records relate.

**7.2** The books of account, income statements and supporting documents shall be made available to City at Chicago Grade's place of business during normal business hours upon request or demand of the City Manager, Public Works Director, or other City officer, employee or consultant authorized by any of these officers. The purpose of such inspection and/or audit shall be for verification of the fees paid by Chicago



Grade under this Agreement, the accuracy thereof; charges made to others for disposal at the Chicago Grade Landfill and for verification of the amounts of solid waste reported by Chicago Grade pursuant to this Agreement. To the extent authorized by law, Chicago Grade's books of account, incomes statements and other documents accessed by City shall be kept confidential.

**7.3** Chicago Grade shall reimburse City for City's costs in performance of an audit if, as a result of the audit it is determined:

(a) There was any intentional misrepresentation by Chicago Grade with respect to the amount of fees due to the City; or

(b) There is a one thousand dollars (\$1,000.00) or greater discrepancy in the amount of fees due to the City. Such reimbursement shall be paid by Chicago Grade WITHIN THIRTY (30) days of the date City notifies Chicago Grade in writing of the amount of City's costs.

**7.4** City shall keep and maintain books of account, income statements and supporting documents of all business transactions conducted by City and its franchised waste haulers in connection with the solid waste disposal services. Such records shall be kept at City's place of business for a period of three (3) years after the end of the calendar year to which such records relate.

**7.5** The waste tonnage records for all solid waste kept, accumulated, or generated in the City of Atascadero shall be made available to Chicago Grade at City's place of business during normal business hours upon request or demand of any representative of Chicago Grade. The purpose of such inspection and/or audit shall be for verification of the solid waste generated and the sums paid by City and its franchised waste hauler under this Agreement.

**8. INSURANCE REQUIREMENTS.** Without limiting the indemnification provided in Section 9, Chicago Grade shall obtain and shall maintain throughout the term of this Agreement, at Chicago Grade's sole cost and expense, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the solid waste disposal services provided under this Agreement by Chicago Grade, its agents, representatives, employees or contractors.

**8.1 MINIMUM SCOPE AND LIMITS OF INSURANCE.** Chicago Grade shall maintain at least the following minimum insurance coverages:

(a) **COMMERCIAL GENERAL LIABILITY:** \$1,000,000 combined single limit per occurrence for bodily injury, personal injury, and property damage. The Commercial General Liability insurance limit shall apply separately to this Agreement or the general aggregate limit shall be twice the required occurrence limit. The Commercial General Liability insurance shall be written on a "claims made" basis. Following the expiration or termination of this Agreement, Chicago Grade shall include City as an additional insured under the policy for three (3) years to protect City from claims filed after said expiration or termination. In the event that the Chicago Grade Landfill closes during said three-year period, Chicago Grade shall obtain "tail coverage" protecting City from said claims.

(b) **POLLUTION LEGAL LIABILITY:** \$11,000,000 per occurrence on a claims-made basis for pollution releases. Following the expiration or termination of this Agreement, Chicago Grade shall include City as an additional insured under the policy for four (4) years to protect City from claims filed after said expiration or termination. In the event that the Chicago Grade Landfill closes during said four (4) year period, Chicago Grade shall obtain "tail coverage" protecting City from said claims for the remainder of such four-year period if commercially available. If four (4) years is not commercially available, then Chicago Grade will maintain such insurance for such period, not to exceed four (4) years, for which such insurance is commercially available. In addition, Chicago Grade will comply with all CalRecycle obligations relating to closure, post-closure and corrective action bonding, surety, and/or insurance requirements for the Chicago Grade Landfill.



(c) **AUTOMOBILE LIABILITY:** \$1,000,000 combined single limit per occurrence for bodily injury and property damage, and shall include sudden and accidental coverage.

(d) **WORKERS' COMPENSATION AND EMPLOYERS LIABILITY:** Workers' Compensation statutory limits as required by the California Labor Code and Employers Liability limits of \$1,000,000 per accident.

**8.2 DEDUCTIBLES AND SELF-INSURED RETENTIONS.** Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City either:

(a) The insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its officers, employees, agents and contractors; or

(b) Chicago Grade shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses in an amount specified by City.

**8.3 ENDORSEMENTS.** The required insurance policies are to contain, or be endorsed to contain, the following provisions:

(a) **GENERAL LIABILITY AND AUTOMOBILE LIABILITY COVERAGES**

(i) The City of Atascadero, its officers, elected officials, employees, agents and contractors are to be covered as an additional insured as respects: liability arising out of activities performed by, or on behalf of Chicago Grade; products and completed operations of Chicago Grade; premises owned, leased or used by Chicago Grade; and automobiles owned, leased, hired or borrowed by Chicago Grade. The coverage shall contain no special limitations on the scope of protection afforded to City, its officers, elected officials, employees and agents and contractors.

(ii) Chicago Grade's insurance coverage shall be primary insurance as respects City, its officers, elected officials, employees, agents and contractors. Any insurance or self-insurance maintained by City, its officers, elected officials, employees, agents or contractors shall be excess of Chicago Grade's insurance and shall not contribute with it.

(iii) Coverage shall state that Chicago Grade's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(b) **ALL COVERAGES.** Each insurance policy required by this Agreement shall be endorsed to state that coverage shall not be suspended, voided, canceled, or reduced in limits except after thirty (30) days' prior written notice has been given to the City.

**8.4 PLACEMENT OF INSURANCE.** Insurance shall be placed with an insurance company certified to do business in the State of California, with Best's rating A-VII or better.

**8.5 PROOF OF INSURANCE.** Chicago Grade shall furnish City with certificates of insurance and with original endorsements affecting coverage required by this Agreement. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. Proof of insurance shall be mailed or personally delivered to the following address or to such other address as may be directed in writing by the City:

Deputy City Manager/City Clerk  
City of Atascadero  
6500 Palma Ave.  
Atascadero, California 93422



**8.6 SUBCONTRACTORS.** Chicago Grade shall include all subcontractors as insureds under Chicago Grade's policies or shall obtain separate certificates and endorsements for each subcontractor.

**8.7 FAILURE TO PROVIDE INSURANCE.** Chicago Grade agrees that if any policy of insurance required by this Agreement is not maintained in full force and effect, the City Manager may, in his sole discretion, suspend this Agreement, immediately, until such time as the required insurance is in effect and the required certificates and endorsements are delivered to the City.

