CITY OF WOODLAND
300 FIRST STREET
WOODLAND, CALIFORNIA

CITY COUNCIL
CLOSED SESSION AGENDA

MAY 3, 2011

5:00 P.M.

A. CALL TO ORDER

B. CLOSED SESSION

B.1 Conference with Real Property Negotiators, Pursuant to Section 54956.8 and Anticipated Litigation Pursuant to Section 54956.9:
Property: APN 041 070 06
Agency Negotiator: City Manager and City Attorney
Negotiating Parties: Mark Deven, Andrew Morris and
Forrest Family Trust
Under Negotiations: Price and Terms of Payment

JOINT REGULAR CITY COUNCIL / WOODLAND FINANCE AUTHORITY / REDEVELOPMENT AGENCY BOARD

6:00 P.M.

All times are approximate

A. CALL TO ORDER

B. ROLL CALL

C. PLEDGE OF ALLEGIANCE

updated a/o 10/4/2018

D. COMMUNICATIONS-PUBLIC COMMENT (6:03)

This an opportunity for the public to speak to the Council on any item other than those listed for public hearing on this agenda. Speakers are requested to use the microphone in front of the Council and to begin by stating their name, whether they reside in Woodland and the name of the organization they represent if any. The Mayor may impose a time limit on any speaker depending on the number of people wanting to speak and time available for the rest of the agenda. In the event comments are related to an item scheduled on the agenda, speakers may be required to wait to make their comments until that item is considered.

E. COMMUNICATIONS–COUNCIL/STAFF STATEMENTS AND REQUESTS (6:06)

This is an opportunity for the Council Members and Staff to make comments and announcements, to express concerns, or to request Council's consideration of any items a Council Member would like to have discussed at a future Council meeting.

F. WRITTEN COMMUNICATIONS (6:10)

F.1 Notice from Alcoholic Beverage Control of an on-sale general license for Big Mac Daddy located at 102 Main Street

F.2 Notification from Pacific Gas and Electric regarding Proposed Modifications to the SmartMeter Program

G. PRESENTATIONS (6:12)

1. Recognize Youth Shrine Bowl Participants

2. Proclaim May 1 – June 14, 2011 as National Military Appreciation Month

H. CONSENT CALENDAR (6:22)

3. Receive the Monthly Status Report from Community Development Department

4. Receive the Capital Budget Execution Report from Community Development Department

5. Receive the Monthly Status Report from Fire Department

6. Receive the Monthly Status Report from Public Works

7. Re-adopt Ordinance 1526 Related to Mobile Vendors; second reading

8. Accept as Complete Series Street Lighting Project, CIP 08-06; Authorize Notice of Completion

9. Adopt Resolution Approving Summary Vacation for Excess Right of Way between East Gibson Road and Branigan Avenue

10. Adopt Resolution Approving Summary Vacation for Excess Right of Way at Intersection of Sixth and Court Streets

11. Approve Project Design and Bid Package; Authorize Bid Advertisement for Pioneer-Parkland Extension, CIP 09-27

12. Approve Council Summer Schedule

13. Approve Project Design and Bid Package; Authorize Bid Advertisement for ADA Improvements, Project No. 10-06

14. Adopt Resolution Designating MuniServices LLC as Authorized City Representative to Examine Sales and Use Tax Records

I. PUBLIC HEARINGS (6:25)

15. Conduct Public Hearing; Adopt Resolution of Necessity for APN: 041-070-006 to Extend Matmor Road and Construct Sports Park Drive (10 minutes)

J. REPORTS OF THE CITY MANAGER (6:35)

16. Receive 2010 Annual Water Quality Report (5 minutes)

17. Adopt Resolutions; Authorization of Exempt Commercial Paper Financing for Surface Water Project (10 minutes)

18. Adopt Resolution to Ratify Declaration of Emergency – Branigan Avenue Sink-hole (5 minutes)

K. REDEVELOPMENT AGENCY REPORTS (6:55)

19. Approval of RDA Owner Participation Agreement for the Jackson Building and Relocation Agreement for Hoblit Dealership (5 minutes)

20. Approval of Casa Del Sol Subordination Request (5 minutes)

L. ORDINANCES (7:05)

21. Introduce, Waive First Reading and Read by Title Only an Ordinance to Extend the Development Impact Fee Deferral Program (5 minutes)

M. ADJOURN (7:10)

I declare under penalty of perjury that the foregoing Agenda for the Joint Regular City Council/Woodland Finance Authority/Redevelopment Agency Board of the City of Woodland scheduled for Tuesday, May 3, 2011 was posted on April 29, 2011 in the outside display case at City Hall, 300 First Street, Woodland, CA, and was available to the public during normal business hours.

____
Christine Engel, Deputy City Clerk

Upon request, agendas and documents in the agenda packet will be made available in appropriate alternative formats to persons with a disability, as required by law. Any such request must be made in writing to the Office of the City Clerk of the City of Woodland. Requests will be valid for the calendar year in which the request is received, and must be renewed prior to January 1st.
Persons needing disability-related modifications or accommodations in order to participate in public meetings, including persons requiring auxiliary aids or services, may request such modifications or accommodations by calling the Office of the City Clerk (530-661-5806) at least 48 hours prior to the meeting.

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: May 3, 2011

SUBJECT: Council Communications

Report in Brief

Attached are communications received for which Council should be made aware:

1. Notice from Alcoholic Beverage Control of an on-sale general license for Big Mac Daddy located at 102 Main Street.

2. Notification from Pacific Gas and Electric regarding Proposed Modifications to the SmartMeter Program.

These items are for your information only.

Prepared by: Ana Gonzalez
City Clerk

____
Mark G. Deven
City Manager

Attachment

City of Woodland

ALCOHOLIC BEVERAGE CONTROL CHECKLIST

Name of Business Big Mac Daddy

Type of License On-Sale General / Person-to-Person transfer File No. 507960

Physical Location 102 Main Street

Mailing Address: ⊗ Same/Other

Transferor Name 480350/Joe Julian Cordova New Owner/ Manager

Received by City Clerk 2/8/11 Date Sent to Police Dept. 2/8/11

◇◇

Application Reviewed by ***Police Department*** Mimi Garcia-Higgins
Contact Name

Recommend Approval: ⊗ Recommend Denial: ○ Comments on Attached Sheet(s): ⊗

Comments Included Here ⇨ see attached

◇◇

Application Reviewed by ***Community Development*** Cindi Schamp
Contact Name

Recommend Approval: ⊗ Recommend Denial: ○ Comments on Attached Sheet(s): ○

Comments Included Here ⇨

◇◇

Upcoming Council Meeting Dates and Deadlines for Submission:

Submission Date ______ for inclusion at ______ Council Meeting

Submission Date ______ for inclusion at ______ Council Meeting

Submission Date ______ for inclusion at ______ Council Meeting

Returned to City Clerk on ______ Council Action Taken ______

Department of Alcoholic Beverage Control
State of California

APPLICATION FOR ALCOHOLIC BEVERAGE LICENSE(S)

ABC 211 (6/99)

TO: Department of Alcoholic Beverage Control
3321 POWER INN RD
SUITE 230
SACRAMENTO, CA 95826
(916) 227-2002

File Number: **507960**
Receipt Number: **2039590**
Geographical Code: **5703**
Copies Mailed Date: **February 4, 2011**
Issued Date:

Bigmac Daddy

DISTRICT SERVING LOCATION: **SACRAMENTO**

First Owner: **102 MAIN WOODLAND LLC**

Name of Business:

Location of Business: **102 MAIN ST**
WOODLAND, CA 95695-3126

County: **YOLO**

Is Premise inside city limits? **Yes**

Census Tract **0110.01**

Mailing Address:
(If different from
premises address)

Bar

Type of license(s): **48**

Transferor's license/name: **480350 / CORDOVA, JOE JULIAN**

Dropping Partner: Yes___ No X

License Type	Transaction Type	Fee Type	Master	Dup	Date	Fee
48 - On-Sale General Public	ANNUAL FEE	P40	Y	0	02/04/11	$876.00
48 - On-Sale General Public	PERSON-TO-PERSON TRANSFER	P40	Y	0	02/04/11	$1,250.00
NA	FEDERAL FINGERPRINTS	NA	N	2	02/04/11	$48.00
NA	STATE FINGERPRINTS	NA	N	2	02/04/11	$78.00
					Total	$2,252.00

Have you ever been convicted of a felony? No

Have you ever violated any provisions of the Alcoholic Beverage Control Act, or regulations of the Department pertaining to the Act? **No**

Explain any "Yes" answer to the above questions on an attachment which shall be deemed part of this application.

Applicant agrees (a) that any manager employed in an on-sale licensed premises will have all the qualifications of a licensee, and (b) that he will not violate or cause or permit to be violated any of the provisions of the Alcoholic Beverage Control Act.

STATE OF CALIFORNIA County of YOLO Date: February 4, 2011

Under penalty of perjury, each person whose signature appears below, certifies and says: (1) He is an applicant, or one of the applicants, or an executive officer of the applicant corporation, named in the foregoing application, duly authorized to make this application on its behalf; (2) that he has read the foregoing and knows the contents thereof and that each of the above statements therein made are true; (3) that no person other than the applicant or applicants has any direct or indirect interest in the applicant or applicant's business to be conducted under the license(s) for which this application is made; (4) that the transfer application or proposed transfer is not made to satisfy the payment of a loan or to fulfill an agreement entered into more than ninety (90) days preceding the day on which the transfer application is filed with the Department or to gain or establish a preference to or for any creditor or transferor or to defraud or injure any creditor of transferor; (5) that the transfer application may be withdrawn by either the applicant or the licensee with no resulting liability to the Department.

Applicant Name(s)	Applicant Signature(s)
.102 MAIN WOODLAND LLC	**See 211 Signature Page**

RECEIVED
FEB 08 2011
CITY CLERK'S OFFICE

"Proud To Serve"

DAN BELLINI
CHIEF OF POLICE

City of Woodland POLICE DEPARTMENT

Date: March 2, 2011

To: Community Development

From: Police Department
Mini Garcia Higgins

Re: Big Mac Daddy's Pub Inc
Fiduciary Transfer on ABC License

The Woodland Police Department does not have any concerns with this change. Prior conditions will transfer with the fiduciary change.

1000 LINCOLN AVENUE ★ WOODLAND, CALIFORNIA 95695 ★ PHONE: (530) 661-7800 ★ FAX: (530) 662-5377

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: May 3, 2011

SUBJECT: Council Communications

Report in Brief

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1. Notice from Alcoholic Beverage Control of an on-sale general license for Big Mac Daddy located at 102 Main Street.

2. Notification from Pacific Gas and Electric regarding Proposed Modifications to the SmartMeter Program.

These items are for your information only.

Prepared by: Ana Gonzalez
City Clerk

____
Mark G. Deven
City Manager

Attachment

MARCH 31, 2011

TO: STATE, COUNTY AND CITY OFFICIALS

NOTIFICATION OF APPLICATION FILING OF PACIFIC GAS AND ELECTRIC COMPANY:

Proposed Modifications to the SmartMeter™ Program (A.11-03-014)

What are the proposed modifications to the SmartMeter™ program application?

On March 24, 2011, Pacific Gas and Electric Company (PG&E) filed proposed modifications to the SmartMeter™ program in response to California Public Utility Commissioner Michael Peevey's request that PG&E provide a proposal that addresses certain customers' concerns about SmartMeter™ radio frequency (RF) communications. If approved, PG&E's modifications to the SmartMeter™ program would offer residential electric and gas customers the opportunity to choose to have PG&E turn off the radios in their electric and gas meters, thus maintaining the benefits and efficiencies of continued deployment of SmartMeter™ technology, while specifically addressing those customers' concerns about the RF signals from their meters. Participation would be voluntary and participating customers would pay an additional up-front fee, along with a monthly charge in the form of a fixed fee or a rate adder to support this customized solution.

Modifications to the SmartMeter™ Program & Costs

If approved, customers who choose to participate in the modifications to the SmartMeter™ program would pay to have PG&E turn off their SmartMeter™ radio communications. Participation is entirely voluntary for PG&E's residential electric and natural gas customers, including bundled service, direct access and community choice aggregation customers. Customers will have some choice as to how rates and fees are structured, but in general terms they would pay a one-time up-front fee, plus a monthly charge in the form of either a monthly fixed charge or a per-kWh (or per-therm, if a gas-only customer) rate adder. In addition, customers would owe an exit fee when they move from or leave the premise. The up-front fee will vary depending on whether the participant chooses to pay the fee all at once or over a two-year period. Rates will vary depending on the fee chosen and whether the participant wishes to pay via a fixed monthly charge or a volumetric (per-kWh or per-therm) rate adder. Rates are based on PG&E's unit costs to turn off the radio, manually read the meters every month, modify IT systems, provide information to customers on the program through call centers and other channels, and help reinforce the existing SmartMeter™ network to compensate for any degradation that turning off the radio causes.

PG&E will provide an illustrative allocation of the proposed rate changes **for customers who choose to participate** in this program, in a bill insert to be mailed to directly to customers, beginning in mid-April. **Rates will not change for customers who choose not to participate in this program.**

FOR FURTHER INFORMATION

To request a copy of the application and exhibits or for more details, call PG&E at **1-800-743-5000.**
For TDD/TTY (speech-hearing impaired), call **1-800-652-4712.**
Para más detalles llame al **1-800-660-6789;**
詳情請致電 **1-800-893-9555.**

You may request a copy of the application and exhibits by writing to:
Pacific Gas and Electric Company
SmartMeter Customer Choice Application
P.O. Box 7442, San Francisco, CA 94120.

The CPUC Process

The California Public Utility Commission's (CPUC) Division of Ratepayer Advocates (DRA) and the Energy Division will review this application.

The DRA is an independent arm of the CPUC, created by the Legislature to represent the interests of all utility customers throughout the state and obtain the lowest possible rate for service consistent with reliable and safe service levels. The DRA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. The DRA's views do not necessarily reflect those of the CPUC. Other parties of record may also participate.

The CPUC may hold evidentiary hearings where parties of record present their proposals in testimony and are subject to cross-examination before an Administrative Law Judge (ALJ). These hearings are open to the public, but only those who are parties of record may present evidence or cross-examine witnesses during evidentiary hearings. Members of the public may attend, but not participate in, these hearings.

After considering all proposals and evidence presented during the hearing process, the ALJ will issue a draft decision. When the CPUC acts on this application, it may adopt all or part of PG&E's request, amend or modify it, or deny the application. The CPUC's final decision may be different from PG&E's application.

If you would like to learn how you can participate in this proceeding or if you have comments or questions, you may contact the CPUC's Public Advisor as follows:

Public Advisor's Office
505 Van Ness Avenue
Room 2103
San Francisco, CA 94102

If you are writing a letter to the Public Advisor's Office, please include the number of the application (A.11-03-014) to which you are referring. All comments will be circulated to the Commissioners, the assigned Administrative Law Judge and the Energy Division staff.

A copy of PG&E's SmartMeter Customer choice application and exhibits are also available for review at the California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, CA 94102, Monday–Friday, 8 a.m.–noon, and on the CPUC's website at **http://www.cpuc.ca.gov/puc/.**

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: May 3, 2011

SUBJECT: Recognition of Youth Shrine Bowl Participants

Report in Brief

The City has received a request that the Council acknowledge the participation of Woodland High School students at the California Youth Shrine Bowl that took place on November 27, 2010.

Background

Youth from Pioneer High School and Woodland High School participated in the Youth Shrine Bowl. The Pioneer students were recognized at a previous Council meeting. Youth participants for the California Youth Shrine Bowl represent football teams and cheer squads from all over the region.

This event was a Community Service project for the students and they are being recognized this evening with Certificates of Appreciation for their fundraising efforts.

Prepared by: Ana Gonzalez
City Clerk

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Mark G. Deven
City Manager

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: May 3, 2011

SUBJECT: Proclamation – National Military Appreciation Month

Report in Brief

The City has received a request from a Woodland resident and member of the Sacramento chapter of the National Society of the Daughters of the American Revolution for the City Council to proclaim May 1 through June 14, 2011 as National Military Appreciation Month.

This recognition pays the nation's respect to the men and women who have served and currently serve in the United States armed forces and their families. The time period of May 1 – June 14 encompasses the celebrations of Victory in Europe, Military Spouse Day, Loyalty Day, Armed Forces Day/Week, National Day of Prayer, Memorial Day, Navy Day, Army Day and Flag Day.

A representative from the Sacramento chapter of the National Society of the Daughters of the American Revolution will be present to receive the Proclamation.

Recommendation for Action

Staff recommends that the City Council Proclaim May 1 through June 14, 2011 as "National Military Appreciation Month."

Prepared by: Ana Gonzalez
City Clerk

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Mark G. Deven
City Manager

Attachment: Proclamation

City of Woodland

NATIONAL MILITARY APPRECIATION MONTH

WHEREAS, The freedom and security that citizens of the United States enjoy today are direct results of the blood shed and continued vigilance given by the United States Armed Forces over the history of our great nation; and

WHEREAS, the sacrifices that such members of the United States Armed Forces and of the family members that support them, have preserved the liberties that have enriched this nation making it unique in the world community; and

WHEREAS, the United States Congress, in two thousand and four, passed a resolution proclaiming May as National Military Appreciation Month, calling all Americans to remember those who gave their lives in defense of freedom and to honor the men and women of all of our Armed Services who have served and are now serving our Country, together with their families; and

WHEREAS, the months of May and June were selected for this display of patriotism because during these months, we celebrate Victory in Europe (VE) Day, Military Spouse Day, Loyalty Day, Armed Forces Day/Week, National Day of Prayer, Memorial Day, Navy Day, Army Day and Flag Day.

NOW, THEREFORE, the City Council of the City of Woodland does hereby proclaim May 1 through June 14, 2011 as **NATIONAL MILITARY APPRECIATION MONTH** in the City of Woodland. We recognize this as a special time to show appreciation for our Military and encourage all citizens to join us in showing our gratitude by the appropriate display of flags and ribbons during the designated period.

Dated this 3rd day of May, 2011

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Artemio Pimentel, Mayor

Marlin H. Davies, Vice-Mayor

Martie L. Dote, Council Member

William Marble, Council Member

Tom Stallard, Council Member

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: May 3, 2011

SUBJECT: Community Development Department's Monthly Status Report

Report in Brief

Attached is the Community Development Department's Monthly Status Report. The report highlights major development projects.

Prepared by: Evis Morales
Management Analyst

Reviewed by: Paul Siegel
Deputy Director CDD

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Mark G. Deven
City Manager

Attachment: CDD Monthly Project Status Report

MILESTONE EVENTS

CDD New Project Submittals and Project Activities	• Chase Bank has submitted plans for the new Chase Bank at 304 Main Street. • Pulte Homes has been issued permits for 7 more homes in their subdivision at the corner of Gibson and Ogden. They plan to open the model homes on Friday April 15, 2011. • A Notice of Preparation of an EIR and the Initial Study for the Knaggs-Adams project (annexation/site plan/tentative subdivision map) were released on April 14, 2011. • A total of 25 new Business Licenses were issued this last month. • A total of 30 flood insurance letters were issued this last month. • A total of 84 permit applications were applied for, of which 65 were building related. • A Spring Lake neighborhood meeting was held on March 30, 2011 at which approximately 100 residents attended. • A Design Review application has been submitted by the owner of the Jackson Building, located at the corner of Bush and First Streets (formerly Morrison's), for exterior paint work. • Staff has had an initial meeting with Sacramento Area Council of Governments (SACOG) representatives, Yolo County, and Cities of Davis, Winters, and West Sacramento to begin discussing State housing allocation methodology.

DETAILED PROJECT LISTING

Changes will be highlighted in bold

PLANNING

Project: **Spring Lake**

Phase: n/a **PM:** Norris

Description: Proposed development is comprised of approximately 4,037 dwelling units on 665 acres, 11 acres of neighborhood commercial uses, over 280 acres of public and quasi-public land uses,

Project: **Spring Lake**

about 34 acres of parkland, and over 100 acres of major streets and roads. Overall, residential density will equate to about 6.1 units per acre. The Plan will result in a projected build-out of about 11,270 people.

Status: Spring Lake City Council Subcommittee Reviews

General Spring Lake Issues in process – BUA, Pay as You Go and Infrastructure Improvements

- The Staff recommendation regarding interpretation of the BUA Ordinance and a Pay as You Go financing methodology was presented to the City Council on October 6, 2009. The City Council recommended that staff proceed with measures to complete the financing proposal and allow release of "Second Release" Building Unit Allocations (BUAs).
- The update to the SLIF fees were approved by City Council on January 19, 2010 and updated fees became effective on January 20, 2010. The updated fee provides an increase of $809 per home. Final review of the SLIF Nexus study and fee update was approved by the City Council on February 16, 2010 and the urgency ordinance was extended.
- Proposed amendments to the BUA Ordinance were approved by City Council on October 5, 2010. The amendments allow the third release to be concurrent with second release; and allow the City to consider the possibility of increasing the maximum BUA allocation.
- Staff is working with the development community to facilitate the completion of Pioneer improvements in front of Pioneer High School.

Project Application Review (Norris/Hanson/Contract Planner C. Gnos)

Three active applications to amend the Spring Lake Spring Lake Specific Plan land use have been received and are summarized below:

- Heidrick 5 Acre (R-25): A funding agreement with Sacramento Mutual Housing Authority to allow development of 101 units was approved by City Council on July 20, 2010. Sac Mutual is in the process of applying for other funding as well**. Staff met with Sac Mutual representatives and their architect to begin discussions regarding site development and architectural considerations.**

- Pioneer Investors, Heidrick II: DA Amendments were approved by City Council on December 14, 2010.

- Cal West Specific Plan Amendment: The applicant has submitted a revised application based on a determination by the WJUSD that they no longer require the Cal West Seeds school site. This opens up 10 acres of potentially available land and possibly minimized the more complex issues of the park relocation and commercial land use amendment. The Specific Plan Amendment and Development Agreement was approved by City Council on December 14, 2010.

- Cal West Tentative Map submittal: Cal West Investors, LLC has submitted a Tentative Map application for 113 lots on the site located east of Hwy 113, north of future Farmers Central Rd and west of Harry Lorenzo Avenue. This map represents a portion of the overall Cal West site. Required studies including traffic, noise and air quality are underway. **Staff has issued a comment letter and has met with the applicant to discuss issues of density, site layout, and traffic analysis.**

- Spring Lake Central inquiries: This site is currently bank owned, however, it is currently up for sale. Staff continues to meet with prospective buyers and interested parties to inform them of Spring Lake standards and requirements for this property.

Project: **Spring Lake**

This is a key piece of the development and the ability to do future bond financing hinges on this property being in private ownership.

- Spring Lake Neighborhood Meeting: **At a citizen's request, City representatives attended a Spring Lake Neighborhood meeting. There were approximately 100 residents in attendance. Issues that were discussed included bond and financing concerns, infrastructure completion, as well as land use and future development. The City prepared a Handout of Frequently Asked Questions (SL FAQ) that was distributed to residents and is posted on the City's web site.**

Project: **Gateway II**

Phase: n/a **PM:** Norris/Consultant Planner C. Gnos

Description: The project site is currently located in Yolo County, south of the existing Gateway I center east of County Rd 102 and north of Gibson Rd. The project site encompasses approximately 154 acres in size and proposed a mix of retail and auto related uses. The current City of Woodland General Plan land use designation is Urban Reserve. The current Yolo County Zoning designation for the site is Agriculture (A-1). Surrounding land uses include the approved Woodland Gateway commercial center under construction in the City to the north, agricultural land in the County to the south, residential development in the City to the east, and the City Wastewater Treatment Plant to the west.

The proposed project includes an annexation, a General Plan Amendment to re-designate the site for General Commercial development, and a Prezoning of the site to General Commercial (C-2) in order to accommodate a future commercial development. In addition, a General Plan Amendment to modify the acceptable level of service from (LOS) from C to D for County Road 102 (CR 102) from Maxwell Avenue south to the City limits is also requested. The specifics of the commercial development are not in the project application.

Status: The Gateway II Draft EIR public comment period has been extended for an additional 45-day period. Comments were accepted through July 8, 2010. Seventeen (17) comments have been received in addition to comments provided at the public meeting. Staff and the consultant are working with the City Attorney's office to review those comments and providing responses.

In addition to working on responses to CEQA based comments, Staff with the City Attorney have been working to develop draft Development Agreement (DA) conditions. The review of the DA and EIR will occur concurrently.

Summary/Background:
The build out assumptions made for the purposes of completing the environmental analysis include up to 808,000 square feet of retail, three hotels, one sit down restaurant, three fast food pads, 80,000 square feet of auto mall uses, and 100,000 square feet of office. Detailed project design approvals will be part of a subsequent application**.** Phasing of development is being evaluated.

A Notice of Preparation of an Environmental Impact Report for the project was released on

Project: **Gateway II**

October 2, 2009 and a public scoping meeting held on October 21, 2009 at 6:00 PM in the City Council Chambers. Approximately 20 individuals attended. Staff has continued to receive written comments from agencies and individuals regarding the project.

The City has hired an outside consulting firm, Raney Planning and Management, funded by the applicant, to prepare the EIR and manage the processing of the application in conjunction with staff, including the annexation request. Analysis in the EIR will include assessment of individual and cumulative impacts. Technical studies to be used in the Woodland Gateway II EIR include:

- Traffic
- Ambient Air and Noise
- Climate Change and Greenhouse Gas
- Biological Resources
- Cultural Resources
- Wastewater and Odor
- Water Supply
- Drainage and Flooding
- Urban Decay and Fiscal Analysis

Staff continues to work on response to comments on the Draft EIR and preparation of a draft Development Agreement (DA).

Project: **Historic Preservation Commission (HPC)**

Phase: n/a **PM:** Planning Staff

Description: An appointed Commission for review and oversight of the City's Historic resources

Status:

The Historic Preservation Commission (HPC) will meet on Wednesday April 20, 2011 at which time the Commission will discuss and vote on the nominations for the Heritage Home Awards. In addition, on Preservation Award nomination is being considered. Heritage Home Awards focus on single family residential, while the Preservation Awards can be for any other subject including awards to individuals for service or for commercial buildings.

The Historic Preservation Commission has now met two times since the appointment of the new Commissioners, on February 16, 2011 and again on March 16, 2011. The Commission has indicated that their priority is to ensure that the Heritage Home Awards Ceremony happens this year. The Commission members have been researching and evaluating possible homes to nominate.

HPC has determined that with available staffing, the two key priorities of the Commission at this time are Heritage Home Awards and review of demolitions and development projects in the Downtown National Register District. An additional priority that has been carried forward is the modification of the Historic Resources Ordinance 12A. This is required in order to apply for Certified Local Government Status.

Project: **Prudler Project (formerly known as Four Seasons - The Mall Expansion Site)**

Phase: n/a **PM:** Hanson

Description: The proposed project, approximately 38 acres, would include 247 single-family homes and a clubhouse facility to serve the active adult homebuyer 55 years of age and above. The project proposes to be a gated community.

Status: **(No Change)** The draft Initial Study and Mitigated Negative Declaration was released for 30-day review. The fiscal study has been completed by Goodwin Consulting Group and the results of the study have been released to the applicant. Staff is now waiting on the applicant before any further action can take place. The project will go before both the Planning Commission and City Council. The applicant is requesting the following entitlements from the City of Woodland:

- General Plan Amendment to re-designate the site from General Commercial (GC) to Medium-Low Density Residential (MLDR);
- Spring Lake Specific Plan Amendment to modify the East Street cross-section for the segment south of the County Fair Mall to County Road 24A;
- Rezone of the project site from General Commercial Zone (C-2) to Duplex Residential Zone/Planned Development (R-2)(P-D) and adopt Planned Development Standards;
- Conditional Use Permit for development within a PD Zone; and
- Tentative Subdivision Map to subdivide a 38-acre site into 247 lots plus common area lots, which includes internal roadway and utilities necessary to serve the development.

Project: **Target Warehouse Expansion: Target Corporation has proposed to expand their existing 1.5Million square foot facility to add approximately 362,099 square feet, for a total of 1,871,690 square feet.**

Phase: Approved by Planning Commission **PM:** Hanson

Description: The project review included Site Plan, Design Review, including Public Art, and a Mitigated Negative Declaration. The project is located at the southeast corner of Beamer Street and County Rd 102; 2050 East Beamer St.

Status: **(No Change)** The project was approved by Planning Commission February 16, 2011, including the public art concept for a mural on the north building face. The building is in plan check.

Project: **Cinema 12**

Phase: Application under review **PM:** Hanson

Description: The project review included Site Plan, Design Review, including Public Art, and a Mitigated Negative Declaration. The project is located at the southeast corner of Beamer Street and County Rd 102; 2050 East Beamer St.

Project:	**Cinema 12**
Status:	**(No Change)** The application is under review for completeness; the applicant has been informed that the application is incomplete.