**9. INDEMNIFICATION.** Chicago Grade shall indemnify the City as follows:

**9.1 GENERAL LIABILITY:** Chicago Grade, as a condition of this agreement, shall indemnify, defend with counsel approved by City, protect and hold harmless the City, its officers, elected officials, employees and agents, with respect to any loss, liability, injury or damage that arises out of or is in any way related to, the acts or omissions of Chicago Grade, its employees, officers and agents in the performance of any activity, function or duty authorized by, or required under the terms of, this Agreement, or that arises out of or is in any way related to Chicago Grade's operation of its Chicago Grade Landfill, except Chicago Grade shall not be required to indemnify City in connection with the sole negligence or willful acts or omissions of the City, its officers, elected officials, agents or employees.

**9.2 HAZARDOUS SUBSTANCES INDEMNIFICATION:** Chicago Grade shall indemnify, defend with counsel approved by City, protect and hold harmless City, its officers, elected officials, employees, agents, assigns, and any successor or successors to City's interest from and against all claims, actual damages including, but not limited to, special and consequential damages, natural resource damage, punitive damages, injuries, costs, response, remediation, and removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties and expenses, attorneys' and expert witness fees and costs incurred in connection with defending against any of the foregoing or in enforcing this indemnity of any kind whatsoever paid, incurred or suffered by, or asserted against City or its officers, elected officials, employees, agents or Chicago Grade arising from or attributable to Chicago Grade's activities under this Agreement, or that arises out of or is in any way related to Chicago Grade's operation of its Chicago Grade Landfill, concerning any hazardous substances or hazardous waste at any place where Chicago Grade stores or disposes of solid or hazardous waste pursuant to this Agreement, or preceding agreements between City and Chicago Grade. The foregoing indemnity is intended to operate as an agreement pursuant to the Comprehensive Environmental Response, Compensation and Liability Act 42 U.S.C. Section 9607(e) and any amendments thereto; California Health and Safety Code Section 25364, to insure, protect, hold harmless, and indemnify City from liability.

**9.3** City agrees to give notice to Chicago Grade when the City receives a claim for damages or other liability for which Chicago Grade has provided indemnification under this Section.

**10. COMPLIANCE WITH LAW**

**10.1** Chicago Grade shall perform all solid waste services under this Agreement in accordance with applicable federal, state, and local law, and in accordance with the terms and conditions of this Agreement.

**10.2** Over the course of the term of this Agreement, Chicago Grade and City agree that the City's ordinances may be amended as necessary to permit the City to comply with changes to federal, state, and local legislative regulatory requirements, which may affect or alter City's solid waste handling obligations or requirements for solid waste management. Chicago Grade agrees to comply with any such amendment of the City's ordinances.

**11. PERMITS AND LICENSES.** Chicago Grade shall obtain and maintain, at Chicago Grade's sole cost and expense, all permits and licenses applicable to Chicago Grade's operations under the Agreement, which are required of Chicago Grade by any governmental agency.



## 12. TERMINATION

**12.1** Upon an Event of Default by Chicago Grade, the City shall have the right to terminate this Agreement. City shall provide written notice of termination setting forth with specificity the event of default upon which the termination is based. The termination shall become effective within ten (10) days of Chicago Grade's receipt of notice unless within said period it serves on City a written demand for binding arbitration as provided in Section 13 herein. As used herein, an "Event of Default" includes the following events:

(a) Chicago Grade fails to perform its obligations under this Agreement, or any present or future supplement or amendment to this Agreement, and fails to cure such breach within thirty (30) days of receiving notice from the City specifying the breach;

(b) Any representation or disclosure made to City by Chicago Grade in connection with or as an inducement to entering into this Agreement or any future supplement or amendment to this Agreement, which proves to be false or misleading in any material respect as of the time such representation or disclosure is made, whether or not any such representation or disclosure appears as part of this Agreement;

(c) CalRecycle revokes or otherwise terminates Chicago Grade's permit to operate a sanitary landfill at the Chicago Grade Landfill;

(d) There is any termination or suspension of the transaction of business by Chicago Grade, including without limit, due to labor unrest including strike, work stoppage or slowdown, sickout, picketing, or other concerted job action lasting more than two (2) days;

(e) Chicago Grade files a voluntary petition for debt relief under any applicable bankruptcy, insolvency, debtor relief or other similar law now or hereafter in effect, or shall consent to the appointment of or taking of possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of Chicago Grade for any part of Chicago Grade's operating assets or any substantial part of Chicago Grade's property, or shall make any general assignment for the benefit of Chicago Grade's creditors, or shall fail generally to pay Chicago Grade's debts as they become due or shall take any action in furtherance of any of the foregoing;

(f) A court having jurisdiction shall enter a decree or order for relief in respect of the Chicago Grade, in any involuntary case brought under any bankruptcy, insolvency, debtor relief, or similar law now or hereafter in effect, or Chicago Grade shall consent to or shall fail to oppose any such proceeding, or any such court shall enter a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Chicago Grade or for any part of Chicago Grade's operating equipment or assets, or orders the winding up or liquidation of the affairs of Chicago Grade.

**12.2** In the event the Agreement is terminated pursuant to Section 12.1 above or the term of this Agreement expires:

(a) Chicago Grade shall remain liable to City for any and all fees that would otherwise be payable by Chicago Grade, for any and all late payment charges and interest assessed pursuant to Section 4 of this Agreement, and for any and all delinquent report charges assessed pursuant to Section 6 of this Agreement.

(b) Chicago Grade shall have a continuing obligation to submit to City all reports required by Section 6 of this Agreement which relate to the acceptance of solid waste kept, accumulated or generated in the City of Atascadero by Chicago Grade up to and including the date of termination, suspension, or expiration.

(c) Chicago Grade agrees to continue to provide the indemnification required in this Agreement after its suspension or termination. Such indemnification includes, but is not limited to, the hazardous materials indemnification in Section 9.



### 13. MEDIATION

**13.1** Prior to filing any legal action in connection with, or relating in any way to, this Agreement, the Parties agree to submit any dispute to a mediator to be selected by mutual agreement of the Parties.

**13.2** The cost of the mediator shall be split evenly between the Parties.

**13.3** The rules for the mediation shall be set by the mediator.

**13.4** Any party requesting mediation ("Requesting Party") shall do so in writing to the other party ("Responding Party") with the names of three proposed mediators and the Responding Party shall have ten (10) calendar days to either (1) select one of the mediators to serve as the mediator or (2) propose three different mediators to the Requesting Party.

**13.5** If, after the exchange of proposed mediators as provided herein, the Parties are unable to agree upon a mediator and the dispute between the Parties is not otherwise settled, then the Requesting Party shall file a Petition with the San Luis Obispo Superior requesting the Court to appoint a mediator.

**13.6** The Parties agree that if mediation is not completed within forty-five (45) days from the date of the written request for mediation by the Requesting Party, the Requesting Party has the right, but not the obligation, to file a lawsuit.

**14. ASSIGNMENT.** Chicago Grade shall not assign, sell, subcontract, transfer or otherwise delegate its authority to perform any obligations under the Agreement without prior express written consent of the City Council, which consent shall not be unreasonably withheld. This prohibition includes any transfer of ownership or control of Chicago Grade in any one transaction or series of related transaction (other than (i) transfers among persons who are beneficial owners of Chicago Grade as of the Effective Date of this Agreement, and (ii) transfers from such persons to their heirs upon the death of those persons who are beneficial owners of Chicago Grade as of the Effective Date of this Agreement), or the conveyance of a majority of Chicago Grade's stock to a new controlling interest. In the event City authorizes Chicago Grade to assign, sell, subcontract, transfer or otherwise delegate its authority to perform any obligations under the Agreement, the provisions of this Agreement shall inure to the benefit of and be binding on the successors and permitted assigns of the Parties.

### 15. MISCELLANEOUS PROVISIONS

**15.1 NOTICES.** All notices required by this Agreement shall be given (a) by deposit in the United States mail, postage prepaid and return receipt requested and (b) by email, addressed to the Parties as follows:

**If to City:**

To: Lara Christensen  
Deputy City Manager/City Clerk  
City of Atascadero  
6500 Palma Ave  
Atascadero, California 93422  
Email: lchristensen@atascadero.org  
With a copy to Brian A. Pierik  
Email: bpierik@bwsllaw.com

**If to Chicago Grade:**

To: Chicago Grade Landfill, Inc.  
Attn: Elizabeth Ann Garner, CEO  
2290 Homestead Road  
Templeton, California 93465  
Email: ann.garner@allosenv.com  
With a copy to Van Katzman  
Email: vkatzman@ascentllp.com

Notice shall be deemed effective on the date personally served or, if mailed, three (3) days after the date deposited in the mails by certified or registered mail, return of receipt requested, or, if transmitted by email, on the date on which transmitted.



**15.2 AMENDMENTS.** This Agreement supersedes the Prior Agreement and all other prior agreements and understandings between the Parties and all obligations of the Parties under the Prior Agreement and all other prior agreements and understandings, regarding the subject matter hereof, and may not be modified or terminated orally, and no modification, termination or attempted waiver of any of the provisions hereof shall be binding unless in writing and signed by the party against whom the same is sought to be enforced.

**15.3 APPLICABLE LAW.** This Agreement and the transactions herein contemplated shall be construed in accordance with and governed by the applicable laws of the State of California and of the United States.

**15.4 AUTHORITY.** The Parties signing below represent and warrant that they have the requisite authority to bind the entities on whose behalf they are signing.

**15.5 SEVERABILITY.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions shall not be affected unless their enforcement under the circumstances would be unreasonable, inequitable or would otherwise frustrate the purposes of this Agreement.

**15.6 WAIVER.** The waiver by either party of any breach or violation of any provisions of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach or violation of the same or any other provision. The subsequent acceptance by either party of any monies which become due hereunder shall not be deemed to be a waiver of any preexisting or concurrent breach or violation by the other party of any provision of this Agreement.

**15.7 COUNTERPARTS.** This Agreement may be executed in counterparts, each of which shall be considered an original and all of which, taken together, shall be one and the same instrument, binding upon each signatory.

**15.8 SECTION HEADINGS.** The section headings in this Agreement are for convenience of reference only and are not intended to be used in the construction of this Agreement nor to alter or affect any of its provisions.

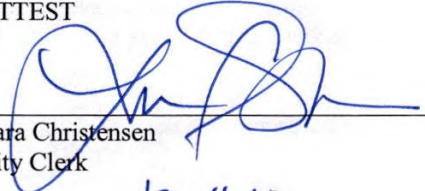
**15.9 INTERPRETATION.** This Agreement shall be interpreted and construed reasonably and neither for nor against either party, regardless of the degree to which either party participated in its drafting.

**15.10 ENTIRE AGREEMENT.** This Agreement represents the full and entire Agreement between the Parties with respect to the matters covered herein, and supersedes and replaces all prior and contemporaneous understandings and agreements, including the Prior Agreement.

*[Signatures appear on the following page.]*

WITNESS THE EXECUTION OF THIS AGREEMENT ON THE DATE WRITTEN BELOW EACH SIGNATURE:

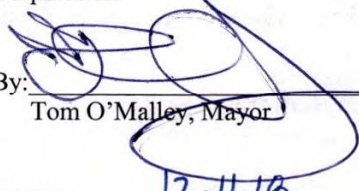
ATTEST

  
Lara Christensen  
City Clerk

DATE: 12.11.18

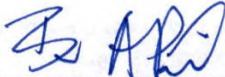
"CITY"

CITY OF ATASCADERO, a Municipal Corporation

By:   
Tom O'Malley, Mayor

DATE: 12.11.18

APPROVED AS TO FORM:



Brian A. Pierik  
City Attorney

DATE: 12.11.18

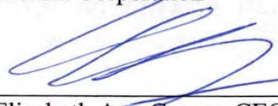
APPROVED AS TO FORM:



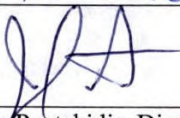
Van Katzman  
Attorney for Chicago Grade Landfill, Inc.