Project:	**Chase Bank Site Plan and Design Review**		
Phase:	Site Plan And Design Review Completed	**PM:**	Hanson
Description:	The project is to construct a new 4,120 square-foot Chase Bank with remote drive-up banking at 304 Main Street.		
Status:	**(No Change)** The project has been review and approved by the City. Staff is waiting on applicant to submit building plans.		

Project:	**Inland Terminal, (Agriform) request to add a 52,000 square foot dry fertilizer building on 18.56 acres adjacent to the nine (9) 600,000 gal storage tanks.**		
Phase:	Application Complete	**PM:**	Norris
Description:	The property is located at 1002 N East Street and is east of Hwy 113 and south of CR 18C. Project request includes a modification of the existing Conditional Use permit, Site Plan and Design Review and a Mitigated Negative Declaration.		
Status:	**(No Change)** The applicant has submitted their development application for review. Required studies for CEQA evaluation are underway and a flood modeling analysis has been prepared. To assist with facilitating development, staff has accepted the preliminary structural review for the building.		

Project:	**Knaggs/Adams Annexation Request: A request to annex to the City the approximately 150 acres of land located at the NE corner of Main Street and CR 102. Rubicon Partners is the applicant**		
Phase:	Initiation of the CEQA process	**PM:**	Sokolow/RBF
Description:	The applicant has submitted an application to initiate the proposed annexation of land which has a General Plan designation and Pre-Zoning designation for Industrial. Environmental review is required and future LAFCO review. The applicant will also submit a tentative map and site plan for review. The City has contracted with the firm of RBF to manage the environmental analysis for the site.		
Status:	**The environmental review process began in March and the City issued a Notice of Preparation of an EIR and the Initial Study on April 14. A public scoping meeting for the EIR will be held in City Council Chambers on April 27, 2011 at 6:00 p.m.**		

Project: **SACOG/MTP/RHNA**

Phase: Continued attendance and participation in long range planning efforts **PM:** Norris

Description: Staff participation in regional and locally focused long range planning efforts

Status: **Continued participation. Staff met with SACOG, County, and local governments to discuss the methodology regarding housing allocation number for the next housing element cycle in 2013.**

Project: **Yolo County Transportation Authority**

Phase: Building plans under review **PM:** Hanson

Description: The project proposes improvements to the project site in order to expand the Yolo County Transportation District administrative operations, dispatch, and maintenance facilities. In particular, the Project proposed the following improvements:

• Construction of a new 7,110-square-foot administration building, located on the eastern side of the existing large shop and south of the existing administration building, to accommodate current and planned YCTD administrative staff and functions
• Conversion of the existing administration building (3,100 square feet) to dispatch and operations uses and construction of an approximately 1,730-square-foot dispatch and operations addition located on the western side of the converted building, for a total of approximately 4,830 square feet of dispatch and operations space
• Conversion of a portion of the small shop to storage and a fare box vault
• Demolition of the existing modular building
• Construction of a new containment structure, with a footprint of approximately 3,000 square feet, over the existing bus wash
• Construction of an outdoor employee comfort space to the north of the proposed dispatch and operations addition
• Installation of an aboveground 10,000-gallon diesel tank, including spill-proof accommodations and fueling island, on 0.34 acre of the currently undeveloped northern portion of the site
• Construction of a new bus parking area on approximately 1.05 acres of the currently undeveloped northern portion of the site (proposed northern parking area)
• Construction of a new bus driveway that would allow two-way bus traffic to and from the proposed northern parking area from Cannery Road
• Addition of 41 new employee and visitor, bus, and paratransit parking spaces
• Construction of a 2- to 5-foot high retention wall around the developed portion of the site where most building structures are located
• Safety and security improvements, including fencing upgrades around employee parking and the perimeter of the site, and an automatic gate system
• Other site improvements, including drainage, lighting, and landscaping

Status: **(No Change)** Building plan plans are under review.

REDEVELOPMENT

Project: **Downtown Multi-plex Theater**

Phase: Selection of Developer **PM:** Shallit

Description: Construction of a downtown 12-14-screen multi-screen theater on Main Street.

Status: **(No Change)** Cinema West has submitted an application to the Planning Division. The Board agreed to suspend the RFP process pending the outcome of the CinemaWest project application. Staff was also directed to develop a plan to restore and reuse the State Theater.

Project: **New Woodland Courthouse**

Phase: n/a **PM:** Shallit/Sokolow

Description: Construction of 163,000 square foot courthouse at a cost of nearly $173 million to consolidate all of the court's operations at one location in downtown Woodland and increase the number of courtrooms to 14. The project will also include the provision of on- and off-site parking to support the new courthouse. The State Administrative Office of the Courts (AOC) is taking the lead for the courthouse portion of the project while the City/Redevelopment Agency is taking the lead for the property acquisition required by the project.

Status: **In March, the State Public Works Board (PWB) approved purchase of the project site from the Agency; the escrow for purchase of the property will close in late April or early May. The Agency will be reimbursed by the State for the purchase of the court-site at the close of escrow. The AOC expects to issue an RFP for a general contractor in April and select in June. Agency staff has contacted local contractors to alert them to potential bid opportunities. Local contractors may have opportunities for specific trades if the AOC bids out the trades separately from the general contractor selection process. Agency staff is exploring potential opportunities for local construction suppliers. The AOC's project architects will begin the schematic design process (block and stock plans, space plans, floor plans, exterior massing, etc.) in mid-April. The PWB will consider purchase of the off-site parking sites (along Sixth Street adjacent to Oak Avenue) for the new courthouse at its May meeting.**

Project: **Facade Grants**

Phase: n/a **PM:** Shallit/Sokolow

Description: Downtown storefront improvement program, which will award up to $30,000 in matching funds per applicant.

Status: **Porter Building (501-511 Main Street) –** Cambridge Junior College began classes on the first floor of Porter in September 2010 and the improvements necessary for Cambridge to fully occupy the first floor were completed in February 2011. The façade improvements were completed in March 2011. The Agency approved a loan of $200,000 to the building owner in October 2010 through the Agency's Second Floor Retrofit Program to help the

Project: **Facade Grants**

owner with the rehabilitation of the second and third floors as well as assisting with any remaining work necessary for Cambridge's full occupancy of the first floor. Work continues on the second and third floors. Staff is evaluating need for additional financial assistance and restructuring of existing loan.

Maria's Cantina (306 Sixth Street) – Work on the façade and interior improvements continue. The project is eligible for up to $30,000 in façade funds.

Muscle World Building (514 Main Street) – The owner of the old Muscle World building is working with RDA staff on designing and financing rehabilitation of the building and **submitted an application for the façade program in April.**

Hunt Building-Sean Denny (416 – 418 First Street) – The property owner is near completion with restoration of the façade at 418 First.

Jackson Building (Former Morrison's location, 426 First Street) -The property owners are working with RDA staff on façade and interior improvements.

Project: **Casa del Sol Mobile Home Park 621-709 East St.**

Phase: Construction **PM:** Shallit

Description: Rehabilitation of an approximate12.6 acre mobile home park. This project includes the construction and installation of improvements to infrastructure, including roads, water, and sewer, and the rehabilitation or acquisition of 156 mobile homes for very –low, low, and moderate income households. A new 15,000 square foot community center will also be built. Project costs for acquisition and rehabilitation total $16,628,113.

Status: **(No Change)** The old staff person has returned to HCD to continue processing the Casa application. CHOC has provided the City with draft loan documents that are currently under review. A target date for the HOME loan closing of October 17, 2010 was missed and a new date will need to be set. The thirty (30) new coaches cannot be ordered from Skyline until the loan is approved.

Project: **SACOG Community Design Program, Woodland Downtown Streetscape Project**

Phase: n/a **PM:** Shallit

Description: Grant application to fund construction of streetscape improvements (landscaping, sidewalks, bulb outs, traffic signal, etc.) on Main Street between Third and East Streets.

Status: **(No Change)** In January 2010, the SACOG Board of Directors approved $915,000 in grant funds under the SACOG Community Design Program for the City's project. SACOG has not yet made a determination on when the funding will be available for the City's project.

Project: **Rule 20A Project (Undergrounding utilities)**

Phase: n/a **PM:** Sokolow

Description: The City's 17th Undergrounding Utility District would underground the overhead utilities on Dead Cat Alley between Third and Fifth streets. PG&E's Rule 20A Program provides funding (credits) to underground utilities in a community.

Status: The City Council, at its February 1 meeting, approved the establishment of Underground Utility District 17 (Dead Cat Alley). RDA staff notified adjacent property owners as well as the effected utilities of the City Council's approval of the district so they can begin designing their underground utility facilities. **RDA staff will be working with PG&E on whether the design work can be expedited.**

Project: **CDBG Administration**

Phase: n/a **PM:** Ross

Description: Preparing documentation and project monitoring for CDBG funded activities. Also includes the community application process for funding.

Status: **(No Change)** Staff is currently preparing for the FY12 grant year. In preparation, staff is communicating to current subrecipients and the public the requirements of the grant and the application process. Staff has developed a calendar to outline critical dates and is planning to Council on May 17, 2011 for the annual Public Hearing on the Action Plan.

Project: **Inclusionary Housing Program**

Phase: Ongoing **PM:** McLeod

Description: These are affordable housing units made available for sale under the requirement of homes for low and moderate-income families.

Status: **Standard Pacific has released two affordable units and are working with the City to identify potential buyers.** Staff is waiting for the first release of affordable units in Pulte's Starlyn Park subdivision.

Project: **Rochdale Grange**

Phase: Construction **PM:** McLeod/ Luevano

Description: Construction of a 44-unit very-low income apartment complex by Neighborhood Partners in Spring Lake. The land was dedicated to the project by Reynen and Bardis to fulfill a portion of their Inclusionary Housing requirement in Spring Lake. The main funding source for the project is a $4 million HOME grant.

Status: **The project is 90% completed. All buildings have been painted with the exception of the Community Center. A few punch list items, carpeting, flat work, landscaping, and**

Project: **Rochdale Grange**
completion of the off-sites remain to be completed.

BUILDING

Project: **Porter Building/Cambridge College Tenant Improvement**

Phase: Construction **PM:** Luevano

Description: Seismic Retrofit/Tenant Improvements

Status: **(No Change)** Permanent Certificate of Occupancy was issued for the first floor. The $900,000 construction project will now expand to the second and third floors. Redevelopment staff is evaluating need for additional financial assistance. Cambridge College is now holding classes at the Porter Building Monday through Friday with approximately 180 students attending, while work on the building continues.

Project: **Maria's Cantina**

Phase: Construction **PM:** Luevano

Description: Restaurant Remodel

Status: A façade grant application was submitted. Redevelopment staff is processing that request. **Project is currently at final stages of construction. Target date for completion is May 16, 2011.**

Project: **Rochdale Grange**

Phase: Construction **PM:** Luevano

Description: Construction of a 44-unit very-low income apartment complex by Neighborhood Partners in Spring Lake.

Status: **All buildings are at finish stages of construction**.

Project: **Red Robin Restaurant**

Phase: Construction **PM:** Luevano

Description: Restaurant located at the Gateway I center east of County Rd 102 and north of Gibson Rd.

Project: **Red Robin Restaurant**

Status: **Project is currently at final stages of construction. Final target date for completion is scheduled for April 15, 2011. Friends and family is scheduled for April 21 & 22 and the grand opening is scheduled for April 28, 2011.**

Project: **SpeeDee Oil Change and Tune-up**

Phase: Construction **PM:** Luevano

Description: Automotive Repair expansion located at 216 W. Main Street.

Status: **Project is currently at final stages of construction**. Final target date for completion is scheduled for April 2011.

Project: **Plan Review**

Phase: n/a **PM:** Essenwanger/Hanson

Description: Projects currently being plan checked in CDD's Building Inspection division.

Status: The following *large scale* projects are currently in plan review:

1. The Woodland Opera House has been tentatively approved pending proposal and approval of revised gas meter location and backflow preventer location.

2. Yolo Transportation New Administration Building, Remodel of Existing Buildings and Site Improvements project at 350 Industrial Way has been reviewed and the initial comment letter has been sent.
3. The Target Distribution Center Expansion Project (2050 E. Beamer Street): **Initial submittal of building plans for the approximate 344,000-ft^2 expansion to the existing building has been received, reviewed and comments sent to applicant.**
4. Panda Express Restaurant Tenant Improvement plans (2031 Bronze Star Drive) **have been resubmitted and the second plan review completed and revised plans approved.**
5. New Agriform 54,000-ft2 Storage Building at SE corner of State Hwy 113 and County Road 18C has been submitted for initial review and is in the process of being reviewed.
6. **Revised Master Plans for Solar Photovoltaic systems for Pulte/Centex/Starlyn Park and Standard-Pacific/Parkside subdivisions have been submitted, reviewed, and approved**.
7. Starbucks Coffee has submitted plans for a new Starbucks at 2021 Bronze Star Drive in the Gateway Shopping Center. **Revised plans have been received, reviewed, and approved.**

8. **Rochdale Grange Community Building 10.12-kW DC PV-Solar System (2090 Heritage Way): Plans have been received, reviewed, and approved.**

Project: **Plan Review**

9. **Standard-Pacific Photovoltaic-Solar systems master-plans, Parkside Subdivision, have been received, reviewed, and approved.**
10. **Western Wood Treating plant 29,000-ft2 Steel Canopy Addition (1492 Churchill Downs Ave): Plans have been received, reviewed, and comment letter written.**
11. **Red Water Management 1st-Floor Tenant Improvements (221 W Court Street): Has been reviewed and approved.**
12. **Black Dragon Micro Brewery, Bar & Store Tenant Improvement (175 W Main St #B): Plans have been received, reviewed, and comment letter written.**
13. **AT&T Office Major HVAC Upgrade Project (629 Lincoln Avenue): Has been received, reviewed, and approved pending submittal of the structural engineer's signed plan-sets.**
14. **Tower Energy Market Remodel (901 East St.): Plans have been received, reviewed and approved**.
15. **St. Johns Retirement Center ADA Ramps (135 Woodland Avenue): Plans have been received and are in queue for initial plan review.**
16. **Leer West Inc. Dust Booth Equipment (1686 E Beamer St.): Plans have been received, reviewed, and approved.**
17. **Cardinal Products New Mezzanine Floor in F and H-occupancy Warehouse (57 Matmor Rd.): Plans have been received and are in queue for initial plan review.**

Project: **Code Enforcement**

Phase: n/a **PM:** Dennis

Description: Major code enforcement efforts.

Status: **(No Change)**

ONGOING CASES

1. Currently working with the Yolo County Health Department on passing the responsibilities of Substandard Housing within the City of Woodland to Code Enforcement.
2. 32 Joyce Court – Three utility trailers parked in driveway.
3. 601 Main Street – Capital Saloon and Grill, customers leaving cigarette butts in City landscaping.
4. 621 West Street – inoperable vehicles and junk/debris accumulation.
5. 123 Sutter Street – Junk/debris accumulation
6. 904 Third Street – Guesthouse that has been illegally converted and rented out as a permanent residence.
7. 555 Matmor – (Cross Road Village Apts.) Garbage accumulation in dumpster enclosures, A/C unit hanging from window.
8. 21/23 Park Avenue – Inoperable vehicles visible from the public right of way.
9. 102/110 Railroad Drive – Inoperable vehicles and junk/debris accumulation.

RECENTLY RESOLVED CASES

1. 311 Grafton – Auto repair business being ran out of residence. Noticed on 2/22/11 and compliance on 3/1/11
2. 1120 Gum Avenue – Suite E – Illegal residence in a commercial building. Unit has

Project: **Code Enforcement**

been vacated.

ONGOING ISSUES

- Business license inspections and violations.

ENGINEERING

Project: **Spring Lake Implementation**

Phase: n/a **PM:** Pollard/ Fong

Description: Proposed development will be comprised of approximately 4,037 dwelling units on 665 acres, 11 acres of neighborhood commercial uses, over 280 acres of public and quasi-public land uses, about 34 acres of parkland, and over 100 acres of major streets and roads. Overall, residential density will equate to about 6.1 units per acre. The Plan will result in build-out to accommodate approximately 11,270 residents.

Status: **(No Change)** Staff is working on facilitating various developments in Spring Lake from the first and second release.

Project: **Pulte/Centex/Beeghly**

Phase: n/a **PM:** Pollard

Description: Residential Subdivision on Beeghly Ranch Property.

Status: **(No Change)** Staff and City Attorney working to resolve issues with Breach of Development Agreement City attorney working with Centex's attorney to draft amendment. Staff is also working on property acquisition and Quiet title action. The City put a demand letter on Centex and after meeting with Pulte, the City has since put the demand in abeyance. Additional meetings are needed with Pulte, the Attorneys, and City Staff.

Project: **On Site Civil Improvements**

Phase: Plan Check **PM:** Weichel

Description: Various projects in for plan check.

Project: **On Site Civil Improvements**

Status: 2011: **Two (2) Complete One (1) Plan Checks in Process**.

Project: **Encroachment Permits**

Phase: Application Processing **PM:** Weichel

Description: Permitting for minor improvements within the public Right of Way.

Status: **Thirty-three (33) issued and Eight (8) in process.**

Project: **Solara Ranch**

Phase: Pre Submittal **PM:** Fong

Description: 94 Residential units within (DR Horton) within Spring Lake

Status: **(No Change)** Had pre-submittal meeting at the request of the developer.

Project: **Gibson & Ogden**

Phase: Final Map/Construction of Improvements **PM:** Fong

Description: Residential Subdivision in the Southeast area.

Status: **(No Change)** Improvements were accepted on March 1, 2011 and the subdivision is in the warranty period.

Project: **Miekle/Banks**

Phase: Pre Construction **PM:** Fong

Description: Extension of Miekle Avenue and Banks Way within the Spring Lake Area

Status: **Street and utility improvements have been partially completed; waiting for site to dry out before completing work. Staff is reviewing landscape plans.** Staff is also preparing Reimbursement Agreement for SLIF credits.

Project: **Pioneer Village – Unit 1 (AKA: Merritt Murphy)**

Phase: Plan Check **PM:** Fong

Description: Residential Subdivision in Spring Lake.

Status: **(No Change)** Applicant has resubmitted improvement plans, preparing to update plans and check improvements.

Project: **Standard Specification Update**

Phase: Completed **PM:** Karoly

Description: Updating Engineering Standard Specifications to reflect current desires and practices. Items under consideration include LED street lights, surface seals, mapping basis, and AMR device change for water meters.

Status: **(No Change)** Staff is preparing an Addendum No. 2.

Project: **Gateway II**

Phase: Preparing Environmental Document **PM:** Pollard

Description: Annexation of approximately 150 acres east of Road 102 for commercial development.

Status: **(No Change)** Assisting consultant in response to comments and reviewing Development Agreement items.

Project: **Prudler Sievers (formerly known as Four Seasons - The Mall Expansion Site)**

Phase: Tentative map **PM:** Pollard

Description: 38-acre Residential senior housing sub division south of the County Fair Mall.

Status: **(No Change)** Prepared revised comments and met with applicant to discuss fees.

Project: **Cal West Seeds**

Phase: Tentative Map 4991 **PM:** Pollard

Description: 109 SFD map plus R-15 site

Status: **(No Change)** Preliminary review has been completed. Staff is preparing studies and drafting conditions.

Project:	**Final Map Processing**		
Phase:	Processing final Maps	PM:	Hatch
Description:	Processing final Parcel Maps or Sub Division Maps for recordation and division of land		
Status:	One (1) Subdivision Map completed; **One (1) Subdivision Maps in process; One (1) Parcel maps completed**; and One (1) Parcel Map in process.		

Project:	**Transportation Permits**		
Phase:	Permit Issuance	PM:	Hatch
Description:	Receiving Requests, Processing, and issuing oversized truck permits		
Status:	2011: **47 issued**		

Project:	**Subdivision 4675 Parkside**		
Phase:	Final Map and Plan Submittal	PM:	Fong/Pollard
Description:	Final map for a subdivision located in the Spring Lake with 162 Residential lots and over $7 million in public improvements.		
Status:	**(No Change)** Construction underway with improvement agreement. The Final map is being phased with 42 lots. Staff is working with the off-site property owner to allow for completion of Sports Park Drive and East Street intersection.		

Project:	**Knaggs Annexation II**		
Phase:	Annexation	PM:	Pollard
Description:	Annexation of approximately 160 acres near East Main Street and Road 102.		
Status:	**Staff is starting to work on technical studies and is meeting with the applicant and consultant.**		

Project:	**Court House**		
Phase:	Preliminary Design	PM:	Fong/Pollard
Description:	Construction of $2 million traffic, sewer, water, and sidewalk improvements to support the new Courthouse.		
Status:	**Staff met with project engineer to determine infrastructure requirements.**		

Project:	**Heidrick II**		
Phase:	Final Map	PM:	Fong/Pollard
Description:	Final of 69 lots on the Heidrick tentative map in Spring Lake.		
Status:	Applicant has requested plan review prior to map submittal. Plan review has been completed and returned to applicant. Draft agreements have been prepared for prospective buyer. Prepared revised conditions for Development Agreement Amendment. **Staff is reviewing the third submittal of improvement plans.**		

Project:	**Parkland Landscape Design**		
Phase:	Landscape Design for Parkland	PM:	Fong
Description:	Landscape plans for Parkland Avenue between Heritage and Marston between Parkland and Road 101		
Status:	**(No Change)** Waiting for re-submittal of plans.		

Project:	**Widening Pioneer Avenue (CIP 09-24)**		
Phase:	Design	PM:	Fong
Description:	Widening Pioneer Avenue between Gibson Road and the Pioneer HS main entrance.		
Status:	**(No Change)** Staff is reviewing revised plans.		

Project:	**Road 25A (CIP 09-25)**		
Phase:	Road Rehabilitation	PM:	Fong
Description:	Overlay and widening to standard width of 24 feet plus shoulders.		
Status:	**(No Change)** Received funding for design from Pulte Homes and executed contract for services with Cunningham Engineering Corporation. Environmental document being prepared by consultant.		

Project:	**Extending Pioneer Avenue (CIP 09-27)**		
Phase:	Design	PM:	Fong/Karoly
Description:	Extending two lanes of arterial road from Farmers Central Road to Heritage Parkway.		
Status:	**Authorization to bid will go to Council in May**. Staff has contacted property owners and staff estimates that a purchase agreement will go to Council in April 5, 2011.		

Project: **Starlyn Park**

Phase: Road Rehabilitation PM: Fong

Description: Design/Plan Check

Status: **(No Change)** Plans have been submitted and are under review.

Project: **Chase Bank**

Phase: Design PM: Weichel

Description: Constructing Downtown improvements along the property frontage at the corner of Walnut and Main Streets.

Status: **(No Change)** Staff has had a pre-application meeting with the applicant.

Project: **Capital Projects**

Phase: Pre-Design, Design, Bidding, Construction **PM:** Ayon, Brant, Burnham, Camacho, Chavez, Fisher, Heath, Karoly, Meyer, Scott, Sharp, Weiser, Wurzel

Description: Capital Projects

Status: **(No Change)** Capital Improvement Project Execution **-** Engineering staff is managing/designing 34 active projects (FY 10/11 budget = $24 million) and assisting with PW managed CIPs. For detailed summary of all Capital projects, please see the separate document “CDD Capital Project Status Report.”

Project: **Development Projects Under Construction**

Phase: Construction, Warranty **PM:** Heath

Description: Development Projects Under Construction

Status: **(No Change)**
Major developments under construction:

- Parkside (south of Matmor, east of East Street, north of Community & Senior Center) – completing street construction and public utilities.
- Southerly extension of Miekle to Banks includes portion of Banks– completing street construction and public utilities.

Encroachment Permit Inspection –One (1) 2008 permit still active; nine (9) 2009 permits still active. Six (6) 2010 permits are still active; Eighteen (18) permits issued thus far in 2011.

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: May 3, 2011

SUBJECT: Capital Budget Execution Status Report – Community Development Managed Projects

<u>Report in Brief</u>

The procedures approved with the Capital Budget authorized the City Manager to award design/consultant service contracts and to issue Invitations for Bid for construction contracts within approved scope and budget. A Capital Budget Execution Status Report is attached showing recent actions taken relative to the Capital Budget for projects managed within the Community Development Department. Projects managed by Public Works are included with their monthly report.

Staff is available to address any questions Council may have.

Prepared by: Michael Karoly, PE
Sr. Civil Engineer

Reviewed by: Brent Meyer, PE
Principal Civil Engineer

Reviewed by: Paul Siegel
Deputy Director CDD

____
Mark G. Deven
City Manager

Attachment: Capital Budget Status Report

MILESTONE EVENTS

Pioneer Avenue Extension, CIP 09-27	**Council approving design and authorize bidding at May 3rd meeting**
Series Street Light Replacement, CIP 08-06	**Council accepting construction contract at May 3rd Meeting**

ADMINISTRATION

Project: **Engineering Standards**

Phase: Admin **PM:** Karoly

Description: Preparing an update to the Engineering Standards to adopt LED Street lights as the City street lighting standard, update pavement surface seal specifications and a few other misc. changes.

Status:

- Draft Addendum in process**; implement LED street light standard, modify mapping basis, meter AMR device updates, and other misc. changes.**
- Addendum #2 will be issued in spring 2011.

DETAILED PROJECT LISTING

Project: **97-24, Interstate 5 & County Road 102 Interchange Improvement**

Phase: Construction **PM:** Ayon

Description: This project consists of the construction of a southbound I-5 on-ramp, modifications to the existing on-ramps and off-ramps, widening CR 102 from two to four lanes between the NB ramp terminal and the SB ramp terminal, and widening CR 102 to six lanes from the SB ramp terminal to Maxwell Avenue.

Status:

- Council awarded construction contract on June 29, 2010.
- Contractor started work during August 2010 and construction completion is expected in fall 2011.
- Completing bridge work **and opened the new southbound I-5 on-ramp to traffic.**

Project: **98-01, Matmor and E. Gum Traffic Signal**

Phase: Design **PM:** Camacho

Description: Install a new traffic signal at the intersection of E. Gum and Matmor. The project is a CEQA requirement of the Parkside development project. Project will install turn pockets and make any needed ADA improvements

Status:

- Traffic Engineering staff is evaluating the layout of the parking restriction **and a recommendation will be presented to the Traffic Safety Commission on May 2**.

Project: **00-04, Lemen, North and East Streets Realignment**

Phase: Design & RW **PM:** Ayon

Description: This is a Federal Aid project to realign Lemen Avenue opposite North Street, install a traffic signal, and construct a median on East Street at Court Street to prevent left turns to and from Court Street. Signal interconnects between Main Street and North Street will be included.

Status:

- Right of Way acquisition: land acquisition is complete. Yolo Telecom **completed their fiber line relocation that was** in conflict with the project**.**. Coordinating with the railroad to obtain required agreements.
- Railroad: Per City Attorney, we may not need to enter into the Wireline Crossing Agreement we received from the railroad pending further research from City Attorney. Coordinating with the railroad to prepare a Synchronization Agreement, **PUC reviewed** the required General Order 88-B **and gave their approval.**
- Completing design documents.
- Undergrounding District: ATT is substantially complete with their undergrounding construction except for one crossing of East Street which requires customer coordination for shut-down and switch over. **ATT submitted encroachment permit application to construct this work.**
- Construction of roadwork is expected to begin during summer 2011.

Project: **00-06, I-5 and Highway 113 Interconnect, Phase 2**

Phase: Design **PM:** Ayon

Description: This project includes the construction of the freeway to freeway connector from northbound I-5 to southbound SR 113. This project is being designed and managed by Caltrans.

Status:

- Design is substantially complete.
- Caltrans is managing Right of Way acquisition and utility relocation; 4 parcels left to acquire for right-of-way and utility relocations.

Project: **01-04, Traffic Model Update**

Phase: Pre-Engineering **PM:** B. Meyer

Description: The project includes an update of the City's Traffic Model to reflect changes due to development, and zoning of new growth areas and the update of the Streets Master Plan to address changes in growth, zoning, and the general plan update.

Status:

- Council approval is planned for summer 2011.

Project: **03-25, Springlake Fire Station**

Phase: Land **PM:** Johnson

Description: Acquire property (1 acre), improve site and construct neighborhood station with two bays to protect southeast corner of city. (Spring Lake Specific Plan Area).

Status:

- Design was completed based on prior Building Code; Design update required prior to bidding at future date to be determined.
- Land acquisition is on hold.

Project:	**05-09, Main Street widening (west bound), East to 6th Streets** **09-18, East & Main Storm Drain Deficiency Replacement/Repair**
Phase:	Construction **PM:** Chavez
Description:	The 05-09 project will widen the north side of Main Street from East Street to Sixth Street by widening to allow two lanes of westbound traffic through the intersection. The 09-18 project will construct new 18" storm main crossing of RR tracks to replace one of two 6" pipe crossings.
Status:	• Continuing coordination with railroad for roadway portion of improvements; process was initiated prior to bid. Making minor modifications to plans based on UPRR comments. • City Manager awarded the contract with a delay of construction until spring 2011. • RR coordination for crossing work is delaying construction start until May or June.