DATE: 12-5-18

CHICAGO GRADE LANDFILL, INC.,  
a California Corporation

By:   
Elizabeth Ann Garner, CEO

DATE: 12-5-18

By:   
John Pantekidis, Director and Treasurer

DATE: 12-5-2018



# WASTE CONNECTIONS

*Connect with the Future®*

City of Atascadero  
Chicago Grade Landfill Presentation  
November 23, 2021

# Waste Connections Local Presence

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- Waste Connections Presence
  - Began with the purchase of the San Luis Hauling Companies, Cold Canyon Landfill and Cold Canyon Processing Facility in 2002
  - The San Luis Obispo companies were one of Waste Connections early first purchases
- San Luis Hauling Companies (San Luis Garbage, Morro Bay Garbage, South County Sanitary, Mission Country Disposal and Coastal Roll-off)
  - Operated since the early 1950s
  - San Luis Garbage first in California to implement curbside recycling service
  - Exclusive organic feedstock rights for only Anaerobic Digester in SLO County (HZI KompoGas)
- Cold Canyon Landfill
  - Operated since 1965
  - Class III MSW Landfill with about 800 tons per day disposal
- Cold Canyon Processing Facility
  - Processes all the recyclables (blue bin) in SLO County
  - City of Atascadero recyclables began shipping in January 2021



# Why Waste Connections ?

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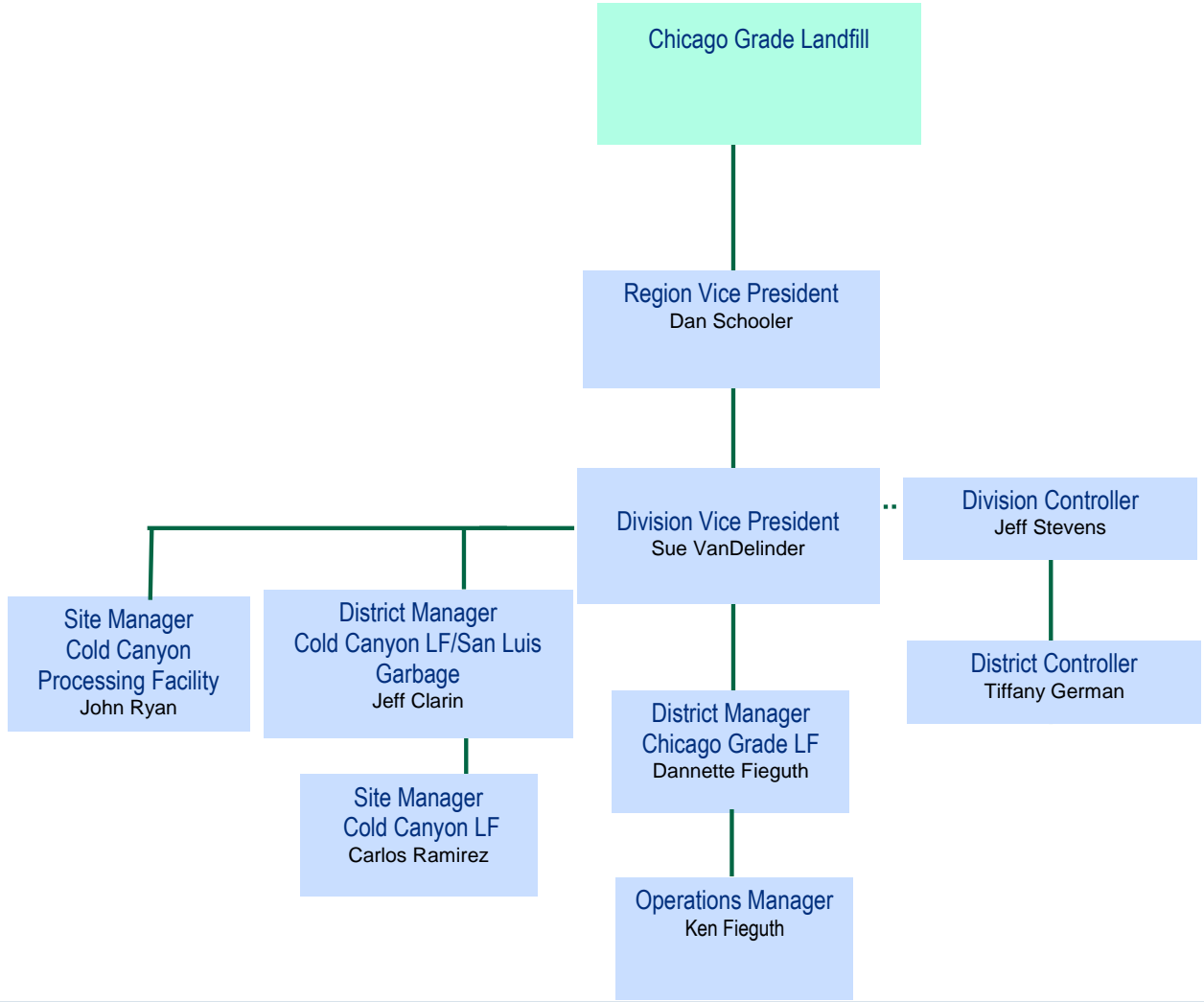


- Local Autonomy
  - Belief in decentralized model providing low-overhead, highly efficient operational structure with idea of empowering local employees
- Economy of Scale
  - Benefits of regional support functions with Legal, Human Resources, Payroll, Engineering, etc
  - National purchasing influence
- Local Leadership Team
  - Experienced leadership team that have been in the SLO County community for over 28 years
    - John Ryan, since 1989 (Cold Canyon Processing Facility Manager)
    - Jeff Clarin, since 1993 (San Luis Hauling Companies and Cold Canyon Landfill Manager)
  - Keeping existing leadership team at Chicago Grade Landfill
    - Dannette Fieguth, living in the SLO County community since 1989, leading the Chicago Grade team since 2003 (Chicago Grade Landfill Manager)



# Waste Connections Team

## Organization Chart



# Waste Connections Team

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## DAN SCHOOLER – Region Vice President

Dan Schooler has been the Western Region Vice President for Waste Connections since February 2018, with oversight for eighty-six companies within eight states including Alaska, Washington, Oregon, California, Nevada, Idaho, Montana and Western Wyoming.