Project:	**05-27, Springlake Neighborhood Park N2 (Jack Slaven Park)**
Phase:	Completed **PM:** Burnham
Description:	Development of a new 8-acre neighborhood park, which will include grading, drainage, play apparatus, turf areas, picnic area, restroom building and acquisition of land.
Status:	• Park opened to the public on May 4th, 2010. • Contract acceptance delayed until chemical storage room is constructed. • Council approved additional contingency, change order executed and construction on chemical storage unit **began** week of March 21st. Weather permitting, work is expected to be completed in one (1) month.

Project:	**06-09, SCADA System – Water**
Phase:	Construction **CM:** Heath
Description:	Construction of a centralized control system for water system operational efficiencies.
Status:	• CDD staff will be assisting PW staff with construction management duties. • **Installation of hardware at well sites is nearly complete.** • See PW Monthly update for detailed report.

Project:	**08-06, Series Street Light Replacement, Phase 1**
Phase:	Construction **PM:** Chavez
Description:	This project will replace old "series" type street light wiring and install new lights. The first phase segments are on Main Street from West Street to Elm Street and from 3rd Street to 6th Street. Project extents will match existing street lighting circuitry.
Status:	• Construction was completed in late January; except for one last change order to replace a curb ramp. • Final inspection will be completed in March; Council acceptance scheduled for **May.**

Project:	**08-21, Annual Sewer Repair and Replacement**		
Phase:	**Design, Construction**	**PM:**	**[Cocke, PW] Chavez**
Description:	**Repair and/or replacement of existing sewer mains and laterals based on priorities as determined during routine maintenance work and CCTV surveys of facilities.**		
Status:	• **Used informal bid process to award contract ($96,000) to perform three point repairs; on Gibson at Gary Way, on 4th Street south of Cross and on Matmor north of Gibson.** • **Designing lining of sewer trunk mains from Beamer & CR 102 to SS lift station at E. Main Street.** • **Issuing RFP to CCTV companies to provide services to investigate and report on existing 'orangeburg' laterals.**		

Project:	**08-58, Downtown Beautification**		
Phase:	Design	**PM:**	Karoly
Description:	Enhance downtown's role as the government, dining, entertainment, cultural and retail/specialty center of the community. Also preserve, as appropriate, historic architectural features. Project limits are Main Street from East Street to Third Street. Possible improvements include curb bulb-outs at intersections, traffic signal at 5th and other features as appropriate or affordable. Applying for a SACOG 2010 Community Design Grant.		
Status:	• SACOG has awarded the grant funding to the City for the Federal Fiscal Year 2015. Staff intends to design the project in FY 2011 so that the project will be eligible for advance funding if it becomes available. • Field Survey work is complete. Design will be performed by staff; schedule dependent on staff availability due to higher priority projects.		

Project:	**09-21, Series Street Light Replacement, Phase 3**		
Phase:	Pre-Engineering	**PM:**	Chavez
Description:	Perform preliminary engineering (scoping) and design to replace the existing series street lighting in the Gibson-College circuit. Develop construction cost estimate for future funding and/or grant applications.		
Status:	• Consultant preparing final report.		

Project:	**09-22, Water Meter Phase 2**		
Phase:	Construction	**PM:**	Heath
Description:	Grant funded project to install water meters on existing unmetered water services throughout the city. Project design was managed by PW; Construction is managed by CDD. Grant is primarily funded by American Reinvestment and Recovery Act (A.R.R.A.) funds.		

Project: **09-22, Water Meter Phase 2**

Status:

- Work started on September 28, 2009; anticipate completion in January 2012.
- The contractor has completed approximately **6,500** **(81%)** meter conversions out of 8,020 total meters in the contract.
- PW staff is working with various homeowner associations to determine metering and billing details for condominiums. **This work will be designed and bid separately.**

Project: **09-24, Pioneer Avenue Widening from Gibson Avenue to Farmers Central Road**

Phase: Design **PM:** Fong

Description: Widen Pioneer Avenue to ultimate width (4 lanes) from Gibson to the future Collector 4 intersection (also High School entrance). Includes installing Traffic Signal at Pioneer/Collector 4, transitioning from full width road section north of Collector 4 to the existing two lanes south of Collector 4, and related sewer and storm drain improvements.

Status:

- Project is under design; construction delayed until funding is resolved.

Project: **09-25, County Road 25A from County Road 101 to State Highway 113**

Phase: Design **PM:** Fong

Description: Pavement rehabilitation and widening of County Road 25A between Highway 113 and County Road 101. Final configuration will be a 2-lane roadway.

Status:

- Design funding provided by Pulte (Centex) in January 2010.
- Project is under design

Project: **09-26, Energy Efficiency Community Block Grant (A.R.R.A.)**

Phase: Pre-Design **PM:** Karoly

Description: Purchase and install LED Street Lights to replace existing HPS lights. The funding for this project is Federal Economic Recovery Act (A.R.R.A.).

Status:

- Council award**ed** LED Street Light purchase at April 5th meeting.
- **Placing order with lighting manufacturer for 1,700 LED light fixtures.**

Project: **09-27, Pioneer Widening from Farmers Central Road to Heritage Parkway**

Phase: Design **PM:** **Karoly, Heath**

Description: Construct 2-lane interim 2-lane roadway, including street lighting, along Pioneer Avenue, south of Farmer's Central Road to Pioneer/Parkland to Parkland/Heritage Parkway, to provide better connectivity within Springlake area.

Status:

- **Construction scheduled for** summer 2011.
- **30-day due diligence period commenced on Apr. 7 for** right of way dedication and acquisition.
- **Final revisions to Plans, Specifications** for bidding**.**
- **Council scheduled to approve design at May 3 meeting and authorize bidding.**

Project: **10-01, Irrigation Rehabilitation Phases 2 and 3**

Phase: Pre-Design **PM:** Karoly

Description: This project will upgrade existing irrigation systems to conserve on energy and water use. Proposition 50 Grant funds must be spent by December 2012. Project work includes installing centralized irrigation control, booster pumps, replacing in-ground irrigation systems and turf repair/replacement.

Status:

- **Preparing** Quarterly Reports **for Jan-Mar 2011 along with** Reimbursement **invoice for** State DWR review and payment.
- **Bidding** Phase **2** work (2011) to include complete replacement of the irrigation systems at City and Harris Parks, installation of new booster pumps and centralized controllers at Cline, Douglass, and Schneider Parks and installation of controllers at Woodside, John Ferns, Crawford, Pioneer Klenhard and Campbell Parks. This work will be constructed during summer 2011.
  - Scheduled for **award of construction contract at May 17th** Council meeting.
  - Commencing public notification process since City and Harris Parks will be closed during the work. Other parks will remain open since there is very minor impact to the public.
- Phase **3** (2012) work will include complete replacement of the irrigation systems at Beamer Park (& Circle), Freeman, Tredway Parks, and Buchignani Field (depending on budget since County owned), and installation of controllers at Everman, Clark Field, Roddy, Traynham, Streng Pond and Woodland Cemetery. This work will be constructed during summer 2012.

Project: **10-06, 2010/11 ADA Improvements**

Phase: Design **PM:** Camacho

Description: Project will re-construct ADA required improvements such as curb ramps, driveways and sidewalk to improve existing pedestrian paths of travel in the public right of way.

Status:

- Design is currently underway
- Bidding is anticipated for Spring 2011.
- Construction is planned for Summer 2011.

Project: **10-07, East Kentucky Rehab (East to Harter)**

Phase: Design **PM:** Burnham

Description: Project will rehabilitate E. Kentucky from East Street to Harter Avenue; including adding bike lanes to close the bike system gap on Kentucky. The project will reconstruct the pavement, valley gutters and curb. This project is Federal-Aid funded by SACOG in 2013. Local funds are being used for design.

Status:

- Retained consultant to obtain topographic survey for design.
- Retained consultant to investigate pavement condition and prepare rehab recommendations.

Project:	**10-09, Gibson Ranch Landscaping; Spring Lake Ct. & Bourne Dr.**
Phase:	Design **PM:** Karoly
Description:	Install landscaping along the south side of Spring Lake Court and at the north end of Bourne Drive. These improvements are the last remaining portions of landscaping in the public right of way to be completed in the Gibson Ranch development.
Status:	• Construction will be coordinated with Phase **3** of the Parks Irrigation Rehab (10-01) project. Work will be performed during Summer 2012.

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: May 3, 2011

SUBJECT: Fire Department Monthly Report for February and March 2011

Report in Brief

The Woodland Fire Department's Monthly Status Report includes a wide variety of information in an effort to better inform the public and the City Council. This report summarizes four specific areas of the Fire Department's operation: Overtime, Incident Response, Fire Prevention and Training. This year, the Fire Department updated its Monthly Status Report format to include a wider variety of information. The report is formatted by division (Administration, Operations, Fire Prevention and Training) and covers the key projects and/or activities for the month.

Attached for the City Council's review are the Fire Department's Monthly Reports for February and March 2011.

Prepared by: Shannon Collins
Management Analyst

Reviewed by: Rick Sander
Interim Fire Chief

Mark G. Deven
City Manager

Enclosure

Woodland Fire Department
Monthly Status Report
Summary – February 2011

(The Woodland Fire Department Monthly Status Report includes a wide variety of information in an effort to better inform the public and the City Council.)

	Previous Month	Current Month	Difference (+ increase/- decrease)
Cost of Overtime			
(Staffing Costs are attributed to a reduction of 16 Line Staff: (see Overtime Summary)			
Maintain Minimum Staffing	$89,992.99	$68,737.11	-$21,255.88
Call Back Staffing	$4,165.02	$794.10	-$3,370.92
Total	**$94,158.01**	**$69,531.21**	**-$24,626.80**
Strike Team (reimbursable, and **not** included above)	N/A		
Total Incident Responses			
Fire	17	14	-3
EMS/Rescue	250	258	+8
Hazardous Condition	12	9	-3
Public Service	43	34	-9
Good Intentions	48	28	-20
False Alarms	23	12	-11
Total	**393**	**355**	**-38**
Mutual/Auto-Aid/Strike Team	8	9	+1
Concurrent Incidents	124	125	+1
Fire Prevention			
Commercial Inspections	8	8	0
Plan Reviews	19	12	-7
Business License Inspections	0	0	0
Permitted Inspections	70	51	-19
Residential Inspections	2	3	+1
Resale Inspections	23	4	-19
Engine Company Inspections	54	64	+10
Total	**176**	**142**	**-34**
Weed Abatement	4 hours	8 hours	+4
Fire Investigations	50 hours	12 hours	-38
Pub Ed Events	0	4	+4
Training Hours	1044		

Department Highlights:

- The Woodland Fire Department hosted Haz Mat Tech A & B.

DIVISIONS

ADMINISTRATION*:*

<u>*Emergency Management*</u>

- No new activities in this area

OPERATIONS:

<u>Incident Activity</u>

The WFD responded to a total of **355** incidents in February. They included:

- **14 Fires**, for a current annual total of **31.** The **14 fires** included:
  - **2** building/cooking fire, chimney, fire other
  - **4** passenger vehicle fire
  - **8** dumpster, outside rubbish, trash fires

- **258 EMS/Rescues**, for a current annual total of **508.** The EMS/Rescues included:
  - **43** Calls requiring medical assistance
  - **13** EMS calls, cancelled en route or on scene
  - **178** EMS Calls for people with injuries
  - **8** vehicle accidents with injuries
  - **16** motor vehicle/pedestrian accidents with or without injuries

- **9 Hazardous Conditions,** for a current annual total to **21.** The Hazardous Conditions included:
  - **3** toxic conditions, oil or chemical spills, gas leak, hazardous conditions, other
  - **4** electrical wiring, arcing, shorted electrical equipment
  - **2** hazardous conditions, other

- **34 Public Service** Calls, for a current annual total of **80.** The Public Services Calls included:
  - **4** calls to assist police or other governmental agencies
  - **9** calls for public service
  - **5** invalid public assistance calls
  - **12** cover assignment, standby, move up, water evacuation
  - **3** water or steam leak
  - **1** lock-out or service call, other

- **28 Good Intentions** calls, for a current annual total of **73.** The calls included:
  - **17** calls that were cancelled en route or CAD error
  - **6** no incident found on arrivals
  - **3** Steam, smoke, odor of smoke, barbeque, authorized burning
  - **2** good intent call, other

- **12 False Alarm** calls, for a current annual total of **35.**

<u>Concurrent Incidents:</u>

These are incidents that come in simultaneously where apparatus and companies (a crew consisting of a Fire Captain, Engineer, and Firefighter) are either all committed to the same incident, or committed to separate incidents at the same time called **concurrent incidents.** Concurrent incidents occur as:

- **Single-engine calls**, (i.e., medical aids, investigation of a fire alarm sounding, lift assists, etc)

- **Multi-company calls** where more than one engine is committed to the same incident (i.e., high hazard calls such as structure fires, vegetation fires, highway incidents, rescues, hazardous materials releases, traffic accidents requiring extrication, or mass casualty incidents).

This month, our response time average for getting an initial fire engine on-scene is **5:40 Minutes** for fires and **4:47** for emergency medical services (EMS) calls.

NOTE: ***Delays in response times occur when we don't have fire stations located within a 1.5 mile driving distance from all locations within the City (i.e., Spring Lake development), and when concurrent incidents occur where the primary response engine to a particular location is already committed to an incident and another unit farther away must be dispatched to the call.***

The breakdown of **concurrent incidents** for February is:

2 companies committed simultaneously	=	90 times
3 companies committed simultaneously	=	20 times
4 companies committed simultaneously	=	14 times
5 companies committed simultaneously	=	1 times

[1] The Woodland FD staffs four companies so any incident requiring more than 4 companies must include neighboring fire departments through automatic-aid or mutual-aid agreements.

The Woodland FD received **361** calls for service in February with **125** being Concurrent Alarms = **34.6%** of the time. There were **249** concurrent alarms in 2011 out of **754** total calls meaning 33.02%, or almost 1 out of every 4 calls would commit two or more fire units simultaneously.

Concurrent alarms prevent the fire department from responding all on-duty firefighters adequate staffing and resources to a structure fire or other major incident that would be heavily dependent on firefighter manpower at the scene to accomplish required tasks. We must then rely on recalling off-duty Firefighters and/or requesting allied agencies to assist us with additional calls (both of which are slow) and then we fail to meet our 4-minute response time standard. In the meantime our strategy and tactics must change to maximize firefighter safety at the risk of public safety and property conservation.

Automatic or Mutual Aid:

Automatic Aid is provided to another agency through formal agreement and occurs automatically on **significant events** without any special request. The agencies we participate in automatic aid with are Davis, Dixon, UC Davis, West Sacramento, Rumsey Rancheria and the volunteer fire departments of Willow Oak, Yolo, and West Plainfield.

Mutual aid occurs when fire departments provide help to one another upon special request when a **significant event(s)** (large incident or multiple small incidents) take place. Every fire agency in Yolo County is a signatory to this agreement.

Total Number of Aid Given/Received Incidents in **February: 9**

Aid Received: **8**

- **1** Davis Fire Department
- **6** Willow Oak Fire Protection District
- **1** Yolo Fire Protection District

Aid Given: **1**

- **1** West Plainfield Fire Protection District

Current annual total is **9**.

Note: *Our Automatic Aid and Mutual Aid agreements with neighboring agencies are based on our deployment of three fire engines, one ladder truck and one Battalion Chief. Any change in this deployment model will negatively impact our ability to provide assistance through these agreements and, consequently, to receive aid. "You have to give to get" is the foundation of these agreements.*

Overtime Summary

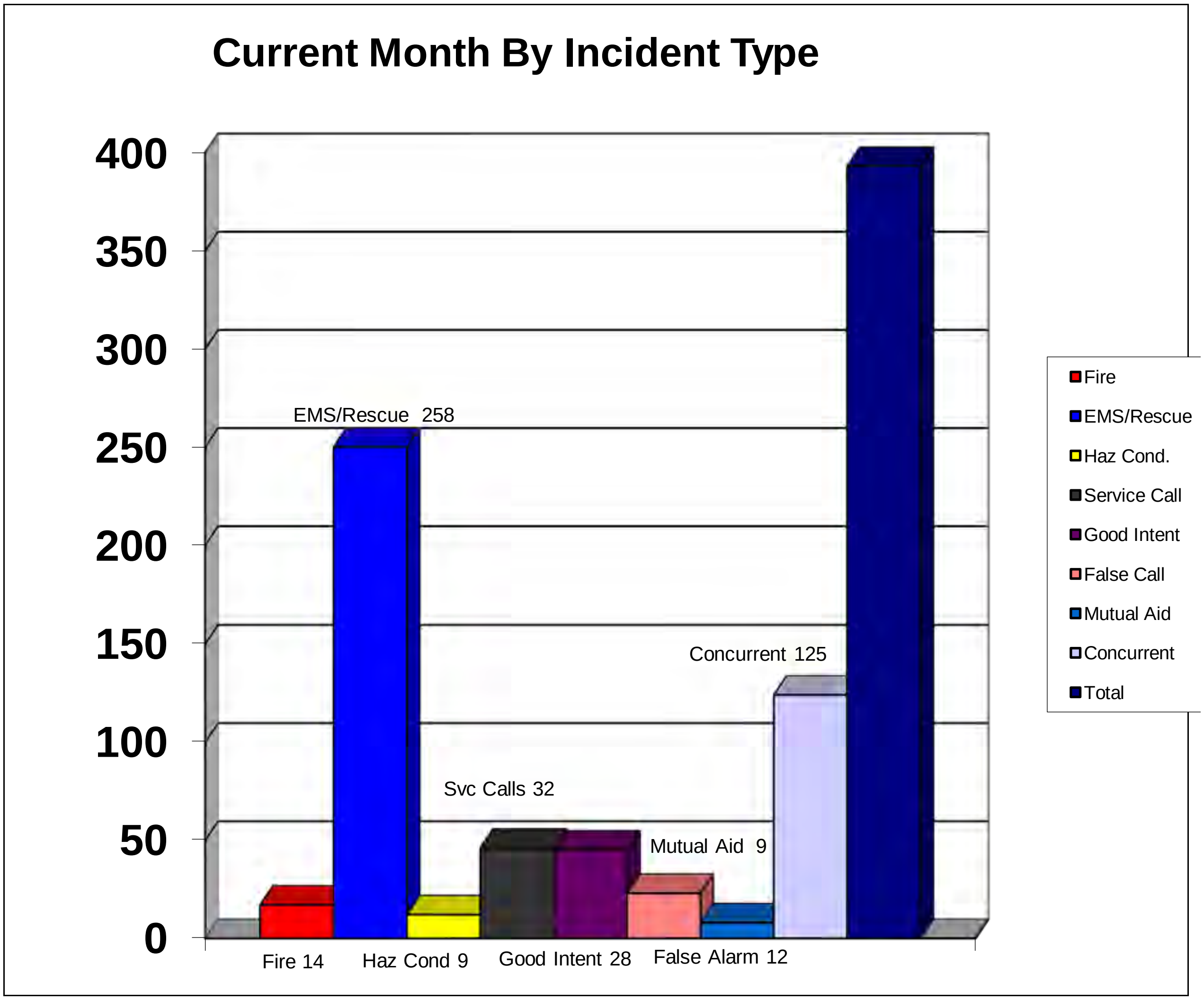
Our overtime expenses are in direct correlation to the filling of the Interim Fire Chief and Line Battalion Chief positions, along with daily staffing requirements and emergency call-backs for large events. As our staffing has been drastically reduced, mainly due to attrition (currently 16 total positions), our ability to absorb vacancies resulting from illness, vacation, and injury with on-duty relief staffing has been completely eliminated. Now instead of using on-duty relieve staffing when a vacancy occurs, we must hire back off-duty personnel on overtime to cover the vacancies. Also, having reduced on-duty staffing each day has caused an increased reliance on **call-back staffing** when large events or multiple small events occur. This too has caused a drain our on-duty resources, increasing the chance for illness and injury.

There were a total of **1734.5** overtime hours worked during the month of February for a total cost of **$72,221.58.** (1**.0 FTE** of an entry level Firefighter, wages and benefits) This includes:

- **1649.5** hours of **Minimum Staffing** at a cost of **$68,737.11** for the month of February 2010. ***This included 456 hours of coverage for two Line Battalion Chief's vacancies one of which is filling the Interim Fire Chief's position*.** In the City of Woodland, a minimum of four engine companies staffed with a minimum of 3 Firefighters each (1 Captain, 1 Engineer and 1 Firefighter) must be staffed daily per the MOU between the City and the Woodland Professional Firefighters Association.
    - The average hours of overtime used for the period February 2010 to February 2011 was **1,915** hours at a cost of **$68,737.11.**
- **20** hours were needed for **Call-Back Staffing** at a total cost of **$794.10** for the month of February 2010. *(Call Back Staffing is necessary to backfill the stations when a major incident occurs that depletes the minimum staffing levels).*
    - There was an average of **52.38** hours per month used to provide Call Back Staffing at a cost of **$2,205.12** for the period February 2010 to February 2011.

NOTE: Overtime increased significantly in February. We had two additional retirements, along with a Line Battalion Chief filling the Interim Fire Chief's position. The Department is operating at below minimum or "constant staffing", and February is a peak vacation month. No furloughs were used by shift staff during this period.

Fire staff has met periodically with the City Manager to review the use of overtime and both parties agree that the current level of overtime is necessary to maintain the constant minimum staffing for four engine companies given the current vacancies of two shift battalion chiefs. The only way to reduce overtime is to reduce an engine company. This issue was also discussed with Council during the FY 2011 Mid-Year Adjustments. A primary focus of the FY 2012 budget is to identify the resources necessary to hire three additional firefighters in order to provide the depth necessary to fully staff four engine companies without the level of overtime currently being used.



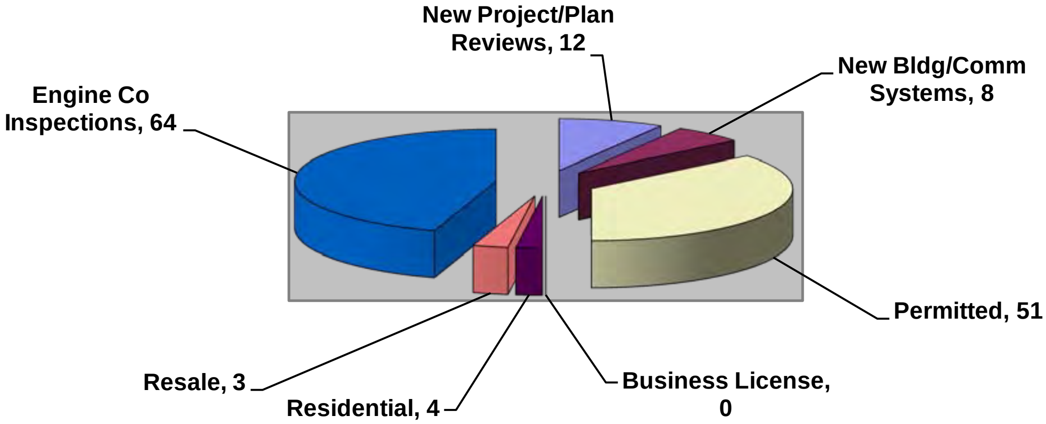
The graph above is a visual summary of the number of incidents that the Fire Department responded to during the weeks February 1, through February 28, 2011.

Total Incidents to Date for 2011 - **748**

Average Response Time for First Due Units: Fire: **5:40** EMS: **4:47**

FIRE PREVENTION:

The Fire Prevention Bureau conducts several types of inspections and plan reviews. The Bureau concentrates on New Project Development, Civil Drawing Plan Reviews, Building Inspections, On Site Water Systems, Commercial Fire Sprinklers, Residential Fire Sprinklers, Fire Alarm Inspections, Specialized Fire Protection Systems, Fire Permits, Licensed Care Facilities, Business License Inspections, Resale Inspections, Fire Investigation and Code Enforcement, Public Education and Weed Abatement.



For the month of February 2010 the Fire Prevention Specialists conducted the following inspections and plan reviews:

Commercial	
7	New Project Development Reviews
2	Plan Reviews
0	New Building Inspections
8	Commercial Fire Protection Systems
Permit	
51	Fire Permitted Annual Inspections
Business License	
0	Business License Inspections
Residential	
3	Residential Automatic Sprinkler System Plan Reviews
3	Residential Automatic Sprinkler System Inspections
4	Resale Residential Sprinkler Inspections
Engine Company	
64	Business and Mercantile Inspections

*The Fire Prevention Division inspects new businesses and changes of ownership for occupancy usage and compliance of the Fire Codes. **Plan reviews** are what generate initial commercial and residential inspections. The fees for these inspections are included in the plan review fees. Inspections for commercial projects include the initial plan review, 4 inspections & 1 re-submittal of plans at a cost of **$717.00/riser + $2.00/sprinkler head**. Commercial Tenant Improvements are **$421.00/riser + $2.00/sprinkler head**. Residential plan review inspections include the initial plan review, 2 inspections & 1 re-submittal of plans at a cost of **$354.00/riser**. Residential Tenant Improvement plan reviews are **$284.00/riser**.*

***Permitted inspections** occur when any occupancy has activities that are either hazardous or considered special. (An example of a hazardous activity is a business that houses or manufactures chemicals, or combustibles such as repair shops, chemical warehouses, or airport hangers. Special activities include places of assembly, tents, and high-pile storage facilities.) The average permitted inspection is **$150.00/ea**.*

*Lastly, the Fire Prevention Division handles **Business License Inspection**, which carries a fee of **$165.00/ea** for all new businesses. However, this fee is presently under review. The current amount being collected for Business License Inspections is **$13.00/ea**.*

Weed Abatement

- **8** hours were spent on weed abatement activities in the month of February.

Note: Due to the rainfall this year, we are seeing a much bigger problem with weeds. We believe that the Department will have to commit more staff time to this in the coming months, and that we will have to hire contractors to abate some properties ***for which we have no funds***. The process to abate property requires Council approval.

Fire Investigation

- **12 hours** of investigation were performed in the month of February.

Public Education

- Maxwell Elementary (2/1/11) Station Tour
- Maxwell Elementary (2/2/11) Station Tour
- At Home School (2/3/11) Station Tour
- Holy Rosary School (2/10/11) Station Tour

Note: *Funding for public education was eliminated in FY10/11 thereby cancelling our 1st Grade school program. The WFD will still visit schools and classrooms upon request, conduct station tours upon request, and attend public events upon request.*

Maps

- There were no mapping activities in February, 2011.

TRAINING:

The following is a summary of training activities conducted in the Fire Training Division during the weeks of February 1 through February 28, 2011. During the month of February the following activities occurred at the Woodland Fire Department Training Division:

Training conducted at the Training Center including:

- 12 hours of Map Training
- 24 hours of EMS / Airway / King Tube Training
- 10 + hours Engine Company Inspections
- 20 + hours of Outside Training / Classes
- 12 hours of Radio / Dispatch
- 12 hours of RMS / Computer Training

During the month of February, career staff reported a total of **882** hours of training, resulting in an average of **24.5** hours of training per person.

The reserve staff reported a total of **39** hours of training for an average of **6.5** hours of training per person. The reserve staff completed EMS training, shift ride-a-longs, and ladders.

The Battalion Chiefs had a total of **70.5** hours of training, while the Fire Prevention Staff had a total of **123** hours of training.

Highlights for the month of February: The Woodland Fire Department hosted Haz Mat Tech A & B.

February~ 2011 Training Hour(s):

Line staff	**882.0**
Battalion Chiefs	**70.5**
Fire Prevention	**123.0**
Reserves	**39.0**

Woodland Fire Department
Monthly Status Report
Summary – March 2011

(The Woodland Fire Department Monthly Status Report includes a wide variety of information in an effort to better inform the public and the City Council.)

	Previous Month	Current Month	Difference (+ increase/- decrease)
Cost of Overtime			
(Staffing Costs are attributed to a reduction of 16 Line Staff: (see Overtime Summary)			
Maintain Minimum Staffing	$68,737.11	$73,305.40	**$4,568.29**
Call Back Staffing	$794.10	$1,392.90	**$598.80**
Total	**$69,531.21**	**$74,698.30**	**$5,167.09**
Strike Team (reimbursable, and **not** included above)	N/A		
Total Incident Responses			
Fire	14	9	**-5**
EMS/Rescue	258	273	**+15**
Hazardous Condition	9	16	**+7**
Public Service	34	27	**-7**
Good Intentions	28	32	**+4**
False Alarms	12	32	**+20**
Total	**355**	**389**	**+34**
Mutual/Auto-Aid/Strike Team	9	7	**-2**
Concurrent Incidents	125	185	**+60**
Fire Prevention			
Commercial Inspections	8	25	**+17**
Plan Reviews	12	5	**-7**
Business License Inspections	0	4	**+4**
Permitted Inspections	51	139	**+88**
Residential Inspections	3	7	**+4**
Resale Inspections	4	16	**+12**
Engine Company Inspections	54	18	**-36**
Total	**142**	**214**	**+72**
Weed Abatement	8 hours	0 hours	**-8 hours**
Fire Investigations	12 hours	0 hours	**-12 hours**
Pub Ed Events	4	5	**+1**
Training Hours	1114.5	951.5	**-163**

Department Highlights:

- The Woodland Fire Department supported the Yolo Red Cross Agency **"CPR Saturday"** held at Fire Stations 1 & 3; in addition WFD hosted Haz Mat Tech C & D and held the "Every 15 minute Program at Woodland Christian High School.

DIVISIONS

ADMINISTRATION:

Emergency Management

- No new activities in this area

OPERATIONS:

Incident Activity

The WFD responded to a total of **389** incidents in February. They included:

- **9 Fires**, for a current annual total of **40.** The **9 fires** included:
  - **6** building/cooking fire, chimney, fire other
  - **2** passenger vehicle fire
  - **1** dumpster, outside rubbish, trash fires

- **273 EMS/Rescues**, for a current annual total of **781.** The EMS/Rescues included:
  - **36** Calls requiring medical assistance
  - **17** EMS calls, cancelled en route or on scene
  - **199** EMS Calls for people with injuries
  - **11** vehicle accidents with injuries
  - **6** motor vehicle/pedestrian accidents with or without injuries
  - **4** extrications/victim removals/search for person on land

- **16 Hazardous Conditions,** for a current annual total to **37.** The Hazardous Conditions included:
  - **1** toxic conditions, oil or chemical spills, gas leak, hazardous conditions, other
  - **12** electrical wiring, arcing, shorted electrical equipment
  - **3** hazardous conditions, other

- **27 Public Service** Calls, for a current annual total of **107.** The Public Services Calls included:
  - **2** calls to assist police or other governmental agencies
  - **3** calls for public service
  - **4** invalid public assistance calls
  - **13** cover assignment, standby, move up, water evacuation
  - **3** water or steam leak
  - **2** lock-out or service call, other

- **32 Good Intentions** calls, for a current annual total of **105.** The calls included:
  - **13** calls that were cancelled en route or CAD error
  - **13** no incident found on arrivals
  - **4** Steam, smoke, odor of smoke, barbeque, authorized burning
  - **2** good intent call, other

- **32 False Alarm** calls, for a current annual total of **67.**

Concurrent Incidents:

These are incidents that come in simultaneously where apparatus and companies (a crew consisting of a Fire Captain, Engineer, and Firefighter) are either all committed to the same incident, or committed to separate incidents at the same time called **concurrent incidents.** Concurrent incidents occur as:

- **Single-engine calls**, (i.e., medical aids, investigation of a fire alarm sounding, lift assists, etc)
- **Multi-company calls** where more than one engine is committed to the same incident (i.e., high hazard calls such as structure fires, vegetation fires, highway incidents, rescues, hazardous materials releases, traffic accidents requiring extrication, or mass casualty incidents).

This month, our response time average for getting an initial fire engine on-scene is **4:45 Minutes** for fires and **4:34** for emergency medical services (EMS) calls.

NOTE: ***Delays in response times occur when we don't have fire stations located within a 1.5 mile driving distance from all locations within the City (i.e., Spring Lake development), and when concurrent incidents occur where the primary response engine to a particular location is already committed to an incident and another unit farther away must be dispatched to the call.***

The breakdown of **concurrent incidents** for March is:

2 companies committed simultaneously	=	121 times
3 companies committed simultaneously	=	42 times
4 companies committed simultaneously	=	10 times
5 companies committed simultaneously	=	9 times
6 companies committed simultaneously	=	2 times
13 companies committed simultaneously	=	1 time

[1] *The Woodland FD staffs four companies so any incident requiring more than 4 companies must include neighboring fire departments through automatic-aid or mutual-aid agreements.*

The Woodland FD received **389** calls for service in March with **185** being Concurrent Alarms = **47.5%** of the time. There were **434** concurrent alarms in 2011 out of **1,143** total calls meaning 37.97%, or almost 1 out of every 4 calls would commit two or more fire units simultaneously.

Concurrent alarms prevent the fire department from responding all on-duty firefighters adequate staffing and resources to a structure fire or other major incident that would be heavily dependent on firefighter manpower at the scene to accomplish required tasks. We must then rely on recalling off-duty Firefighters and/or requesting allied agencies to assist us with additional calls (both of which are slow) and then we fail to meet our 4-minute response time standard. In the meantime our strategy and tactics must change to maximize firefighter safety at the risk of public safety and property conservation.

Automatic or Mutual Aid:

Automatic Aid is provided to another agency through formal agreement and occurs automatically on **significant events** without any special request. The agencies we participate in automatic aid with are Davis, Dixon, UC Davis, West Sacramento, Rumsey Rancheria and the volunteer fire departments of Willow Oak, Yolo, and West Plainfield.

Mutual aid occurs when fire departments provide help to one another upon special request when a **significant event(s)** (large incident or multiple small incidents) take place. Every fire agency in Yolo County is a signatory to this agreement.

Total Number of Aid Given/Received Incidents in **March:** **7**

Aid Received: **4**

- **1** Davis Fire Department
- **2** Willow Oak Fire Protection District
- **1** Yolo Fire Protection District

Aid Given: **3**

- **2** Elkhorn Fire Protection District
- **1** Willow Oak Fire Protection District

Current annual total is **24**.

Note: *Our Automatic Aid and Mutual Aid agreements with neighboring agencies are based on our deployment of three fire engines, one ladder truck and one Battalion Chief. Any change in this deployment model will negatively impact our ability to provide assistance through these agreements and, consequently, to receive aid. "You have to give to get" is the foundation of these agreements.*

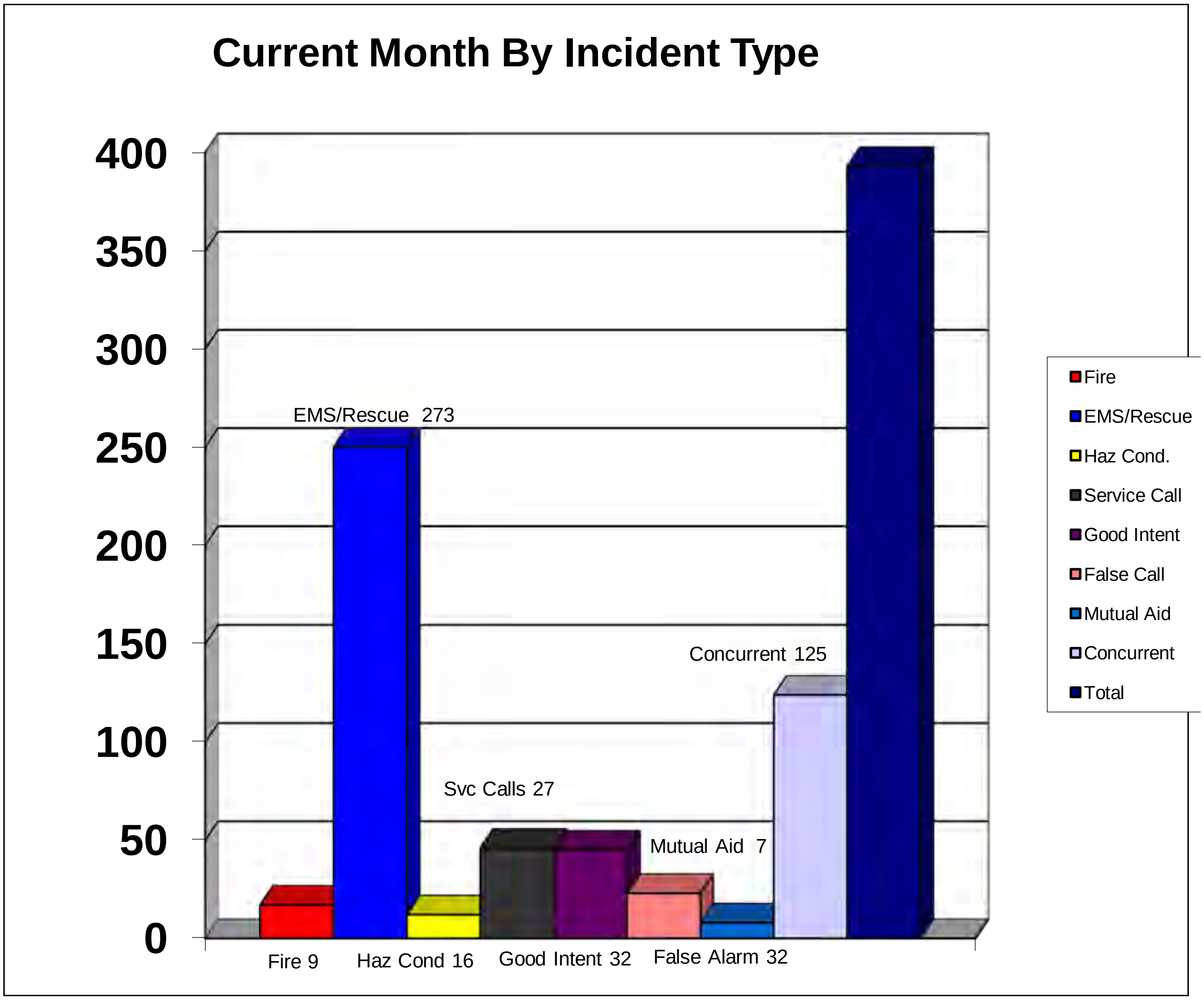
Overtime Summary

Our overtime expenses are in direct correlation to the filling of the Interim Fire Chief and Line Battalion Chief positions, along with daily staffing requirements and emergency call-backs for large events. As our staffing has been drastically reduced, mainly due to attrition (currently 16 total positions), our ability to absorb vacancies resulting from illness, vacation, and injury with on-duty relief staffing has been completely eliminated. Now instead of using on-duty relieve staffing when a vacancy occurs, we must hire back off-duty personnel on overtime to cover the vacancies. Also, having reduced on-duty staffing each day has caused an increased reliance on **call-back staffing** when large events or multiple small events occur. This too has caused a drain our on-duty resources, increasing the chance for illness and injury.

There were a total of **1,916** overtime hours worked during the month of March for a total cost of **$78,377.05.** (1**.0 FTE** of an entry level Firefighter, wages and benefits) This includes:

- **1796** hours of **Minimum Staffing** at a cost of **$73,305.40** for the month of March 2010. ***This included 504 hours of coverage for two Line Battalion Chief's vacancies one of which is filling the Interim Fire Chief's position.*** In the City of Woodland, a minimum of four engine companies staffed with a minimum of 3 Firefighters each (1 Captain, 1 Engineer and 1 Firefighter) must be staffed daily per the MOU between the City and the Woodland Professional Firefighters Association.
    - The average hours of overtime used for the period March 2010 to March 2011 was **1,902** hours at a cost of **$75,582.37.**
- **32** hours were needed for **Call-Back Staffing** at a total cost of **$1,392.90** for the month of March 2010. *(Call Back Staffing is necessary to backfill the stations when a major incident occurs that depletes the minimum staffing levels).*
    - There was an average of **54.71** hours per month used to provide Call Back Staffing at a cost of **$2,308.00** for the period March 2010 to March 2011.

Fire staff has met periodically with the City Manager to review the use of overtime and both parties agree that the current level of overtime is necessary to maintain the constant minimum staffing for four engine companies given the current vacancies of two shift battalion chiefs. One optioned discussed for reducing overtime has been to reduce an engine company. This issue was also discussed with Council during the FY 2011 Mid-Year Adjustments. A primary focus of the FY 2012 budget is to identify the resources necessary to hire three additional firefighters in order to provide the depth necessary to fully staff four engine companies without the level of overtime currently being used.



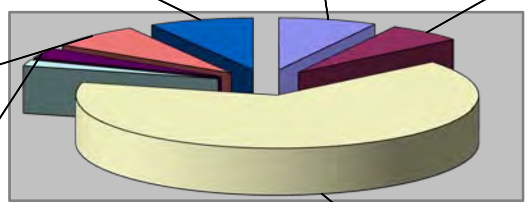
The graph above is a visual summary of the number of incidents that the Fire Department responded to during the weeks March1, through March 31, 2011.

Total Incidents to Date for 2011 - **1,137**

Average Response Time for First Due Units: Fire: **4:45** EMS: **4:34**

FIRE PREVENTION:

The Fire Prevention Bureau conducts several types of inspections and plan reviews. The Bureau concentrates on New Project Development, Civil Drawing Plan Reviews, Building Inspections, On Site Water Systems, Commercial Fire Sprinklers, Residential Fire Sprinklers, Fire Alarm Inspections, Specialized Fire Protection Systems, Fire Permits, Licensed Care Facilities, Business License Inspections, Resale Inspections, Fire Investigation and Code Enforcement, Public Education and Weed Abatement.



For the month of March 2010 the Fire Prevention Specialists conducted the following inspections and plan reviews:

Commercial	
12	New Project Development Reviews
5	Plan Reviews
0	New Building Inspections
13	Commercial Fire Protection Systems
Permit	
139	Fire Permitted Annual Inspections
Business License	
4	Business License Inspections
Residential	
0	Residential Automatic Sprinkler System Plan Reviews
7	Residential Automatic Sprinkler System Inspections
16	Resale Residential Sprinkler Inspections
Engine Company	
18	Business and Mercantile Inspections

*The Fire Prevention Division inspects new businesses and changes of ownership for occupancy usage and compliance of the Fire Codes. **Plan reviews** are what generate initial commercial and residential inspections. The fees for these inspections are included in the plan review fees. Inspections for commercial projects include the initial plan review, 4 inspections & 1 re-submittal of plans at a cost of **$717.00/riser + $2.00/sprinkler head**. Commercial Tenant Improvements are **$421.00/riser + $2.00/sprinkler head**. Residential plan review inspections include the initial plan review, 2 inspections & 1 re-submittal of plans at a cost of **$354.00/riser**. Residential Tenant Improvement plan reviews are **$284.00/riser**.*

***Permitted inspections** occur when any occupancy has activities that are either hazardous or considered special. (An example of a hazardous activity is a business that houses or manufactures chemicals, or combustibles such as repair shops, chemical warehouses, or airport hangers. Special activities include places of assembly, tents, and high-pile storage facilities.) The average permitted inspection is **$150.00/ea**.*

*Lastly, the Fire Prevention Division handles **Business License Inspection**, which carries a fee of **$165.00/ea** for all new businesses. However, this fee is presently under review. The current amount being collected for Business License Inspections is **$13.00/ea**.*

Weed Abatement

- **0** hours were spent on weed abatement activities in the month of March.

Note: Due to the rainfall this year, we are seeing a much bigger problem with weeds. We believe that the Department will have to commit more staff time to this in the coming months, and that we will have to hire contractors to abate some properties ***for which we have no funds***. The process to abate property requires Council approval.

Fire Investigation

- **0 hours** of investigation were performed in the month of March.

Public Education

- Chamber of Commerce (3/10/11) Meeting with Tara Daniels
- St John Preschool (3/11/11) Fire Safety & Engine
- Beamer Elementary (3/11/11) Read to Children Day
- Lee Jr. High (3/18/11) Career Day
- Woodland Christian (3/28/11) Fire Safety & Engine

Note: *Funding for public education was eliminated in FY10/11 thereby cancelling our 1st Grade school program. The WFD will still visit schools and classrooms upon request, conduct station tours upon request, and attend public events upon request.*

Maps

- There were no mapping activities in March, 2011.

TRAINING:

The following is a summary of training activities conducted in the Fire Training Division during the weeks of March 1st, through March 31st, 2011. During the month of March the following activities occurred at the Woodland Fire Department Training Division:

Training conducted at the Training Center including:

- 12 hours of Large Area Search
- 24 hours of EMS Documentation & Communicable Disease
- 10 + hours Engine Company Inspections
- 20 + hours of Outside Training / Classes
- 12 hours of Hazardous Materials

During the month of March, career staff reported a total of **545** hours of training, resulting in an average of **15.1** hours of training per person.

The reserve staff completed **35** hours of training in Rapid Intervention (RIC), Large Area Search, Search/Rescue, shift ride-a-longs, and EMS.

The Battalion Chiefs had a total of **142.5** hours of training, while the Fire Prevention staff had a total of **4** hours of training**.**

Highlights for the month of March: The Woodland Fire Department supported the Yolo Red Cross Agency **"CPR Saturday**" held at Fire Stations 1 & 3; in addition WFD hosted Haz Mat Tech C & D and held the "Every 15 minute Program at Woodland Christian High School.

March~ 2011 Training Hour(s):

Line staff	**770**
Battalion Chiefs	**142.5**
Fire Prevention	**4**
Reserves	**35**

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: May 3, 2011

SUBJECT: Public Works Monthly Status Report

Report in Brief

The Public Works Department Monthly Status Report includes an executive summary of the monthly activity of all divisions within the Department. This report also includes information regarding key projects and/or activities throughout the months.

Highlights

- Staff completed 348 hours of training in the month of February.
- The Public Works Department has 12 Vacancies.

The operations detail contained in this report is for the month of February 2011 and all project related information is current as of April 14, 2011.

Prepared by: Stephanie Frank
Administrative Secretary

Reviewed by: Gregor G. Meyer
Public Works Director

Mark G. Deven
City Manager

Attachment

Public Works Department

Monthly Status Report

Summary – February 2011

For the Month of February 2011		
Division	**Service Requests**	**Work Orders**
Administration	496	
Electrical	68	90
Environmental Services		31
Facilities	41	64
Fleet		138
Sewer	21	169
Signs & Markings	4	84
Storm Drain	4	25
Streets	24	29
Urban Forestry	14	19
Water	503	246
Grand Total	1,175	895

Service Request – Every time a request for Public Works services is made by phone call, written request, emailed request, or an actual one-on-one request to a PW employee, a **'Service Request'** is generated. This builds a computerized record of all requests made.

Work Order – A **'work order'** is created each time a work crew or individual is assigned a task as a result of either service requests, pre-planned maintenance projects, or by other situations as they arise. This produces a database of work accomplished and the time and materials it took to do the work.

Total for Calendar Year 2011 Through 02/28/2011	
Service Requests	Work Orders Complete
2,691	**1890**

With **1,175 Service Requests received**, Public Works crews handled **895 Work Orders** for the month of February. They included:

Operations & Maintenance

Administration:

- The administration team received 1,175 Service Requests; 496 of which were handled through the front desk, and the other 679 requests were distributed to the appropriate division. (see chart above)

    - ♦ 35 Backflow Notifications were mailed to responsible parties regarding testing requirements
    - ♦ 217 Underground Service Alert (USA's) requests processed
    - ♦ 168 Delinquent Water Shut-Off's
        - 160 Residential Accounts
        - 8 Commercial Accounts

Electrical:

- 21 Street Light Work Orders
    - ♦ 2 Asset Management Services
    - ♦ 1 Damaged/Exposed Wiring Work Order
    - ♦ 2 Inspections
    - ♦ 13 Street Light Services

- 3 Vandalism Repairs
- 17 Traffic Signal Repairs
  - Annual Loop Testing
  - Asset Management
  - Bi-Monthly Inspections
  - 2 Damaged/Missing Backplate Work Orders
  - 1 Installation/Upgrade
  - 1 Pedestrian Indicator Repair
  - 1 Power Loss Restorations
  - 4 Signal Repairs
  - 2 Pole Knockdown Repairs
  - 2 Timing Checks
- 7 Facility Service Requests
- 11 Park Facility Service Requests
- 16 Water Pollution Control Facility Service Requests
- 9 Well Site Services (Install/Upgrade, Testing, Data Retrieval, SCADA Modification)
- Received/marked 217 Underground Service Alerts (USA's)

Environmental Services:

- 11 Green Waste Investigations
- 1 Storm System Investigation
- 19 Water Conservation Service Requests
  - 18 Metered Consumption Investigations
  - 1 Water Conservation Investigations

Facilities:

- 14 Repairs to City Hall
- 8 Repairs to Fire Stations 1, 2 &3
- 12 Repairs to the Library
- 15 Repairs to the Municipal Service Center
- 13 Repairs to the Police Department
- 2 Repairs to the Water Pollution Control Facility

Facilities has a backlog of 38 Service Requests

Fleet:

- 138 Work Order Repairs to 75 different units (vehicles, apparatus & equipment)

Sewer:

- 40 Sewer Cleanout Services
  - 9 Preventive Maintenance Services – Installation
  - 28 Reactive Maintenance Services – Installation
  - 2 Repairs
  - 1 Replacement
- 81 Gravity Main Services
  - 1 Blockage Clear Work Order
  - 1 Inspection
  - 54 Preventive Maintenance Service Utilizing the CCTV (Closed Circuit Television)
    - 1,333 Events

        - 18,496 Linear Feet Inspected
    - 16 Preventive Maintenance service utilizing the HVVC (High Velocity Vacuum Truck)
        - 28,494 Linear Feet Cleaned
    - 3 Repairs
    - Root Control
    - Routine Inspection
    - Routine Maintenance
- 34 Sewer Lateral Services
    - 2 Service Location Requests
    - 10 Inspections
    - 16 Preventive Maintenance Services utilizing the CCTV
    - 1 Repair Services
    - 2 Lateral Line Replacements
    - 3 Sanitary Sewer Overflow Events
- 12 Manhole Services (flushing/repair/inspection)
- 1 Final Inspection
- Received/marked 217 Underground Service Alerts (USA's)

Signs & Markings:

- 16 Guide Sign Services
    - Street Sign Production
        - 2 Signs
    - 13 Routine Maintenance Services
        - 23 Signs
    - Surveying
- 5 Object Marker Services
    - 4 Routine Maintenance Services
        - 22 Markers
    - Installation
- 1 Raised Pavement Marker Service
- 57 Regulatory Sign Services
    - 2 Cleaning Services
        - 2 Signs
    - 2 Graffiti Services
        - 4 Signs
    - 2 Installation Services
        - 5 Signs
    - 43 Routine Maintenance Services
        - 129 Signs
    - 1 Knockdown Services
        - 2 Signs
    - Surveying
- 5 Warning Sign Services
    - 4 Routine Maintenance Services
    - 1 Survey

Storm Drain:

- 3 Gutter Services
    - Cleaning

        - 1 Illicit Discharge
- 11 Inlet Point Services
    - 3 Illicit Discharges
    - 7 Rain Duty Services
    - 1 Inspection
- 6 Lift Station Services
    - 2 Inspections
    - Debris Grates Cleaned
    - Alarm Response
    - Routine Maintenance
- Open Channel Maintenance/Inspection
- Culvert Inspection
- Routine Maintenance

Streets:

- Road Edge Services
    - Curb & Gutter Spot Repair
        - 10 Square Feet
    - Weed Abatement
- Parking Lot Services
    - Pot Hole Patching
        - 17 Pot Holes Patched
    - Trash & Debris Clean-Up
- Sidewalk Path Services
    - Spot Repair
- 20 Road Services
    - Accident Clean-Up
    - Crack Sealing
        - 44,649 Linear Feet
    - Pot Hole Patching
        - 573 Pot Holes Patched
    - 2 Sink Hole Responses
    - 1 Spill Response
    - Surveying
    - Traffic Control
    - Trash & Debris Clean-Up

Urban Forestry:

- 4 Tree Abatements
- 4 Hazardous Situation Responses
- 2 Tree Pruning's
- 4 Trees Removed
- Right of Way Clearing
- Stump Grinding
- 1 Tree Rebate

Water:

- Produced 206,484,456 gallons of drinking water in February
- Received/marked 217 Underground Service Alerts (USA's)

- 1 Backflow Investigations
- 14 Control Valve Services (exercise, locate, repair, replace, water turn off/on)
- 3 Hydrant Services
  - 2 Maintenance Services
  - 1 Repair Service
- 53 Lateral Valve Services
  - 20 Leak Detection Services
  - 17 Locate Services
  - 8 Water On/Off Services (Finance, Contractor, Homeowner Request)
  - 4 Repair/Replace Service Valve Service
- 80 Meter Services
  - 39 Meter Investigations
  - 19 Meter Repairs
  - 11 Meter Maintenance Services
  - 1 Meter Replacement
  - 8 Meter Box Replacements
- 9 Pressurized Main Services
- 84 Production Well Services
  - 19 Inspections
  - 54 Maintenance Services
  - Sampling
  - No3 Monitoring
  - Disinfection Procedures
  - Security Services

Environmental Services

Solid waste/recycling:

- Monitored C&D debris recycling for 43 active project units. Opened 10 new projects and closed out 2, both of which met the 50% diversion requirement.
- Contracted for planning studies of the old Woodland landfill.

Green waste:

- Issued 200 green waste violation door hangers and 2 green waste letters/information packets.
- Conducted 12 code compliance follow-ups for illegal piles.
- Processed 3 compost bin rebates.

Water conservation:

- Provided on-site troubleshooting assistance at 19 residences with excessive metered water use/evidence of leaks.
- Coordinated planning for outdoor and indoor water conservation workshops.
- Worked with Utility Engineering on updating the Urban Water Management Plan.

Energy:

- Participated in Energy Upgrade California local coordination and in evaluation of potential property-assessed clean energy (PACE) programs for local implementation.

Water Pollution Control Facility

Laboratory

- Collected samples and performed over 300 process control and National Pollutant Discharge Elimination System (NPDES) permit compliance tests for the wastewater treatment plant.
- Collected monthly influent, effluent and receiving water monitoring samples; submitted to contract laboratories.
- Collected samples and performed 45 tests on treatment plant storage ponds.
- Collected/tested numerous additional samples and worked closely with Operations to troubleshoot and resolve issues with the UV disinfection system.
- Kept Regional Board staff up to date on our efforts to resolve issues with UV disinfection system.
- Conferred with contractor regarding WIMS data management system, reviewed database. WIMS implementation set for mid-April.
- Prepared monthly Discharge Monitoring Reports and electronic Self-Monitoring Reports; submitted to the Regional Water Quality Control Board (RWQCB).
- Collected samples and performed 150 regulatory compliance tests for potable water.

Pretreatment

- Inspections
    - Auto Related Businesses - 4
    - Food Service Business - 28
- Plan review for Building/CDD - 6
- Permit applications or permits - 6
- Public education & outreach visits - 9
- Call-outs for spills/illicit discharges - 2
- Reviewed 1 SIU self-monitoring reports
- Submitted Annual Pretreatment Report to RWQCB
- Development Review Committee meeting
- City GIS Training
- Monthly staff meeting/safety tailgate
- WPCF Safety Committee meting
- Yolo DA's office Environmental Task Force meeting
- Training: WEF/FEMA, Cal EPA, CPR

Utility Engineering

Utility Engineering Legend: **Bolded text** indicates new information

The initials enclosed in ( )'s denotes the lead PW staff on the project.

(DB) Doug Baxter, Principal Civil Engineer
(MC) Mark Cocke, Senior Civil Engineer
(AO) Akin Okupe, Senior Civil Engineer
(CO) Clara Olmedo, Associate Civil Engineer
(MS) Mark Severeid,

Project: Yolo Bypass/City Storm Flows (MC)
Status: The information was sent in for publication in the Federal Register on January 7, 2011. The expected publication date is expected to be in mid March, 2011. This will start the formal 90 day Appeal Process for the

PMR. After the appeal process is finished in mid June, 2011 assuming the mid March publication, the map will be finalized, publication in the Federal Register will be done, and the map will become effective 90 days after publication of the map in the Federal register.

What's Next*:* Waiting for publication of the PMR notification in the Federal Register. **Due to a clerical error in the initial notification in the Federal Register on February 16, 2011, the notification will need to be republished in the Federal Register before the formal appeal process can begin. The new notice is in the publication queue. This will cause a delay in the Effective Date of the new map.**

Project: Wastewater Treatment Plant/NPDES Permit (5 Year Renewal) (MS/DB)

Status: In February 2009 the final NPDES permit was issued by the RWQCB. The new permit requires the City of Woodland to move to an improved source water supply. It also requires significantly more testing and studies that will substantially increase operating costs. The California Sportfishing Protection Alliance (CSPA) has petitioned the adopted NPDES to the State Water Board and requested the State Water Board to hold the NPDES in abeyance for an unspecified period of time. The immediate impact on the permit is unclear at this time. But CSPA wants limits imposed on: Oil and Grease, and Settleable Solids. CSPA has also requested a complete rewrite of the NPDES permit. The State Water Board will hold a hearing to make a decision at some point in the future.

On April 12, 2010, Mayor Skip Davies, Councilmember Bill Marble, City Staff and City's permit writing consultant Dan Rich met with senior staff from the Regional Water Quality Control Board (RWQCB). The purpose of this City requested meeting was to verify that boron, salt and selenium final limits will be in our waste discharge permit, and that these limits will cause the City to move to an improved water quality supply or other substantially more expensive treatment processes. We discussed all the conceivable alternatives and why improving our water quality supply is the least costly viable option. RWQCB made it clear that boron, salt and selenium final limits will be in our permit. RWQCB also said that they would enforce these limits with fines to eliminate all incentives to delay moving forward and that fines could be as high as $10 per gallon per day of wastewater not in compliance (at current flows the fines would be up to $60,000,000 per day). Under our current permit each year we have to submit compliance reports on moving to an improved source water supply. If we delay for example 2 years and saved $11,000,000 in interest, the fines would exceed that amount to eliminate any incentive to delay implementation of salt reduction.