From November 2008 to that date, Mr. Schooler served as Division Vice President with responsibility for multiple companies in Washington State from 2008 to 2011, multiple companies in the State of New York from 2011 to 2013 and multiple companies again in Washington State from 2013 to 2018.

From June 2001 to November 2008, Mr. Schooler managed a large hauling, transfer and recycling operation in Vancouver, Washington. Mr. Schooler joined Waste Connections in September, 1999 as a controller managing the finances of several companies in Oregon and Washington, with a focus on day to day operations and mergers and acquisitions.

Prior to joining Waste Connections, Mr. Schooler held various operations and controller positions and has over 32 years of experience in the solid waste industry. He holds a B.S degree in Accounting from Valparaiso University.

# Waste Connections Team

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## SUE VANDELINDER– Division Vice President

Sue VanDelinder has over 30 years of experience in the Solid Waste Industry. She is Vice President of Waste Connection's Coastal Sierra Division, with operations in Tehama, Ukiah, Clear Lake, Lake County, Mono, Inyo and El Dorado County as well as the San Luis Obispo region and has been employed with Waste Connections since 2006. Through her experience, she has learned that Waste Connections customer service must be second to none and that safety must be a guiding principle in all operations. She has been highly successful in leading successful acquisitions, landfill cell development, contract transitions, cart, recycling, and green waste service startups, and Material Recovery Facility enhancements in diversion in small and large markets throughout California. This can be attributed to her focus on listening to the voice of the municipalities she serves and developing real connections in a community in order to understand its needs.

She has received the praise of municipal customers such as the City of Placerville, where she successfully started up and rolled out a three-cart program in 2008. In 2014, she co-authored a new contract with El Dorado County (over 15,000 residents/businesses), providing for a three cart program, rolled out to every resident subscribing along with a myriad of other programs and enhancements, in addition to the food waste and organics programs for commercial businesses and multifamily complexes wishing to participate. A pioneer for rural counties trying to meet diversion requirements, Sue and her team, in 2006, helped El Dorado County to be recognized by the State of California (CIWMB) as one of only a few counties to meet the 50% diversion goal on time.

Prior to working at WCN, she was a District Manager and Controller for BFI, where she was responsible for solid waste operations in the greater Sacramento market and medical waste and portable services throughout Northern California. She holds a Bachelor of Science degree in Finance from San Jose State University in California.

# Waste Connections Team

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## JEFF CLARIN, P.E. – District Manager San Luis Hauling Companies, Cold Canyon Landfill

Jeff Clarin is a California registered professional engineer with over 23 years experience in all aspects of the Solid Waste industry. Currently, he oversees the San Luis Hauling Division and Cold Canyon Landfill for Waste Connections. The San Luis Hauling division consists of over 145 staff that provide refuse, recycling and organic collections from San Simeon to Nipomo through San Luis Garbage, Mission Country Disposal, South County Sanitary, Morro Bay Garbage and Coastal Roll-off. Cold Canyon Landfill in San Luis Obispo is an 800 ton per day landfill with 15 staff that accepts similar material to Chicago Grade Landfill.

Prior to the San Luis Hauling and Cold Canyon Landfill, Mr. Clarin served as the Region Engineer for Waste Connections from April 2018 to January 2020 providing capital and compliance support for the 6 California landfills operated and/or owned by Waste Connections. These included Chiquita Canyon Landfill, Avenal Regional Landfill, John Smith Road Landfill, Tehama Landfill, Potrero Hills Landfill and Cold Canyon Landfill.

Prior to Waste Connections, Mr. Clarin served as the Solid Waste Manager responsible for all aspects of the City of Santa Maria's hauling and landfill operations from July 2006 to May 2015. Mr. Clarin was promoted to Deputy Director/Utilities Manager from May 2015 to April 2018 overseeing the City's solid waste, water and wastewater operations. During his time in Santa Maria, he was able to permit a brand new landfill site. In addition, he was successful in increasing existing landfill site life by 10 years with the implementation of a curbside greenwaste collections program, introduction of a recycling park for mainly construction and demolition material, redesign of landfill slopes, improved survey control and innovative operational landfill techniques.

From August 2005 to April 2006, Mr. Clarin served as a Project Manager for a solid waste engineering consultant firm Tetra Tech doing various compliance programs and engineering designs mainly for Vandenberg Air Force Base. From August 2000 to July 2005, Mr. Clarin was the Site Engineer/Site Manager for Cold Canyon Landfill, which at that time operated a composting facility. Mr. Clarin was there when Waste Connections purchased Cold Canyon Landfill in 2002. Mr. Clarin got his first start in the Solid Waste industry working for the San Luis Obispo Integrated Waste Management Authority (IMWA) in December 1997 which included staffing and operational support for the Household Hazardous Waste (HHW) collection facilities at Cold Canyon Landfill and Chicago Grade Landfill.

Mr. Clarin holds B.S degree in Environmental Engineering from Cal Poly, San Luis Obispo.

# Waste Connections Team

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## JOHN RYAN – Site Manager Cold Canyon Processing Facility

John Ryan's primary responsibility at CCPF is to insure that single stream-comingled recyclables are processed and sent to market in a safe and equitable way. These curbside recyclables are coming from our Central Coast / San Luis Obispo Region and must be processed in accordance with State and local policies and requirements. Maintaining a safe and efficient work environment for all site employees and third party haulers is our primary core value. John Ryan oversees all personnel needs at this site to include selecting, mentoring, disciplining, compensation, and promotion. Safety and Servant Leadership are core values that are routinely a part of the culture at this site.

John Ryan is responsible for the marketing all commodities generated at this site, for both export and domestic markets. He is also responsible for maintaining the Processor relationship that CCPF and all of the San Luis Division has with Cal Recycle, State of California.

John Ryan, a transplant from Colorado, has worked in the solid waste industry since 1989. Initially, John Ryan was employed by San Miguel Garbage. In 1990, Mr. Ryan was hired by San Luis Garbage Company to start and manage their AB-939 mandated recycling program. This program has grown to a 32,000 ton per year program. Mr. Ryan has developed, over the years, substantial and successful relationships with the State and those at Cal Recycle as well as the local governmental agencies he serves.