In July, staff met again with RWQCB staff to discuss the recent establishment of Selenium discharge limits and the process for requesting a 5 year Time Schedule Order (TSO) for compliance (to place minimum mandatory fines in abeyance) since we're pursuing completion of the surface water project. RWQCB staff cited recent case decisions that now preclude them from issuing a 5 year TSO if the date for coming into compliance is over five years away. The city was told we could resubmit when we're within 5 years of compliance (or approx Jan 2011). Pending that point, Woodland will experience minimum mandatory fines of up to $12K per month. To date, the WPCF has 4 selenium violations and anticipates getting a Notice of Violation from the RWQCB soon. This will trigger the Mandatory Minimum Penalty stage of the violation process and will continue until the TSO is submitted and adopted by the RWQCB, in the August of 2011.

What's Next: The surface water project will continue to be pursued. Fiscal impacts of the permit will continue to be evaluated. Woodland staff met with the City Attorney to discuss options to the CSPA action. Staff advised the City attorney to meet with the Regional Board, to see if the Board would support a meeting with CSPA and the City. Regional Board said they will not support opening the NPDES discharge permit as a result of any agreements between the City and CSPA. So the City will wait and see if the State Water Board will agree to open the NPDES permit based on CSPA's petition at some later date. The hearing at the State Board could take up to two years before it's heard. Staff is looking into long-term planning options. Wastewater treatment long-term planning is underway.

The City of Woodland and the City of Davis evaluated the feasibility of combining treatment into a regional facility. The City of Davis is pursuing their own treatment facility. Both cities will continue to look for ways to work together when in the mutual interest of both cities. The City of Woodland will be updating the long-term facility plan for the Water Pollution Treatment Facility.

Project: <u>Flood Protection</u> (MC)

Status: The Final Cost Sharing Agreement was presented to the Central Valley Flood Protection Board meeting of February 25, 2011. Then the documents will be sent the Corps District HQ in San Francisco for review and signature.

What's Next: After Corps District HQ in San Francisco approval in **late May** the Feasibility Study can begin. **The Final 2011 budget has been approved but the final appropriation fund amount ($100,000 or $500,000) has not been released from Washington.** The initial study action will be to seek Corps approval of the hydrology developed for Cache Creek by FloodSafe Yolo. This will allow the Study to explore flood solutions that may involve modification of the Cache Creek Settling Basin.

Project: Storm Drainage Enterprise Operation (MC)

Status: The RCD is developing the plan for the East detention Pond and beginning a control program for management and eradication of invasive non native plants that have begun to occupy the site (tamarisk trees and pepper weed). The vegetation program in Storez Pond and around Fire Station 3 is proceeding well and greened up with the fall rains.

What's Next: The RCD has developed the site plan using native salt tolerant vegetation, and management of the existing vegetation. Native seed collection has been done and the adapted plant will be grown out over the winter. A draft plan for the East Detention Pond was received in December and is under review. A broad leaf weed control program will be started in March for Storez Pond.

Project: Surface Water Program (DB)

Status: The Woodland-Davis Clean Water Agency (Joint Powers Authority or JPA) is overseeing the Davis-Woodland Water Supply Project. Agency Board meeting times are currently held quarterly. Meeting locations alternate between the Woodland and Davis City Halls. The new project website at wdcwa.com contains the meeting agendas and any notices for variations in meeting schedules or locations. The Agency General Manager is Dr. Eric Mische. The current Agency focus includes pursuit of Federal and State supplemental funding opportunities, further analysis and development of innovative facility procurement options, and further development and implementation of community outreach and education opportunities.

Summer water purchase, land easements and use of the Sacramento River Intake agreements have been signed. On January 18 and 19th, the State held a hearing on our water rights. State staff has written a favorable report in support of our water right application.

What's Next: State Board has the water right application approval on the agenda for their next meeting scheduled for March 1, 2011. Focus is now on the Design-Build-Operate (DBO) "Request for Qualifications" process and clearing up land acquisition for the intake site and water treatment plant site. **Request for Qualifications submittal deadline is April 15, 2011 of which a selection process will narrow it down to 3 DBO teams who will then be invited to submit responses to a Request for Proposal.**

Project: Replace Elevated Storage Tank (DB/AO)

Status: The tank art work price came substantially higher than anticipated. It is very expensive to add art work painting after the initial paint has fully cured and full remobilization is needed. The existing tank paint is a coating system specially designed to protect the steel structure. This protective paint system must not be damaged or compromised so as to protect the tank structure for decades. The preparation work for any painted art work must be carefully done and monitored to protect the protective coating. If art work is done, consulting services will be needed to write the specification, inspect the work and test the paint thickness to make sure the paint remains adequately thick to protect the steel. These consulting services will cost about $18,000. Only qualified and experienced painters will be allowed to do this art work. This is to make sure proper paint and application techniques are used, the existing coating system is not compromised, and for safety reasons. The paint and process is expensive. The January 2011 estimate from an appropriate painting specialists show cost (cost below includes the $18,000 noted above) at:

Only the City flag graphics on upper part of tank = $66,000
Only baseball numbers at the base of the tank = $47,400
Both City flag graphics and base numbers = $74,300

City staff has recommended not doing the supplemental paint work due to the potential for adverse impacts to the existing protective coating system, higher O&M costs, higher future costs of repainting, the very high initial costs, and overall budgetary implications.

What's Next: **The project is complete. This will be the final report on this project.**

Tank will be connected to the system once operational systems are in place to control pressures until SCADA system is operational in mid 2011. Tank is on line. Water levels are gradually being increased. This will be the last report on this project as it is on the March 1, 2011 Council Agenda for accepting this completed project.

Project: Supervisory Control and Data Acquisition (SCADA) (DB/AO)

Status: SCADA contract has been awarded to Auburn Constructors and work has commenced. Work should be completed by summer 2011. Ecologic Engineering Inc. is the construction management firm and did an independent review of the design. FCC license has been obtained. Work has proceeded very well and smoothly.

The SCADA system and water-meter radio systems are totally separate operating systems. The water-meter radio system collects data via radio signals from the individual water-meters, sends it to a central location where the data is compiled, and then forwarded to our finance department for inclusion in customer's water bills. SCADA, on the other hand, is used to coordinate the functional workings of the City water system; including the storage tank and all 18 of our wells.

SCADA:

1. Allows the wells to operate in a coordinated manner so as to keep the tank at a near full condition to improve water pressure throughout the day.
2. Continuously monitor nitrate levels in our pumped groundwater to assure that it meets regulatory water quality standards without fail.
3. Monitors wells for operational readiness and physical condition.
4. Allows for the most efficient wells to be operated most frequently reducing overall pumping costs.
5. Monitor security issues

What's New: Work began September 2010. System should be operational by **July** 2011.

Project: Replace Well 22 and Well 15 (CO/AO/DB)

Status: **This will be the final report for this project. Work is essentially complete and will be completed by the end of April 2011. All that remains is the installation of slats to the fence for Well 15 to improve its appearance in the park.**

Over the years numerous attempts were made to solve the serious but intermittent problem of the wells pumping sand which gets into the distribution system and household plumbing. New well sites have been selected and coordinated with Parks. The new site for well 22 is 100 feet north-north-west of existing well 22 and similar distance north of Well 15. Staff received a technical memo on each well's evaluation. Staff also received a work proposal from Brown and Caldwell. Both wells have been drilled. City staff met with representative of CDPH (California Department of Public Health) who have determined that the City may stay with the upper limit of 1600 for electrical conductivity. **Final CDPH clearance and approval has been obtained.**

What's Next: Both wells are functional now and water quality testing has been done to allowing them to go on line.

Project: Backup Power for Wells (CO)

Status: Additional backup generating power was needed to 3 wells. Staff received proposals and awarded contract to the lowest responsible bidder. Well 4's fixed base generator has been installed under the Beamer water pipeline and Well 4 rehab work contract.

What's Next: **Work is complete and this will be the final report for this work item.**

Project: Water Focus Study (DB)

Status: Hydraulic modeling has been done. The sections of the report dealing with the coordination of the use of wells and surface water supplies are being written. Likewise, the report has been amended to reflect the expected 15% water conservation that should occur with the City being fully metered.

What's Next: Additional modeling is being done to determine best location of ground level tanks to blend surface water throughout the city. Water system calibration work was done in September 2010 which will allow the modeling to be more accurate.

Draft of study has been submitted to the City and City staff has commented on this document. Focus Study will be finalized once we get the results from a separate evaluation done on how best to blend and move the surface water throughout the City. This study may affect tank sizing and location. Modeling is also being done to determine the size and location of water transmission lines and tanks for the Surface Water Supply Project. This work is underway.

Project: Meter Implementation Phase 2 (DB/AO)

Status: City staff received grant funding to install meters on 10,000 houses in the City. Council awarded contract to Teichert Construction, notice to proceed was issued on September 17, 2009. A construction management firm has been selected to manage the project.

Phase 1 metering involved about 5,000 water users and this work was recently completed. It included putting automated meter reading (AMR) equipment on existing meters of businesses as well as homes built post 1991. Phase 1 work is essentially completed. Actual water consumption based billing began for Phase 1 meter users in December 2010.

Phase 2 metering is for installing meters plus AMR on all the remaining 10,000 properties. In addition to installing water meters, many water service lines from water mains will need to be replaced due to their poor condition. Funding is provided by federal stimulus fund of $14.8M (half low interest loan and half grant) plus $2.3M in City Water Enterprise Funds. Staff successfully worked with the State to allow City share to be used last and not first which is normal and was previously required. Project is 75% complete; staff attended training session with CDPH on claim reporting. Staff hopes to both completed the work and keep most of the cost within the federal stimulus fund so as to minimize the utilization of the $2.3M in City Water Enterprise Funds. Staff has completed the modification work that was needed on some of the older meter registers so more accurate data can be obtained to help homeowners with determining if they have leaks in their water plumbing system. By summer 2011 Phase 2 meters should be installed, except possibly for a few condominium and parks that may take a little bit longer.

What's Next: **Staff has been submitting quarterly report as indicated in the funding agreement to CDPH.** Staff is continuing to work with the State to obtain grant/loan reimbursement funding checks for costs incurred for construction and staff time.

Project: Well #1 Replacement (CO)

Status: The new Yolo County Courthouse project will displace the existing location of Well #1. Construction of a new well to replace existing Well 1 will need to be completed prior to construction of the new courthouse that is scheduled to begin December 2011. The new site for the new well location has been selected to be in the northeast area of Freeman Park in an area of minimal impact to the area normally used by park visitors. West Yost has completed design for the well drilling. **The well that will replace Well #1 will be called Well #28.**

What's Next: **The work has been signed for making the utility connections in Court Street. The well drilling work- will go out for bid in April 2011. The above ground pump station is planned to be bid summer 2011 and Well #28 completed by April 2012.**

Project: First New Ground Level Tank and Booster Pump Station (AO/DB)

Status: The City has a deficit in water storage **of about 3 million gallons** and about 6,000 gallon per minute deficit in water pumping capacity. This project will significantly reduce these problems.

What's Next: Water modeling has been done to confirm the best location for the tank to address hydraulic deficiencies and to optimize the distribution of the higher quality water that will result from the surface water supply project. The project will be located at the west end of David Douglass Park. Letters went out to residences located within 300 feet of the tank site as well as those adjacent to the park to invite them to a public meeting. The meeting was held on March 16th at the Community Center. **Only one person showed up and he was supportive of the project. This project will go before the Parks Commission on April 25, 2011.** The CEQA process is underway.

Project: East Street to Pioneer 36" Water Main (MC/CO)

Status: City is coordinating with four Spring Lake area developers to install a 36" water main instead of constructing a 12 inch water main that was part their obligation to front their developments in order for the City to save money and to meet the needs of the surface water project. The contract has been signed for Brown and Caldwell to perform design services for pipeline.

What's Next: Brown and Caldwell is obtaining topography, planned improvements, and road/RW alignments for the proposed pipeline route to minimize changes to the other proposed infrastructure.

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: May 3, 2011

SUBJECT: Re-adopt Ordinance 1526 Amending Section 14-6-9 and Adding Article XV to Chapter 14 of the Woodland Municipal Code Relating to Mobile Vendors – Second Reading

Report in Brief

The first reading of Ordinance 1526 was conducted by the City Council at the February 15, 2011 meeting. The second reading of this Ordinance was originally placed on the March 1, 2011 Council agenda for approval. Due to a procedural oversight, Ordinance 1526 was not published.

Govt. Code Section 36933 states that within 15 days after the passage of an ordinance, said ordinance must be published.

Staff recommends that the City Council re-adopt Ordinance 1526, approving the amendment of section 14-6-9 and adding Article XV to Chapter 14 of the Woodland Municipal Code relating to mobile vendors.

Background

Due to a procedural oversight, Ordinance 1526 was never published. At the advice of the City Attorney, it is recommended that the City Council re-adopt Ordinance 1526 and publish the re-adopted Ordinance. It is not necessary to conduct another first reading or to reintroduce the ordinance.

As the Council may recall, this Ordinance was developed with significant participation from mobile vendors who participated in a public workshop held last January at the Community & Senior Center. In addition, several mobile vendors attended the February 15 Council meeting and provided comments during the meeting. The City Council's final action to adopt the ordinance benefitted from a significant level of public participation. While staff acknowledges the oversight associated with not publishing the Ordinance, this action does not diminish the credibility of the Council's previous action given the level of public participation.

Public Contact

Posting of the City Council Agenda.

Recommendation for Action

Staff recommends that the City Council re-adopt Ordinance 1526, approving the amendment of section 14-6-9 and adding Article XV to Chapter 14 of the Woodland Municipal Code relating to mobile vendors.

Prepared by: Ana Gonzalez
City Clerk

____

Mark G. Deven
City Manager

Attachment

ORDINANCE NO. 1526

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WOODLAND AMENDING SECTION 14-6-9 OF AND ADDING ARTICLE XV TO CHAPTER 14 OF THE WOODLAND MUNICIPAL CODE RELATING TO MOBILE VENDORS

WHEREAS, the City of Woodland is authorized to regulate mobile vendors within its jurisdiction subject to the limitations set forth in Vehicle Code section 22455; and

WHEREAS, the City wishes to amend its mobile vendor regulations in compliance with applicable law; and

WHEREAS, the City's amended regulations are based on the following findings:

1. Regulating the hours and location of mobile vendors benefits the health, safety and welfare of Woodland residents because the operation of these vehicles at inappropriate hours or locations and in any one location for prolonged periods of time creates traffic hazards, blocks adjacent sidewalks to pedestrians, results in unwanted noise, littering and loitering at that location and/or creates hazards for children.

2. Regulating the manner and type of mobile vendors benefits the health, safety and welfare of the City because the inappropriate operation and uncontrolled proliferation of these vehicles creates traffic hazards, blocks adjacent sidewalks to pedestrians, results in unwanted noise, littering and loitering at that location and/or creates hazards for children.

3. Regulating mobile vendors on private property is consistent with the City's interests in the aesthetics of the community, ensuring that the City complies with applicable waste water and storm water regulations and promoting the permanent development of property.

4. Prohibiting mobile vendors from operating within City parks and recreation facilities is consistent with the City's interest in the aesthetics of the community, fair competition and otherwise ensuring the proper use of City property.

The City Council of the City of Woodland, California, does hereby ordain as follows:

Section 1. **Recitals.** The above recitals are incorporated as though set forth in this section.

Section 2. **Purpose.** The purpose of this ordinance is to amend Section 14-6-9 of and add Article XV of Chapter 14 to the Woodland Municipal Code related to mobile vendors.

Section 3. **Authority.** The City Council enacts this ordinance under the authority granted to cities by Article XI, Section 7 of the California Constitution and Vehicle Code section 22455.

Section 4. **Amendment.** Section 14-6-9 of the Woodland Municipal Code is hereby amended to read in full as follows:

Sec. 14-6-9. Parking of peddlers or vendors.

Except as set forth in article XV of this chapter, no person shall stand or park any vehicle, wagon or pushcart from which goods, wares, merchandise, materials, fruits, vegetables or foodstuffs are sold, displayed, solicited or offered for sale or bartered or exchanged, or any lunch wagon or eating cart or vehicle within the city.

Section 5. Amendment. Article XV of Chapter 14 is hereby added to read as set forth in the attached Exhibit "A," incorporated by this reference.

Section 6. Sunset. Unless modified by a later enacted ordinance, Section 14-15-12 of the Woodland Municipal Code shall be automatically repealed and of no further force or effect on April 1, 2012.

Section 7. Severability. If any provision or clause of this ordinance or any application of it to any person, firm, organization, partnership or corporation is held invalid, such invalidity shall not affect other provisions of this ordinance which can be given effect without the invalid provision or application. To this end, the provisions of this ordinance are declared to be severable.

Section 8. Effective Date and Notice. This ordinance shall take effect thirty (30) days after its adoption and, within fifteen (15) days after its passage, shall be published at least once in a newspaper of general circulation published and circulated within the City of Woodland.

PASSED AND ADOPTED by the City Council of the City of Woodland this 3rd day of May, 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Artemio Pimentel, Mayor

ATTEST:

____
Ana B. Gonzalez, City Clerk

APPROVED AS TO FORM:

____
Andrew J. Morris, City Attorney

Exhibit "A"

ARTICLE XV.
MOBILE VENDORS AND PEDDLERS.

Sec. 14-15-1 Definitions

For the purposes of this article, the following words and phrases shall have the meanings respectively ascribed to them by this section.

(a) "Director" means the director of the city's community development department or his or her designee;

(b) "Mobile vendor vehicle" means any vehicle from which goods, wares, merchandise, materials, fruits, vegetables or foodstuffs are sold, displayed, solicited or offered for sale or bartered or exchanged, or any lunch wagon or eating cart;

(c) "Operate a mobile vendor vehicle" means to drive, push, occupy or otherwise use a mobile vendor vehicle to sell, display, solicit or offer for sale, barter or exchange any goods, wares, merchandise, materials, fruits, vegetables or foodstuffs;

(d) "Vehicle" means any vehicle, cart or pushcart; and

(e) "Vendor" means any person who operates a mobile vendor vehicle.

Sec. 14-15-2 Parking of peddlers and vendors on public rights-of-way

No person shall operate any mobile vendor vehicle while stopped, parked or standing on any portion of the public right-of-way, including the sidewalk, within this city without first obtaining an encroachment permit from the traffic engineer and/or in conjunction with a permitted temporary outdoor use or special event (See section 25-13-30), except that the same may stand or park at the request of a bona fide purchaser for a period of time not to exceed thirty minutes at any one place. The provisions of this section shall not apply to persons operating a mobile vendor vehicle as part of a certified farmer's market licensed pursuant to Section 13-3-1 of this code, or an authorized street fair or other event occurring under a special permit issued by the City of Woodland, provided that the vehicle is part of the event and is complying with all terms of the permit or permits issued for the event.

Sec. 14-15-3 Parking of peddlers and vendors on private and public property

No person shall operate any mobile vendor vehicle while stopped, parked or standing on private property, or on property owned by a public entity, or in the public right-of-way, except in compliance with this article. For purposes of this section, property owned by a public entity shall not include the public right-of-way.

Sec. 14-15-4 Mobile vendor permit required

(a) No person shall operate a mobile vendor vehicle unless a mobile vehicle vendor permit issued pursuant to this article is in effect for that mobile vendor vehicle, provided that mobile vendor vehicles which are or will be present in Woodland for fewer than 14 days in any calendar year, or which never stop in one location for longer than 30 minutes, shall not be required to obtain a permit.

(b) Every permittee, upon receipt of a mobile vendor vehicle permit, shall maintain the permit with the vehicle for which it is issued at all times the mobile vendor vehicle is operated.

(c) Upon demand of a peace officer or city employee authorized to enforce this article, a person operating a mobile vendor vehicle shall present the mobile vendor vehicle permit that is in effect for that vehicle.

(d) All mobile vendor vehicle permits are the property of the city and each shall authorize the operation of a single specific mobile vehicle vendor. It is unlawful for any person to sell or transfer, or attempt to sell or transfer, any mobile vehicle vendor permit.

(e) No mobile vendor vehicle permit shall be required if the vendor only sells, displays, solicits or offers for sale, barter or exchange any of the following:

1. Newspapers, leaflets, pamphlets, bumper stickers, or buttons.

2. Items which have been created, written, composed or otherwise produced by the vendor: books, cassette tapes, compact discs, paintings, photographs or any other item that is inherently communicative and has nominal utility apart from its communication. Although an item may have some expressive purpose, it will be deemed to have more than nominal utility apart from its communication if it has a common and dominant non-expressive purpose. Examples of items that have more than nominal utility apart from their communication and thus may not be vended under the provisions of this section, include, but are not limited to, the following: housewares, appliances, articles of clothing, sunglasses, auto parts, oils, incense, perfume, lotions, candles, jewelry, toys, stuffed animals, foodstuffs and beverages.

Sec. 14-15-5 Mobile vendor vehicle permit application

(a) An application for a mobile vendor vehicle permit shall be filed with the director and shall contain the following:

1. The individual and business name, address, and telephone number of the permit applicant.

2. Written evidence that the applicant is an owner, lessee or holder of a similar interest in the mobile vendor vehicle.

3. The name and address of all legal and registered owner(s) of the mobile vendor vehicle, and each person with a financial interest in the business that operates the mobile vendor vehicle.

4. A copy of a valid city business license for the business that operates the mobile vendor vehicle.

5. The state vehicle license plate number and the vehicle identification number of the mobile vendor vehicle, if applicable.

6. Proof that the mobile vendor vehicle is in compliance with all applicable state and county requirements regarding the operation of a mobile vendor vehicle.

7. The address where the mobile vendor vehicle is stored when not in use.

8. For each person with a (10%) ten percent or greater financial interest in the business that operates the mobile vendor vehicle, a list, signed under penalty of perjury, of each conviction of such person and whether such conviction was by verdict, plea of guilty, or plea of no contest. The list shall, for each conviction, set forth the date of arrest, the offense charged, and the offense of which the person was convicted. A person who acquires a (10%) ten percent or greater financial interest in the business that operates the mobile vendor vehicle during the term of the permit issued pursuant to this article shall immediately so notify the director and comply with this subsection.

9. Such other information as may be required by the director to further the purpose of this chapter.

(b) Every application for a mobile vendor vehicle permit shall be accompanied by a non-refundable application fee in an amount established by resolution of the City Council.

(c) It is unlawful for any person to knowingly make a false statement of fact or knowingly omit any information that is required in an application for a mobile vendor vehicle permit.

Sec. 14-15-6 Mobile vendor vehicle permit issuance

(a) Except as provided in this section, a mobile vendor vehicle permit shall be issued by the director upon receipt of a complete application and payment of the permit fee, as specified in this article, and after the director has:

1. Either based on the application and/or a physical inspection of the mobile vendor vehicle, the director determines that the mobile vendor vehicle complies with this code and applicable state and county laws and regulations; and

2. Determined that the business location and vehicle storage location, if within the city, comply with applicable zoning regulations and other codes.

(b) A mobile vendor vehicle permit may be denied by the director if he or she finds any of the following grounds:

1. The information submitted pursuant to section 14-15-5 of this article is materially false or incomplete.

2. Within twelve (12) months of the date of application, the applicant, any registered owner of the mobile vendor vehicle, or any person with a financial interest in the business that operates the mobile vendor vehicle, has had his or her mobile vendor vehicle permit revoked.

3. A person with ten (10) percent or greater financial interest in the operation of the mobile vendor vehicle has been convicted of a crime, and the time for appeal has elapsed, irrespective of the entry of a subsequent order under Penal Code Section 1203.4; or has committed any act involving dishonesty, fraud, deceit, or moral turpitude with intent to substantially benefit himself or herself, or another, or substantially injure another, or having the effect of substantially injuring another.

Provided, however, that the permit shall be denied upon any of the grounds specified in this subsection (b)(3) only if the director finds that the crime or act is substantially related to the qualifications, functions or duties of a mobile vehicle vendor owner or owner of a business which operates vending vehicles or has substantial contact with minors. However, no person shall be denied a permit solely on the basis that he or she has been convicted of a felony if he or she has obtained a certificate of rehabilitation under Penal Code Section 4852.01, et seq., or that he or she has been convicted of a misdemeanor if he or she has met all applicable requirements of the criteria of rehabilitation developed to evaluate the rehabilitation of a person when considering a petition under Penal Code Section 4852.01, et seq.

4. The maximum number of mobile vendor vehicle permits has been issued. In this case, the director shall place the applicant on the permit availability list maintained pursuant to subsection (d) of this section and shall notify the applicant of this decision and provide him or her with general information regarding the permit availability list.

(c) All mobile vendor vehicle permits shall expire one year from their date of issuance. Applications for renewal shall be filed between ninety (90) days and thirty (30) days before their date of expiration. In the event an application for renewal is received within this time period, the application shall not be considered a new application subject to the numerical limitation on permits set forth in subsection (d) of this section.

(d) The maximum number of mobile vendor vehicle permits shall equal the number of current, valid city business licenses issued to mobile vendor vehicles on April 1, 2011. In the event the director is unable to issue a mobile vendor vehicle permit solely due to this numerical restriction, the director shall develop and maintain a permit availability list and/or place that applicant on the list. Except as provided in section 14-15-8, in the event a mobile vendor vehicle permit becomes available, the director shall notify the applicant who has been on the permit availability list the longest and allow him or her a reasonable time to provide the director with any information necessary to ensure the application is current and otherwise complies with this code. If the applicant does so, he or she shall receive the mobile vendor vehicle permit. In the event the applicant does not, the director shall remove that applicant from the permit availability list and repeat the process until a permit has been issued or all of the applicants on the permit availability list have been notified.

(e) Notwithstanding the foregoing provisions of this Section, any person possessing a City business license for a mobile vendor vehicle on April 1, 2011 shall be entitled to apply for a mobile vendor vehicle permit for one year from the effective date of this ordinance. In the event he or she does so and his or her operation complies with the provisions of this ordinance, the vendor shall be entitled to receive a mobile vendor vehicle permit. However, at the expiration of the one-year period, existing vendors shall be subject to the same application procedures and priorities as new vendors. The fact that an existing vendor fails to obtain a mobile vendor vehicle permit does not affect his or her temporary exemption from certain provisions of this ordinance as set forth in Section 14-15-12 (until such section is repealed).

Sec. 14-15-7 Mobile vendor vehicle permit suspension and revocation

(a) The director may suspend or revoke any mobile vendor vehicle permit issued pursuant to this article on any of the following grounds:

1. The director determines that any activity authorized by the permit is being carried out in such a manner as to constitute a nuisance, or to be injurious to the public health, safety or welfare.

2. The operation of the mobile vendor vehicle is in violation of any conditions imposed upon the permit or in violation of any provision of this code or applicable county and state laws and regulations.

3. There exists any of the grounds that would have been grounds for denial of the permit application.

(b) No permit shall be suspended or revoked until a hearing is held by the director. Written notice of the time and place of such hearing shall be given at least five (5) days prior to the date set for such hearing to the person to whom the permit was granted and to any other person who, at least ten (10) days prior to the hearing, requests such notice. Such notice shall contain a brief statement of the grounds to be relied upon for revoking or suspending such permit. Notice may be given either by personal delivery to the persons to be notified, or by depositing the notice in the U.S. mail in a sealed envelope, postage prepaid, addressed to the persons to be notified at the address appearing in the application for a permit.

(c) Upon the director's suspension or revocation of any permit pursuant to this section, the permittee shall surrender the subject permit to the city within ten (10) days.

(d) Any holder of a license whose permit is suspended or revoked under this article shall have the right, within five (5) days after the director's decision to appeal to the city council. Such appeal shall set forth the specific ground or grounds on which it is based. The city council shall hold a hearing on the appeal within thirty days after its receipt by the city, or at a time thereafter agreed upon and shall cause the appellant to be given at least five days' written notice of such hearing. The determination of the city council on the appeal shall be final.

Sec. 14-15-8 Sale or transfer of mobile vendor vehicle

In the event the holder of any mobile vendor vehicle permit sells or otherwise transfers the mobile vendor vehicle to a bona fide purchaser for value, such bona fide purchaser for value may continue to operate the mobile vendor vehicle within the city provided the purchaser first complies with all of the provisions and requirements of this article, including having applied for and obtained all required licenses and permits. Within five (5) days of any mobile vendor vehicle sale or transfer, the seller shall notify the city of the sale or transfer and shall provide any proof of the sale or transfer as may be required by the city. Notwithstanding section 14-15-6, a bona fide purchaser pursuant to this section shall not be placed on the permit availability list when applying for a mobile vendor vehicle permit to replace the mobile vendor vehicle permit of the previous permittee for the purchased vehicle.

Sec. 14-15-9 General operational requirements

(a) A copy of the mobile vendor vehicle permit shall be posted in a location on the vehicle that is clearly visible to patrons.

(b) No mobile vendor vehicle may operate between the hours of 10:00 p.m. of any day and 8:00 a.m. of the following day.

(c) Mobile vendor vehicles operating on private property shall comply with the following requirements:

1. The written approval of the owner of the location shall be obtained. A copy of this approval shall be provided to the director prior to operating at the location and the vendor shall maintain proof of the owner's approval in the vehicle. The person operating the mobile vendor vehicle shall present this proof upon the demand of a peace officer or city employee authorized to enforce this article.

2. The vehicle shall only be stopped, standing or parked on surfaces paved with concrete, asphalt or another impervious surface.

3. Only one mobile vendor vehicle shall operate at the property at any one time.

4. The mobile vendor vehicle and surrounding property shall be maintained in a safe and clean manner at all times.

5. Except as allowed pursuant to chapter 25 of this code, no free standing or banner signs shall be displayed.

6. No tables, chairs or other site furniture shall be permitted.

7. Temporary shade structures shall be removed whenever the mobile vendor vehicle is not operating.

8. The property shall be located in an area where vending is permitted under chapter 25 of this code.

(d) No mobile vendor vehicle shall operate within any city park or recreation facility, except in conjunction with a special event that complies with the applicable provisions of this code and for which a permit has been issued. The city may direct mobile vendor vehicles to operate only in certain areas, and may require a mobile vendor vehicle to vacate the park or facility entirely if city personnel find that the mobile vendor vehicle is operating unsafely or is interfering with the event or the use of the park or facility.

(e) The mobile vendor vehicle shall obtain a permit from the Yolo County Health Department, and shall comply with all applicable federal, state, and local laws, regulations, and ordinances.

Sec. 14-15-10 Public right-of-way operational requirements

(a) No mobile vendor vehicle shall operate within the public right-of-way within three hundred (300) feet of any elementary, middle or high school, whether public or private. The distance shall be measured from the school's property line. Mobile vendor vehicles may operate on school property with the written permission of the institution. A copy of this permission shall be provided to the director prior to operating at the location and the vendor shall maintain proof of the school's permission in the vehicle. The person operating the mobile vendor vehicle shall present this proof upon the demand of a peace officer or city employee authorized to enforce this article.

(b) No mobile vendor vehicle shall operate within the public right-of-way within forty (40) feet of any intersection.

(c) No mobile vendor vehicle shall operate within the public right-of-way within twenty (20) feet of any driveway or entrance to any parking lot.

Sec. 14-15-11 Penalty

Any person who violates the provisions of this article shall be guilty of a misdemeanor. In addition, the city may impose administrative penalties as provided in this code or seek injunctive relief and civil penalties through civil action. The remedies provided in this article shall be cumulative and not exclusive of any other remedies available under any other federal, state, county or city laws or regulations.

Sec. 14-15-12 Exemption for existing mobile vendor vehicles

A mobile vendor vehicle operating within the city on April 1, 2011 in compliance with then applicable city regulations shall not be subject to the provisions of this article until April 1, 2012. A vendor wishing to claim this exemption shall submit documentation to the director demonstrating that he or she was operating within the city on April 1, 2011 and has continued to do so continuously since. Existing vendors may apply for and receive a mobile vendor permit pursuant to this article. In this case, the director shall include a condition in the permit allowing the vendor to operate in compliance with this section until April 1, 2012. Vendors exempt from the requirements of this article pursuant to this section may continue to operate their mobile vendor vehicles in the same manner provided their operation complies with the following:

(a) The mobile vendor vehicle shall not operate on any portion of the public right-of-way within this city without first obtaining an encroachment permit from the traffic engineer and/or in conjunction with a permitted temporary outdoor use or special event (See Code Section 25-13-30), except that the same may stand or park at the request of a bona fide purchaser for a period of time not to exceed thirty (30) minutes at any one place.

(b) The mobile vendor vehicle operates on private property, or on property owned by a public entity, in compliance with the following standards:

1. A valid city business license shall be obtained;

2. A valid county health permit shall be obtained, if applicable;

3. Written permission of the property owner shall be provided;

4. The mobile vendor is parked in conjunction with a permitted temporary outdoor use permit or special event (see Code Section 25-13-30), if applicable;

5. All applicable city, county, state and federal requirements are complied with.

(c) The mobile vendor vehicle continuously operates within the city from April 1, 2011 until April 1, 2012 or it begins complying with the provisions of this article, whichever is sooner.

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: May 3, 2011

SUBJECT: Final Acceptance and Notice of Completion for the Series Street Lighting Replacement Project (Main St.), CIP 08-06

Report in Brief

On June 29, 2010, the City Council awarded a construction contract with Tennyson Electric Inc., in the amount of $412,352 to remove and replace "series" street lights on Main Street between West Street and Elm Street and between Third and Sixth Streets. Work included the installation of new modern electrical wiring, street lights, conduit, pull boxes, new service pedestal and replacement of PCC sidewalk, curb and gutter. The work was performed in accordance with the plans and specifications and is ready for acceptance by City Council.

The total available federal funding for construction of the project was $550,000 of American Reinvestment and Recovery Act (ARRA) funds. Due to the low bids received, the City was able to award the base bid, all additive alternates and still have a significant amount of contingency funding for the construction of sidewalk, curb ramp and driveway replacements (ADA compliance). During the course of construction, additional change orders were issued to fully utilize all available ARRA funding.

Staff recommends City Council accept the Series Street Lighting Replacement Project as complete and authorize the City Clerk to file a Notice of Completion.

Background

This project consisted of removing and replacing existing series street lights along Main Street between West Street and Elm Street and between Third and Sixth Streets. This type of series circuit system runs at constant amperage and ramps the voltage up to serve the number of lights on the system. When there is a system fault (break or short circuit), the PGE "series" transformer automatically ramps up the voltage to jump the break. Since there is no circuit breaker protection, this type of system results in safety concerns for citizens and operations staff. Modern wiring includes circuit breaker protection and runs at a steady voltage (120 AC) and therefore results in a safer and more efficient system. Additionally, the street light poles and bolts were at the end of their useful life due to corrosion. PG&E had indicated that replacement parts for this system ("series" transformer and switch) are difficult to find. This series street light system was outdated, unreliable, inefficient and in need of replacement. The inconsistent operation of the system generated numerous complaints from nearby business owners and their customers.

The Economic Recovery Act (Economic Stimulus Funding) was approved on February 17, 2009. The bill includes approximately $72 million in road funding for the Sacramento Area Council of Government (SACOG) area. The City of Woodland's allocation for this project was $550,000.

Discussion

Tennyson Electric Inc. began construction in July 2010 and finished in March 2011. Because of the low bids that were received, the City was able to award the base bid, all additive alternates and still have a significant amount of contingency funding for the construction of sidewalk, curb ramp and driveway replacements (ADA compliance). The City also needed to pay for a minor amount of costs for unforeseen conditions. Change orders were issued in the amount of approximately $74,500 for the above mentioned improvements. If these change orders were not issued, the City would have been required to return any remaining funds back to the Federal Government.

Fiscal Impact

The Capital Budget identifies a project total of $596,606 for this project, of which $550,000 is American Recovery and Reinvestment Act funds (Economic Stimulus Funding) for construction and $46,606 is Community Development Block Grant funds (CDBG) for project design. The difference between the project budget and the construction contract represents the amount expended for design, construction management and construction contingency. There is no impact to the General Fund.

Public Contact

Posting of the City Council agenda.

Recommendation for Action

Staff recommends City Council accept the Series Street Lighting Replacement Project as complete and authorize the City Clerk to file a Notice of Completion.

Prepared by:	Miguel Chavez Associate Engineer
Reviewed by:	Michael Karoly, PE Senior Civil Engineer
Reviewed by:	Brent Meyer, PE Principal Civil Engineer/ City Engineer
Reviewed by:	Paul Siegel Deputy Director, Community Development Department

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Mark G. Deven
City Manager

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: May 3, 2011

SUBJECT: Summary Vacation of Public Easement between East Gibson Road and Branigan Avenue

Report in Brief

With the Development of the Bel Air shopping center located at the corner of Gibson Road and Pioneer Avenue, the City required dedication of an easement for a future bicycle and pedestrian connection (approximately 900 feet east of Pioneer Avenue along the eastern edge of the Bel Air shopping center) between Gibson Road and Branigan Avenue. With the removal of the Gibson Road Bicycle and Pedestrian Overcrossing from the General Plan, the future path and easement are no longer necessary. A summary vacation is an abbreviated method to relinquish unused City right of way.

Staff recommends that the City Council adopt Resolution No. ____ approving summary vacation for excess right-of-way (approximately 900 feet east of Pioneer Avenue) between East Gibson Road and Branigan Avenue as described herein.

Background

Parcel Map 4610 dedicated a 25 sidewalk and access easement along the eastern edge of the Bel Air shopping center between East Gibson Road and Branigan Avenue. The easement was intended to be the continuation of a bicycle and pedestrian path north from the Gibson Road bicycle and pedestrian overcrossing. During its meeting of November 16, 2010 the City Council approved amendments to the General Plan, Spring Lake Specific Plan and the Southeast Area Specific Plan to remove the bicycle overpass from the circulation element of these plans. The easement is no longer necessary and may be declared surplus.

The November 16, 2010 Council action was approved in response to a request from the original developers of the Gibson-Ogden site, Gibson Ogden Investors, LLC. Their request was based on the unfavorable impact of the overpass on the development of the site. Staff concurred with this request, in part because the future construction of the overpass would have been impractical given the status of the residential homebuilding industry and delayed collection of development fees which were supposed to fund the project. The applicant has also included in the amendment request removal of the class 1 off-street bike path and related grade crossings south of Gibson Road between Woodland Community College and Pioneer High School due to concerns raised by City staff regarding the viability and safety of this path should the overpass be removed.

Discussion

With removal of the bicycle and pedestrian crossing from the General Plan and Specific Plans there is no current or future use for this easement.

Parcel map 4610 dedicated the sidewalk and access easement in 2003. The easement has never been used for its stated purpose. Because the land has not been used for its original purpose for more than five years it can be vacated by summary action in accordance with chapter 8335 of the Streets and Highway Code. Staff directly contacted the property management company, Sequoia Management of San Jose. Sequoia Property Management is also owned by the property owners, Mrs. And Mrs. Morris and provides services to manage the Bel Air shopping center. Although it is possible there could be a small incremental increase in property taxes, they did not appear to be concerned about this action.

Fiscal Impact

There is no Fiscal Impact.

Public Contact

Posting of the City Council agenda, and communication with Sequoia Management of San Jose by phone and letter.

Recommendation for Action

Staff recommends that the City Council adopt Resolution No. ____ approving summary vacation for excess right-of-way (approximately 900 feet east of Pioneer Avenue) between East Gibson Road and Branigan Avenue as described herein.

Prepared by: Bruce Pollard
Senior Civil Engineer

Reviewed by: Brent Meyer
Principal Civil Engineer
City Engineer

Reviewed by: Paul Siegel
Deputy Director
Community Development

____
Mark G. Deven
City Manager

Attachments: Resolution of Summary Vacation
Copy of original Parcel Map 4610

Recording requested by

City of Woodland

and when recorded return to:

City Clerk
City of Woodland
300 First Street
Woodland, CA 95695

RESOLUTION NO. ______

A RESOLUTION OF THE CITY OF WOODLAND CITY COUNCIL APPROVING SUMMARY VACATION OF A CITY OWNED EASEMENT

WHEREAS, The City of Woodland on November 16, 2010 removed the planned pedestrian and bicycle overcrossing over Gibson Road from the City's General Plan, Southeast Area Specific Plan and Spring Lake Area Specific plan; and

***WHEREAS*,** The City owns a certain easement located on a parcel of land denoted as a 25' sidewalk easement as shown on Parcel Map no. 4610 recorded in Book 2003 of maps pages 31-33; and

***WHEREAS*,** the easement was intended to extend the bike path from the overcrossing from Gibson Road to Branigan Ave; and

***WHEREAS*,** the easement has not been used for the purpose it was acquired in more than five years; and

***WHEREAS*,** the City has determined that the easement will not be needed in the future; and

NOW THEREFORE BE IT RESOLVED, that the City Council of the City of Woodland in accordance with chapter 8335 of the Streets and Highway Code does summarily vacate the easement as shown on Parcel Map 4610 and recorded in Book 2003 of Maps pages 31-33.

APPROVED AND ADOPTED on the ______ day of ______, 2011. I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the Woodland City Council following a roll call vote:

AYES:
NOES:
ABSENT:
ABSENTIONS:

____
AREMIO PIMENTEL, MAYOR

Recording requested by

City of Woodland

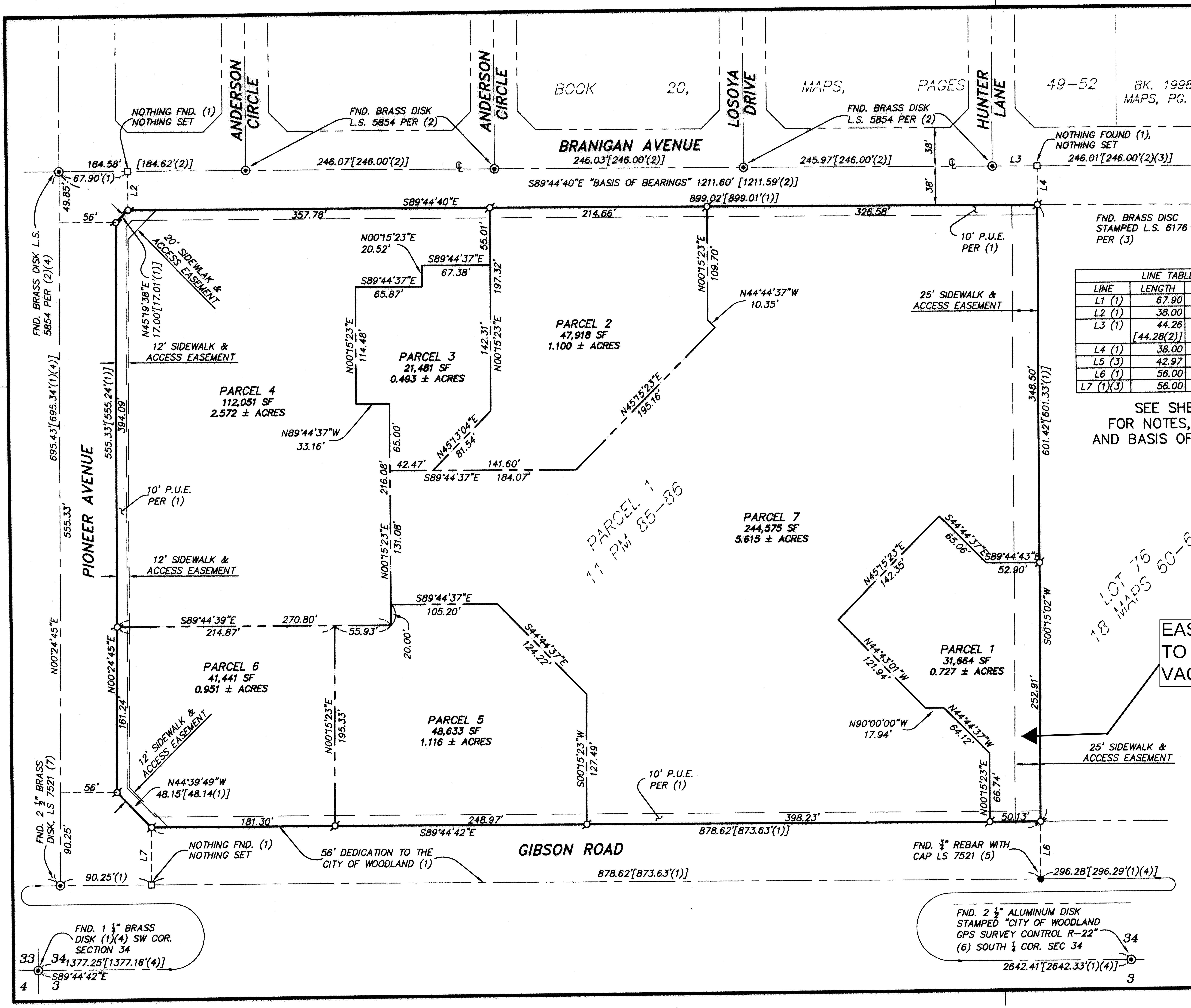
and when recorded return to:

City Clerk
City of Woodland
300 First Street
Woodland, CA 95695

ATTEST:

____

ANA GONZALEZ, CITY CLERK



LINE TABLE		
LINE	LENGTH	BEARING
L1 (1)	67.90	S89°44'40"E
L2 (1)	38.00	S00°15'20"W
L3 (1)	44.26 [44.28(2)]	S89°44'40"E
L4 (1)	38.00	S00°15'02"W
L5 (3)	42.97	S89°44'40"E
L6 (1)	56.00	S00°15'02"W
L7 (1)(3)	56.00	N00°15'20"E

SEE SHEET 2 FOR NOTES, LEGEND, AND BASIS OF BEARINGS.

PARCEL MAP NO. 4610

FOR

GIBSON PLAZA SHOPPING CENTER

PARCEL 1, "PARCEL MAP NO. 4175", BOOK 11 OF PARCEL MAPS AT PAGES 85 AND 86 AND BEING A PORTION OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 10 NORTH, RANGE 2 EAST, MOUNT DIABLO BASE AND MERIDIAN. CITY OF WOODLAND, YOLO COUNTY, CALIFORNIA

LM — CIVIL ENGINEERING, LAND SURVEYING, PLANNING
LAUGENOUR AND MEIKLE
WOODLAND, CALIFORNIA

SHEET 3 OF 3 — MAY 12, 2003

2565-1PM.dwg

Yolo County
Book of Maps
2003
Page 33

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: May 3, 2011

SUBJECT: Summary Vacation of Excess Road Right of Way at the Intersection of Sixth and Court Streets

Report in Brief

As part of the application process for remodeling and tenant improvement for 306 Sixth Street (Maria's Cantina), the property owner requested use and vacation of excess right of way of Court Street for the construction of a fireplace within City right-of-way as a building accessory to a new restaurant. A summary vacation is an abbreviated method to relinquish unused City right of way.

Staff recommends that the City Council adopt Resolution No. _____ approving summary vacation for excess right-of-way along Court Street adjacent to the Sixth Street intersection as described herein.

Background

Court Street is a fully improved east/west arterial road through the downtown core of the City. The City currently owns a road right of way for Court Street that exceeds (by approximately 2 feet beyond the sidewalk) the amount needed for operation of the roadway and pedestrian facilities. The property owner for 306 Sixth Street requested construction of an outdoor fireplace as a building accessory for a new restaurant to be called Maria's Cantina. This project is currently under construction.

As part of the review, staff determined that the construction of the fireplace would lie within City right-of-way. Staff also concluded that the affected right of way is in excess of what is needed for the road. The property owner has requested the City vacate a portion of the right of way below the fireplace and along the new roof line (where posts are located) and has prepared a property description necessary for the vacation of the excess right of way. A summary vacation is an abbreviated method to relinquish unused City right of way.

Discussion

The construction of outdoor dining facilities is encouraged in the Downtown Specific Plan and part of a vibrant downtown. The City could retain the right of way and allow the owner to utilize the area through an agreement. However, construction of a facility with an open flame has an inherit liability and it would be best for the City not to have the underlying property interests. Furthermore, the City has not used this section of right of way in excess of five years so the property may be relinquished through the summary vacation process. The vacation area is about 1.3 feet wide and 137 feet long for a total of 174 square feet.

Fiscal Impact

There is no Fiscal Impact.

Public Contact

Posting of the City Council agenda.

Recommendation for Action

Staff recommends that the City Council adopt Resolution No. _____ approving summary vacation for excess right-of-way along Court Street adjacent to the Sixth Street intersection as described herein.

Prepared by: Bruce Pollard
Senior Civil Engineer

Reviewed by: Brent Meyer
Principal Civil Engineer
City Engineer

Reviewed by: Paul Siegel
Deputy Director
Community Development

____
Mark G. Deven
City Manager

Attachments: Resolution of Summary Vacation
Location Map
Property Description

Recording requested by

City of Woodland

and when recorded return to:

City Clerk
City of Woodland
300 First Street
Woodland, CA 95695

RESOLUTION NO. ______

A RESOLUTION OF THE CITY OF WOODLAND CITY COUNCIL APPROVING SUMMARY VACATION OF PORTIONS OF CITY-OWNED PARCELS

WHEREAS, The City of Woodland currently owns a road right of way for Court Street that exceeds the amount needed for operation of the roadway and pedestrian facilities; and

WHEREAS, The property owner of 306 Sixth Street has requested the construction of an outdoor fireplace and roof support structures that are in conflict with the excess right of way for an area along Court Street Approximately 174 s.f. in size; and

WHEREAS, the right-of-way has not been used for the purpose it was acquired in more than five years; and

WHEREAS, the City has determined that certain amounts of the right-of-way will not be needed in the future; and

WHEREAS, legal descriptions of this excess land have been prepared by a licensed land surveyor in the State of California and the legal descriptions are attached as Exhibits A and B and incorporated into this resolution by reference;

NOW THEREFORE BE IT RESOLVED, that the City Council of the City of Woodland in accordance with chapter 8335 of the Streets and Highway Code does summarily vacate the land as described in the attached legal descriptions.

APPROVED AND ADOPTED on the Third day of May, 2011. I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the Woodland City Council following a roll call vote:

AYES:
NOES:
ABSENT:
ABSENTIONS:

____
Artemio Pimentel, MAYOR

ATTEST:

Recording requested by

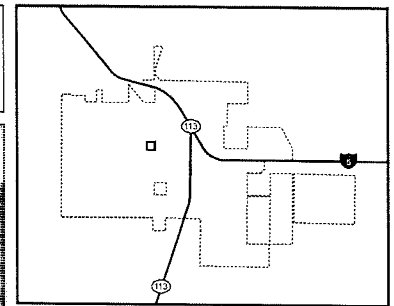
City of Woodland

and when recorded return to:

City Clerk
City of Woodland
300 First Street
Woodland, CA 95695

Ana Gonzalez, CITY CLERK

Location Map



Legend

- Address Points
- Parcels
- 2009 Imagery
  - Red:Band_1
  - Green:Band_2
  - Blue:Band_3

1: 924

0.0 0 0.01 0.0 Miles

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.
THIS MAP IS NOT TO BE USED FOR NAVIGATION

Notes

Location Map

R. W. CHAMBERS

DAVIS
WOODLAND
WEST SACRAMENTO

NK
ENGINEERING & SURVEYING CO., INC.

724 "G" STREET
DAVIS, CA. 95616
PHONE: (530) 758-6490
FAX: (530) 758-5560
nkengineers@sbcglobal.net

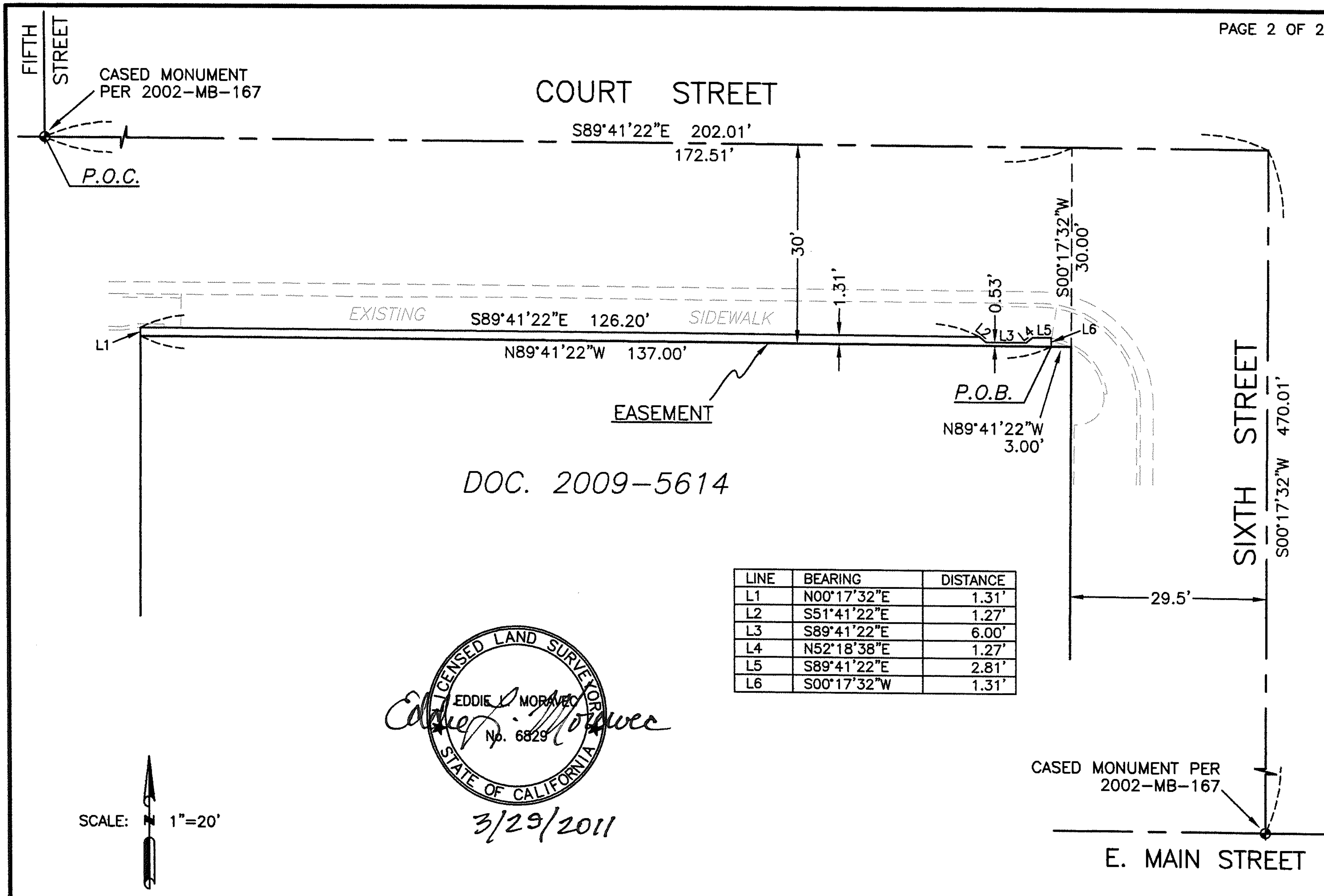
EXHIBIT "A"

An easement lying within Nathan Elliot's Eastern Addition to the Town (now City) of Woodland, as recorded in Book "K" off Deeds at Page 246, Yolo County Records, being described as follows:

Commencing at the centerline intersection of Fifth and Court Streets, marked by a cased monument as shown on the Record of Survey filed in Book 2002 of Maps at Page 167, Yolo County Records; thence S 89°41'22" E along the centerline of Court Street 172.51 feet; thence S 00°17'32" W 30.00 feet to the northeast corner of the parcel described in Document No. 2009-0005614, recorded Feb. 27, 2009 in Yolo County Records, said point also being the northeast corner of Lot No. 1 of Nathan Elliot's Eastern Addition referenced above; thence N 89°41'22" W 3.00 feet to the True Point of Beginning; thence N 89°41'22" W 137.00 feet to the northwest corner of said lot; thence N 00°17'32" E 1.31 feet; thence S 89°41'22" E 126.20 feet; thence S 51°41'22" E 1.27 feet; thence S 89°41'22" E 6.00 feet; thence N 52°18'38" E 1.27 feet; thence S 89°41'22" E 2.81 feet; thence S 00°17'32" W 1.31 feet to the Point of Beginning. Containing 174 square feet, more or less.

LICENSED LAND SURVEYOR
EDDIE L. MORAVEC
No 6829
STATE OF CALIFORNIA

3/29/2011



LINE	BEARING	DISTANCE
L1	N00°17'32"E	1.31'
L2	S51°41'22"E	1.27'
L3	S89°41'22"E	6.00'
L4	N52°18'38"E	1.27'
L5	S89°41'22"E	2.81'
L6	S00°17'32"W	1.31'

EXHIBIT "B"

NK
ENGINEERING AND SURVEYING CO., INC.
724 G STREET DAVIS, CA 95616 nkengineers@sbcglobal.net
(530) 758-8490 FAX: (530) 758-5560

Lot Report
12/02/2010 10:42

Lot File: \City of Woodland\Morgan 6th+Court\EASEMENT.lot
CRD File> \City of Woodland\Morgan 6th+Court\EASEMENT.crd

LOT EASEMENT OF BLOCK 1, TYPE: LOT

PNT#	BEARING	DISTANCE	NORTHING	EASTING
100			4966.8214	5543.5346
	N 89°41'22" W	137.0000		
101			4967.5640	5406.5366
	N 00°17'32" E	1.3100		
102			4968.8740	5406.5433
	S 89°41'22" E	126.1972		
103			4968.1900	5532.7386
	S 51°41'22" E	1.2676		
104			4967.4042	5533.7332
	S 89°41'22" E	6.0000		
105			4967.3716	5539.7331
	N 52°18'38" E	1.2676		
106			4968.1466	5540.7363
	S 89°41'22" E	2.8050		
107			4968.1314	5543.5413
	S 00°17'32" W	1.3100		
100			4966.8214	5543.5346

Closure Error Distance> 0.000000
Total Distance> 277.1575

LOT AREA: 174 SQ FT OR 0.00 ACRES

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: May 3, 2011

SUBJECT: Pioneer-Parkland Extension, CIP 09-27; Increase Capital Budget Authorization, Approve Plans and Specifications, and Authorize Bid Advertisement

Report in Brief

This project constructs the segment of Pioneer Avenue and Parkland between Farmers Central Avenue and Heritage Parkway. The initial roadway construction will be a two-lane road including sidewalk on one side, street lights, City utilities (water, sewer, and storm) and portions of future PGE, ATT & Telecommunications. The roadway will provide for more efficient traffic circulation and enable future development of the adjacent lands. Due to an administrative error, the incorrect amount of funding was placed in the capital budget for this project. The underlying project funding is sufficient to cover the updated project cost. The project is funded with Spring Lake bond funds.