# Waste Connections Officers

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## RONALD J. MITTELSTAEDT

Ronald J. Mittelstaedt has been Executive Chairman of Waste Connections since July 2019. From the company's formation in 1997 to that date, he served as Chief Executive Officer of Waste Connections. Mr. Mittelstaedt has served as a director of Waste Connections since its formation, and was elected Chairman in January 1998. Mr. Mittelstaedt also served as President of Waste Connections from its formation through August 2004. Mr. Mittelstaedt has more than 30 years of experience in the solid waste industry. Mr. Mittelstaedt serves as a director of SkyWest, Inc. Mr. Mittelstaedt holds a B.A. degree in Business Economics with a finance emphasis from the University of California at Santa Barbara.

## WORTHING F. JACKMAN

Worthing F. Jackman has been President and Chief Executive Officer of Waste Connections since July 2019. From July 2018 to that date, he served as President of Waste Connections. Mr. Jackman served as Executive Vice President and Chief Financial Officer of Waste Connections from September 2004 to July 2018. From April 2003 to September 2004, Mr. Jackman served as Vice President – Finance and Investor Relations of Waste Connections. Mr. Jackman held various investment banking positions with Alex. Brown & Sons, now Deutsche Bank Securities, Inc., from 1991 through 2003, including most recently as a Managing Director within the Global Industrial & Environmental Services Group. In that capacity, he provided capital markets and strategic advisory services to companies in a variety of sectors, including solid waste services. Mr. Jackman serves as a director for Quanta Services, Inc. He holds a B.S. degree in Finance from Syracuse University and an M.B.A. from the Harvard Business School.

## DARRELL W. CHAMBLISS

Darrell W. Chambliss has been Executive Vice President and Chief Operating Officer of Waste Connections since October 2003. From October 1, 1997, to that date, Mr. Chambliss served as Executive Vice President – Operations of Waste Connections. Mr. Chambliss has more than 30 years of experience in the solid waste industry. Mr. Chambliss holds a B.S. degree in Business Administration from the University of Arkansas.

# Chicago Grade Landfill Summary

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- Chicago Grade Landfill (CGL) opened in 1970 and has accepted solid waste from Atascadero for 50+ years
- Exclusive depositing of City waste agreement executed in 2018
  - Agreement expires December 1, 2028. Thereafter, if mutually agreed, an extension of up to five years may be made at the discretion of the City Manager
- CGL pays the City a percentage of disposal fees and accepts Atascadero's sewage sludge at no cost as part of the agreement
- Additional services include C&D, white goods, tire recycling, HHW collection and E-Waste recycling services
- The current life of CGL is through 2039 with potential expansion opportunities beyond that

# Waste Connections Financial Capacity

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WCN is the third largest solid waste company in the United States, with annual revenues that exceeded \$5.445 billion in 2020. WCN has approximately \$13.9 billion in total assets.

WCN's debt-to-equity ratio, total equity, and debt rating is superior to the industry's leading competitor, offering the City minimized risk. As of December 31, 2020, Waste Connections debt-to-equity ratio was 0.69 with an average of 0.644 over the last five (5) years. In contrast, Waste Management's and Republic Services' debt-to-equity ratios over the last five (5) years were 1.750 and 1.048 respectively. According to the WCN's 2020 Annual Report, WCN's total equity exceeded \$6.8 billion.

WCN's common shares are traded on the New York Stock Exchange and the Toronto Stock Exchange under the ticker symbol WCN. WCN is subject to all of the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC"), and WCN's public filings with the SEC can be found at: <https://www.sec.gov/edgar/browse/?CIK=1318220&owner=exclude>. All of WCN's public financial information is also available at the "Investors" section of its website: <https://investors.wasteconnections.com/>.

As part of its regulatory filing requirements with the SEC, WCN files a description of all material legal proceedings on an annual and quarterly basis. WCN's most recent Form 10-Q filing is on the SEC's EDGAR website (<https://www.sec.gov/ix?doc=/Archives/edgar/data/1318220/000155837021013672/wcn-20210930x10q.htm>) and contains all material litigation matters impacting WCN and/or its subsidiaries. WCN has several immaterial workers compensation, labor and employment, personal injury and auto liability claims currently pending against it. Additional information regarding the status of these claims is available upon request.

Neither WCN nor Chicago Grade has any criminal proceedings pending against it.



# Sale Of CGL To Waste Connections

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- Waste Connections, Inc. (“WCN”), through a wholly-owned subsidiary, has entered into a definitive agreement to purchase the stock of Chicago Grade Landfill (“CGL”) and the Santa Maria Transfer Station
- Since this is a stock transaction, the legal entity that owns and operates Chicago Grade Landfill, Inc. (“Chicago Grade”), will remain intact and will not result in the assignment or transfer of any permits or assets
- We are currently scheduled to close the transaction on approximately December 1, 2021 (the “Closing”)
- All local on-site management and employees are being retained
- WCN remains committed to the community and will continue participating in local events and supporting local causes through its various charitable giving programs. For more information, please see page 44-49 of our 2021 Sustainability Report.  
<https://investors.wasteconnections.com/sustainability>
- Upon the Closing, Chicago Grade will have the full financial backing of WCN. Following the Closing, Chicago Grade and its various affiliates operating in the County of San Luis Obispo will continue to invest capital into its business through purchases of recycling equipment, carts, containers, trucks and equipment. These purchases will allow Chicago Grade and its affiliates to continue to improve efficiencies, safety, and keep abreast of the latest technology in all areas