Staff recommends that the City Council increase the project capital budget authorization to $3.5 million in FY 2011, approve the project design and bid package, and authorize bid advertisement for the Pioneer-Parkland Extension, CIP 09-27.

Background

The City Council approved the purchase and dedication agreement for the right of way at the April 5, 2011 meeting. Staff is currently performing the due diligence tasks required by the agreement in anticipation of closing escrow on the property 30 days after approval of the agreement.

The Spring Lake Specific Plan (SLSP) circulation element includes a four lane arterial road (extension of Pioneer Avenue and Parkland Road) between Farmers Central Road and Heritage Parkway. The Spring Lake Mello Roos bond district includes financing for two of the four lanes.

In 2004, the City sold bonds to fund the initial infrastructure needed to support development in the Spring Lake area. In order to meet their schedules the Developers constructed all of the improvements included in the bond documents except Pioneer Avenue. There is not a development interest that can carry the cost of these improvements (subject to reimbursement), and may not be for some time. Therefore, the City is stepping forward to complete the necessary infrastructure listed in the bond documents.

Discussion

The City will construct the eastern two lanes of the ultimate roadway. Other features include sidewalk along the eastern side of the road, City utilities (water, sewer, storm), street lighting, and portions of the future PGE, ATT and Telecommunications facilities (to avoid future road cuts). Construction is scheduled for summer 2011. Since this project constructs a new roadway, there will be almost no disruption to existing traffic or adjacent residents.

Construction at this time will provide the following benefits:

- Improve traffic circulation and emergency vehicle response times for the residents in the Beeghly Ranch area;
- Allow the District to take advantage of the continued good bid climate;
- Improve the local economy by providing additional construction jobs;
- Allow the City to determine if there will be any remaining bond money that can be reallocated to other projects within the District or returned to the developers;
- Improve the marketability of land in the SLSP area; and
- Address a specific issue identified by Spring Lake residents during the March 15 Council meeting and further discussed during a follow up public meeting held on March 30 and attended by over 100 neighbors

A full set of Plans and Specifications are available for review at the Community Development counter. For inquiries regarding project details, please contact CDD engineering staff at 661-5820.

Upon Council authorization, the project bids will be solicited within several days with an approximate bid opening date of late May. Staff anticipates a bid award date for the June 21 Council meeting with construction beginning about mid-July.

Fiscal Impact

The total project budget is $3.5 million, which consists of Spring Lake bond funding (IFR-Initial Facilities Release). The project budget is consistent with the Spring Lake Capital Improvement Plan (CIP) which is the basis for the Spring Lake SLIF fees. The engineer’s estimate of construction cost is $2,705,700. The difference between the total project budget and the engineer’s estimate is the amount budgeted for design, right of way, construction management and construction contingency.

There is no impact to the General Fund.

Public Contact

This item was posted on the City Council agenda.

Recommendation for Action

Staff recommends that the City Council increase the project capital budget authorization to $3.5 million in FY 2011, approve the project design and bid package, and authorize bid advertisement for the Pioneer-Parkland Extension, CIP 09-27.

Prepared by: Michael Karoly, PE
Sr. Civil Engineer

Reviewed by: Brent Meyer, PE
Principal Civil Engineer
City Engineer

Reviewed by: Paul Siegel
Deputy Director,
Community Development

____

Mark G. Deven
City Manager

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: May 3, 2011

SUBJECT: Set Council Summer Meeting Dates

Report in Brief

It has been Council's past practice to suspend regular and special meetings of the Council during the month of August to provide Council and staff an opportunity to schedule vacation should they so choose. Council may wish to take that option again this year.

Staff recommends that the City Council approve the suspension of Council meetings during the month of August 2011.

Background

An early decision by Council to suspend their meetings in August will allow staff to address items that need Council attention in a timely manner before or after the recess. Should an urgent situation arise whereby immediate action is required of the Council, a meeting could be called to address that one item as needed.

Public Contact

Posting of agenda by the regular means, notice on the City's website of the changes, article and/or notice in the newspaper.

Alternative Courses of Action

1. Approve the suspension of Council meetings during the month of August 2011.
2. Choose to meet on the regular dates in August which are August 2nd and 16th.
3. Select other dates to meet or cancel meetings during the summer months.

Recommendation for Action

Staff recommends that the City Council approve Alternative No. 1.

Prepared by: Ana Gonzalez
City Clerk

Mark G. Deven
City Manager

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: May 3, 2011

SUBJECT: ADA Improvements, Project No. 10-06; Approve Plans and Specifications, Authorize Bid Advertisement, and Authorize the City Manager to Execute the Construction Contract

Report in Brief

The project will improve accessibility to the locations shown on the attached project location map, which will include the installation of curb ramps, detectable warning strips, and the replacement of non-compliant driveways. Staff is requesting that the City Manager be authorized to award the construction contract in order to expedite the project completion date. Because the project is funded with Community Development Block Grant funding (CDBG), the City needs to complete the project as close as possible to the end of the fiscal year.

Staff recommends that the City Council approve the project design and bid package for the ADA Improvements, Project No. 10-06, authorize bid advertisement and authorize the City Manager to award the construction contract to the lowest, responsive, responsible bidder up to $145,000.

Background

The City of Woodland applies for CDBG funds annually from the United States Department of Housing and Urban Development (HUD). CDBG funds must be used for activities that assist lower-income persons and to eliminate conditions of blight from the community.

In 2010, the Engineering Division applied for and received $211,420 in CDBG grant funding for access improvements for persons with disabilities to various locations within the City.

Discussion

The project conforms to the requirements of the CDBG grant, the American with Disabilities Act (ADA) and is fully supported by the City's ADA citizen’s advisory committee. Wherever reasonable, construction hours will be limited such that work is completed in a manner that minimizes disruption to local businesses. The project locations where selected from the City's priority route, which gives access to public facilities such as the County buildings and public schools on Beamer Street. The priority route locations have been determined through the City's ADA transition program. The project locations were also selected from the City's priority list which is a list of locations requested by Woodland citizens. The project includes four of those locations. The project locations include:

- Second Street/Bartlett Avenue intersection (curb ramp)
- Sutter Street/Beamer Street intersection (curb ramps)
- Hershey Drive (sidewalk)
- Daniels Street/Cross Street intersection (curb ramps)
- Court Street near West Street (driveway)
- Cottonwood Street/Buckeye Street intersection (curb ramps)
- Cottonwood Street/Woodland Avenue intersection (curb ramps)
- Beamer Street from West Street to Ashley Avenue (curb ramps and driveways)

The project locations are also shown on the attached map.

A full set of Plans and Specifications are available for review at the Community Development counter. For inquiries regarding project details, please contact CDD engineering staff at 661-5820.

Upon Council authorization, the project bids will be solicited by May 4 with an approximate bid opening date of late May. Assuming the City Manager is authorized to execute the contract, staff anticipates bid award and beginning of construction around the middle of June.

Fiscal Impact

The project is fully funded in the Capital Budget. The total budget is $211,420, which is fully funded by the 2010/2011 Community Development Block Grant (CDBG). After setting aside an amount for design, construction management and construction contingency, staff is recommending an amount available for construction of up to $145,000.

There is no impact to the General Fund.

Public Contact

This item was posted on the City Council agenda.

<u>Recommendation for Action</u>

Staff recommends that the City Council approve the project design and bid package for the ADA Improvements, Project No. 10-06, authorize bid advertisement and authorize the City Manager to award the construction contract to the lowest, responsive, responsible bidder up to $145,000.

Prepared by: Jair Camacho
Associate Engineer

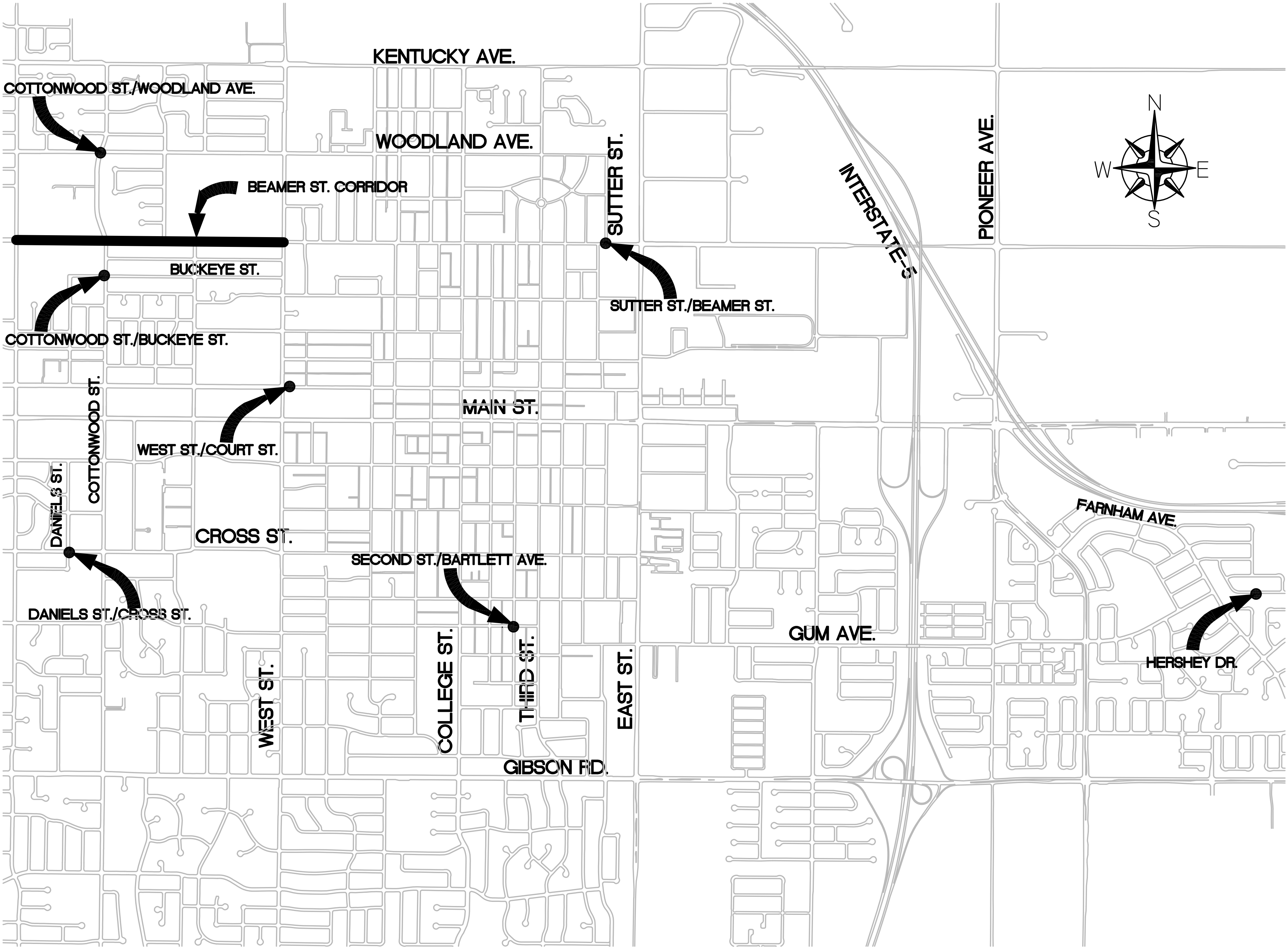
Reviewed by: Katie, Wurzel, PE
Transportation Engineer

Reviewed by: Brent Meyer, PE
Principal Civil Engineer
City Engineer

Reviewed by: Paul Siegel
Deputy Director
Community Development

____
Mark G. Deven
City Manager

Attachment: Project Location Map



2011 ADA IMPROVEMENTS PROJECT LOCATION MAP

NOT TO SCALE

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: May 3, 2011

SUBJECT: Authorize MuniServices LLC to Examine Sales and Use Tax Records

Report in Brief

Following the approval of Measure V on June 8, 2010, the City is required to complete certain agreements with the California State Board of Equalization to allow the State to release data to Woodland's sales tax consulting firm.

Staff recommends that City Council adopt Resolution No ______ Designating MuniServices LLC as the Authorized City Representative to Examine Sales and Use Tax Records.

Background

With the adoption of Resolution 5076 on February 9, 2010 the City placed a one-quarter percent sales tax measures and three advisory measures on the June 8, 2010 ballot. On May 4, 2010 the City Council adopted Ordinance 1516 amending Chapter 23 of the City's Municipal Code to impose a supplemental transaction and use tax subject to the outcome of the June 8, 2010 election.

Measure V and the accompanying advisory Measures S, T and U were approved by a majority of the City of Woodland voters on June 8, 2010. Measure V became effective on October 1, 2010.

Discussion

The California State Board of Equalization (BOE) administers and collects the transactions and use taxes for all jurisdictions within the state; they will also be responsible for administration and collection of Measure V.

The City has been using the services of MuniServices, LLC to provide sales tax data collection, auditing, reporting and projecting. This has proven to be a very valuable service for the City.

In order to allow the BOE to release sales tax information to MuniServices LLC for Measure V, the attached resolution is required to be passed.

Fiscal Impact

This service will not add any costs to the City's existing contract with MuniServices.

Recommendation for Action

Staff recommends that City Council adopt Resolution No ______ Designating MuniServices LLC as the Authorized City Representative to Examine Sales and Use Tax Records.

Prepared by: Kimberly McKinney
Finance Officer/City Treasurer

____
Mark G. Deven
City Manager

Attachment

RESOLUTION NO. ________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND DESIGNATING A CITY CONSULTANT AS THE AUTHORIZED CITY REPRESENTATIVE TO EXAMINE SALES AND USE TAX RECORDS

WHEREAS, pursuant to California Revenue and Taxation Code Sections 7200, et seq., and 7215, et seq., the City of Woodland has adopted a sales, use, and transaction tax ordinance (or ordinances) which meet the requirements of those code sections; and

WHEREAS, pursuant to California Revenue and Taxation Code Section 7056, the City of Woodland, by resolution, may designate any officer, employee or any other person to examine all of the sales, transaction, and use tax records of the Board pertaining to sales and use taxes collected for the City; and

WHEREAS, the City of Woodland has entered into an agreement for sales tax audit and information services with the firm of MuniServices, LLC to designate MuniServices, LLC as the authorized Consultant to examine such tax records maintained by the Board on behalf of the City of Woodland; and

WHEREAS, all legal prerequisites prior to the adoption of this Resolution have occurred.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Woodland as follows:

1. That the City Manager, Finance Officer, or other officer or employee of the City designated in writing by the City Manager to the State Board of Equalization (hereafter referred to as Board), is hereby appointed to represent the City with authority to examine sales, transaction, and use tax records of the Board pertaining to sales, transaction and use taxes collected for the City by the Board pursuant to the contract between the City and the Board. The information obtained by examination of Board records shall be used only for purposes related to the collection of City sales, transaction, and use taxes by the Board pursuant to that contract.
2. That the City Manager, Finance Officer, or other officer or employee of the City designated in writing by the City Manager to the Board, is hereby appointed to represent the City with authority to examine those sales, transaction, and use tax records of the Board, for purposes related to the governmental functions of the City.
3. In all respects as set forth above, the City Council of the City of Woodland hereby certifies to the State Board of Equalization that MuniServices, LLC is the designated representative of the City of Woodland to examine all of the sales, transaction, and use tax records of the Board pertaining to sales and use taxes collected by the Board on behalf of the City of Woodland.
4. Pursuant to Ca*lifornia Revenue and Taxation Secti*on 7056(b), the City Council of the City of Woodland certifies that MuniServices, *LLC (*the "Consultant") meets all of the following conditions:
    a. Consultant has an existing contract with the City to examine sales tax records;
    b. Consultant is required by that contract to disclose information contained in, or derived from, those sales tax records only to an officer or employee of the City who is authorized by resolution to examine the information;

c. Consultant is prohibited by the contract from performing consulting services for a retailer during the term of the contract; and

d. Consultant is prohibited from retaining the information contained in, or derived from, those sales tax records after the contract has expired.

PASSED, APPROVED, AND ADOPTED THIS ______ DAY OF _______________, 2011.

STATE OF CALIFORNIA
COUNTY OF YOLO ss.
CITY OF WOODLAND

I, ________________________________, City Clerk of the City of Woodland, County of Yolo, State of California do hereby certify that the foregoing Resolution No. ____________ was regularly adopted by the City Council of said City of Woodland at a regular meeting of said council held on the ___________ day of _______________, 2011, by the following vote:

AYES:	Council members:	________________________________
NOES:	Council members:	________________________________
ABSENT:	Council members:	________________________________
ABSTAIN:	Council members:	________________________________

____
Mayor, Artemio Pimentel

Attest:

______________________________________,
City Clerk, Ana Gonzalez

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: May 3, 2011

SUBJECT: Hearing on Proposed Resolution of Necessity by the City Council of the City of Woodland, Declaring that the Acquisition of Fee, Temporary Construction and Permanent Utility Easement Interests in a Portion of Certain Real Property Located in the City of Woodland, Yolo County, California, by Eminent Domain, more Particularly Described as Assessor Parcel Number: 041-070-006, is Necessary for the Purpose of Extending Matmor Road, Constructing Sports Park Drive from East Street and Relocating an Existing Utility Power Line in the City of Woodland, Yolo County, California

Report In Brief

The City has been in the process of seeking acquisition of property necessary to support the completion of the Parkside Sub Division approximately north of the Community Sports Park. During the course of the acquisition process, staff has met with the City Council in closed session on three occasions to discuss the status of the process. Unfortunately, this process has been unsuccessful; therefore, staff is requesting the City Council to consider action that would support the acquisition through eminent domain proceedings.

Staff recommends that the City Council approve the following specific actions:

1) Conduct a hearing to consider the adoption of a Resolution of Necessity, including providing all parties interested in the affected property and their attorneys, or their representatives, an opportunity to be heard on the issues relevant to the Resolution of Necessity.

2) Make the following findings as hereinafter described in this report:
   a) The public interest and necessity require the proposed project;
   b) The project is planned or located in a manner that will be most compatible with the greatest public good and the least private injury;
   c) The real property to be acquired is necessary for the project; and
   d) The offer of just compensation has been made to the property owner.

3) Adopt Resolution of Necessity No. ________ for the City of Woodland, declaring that the acquisition of fee, temporary construction and permanent utility easement interests in a portion of certain real property, more particularly described as Assessor Parcel Number 041-070-006, by eminent domain is necessary for the relocation of an existing power line, extending Matmor Road and construction of Sports Park Drive from East Street, for the Sports Park/Community Park Project ("Project"), in the City of Woodland.

Background

The City is being asked to consider the adoption of a Resolution of Necessity declaring its intent to acquire a road right-of-way fee acquisition, a temporary construction easement for the duration of one year for the construction of the road and the relocation of an existing power line, and a permanent utility easement for the power line, in a portion of certain real property located in the City of Woodland, Yolo County, California, through eminent domain proceedings.

On December 7, 2010, January 18, 2011 and March 1, 2011, staff discussed with the City Council, in closed session, the acquisition of property necessary to support the completion of Sub Division 4675 (Parkside) ("Project"). This Project is a 162 lot subdivision located south of President's Park (extension of Matmor Road) and North and East of the Sports Park/Community Park.

The immediate need for the property acquisition is to proceed with the extension of Matmor Road, the construction of Sports Park Drive from East Street and the relocation of an existing power line. The acquisition is required for, and will benefit, the community by reducing congestion, improving existing operating conditions, and enhancing safety. The project will meet the conditions of the development agreement for the Project, which requires the connection of the street system to the existing City at two points, as follows: 1) by extending Matmor Road; and 2) by constructing Sports Park Drive from East Street. This Project has required that the developer obtain property rights for future roads and utilities on behalf of the City from five property owners. The developer has obtained all property rights for the Project except for one.

In order to construct the intersection of Sports Park Drive and East Street, approximately 3,281 square feet of ROW and 4,631 square feet of easement (permanent utility and temporary construction easements) are required from APN 041-070-06, owned by Forrest Family Trust c/o Fred and Le Forrest. The Developer, Standard Pacific, has been unable to obtain this property from this property owner, and has requested that the City acquire the property in accordance with section 3.8 of the Development Agreement. This section allows for the Developer to request that the City acquire the land after the Developer has made a reasonable effort to acquire the land, and agreeing to fund the cost of land acquisition. Staff believes that Standard Pacific has exercised a reasonable effort to acquire the land from the Forrest family.

The City had the property appraised and has made two offers to the record owners, pursuant to California Government Code § 7267.2, and has been unsuccessful in negotiating a voluntary purchase of the necessary fee, permanent utility and temporary construction easement interests from the property owners. Negotiations are ongoing and further negotiations are not precluded by the holding of the hearing or the City's adoption of a Resolution of Necessity.

Since an agreement has not been reached with the property owners, it may be necessary to acquire the portion of the property described in Exhibit "A" by eminent domain. The initiation of the eminent domain process is accomplished by the City Council's adoption of the proposed Resolution of Necessity.

A Preliminary Title Report was ordered from First American Title Company to confirm the identity of the record owners of the parcel affected by the Project. The City then served the affected property owners with a notice of the City's decision to appraise the property, and thereafter, the City sent the affected property its written offer to purchase, as described above.

Discussion

Description of Property to be Acquired

Yolo County Assessor Parcel No. 041-070-006 is located at 19435 East Street, in the City of Woodland, California. The larger parcel is improved with a single family residence with a detached garage and a small cottage house located in the rear of the property. The improvements are located entirely outside of the proposed acquisition area and are not negatively impacted by the proposed acquisition. A permanent utility easement is necessary for the relocation of an existing power line within the Project area. A temporary construction easement for the duration of one year, and a road right-of-way fee acquisition for the construction of Sports Park Drive East, are necessary for the Project.

The property acquisition in fee is a strip of land along the boundary of a two acre property, and amounts to a total of .09 acres, about 10.9 feet in width, plus a permanent utility and temporary construction easement of about 12' feet (there is some variation in width).

Project Description

This Project is a 162 lot subdivision located south of President's Park (extension of Matmor Road) and North and East of the Sports Park/Community Park. The acquisition of property is necessary to support the completion of Sub Division 4675 (Parkside). The project will construct the intersection of Sports Park Drive and East Street, and will provide adequate access and services to the future home owners.

Hearings and Required Findings

The action requested of the City Council at the conclusion of this hearing concerns the acquisition of a portion of certain real property interests from the property owners listed below, and further identified in the legal descriptions and depicted on the maps, attached hereto marked as Exhibit "A."

APN 041-070-006 is owned by the Forrest Family Trust c/o Fred A. Forrest and Le T. Forrest, and is located at 19434 East Street, in the City of Woodland, California. The property is improved with a single family dwelling with a detached garage and a smaller cottage-type unit. The property is occupied with a tenant. The property contains approximately 87,120 square feet. The City desires to acquire a portion of the parcel in fee, easement and temporary construction easements as follows: 3,821± square feet in fee for a road right-of-way, 1,620± square feet for a permanent utility easement and 4,020± square feet for a temporary construction easement. See attachment "A."

California eminent domain law provides that a pubic entity may not commence with eminent domain proceedings until its governing body has adopted a resolution of necessity, which resolution may only be adopted after the governing body has given each party with an interest in the affected property, or their representatives, a reasonable opportunity to appear and be heard on the following matters:

1. The public interest and necessity require the proposed project;
2. The project is planned or located in a manner that will be most compatible with the greatest public good and the least private injury;
3. The real property to be acquired is necessary for the project; and
4. The offer of just compensation has been made to the property owners.

A notice of the hearing was sent by first class mail to the property owners, and stated the City's intent to consider the adoption of the resolution, the right of each person to appear and be heard on these issues, and that failure to file a written request to appear would result in a waiver of the right to appear and be heard. The City has scheduled this hearing at which all persons who filed a written request within 15 days of the date the notice was mailed may appear and be heard. The City's legal counsel mailed the required notice to the property owners on April 15, 2011, in accordance with the California Code of Civil Procedure, section 1245.235 and Caltrans requirements.

The property owners were also invited to meet with City Council to address any concerns the property owners may have with the design of the Project in the manner proposed and the necessity of the acquisition.

The four required findings are addressed as follows:

1. Public Interest and Necessity Require the Proposed Project

As set forth above, the Project is necessary to allow for the completion of the 162-lot Sub Division 4675. The Project involves the extension of Matmor Road, and construction of Sports Park Drive from East Street, and will also involve the construction of the intersection of Sports Park Drive and East Street. This Project will reduce traffic congestion and enhance safety, and provide adequate access and services to the future home owners in this area of the City of Woodland, California

2. The Real Property Sought to be Acquired is Necessary for the Proposed Project

As described above, a careful analysis was performed regarding location and what property and property rights were needed, and this parcel meets all of the desired characteristics for the construction of the improvements for the Project. The above-described property interests, which are also set forth in Exhibit "A" attached hereto, are necessary for the Project. These property interests - - the fee roadway, the utility easements, and the temporary construction easement - - are no more than what is necessary for the Project.

3. The Project is Planned or Located in a Manner That Will be Most Compatible with the Greatest Public Good and the Least Private Injury

A thorough analysis was conducted to find the single best location for this Project. The proposed street improvements are consistent with the City's General Plan, as well as the above-described Project, which calls for the construction of an intersection at East Street and Sports Park Drive East. Environmental analyses and findings indicate that this site uniquely satisfies the engineering, public health, and environmental issues, and this location is the most compatible with the greatest public good. It is also the location with the least private injury. The City has obtained an appraisal report that reflects that neither the acquisition of these parcels, or construction of the Project, will result in any diminution in the value of the Forrest property.

4. The Offer of Just Compensation Has Been Made

An offer of just compensation was made to the property owners to purchase the subject real property interests, based on the approved appraisal, as required by Section 7267.2 of the California Government Code. Although a negotiated settlement may still be possible, it would be appropriate to commence the procedures now to acquire the property through eminent domain, so that the planned right-of-way can be constructed within the scheduled time frame.

Environmental Analysis

Sports Park Drive falls within CEQA Statutory Exemption under Code Section 21080.13; 15282(b).

Fiscal Impact

The funds for acquisition are budgeted from a liability account with funds on deposit from Standard Pacific Homes. There is no impact on any City funds.

Public Contact

Posting of the City Council Agenda.

Alternative Courses of Action

1. Approve the following specific actions as described herein:

1) Conduct a hearing to consider the adoption of a Resolution of Necessity, including providing all parties interested in the affected property and their attorneys, or their representatives, an opportunity to be heard on the issues relevant to the Resolution of Necessity.

2) Make the following findings as hereinafter described in this report:
   a) The public interest and necessity require the proposed project;
   b) The project is planned or located in a manner that will be most compatible with the greatest public good and the least private injury;
   c) The real property to be acquired is necessary for the project; and
   d) The offer of just compensation has been made to the property owner.

3) Adopt Resolution of Necessity No. ________ for the City of Woodland, declaring that the acquisition of fee, temporary construction and permanent utility easement interests in a portion of certain real property, more particularly described as Assessor Parcel Number 041-070-006, by eminent domain is necessary for the relocation of an existing power line, extending Matmor Road and construction of Sports Park Drive from East Street, for the Sports Park/Community Park Project ("Project"), in the City of Woodland.

2. Direct staff to continue negotiations without adoption of the Resolution of Necessity.

3. Provide staff with alternate direction.

Recommendation for Action

Staff recommends that the City Council approve Alternative No. 1.