# WASTE CONNECTIONS: AT A GLANCE

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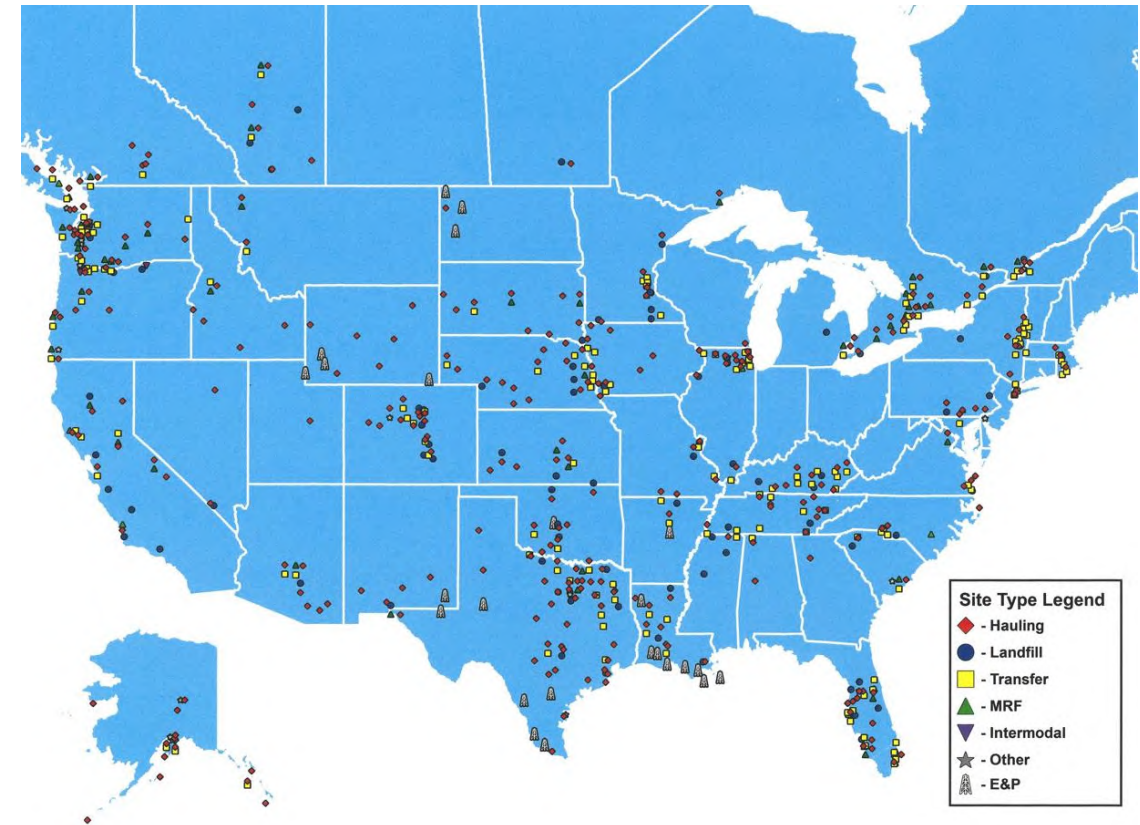
- Third largest solid waste company in North America
- Publicly Trade on NYSE: WCN and TSX: WCN-T

~19,000 employees

~\$5.445 billion revenue

~\$14 billion assets

Revenues: 87% U.S. and 13% Canada

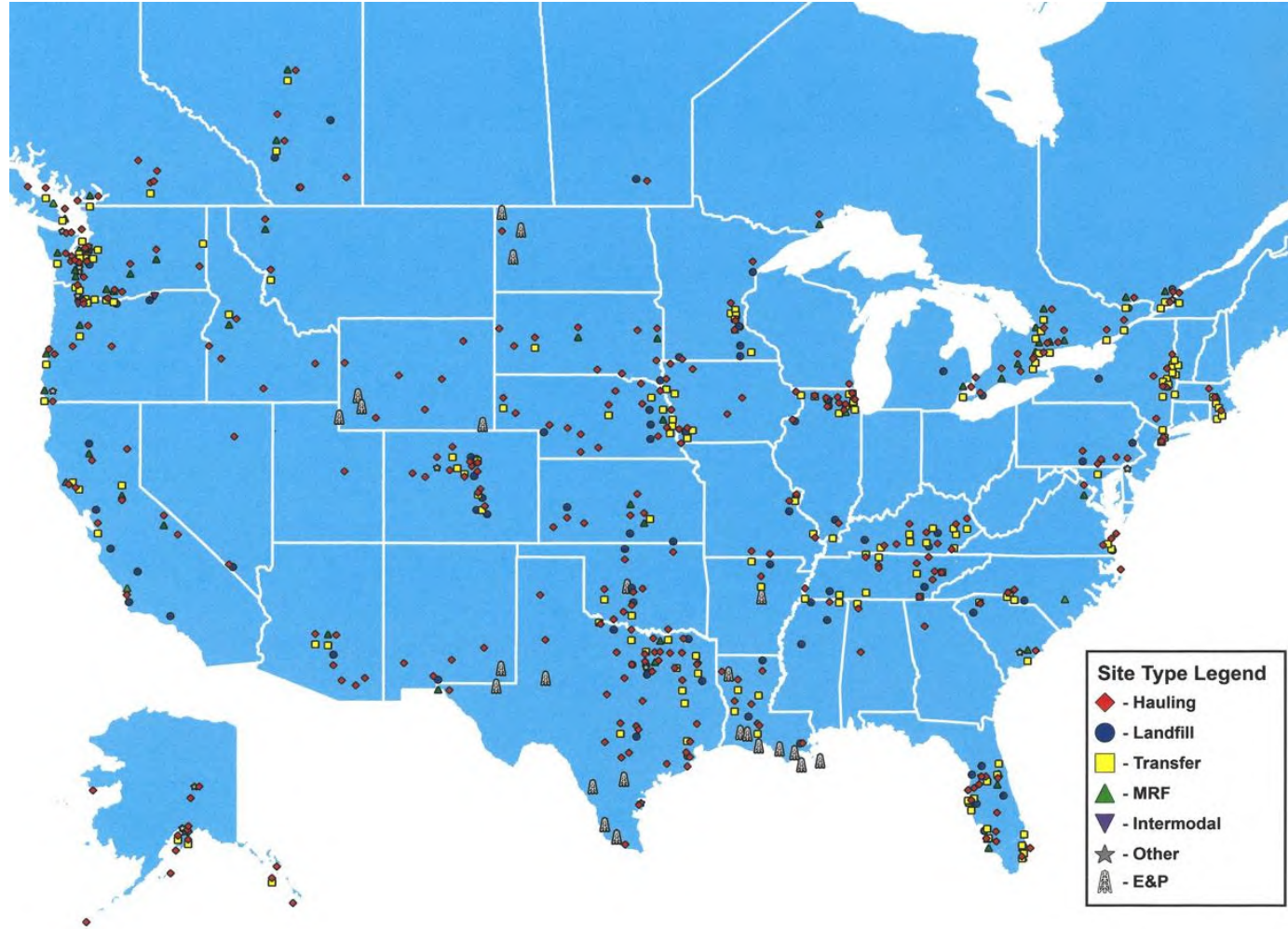


Footprint across 44 U.S. states and 6 Canadian provinces

# WASTE CONNECTIONS: AT A GLANCE

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## Substantial Footprint

- Footprint across 44 U.S. states and 6 Canadian provinces
- ~19,000 employees

## Culture Matters

- Culture is either accidental or intentional
- Servant Leadership: holding leaders accountable to those they serve
- Engagement drives Relationships / Relationships = Results
- Winning at Human Capital drives superior long term performance



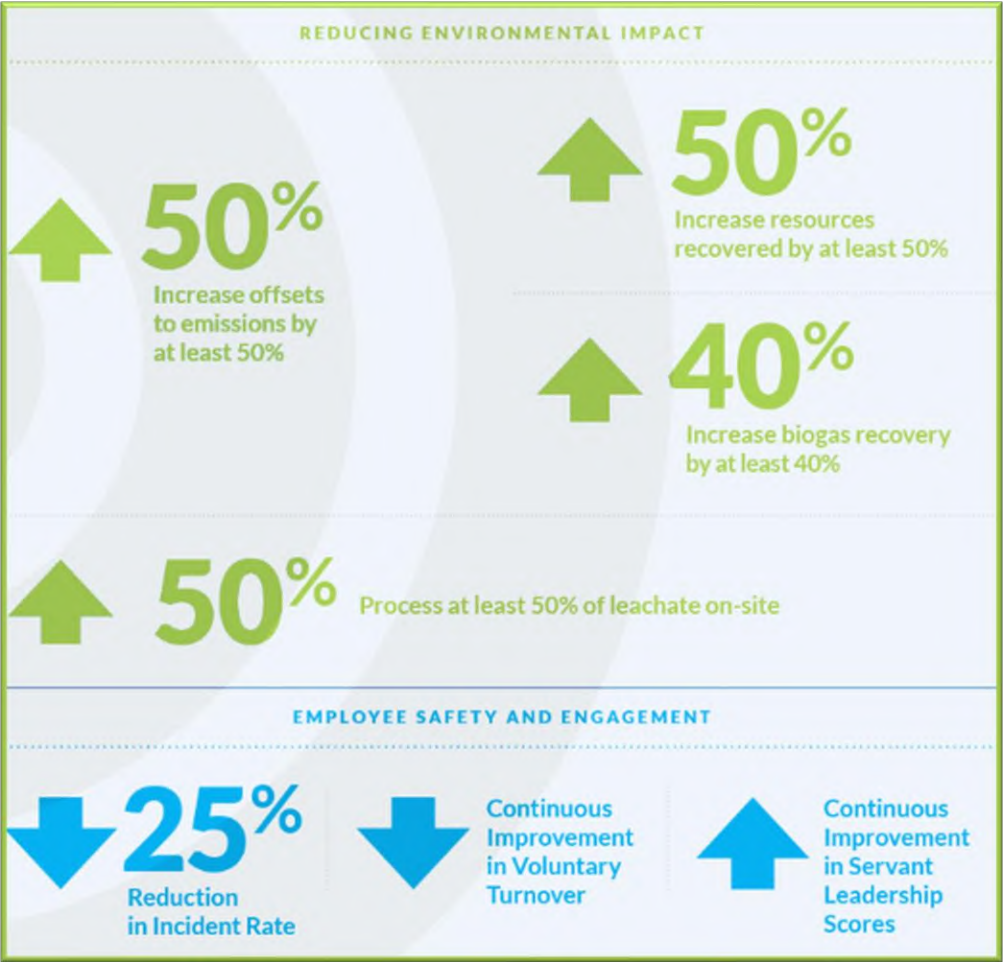
# SUSTAINABILITY: ESG TARGETS\*

ESG efforts consistent with long-term value creation

- \$500 million commitment towards achievement of long-term targets
- Targets reflect sustainability priorities, including:
  - Increased offsets to emissions through greater resource recovery
  - Expanded recycling and biogas generation
  - Reduced reliance on third-party leachate disposal
  - Further improvements in safety, employee engagement and retention



## 15-Year ESG Targets





# TECHNOLOGY AND SUSTAINABILITY INITIATIVES

## Environmental-focused Technology

- Robotics at recycling facilities
- On-site landfill leachate treatment
- Evaluating electric vehicles (EV)

## Employee-focused Technology

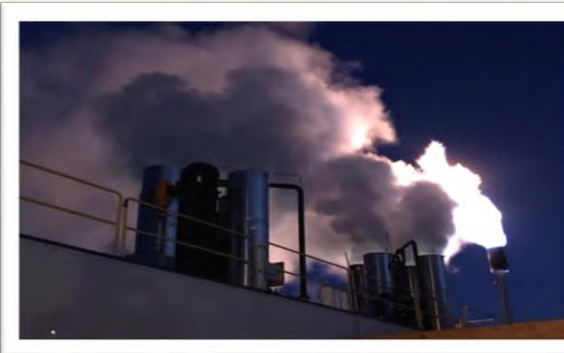
- Safety
  - AI-driven “next-generation” truck camera systems
  - Enhanced safety features in fleet design
- Employee Engagement
  - Company-wide connectivity
  - Learning Management System (LMS) for training & development

## ENVIRONMENTAL

ROBOTICS



EVAPORATORS



ELECTRIC VEHICLES



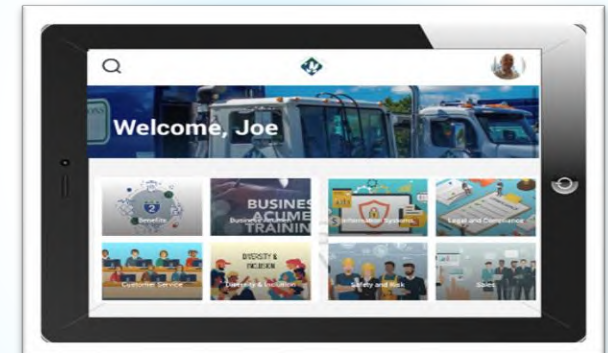
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## SOCIAL

CONNECTIVITY



EMPLOYEE DEVELOPMENT



CAMERA TELEMATICS





# WASTE CONNECTIONS

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