Prepared by: Mark Easter Esq.
Counsel for City
Best Best & Krieger, LLP

____
Mark G. Deven
City Manager

Attachments: 1) Proposed Resolution No. ______
2) Exhibit "A" – Fee and Easement Exhibits
3) Notice of Hearing to Property Owners (Original on file with the City Clerk)

RESOLUTION NO. ______

A RESOLUTION OF NECESSITY BY THE CITY COUNCIL OF THE CITY OF WOODLAND, DECLARING THAT THE ACQUISITION OF FEE, TEMPORARY CONSTRUCTION AND PERMANENT UTILITY EASEMENT INTERESTS IN A PORTION OF CERTAIN REAL PROPERTY LOCATED IN THE CITY OF WOODLAND, YOLO COUNTY, CALIFORNIA, MORE PARTICULARLY DESCRIBED AS ASSESSOR PARCEL NUMBER 041-070-006, BY EMINENT DOMAIN, IS NECESSARY FOR THE PURPOSE OF EXTENDING MATMOR ROAD, CONSTRUCTING SPORTS PARK DRIVE FROM EAST STREET, AND THE RELOCATION OF AN EXISTING UTILITY POWER LINE, IN THE CITY OF WOODLAND, YOLO COUNTY, CALIFORNIA

WHEREAS, the City of Woodland (the "City") proposes to acquire: 1) a road right-of-way fee acquisition for the installation of a public road; 2) a temporary construction easement for the duration of one year; and 3) a permanent utility easement for the relocation of an existing power line in a portion of certain real property located along the east side of East Street, south of Gibson Road, with situs address of 19435 East Street, in the City of Woodland, Yolo County, California, more particularly described as Assessor Parcel Number 041-070-006, for the extension of Matmor Road and the construction of Sports Park Drive in the City of Woodland, California, pursuant to the authority granted to it by section 37350.5 of the California Government Code; and

WHEREAS, pursuant to section 1245.235 of the California Code of Civil Procedure, the City scheduled a public hearing for Tuesday, May 3, 2011, at 6:00 p.m., at Woodland City Hall, City Council Chambers, Second Floor, 300 First Street, Woodland, California, and gave to each person whose property is to be acquired and whose name and address appeared on the last equalized county assessment roll, notice and a reasonable opportunity to appear at said hearing and be heard on the matters referred to in section 1240.030 of the California Code of Civil Procedure; and

WHEREAS, said hearing has been held by the City and each person whose property is to be acquired by eminent domain was afforded an opportunity to be heard on said matters; and

WHEREAS, the City may now adopt a Resolution of Necessity pursuant to section 1240.040 of the California Code of Civil Procedure;

NOW, THEREFORE, THE CITY DOES HEREBY RESOLVE AND DECLARE AS FOLLOWS:

Section 1. Compliance with California Code of Civil Procedure and California Environmental Quality Act. There has been compliance by the City with the requirements of section 1245.235 of the California Code of Civil Procedure regarding notice and hearing and with the California Environmental Quality Act.

Section 2. Public Use. The public use for which the real property is to be acquired is for the extension of Matmor Road, construction of Sports Park Drive East from East Street and the relocation of an existing power line, in the City of Woodland, Yolo County, California. Section 37350.5 of the California Government Code authorizes the City to acquire, by eminent domain, real property necessary for such purposes.

Section 3. Description of Property. Attached and marked as Exhibits "A" are the legal descriptions and plat maps of the property interests to be acquired by the City, which describes the general location and extent of the property to be acquired with sufficient detail for reasonable identification.

Section 4. Findings. The City hereby finds and determines each of the following:

(a) The public interest and necessity require the proposed project;

(b) The proposed project is planned or located in the manner that will be most compatible with the greatest public good and least private injury;

(c) The real property described in Exhibits “A" is necessary for the proposed project; and

(d) The offer required by section 7267.2 of the California Government Code was made.

Section 5. Use Not Unreasonably Interfering with Existing Public Use(s). Some or all of the real property to be acquired is subject to easements and rights-of-way appropriated to existing public uses. The legal description of these easements and rights-of-way are on file with the City and describe the general location and extent of these easements and rights-of-way with sufficient detail for reasonable identification. In the event the herein described use or uses will not unreasonably interfere with or impair the continuance of the public use as it now exists or may reasonably be expected to exist in the future, counsel for the City is authorized to acquire the real property subject to such existing public use(s) pursuant to section 1240.510 of the California Code of Civil Procedure.

Section 6. More Necessary Public Use. Some or all of the real property to be acquired is subject to easements and rights-of-way appropriated to existing public uses. To the extent that the herein described use or uses will unreasonably interfere with or impair the continuance of the public use as it now exists or may reasonably be expected to exist in the future, the City finds and determines that the herein described use or uses are more necessary than said existing public uses. Counsel for the City is authorized to acquire the real property appropriated to such existing public use(s) pursuant to section 1240.610 of the California Code of Civil Procedure. Staff is further authorized to make such improvements to the real property being acquired that it determines is reasonably necessary to mitigate any adverse impact upon the existing public uses.

Section 7. Further Activities. Counsel for the City is hereby authorized to file legal proceedings necessary to acquire the hereinabove described real property in the name of and on behalf of the City by eminent domain, and counsel is authorized to institute and prosecute such legal proceedings as may be required in connection therewith. Legal counsel is further authorized to take such steps as may be authorized and required by law, and to make such security deposits as may be required by order of court, to permit the City to take possession of and use said real property at the earliest possible time. Counsel is further authorized to correct any errors or to make or agree to non-material changes in the legal description of the real property that are deemed necessary for the conduct of the condemnation action or other proceedings or transactions required to acquire the subject real property. Counsel is further authorized to reduce or modify the extent of the interests or property to be acquired so as to reduce the compensation payable in the action where such reduction or mediation would not substantially impair the construction and operation of the project for which the real property is being acquired.

Section 8. Effective Date. This Resolution shall take effect upon adoption.

APPROVED AND ADOPTED this ___ day of May, 2011.

READ AND APPROVED AS TO LEGAL FORM:

____
City Attorney

I, Ana Gonzalez, City Clerk of the City of Woodland, California, do hereby certify that the foregoing resolution is the actual resolution duly and regularly adopted by the City Council at a regular meeting thereof, held on the ____ day of May, 2011, by the following vote to wit:

AYES: ___
NOES: ___
ABSENT: ___

____
Ana, Gonzalez City Clerk of the City of Woodland

____
Mayor of the City of Woodland

ATTEST

____
Ana Gonzalez, City Clerk

September 13, 2010
06-0036

EXHIBIT "A"

EASEMENT FOR PUBLIC ROAD AND PUBLIC UTILITIES

All that certain real property situate in the City of Woodland, County of Yolo, State of California, described as follows:

All that portion of that certain parcel of land described in that certain Quitclaim Deed to the Fred A. Forrest and Le T. Forrest Family Trust dated February 10, 2006 recorded in Document No. 2006-0041690, Official Records of Yolo County, and being a portion of the northwest one-quarter of Section 4, Township 9 North, Range 2 East, M.D.M., more particularly described as follows:

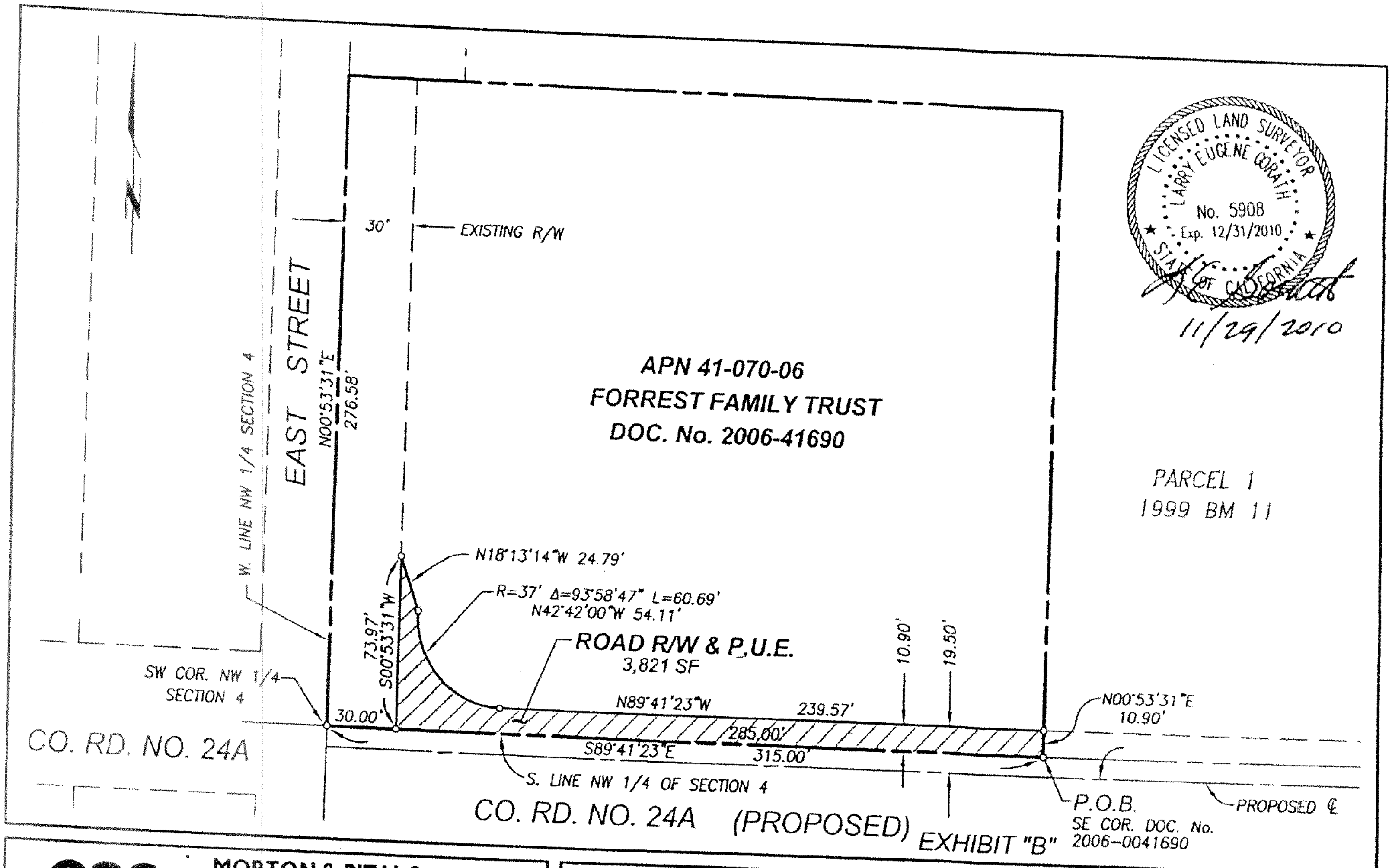
Beginning at the southeast corner of the above-referenced Forrest Family Trust parcel of land, said corner also being on the south line of the northwest one-quarter of said Section 4;
thence from said point of beginning, along the east line of said parcel of land North 00°53'31" East 10.90 feet;
thence leaving said east line, parallel with the south line of said Forrest Family Trust parcel of land North 89°41'23" West 239.57 feet;
thence westerly along the arc of a tangent curve to the right, concave to the north, having a radius of 37.00 feet, a central angle of 93°58'47", an arc length of 60.69 feet and being subtended by a chord bearing North 42°42'00" West 54.11 feet;
thence North 18°13'14" West 24.79 feet to the east right-of-way line of East Street;
thence along said east right-of-way line South 00°53'31" West 73.97 feet to the south line of said northwest one-quarter of Section 4;
thence along said south line South 89°41'23" East 285.00 feet to the point of beginning.

Portion of APN 41-070-06

The basis of bearings for this description being a line connecting City of Woodland Monuments P-24 and L-24 having a bearing of North 89°29'43" West as shown on the City of Woodland Geodetic Control Survey-2002, filed in Book 2002 of Maps at Page 88, Yolo County Records.

PROFESSIONAL LAND SURVEYOR
LARRY EUGENE GORATH
No. 5908
Exp. 12/31/2010
STATE OF CALIFORNIA

11/29/2010



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1788 Tribute Road, Suite 200 • Sacramento, CA 95815
phone: 916.927.2400 • fax: 916.567.0120 • survey fax: 916.563.6770
survey email: staking@mpengr.com • web: www.mpengr.com

DRAWN:	LG	JOB NO:	060036
CHECKED:		DATE:	SEPTEMBER 2010
SCALE:	1"=60'	SHEET:	1 of 1

PLAT TO ACCOMPANY LEGAL DESCRIPTION

ROAD RIGHT-OF-WAY
FOR COUNTY ROAD NO. 24A

PORTION OF THE NW 1/4 OF SECTION 4
T. 9 N., R. 2 E., M.D.M.
CITY OF WOODLAND, YOLO COUNTY, CA

December 1, 2010
06-0036

EXHIBIT "A"

TEMPORARY CONSTRUCTION EASEMENT

All that certain real property situate in the City of Woodland, County of Yolo, State of California, described as follows:

All that portion of that certain parcel of land described in that certain Quitclaim Deed to the Fred A. Forrest and Le T. Forrest Family Trust dated February 10, 2006 recorded in Document No. 2006-0041690, Official Records of Yolo County, and being a portion of the northwest one-quarter of Section 4, Township 9 North, Range 2 East, M.D.M., more particularly described as follows:

A strip of land the uniform width of ten (10.00) feet the southerly and southwesterly lines of which are described as follows:

Beginning at a point on the easterly line of the above referenced Forrest Family Trust parcel of land from which the southeast corner thereof bears South 00°53'31" West 10.90 feet;
thence from said point of beginning, parallel with the south line of said Forrest Family Trust parcel of land North 89°41'23" West 239.57 feet;
thence westerly along the arc of a tangent curve to the right, concave to the north, having a radius of 37.00 feet, a central angle of 93°58'47", an arc length of 60.69 feet and being subtended by a chord bearing North 42°42'00" West 54.11 feet;
thence North 18°13'14" West 24.79 feet to the east right-of-way line of East Street and the point of ending.

The sideline of said strip of land shall be extended of shortened, as the case my be, so as to begin at the easterly line of the Forrest Family Trust parcel of land and end at the east right-of-way line of East Street.

Portion of APN 41-070-06

The basis of bearings for this description being a line connecting City of Woodland Monuments P-24 and L-24 having a bearing of North 89°29'43" West as shown on the City of Woodland Geodetic Control Survey-2002, filed in Book 2002 of Maps at Page 88, Yolo County Records.

PROFESSIONAL LAND SURVEYOR
LARRY EUGENE GORATH
No. 5908
Exp. 12/31/2010
STATE OF CALIFORNIA

12/01/2010

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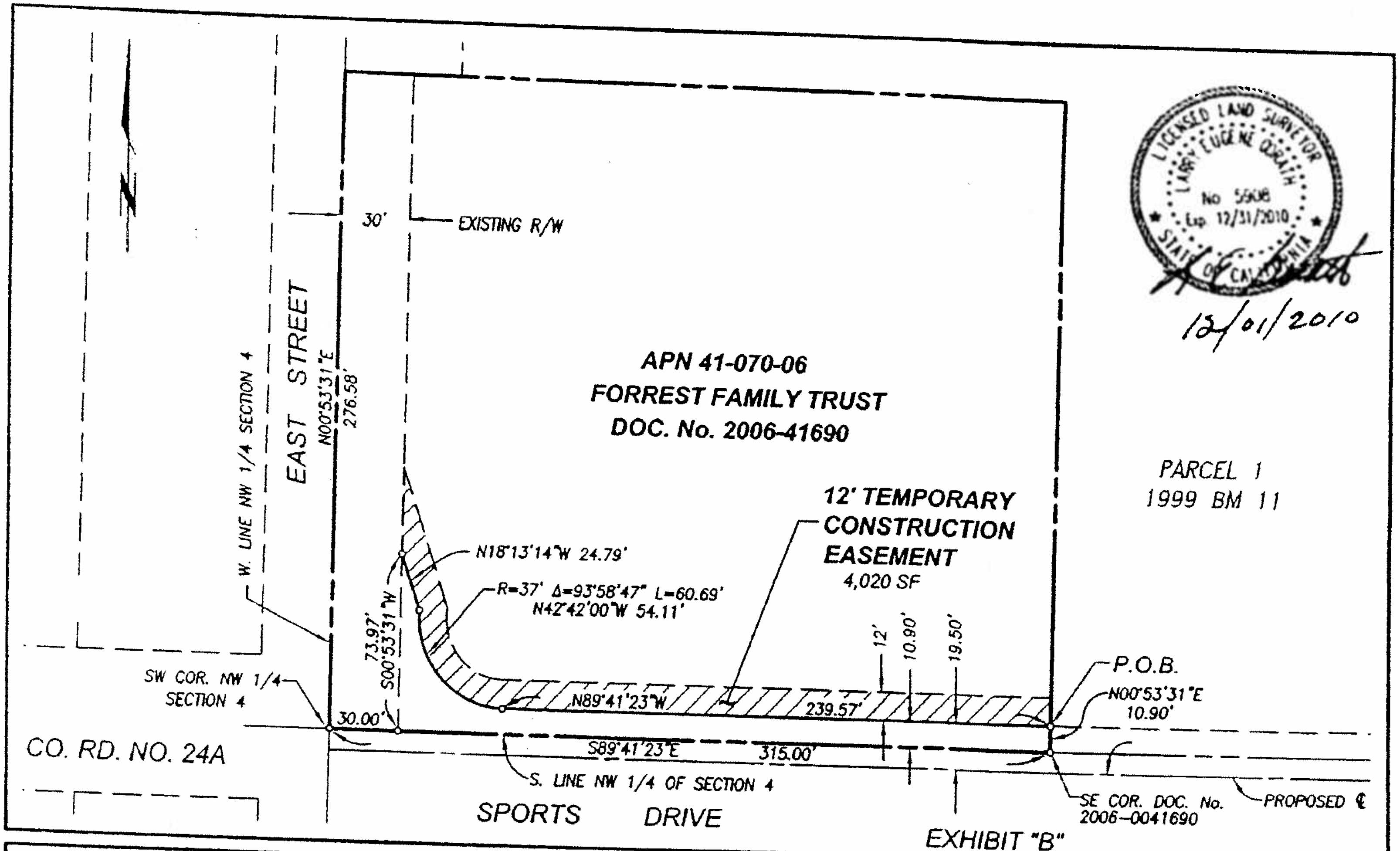

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LANDSCAPE ARCHITECTURE • TRAFFIC ENGINEERING
75 Iron Point Circle, Suite 120 • Folsom, CA 95630
phone: 914.984.7621 • fax: 914.984.9617 • survey fax: 914.543.4770
survey email: staking@mpengr.com • web: www.mpengr.com

DRAWN:		JOB NO:	060036-100027
CHECKED:		DATE:	DECEMBER 2010
SCALE:	1"=60'	SHEET:	1 of 1

PLAT TO ACCOMPANY LEGAL DESCRIPTION

TEMPORARY CONSTRUCTION EASEMENT

PORTION OF THE NW 1/4 OF SECTION 4
T. 9 N., R. 2 E., M.D.M.

CITY OF WOODLAND, YOLO COUNTY, CALIFORNIA

November 29, 2010
06-0036

EXHIBIT "A"

ADDITIONAL P.G. & E. EASEMENT ACQUISITION AREA

All that certain real property situate in the City of Woodland, County of Yolo, State of California, described as follows:

All that portion of that certain parcel of land described in that certain Quitclaim Deed to the Fred A. Forrest and Le T. Forrest Family Trust dated February 10, 2006 recorded in Document No. 2006-0041690, Official Records of Yolo County, and being a portion of the northwest one-quarter of Section 4, Township 9 North, Range 2 East, M.D.M., more particularly described as follows:

Commencing at the southwest corner of the Northwest one-quarter of said Section 4;
thence from said point of commencement North 84°27'40" East 233.11 feet;
thence North 00°22'53" East 3.93 feet to the northerly line of that certain easement granted to Pacific Gas & Electric Company recorded in Book 341, Page 474, Official Records of Yolo County and the point of beginning;
thence from said point of beginning North 00°22'53" East 3.07 feet;
thence North 89°37'04" West 149.40 feet;
thence South 88°27'42" West 39.19 feet;
thence southeasterly along the arc of a non-tangent curve to the left, concave to the northeast, having, a radius of 37.00 feet and being subtended by a chord bearing South 43°17'58" East 18.04 feet to the northerly line of said Pacific Gas & Electric Company easement;
thence along said northerly line North 86°42'54" East 176.47 feet to the point of beginning.

Portion of APN 41-070-06

The basis of bearings for this description being a line connecting City of Woodland Monuments P-24 and L-24 having a bearing of North 89°29'43" West as shown on the City of Woodland Geodetic Control Survey-2002, filed in Book 2002 of Maps at Page 88, Yolo County Records.

PROFESSIONAL LAND SURVEYOR
LARRY EUGENE GORATH
5908
STATE OF CALIFORNIA

4/14/2011

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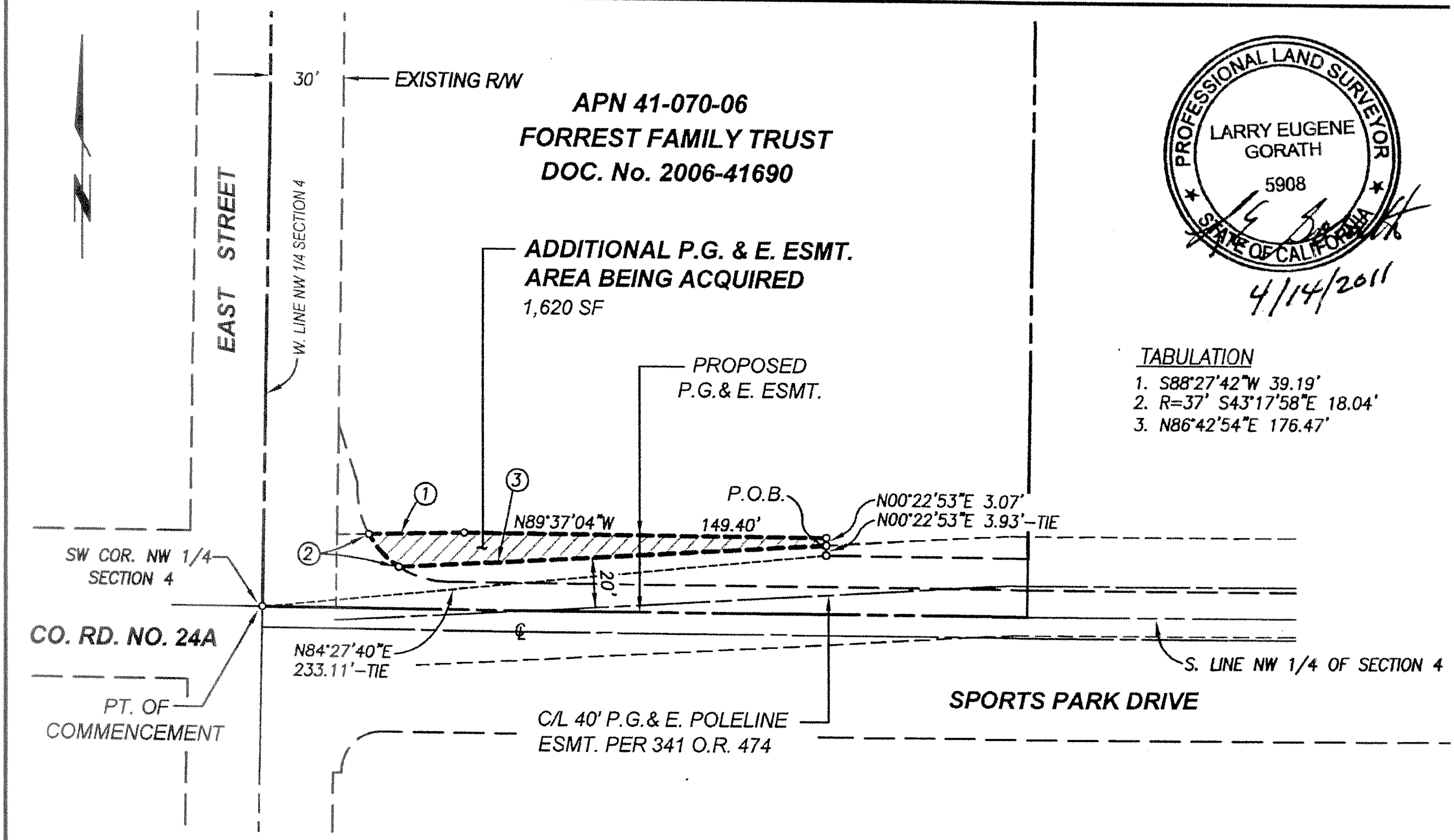

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DRAWN:	LG	JOB NO:	060036, 100027
CHECKED:		DATE:	NOVEMBER 2010
SCALE:	1"=60'	SHEET:	1 of 1

PLAT TO ACCOMPANY LEGAL DESCRIPTION

FORREST PROPERTY

P. G. & E. EASEMENT ACQUISITION

PORTION OF THE NW 1/4 OF SECTION 4

T. 9 N., R.2 E., M.D.M.

CITY OF WOODLAND, YOLO COUNTY, CA

NOTICE OF HEARING TO PROPERTY OWNERS

Pursuant to Section 1245.235 of the California Code of Civil Procedure, you are hereby notified that at a regular meeting to be held on Tuesday, May 3, 2011, at 6:00 p.m., at the City of Woodland, City Council Chambers, Second Floor, 300 First Street, Woodland, California, the City intends to consider adopting a Resolution of Necessity, authorizing the commencement of eminent domain proceedings for the acquisition of fee and easement interests in a portion of certain real property for public use which, according to the last equalized county assessment roll, is owned by you. The public use for which this resolution of necessity will be considered is: 1) a road right-of way necessary for the installation of a public road (Sports Park Drive from East Street); 2) a temporary construction easement for the duration of one year, for the construction of the road and the relocation of an existing power line; and 3) a permanent utility easement for the newly relocated power line and related uses.

The description of the property to be acquired is attached as Exhibit "A" to this notice.

A hearing will be held at the time and place mentioned above. You have the right to appear and be heard on the following matters:

1. Whether the public interest and necessity require the project for which the property is sought to be acquired.

2. Whether the project is planned or located in the manner that will be most compatible with the greatest public good and least private injury.

3. Whether the property is necessary for the proposed project.

4. Whether the offer required by Section 7267.2 of the California Government Code has been made.

Your failure to file a written request to appear and be heard within 15 days after the mailing of this notice will result in the waiver of your right to appear and be heard.

ALL COMMUNICATIONS SHOULD BE ADDRESSED TO:

City of Woodland
Attn: Ana Gonzalez, City Clerk
300 First Street
Woodland, CA 95695

DATE OF HEARING: Tuesday, May 3, 2011
6:00 p.m.

PLACE OF HEARING: City of Woodland
City Council Chambers, 2nd Floor
300 First Street
Woodland, CA 95695

DATED: April 13, 2011

BEST BEST & KRIEGER LLP

By: ______________________
Mark A. Easter
Attorney for City of Woodland

PROOF OF MAILING NOTICE

I, Lisa E. Dunham, acting on behalf of the City of Woodland, hereby certify that on April 15, 2011, I mailed a copy of the attached notice by first-class mail to the following owner(s) of real property located in the County of Yolo, State of California, more particularly described as Yolo County Assessor Parcel No. 041-070-006:

Forrest Family Trust
c/o Fred and Le. Forrest
19435 East Street
Woodland, CA 95776

Forrest Family Trust
c/o Fred and Le Forrest
1801 Eastern Avenue
Sacramento, CA 95864

Robert Nakken, Esq.
GARDNER, JANES, NAKKEN, HUGO &
NOLAN
429 First Street
Woodland, CA 95695

Dated: April 15, 2011.

Lisa E. Dunham

Lisa E. Dunham

82093.00038\5909749.1

September 13, 2010
06-0036

EXHIBIT "A"

**EASEMENT FOR PUBLIC ROAD
AND PUBLIC UTILITIES**

All that certain real property situate in the City of Woodland, County of Yolo, State of California, described as follows:

All that portion of that certain parcel of land described in that certain Quitclaim Deed to the Fred A. Forrest and Le T. Forrest Family Trust dated February 10, 2006 recorded in Document No. 2006-0041690, Official Records of Yolo County, and being a portion of the northwest one-quarter of Section 4, Township 9 North, Range 2 East, M.D.M., more particularly described as follows:

Beginning at the southeast corner of the above-referenced Forrest Family Trust parcel of land, said corner also being on the south line of the northwest one-quarter of said Section 4;
thence from said point of beginning, along the east line of said parcel of land North 00°53'31" East 10.90 feet;
thence leaving said east line, parallel with the south line of said Forrest Family Trust parcel of land North 89°41'23" West 239.57 feet;
thence westerly along the arc of a tangent curve to the right, concave to the north, having a radius of 37.00 feet, a central angle of 93°58'47", an arc length of 60.69 feet and being subtended by a chord bearing North 42°42'00" West 54.11 feet;
thence North 18°13'14" West 24.79 feet to the east right-of-way line of East Street;
thence along said east right-of-way line South 00°53'31" West 73.97 feet to the south line of said northwest one-quarter of Section 4;
thence along said south line South 89°41'23" East 285.00 feet to the point of beginning.

Portion of APN 41-070-06

The basis of bearings for this description being a line connecting City of Woodland Monuments P-24 and L-24 having a bearing of North 89°29'43" West as shown on the City of Woodland Geodetic Control Survey-2002, filed in Book 2002 of Maps at Page 88, Yolo County Records.

PROFESSIONAL LAND SURVEYOR
LARRY EUGENE GORATH
No. 5908
Exp. 12/31/2010
STATE OF CALIFORNIA

11/29/2010

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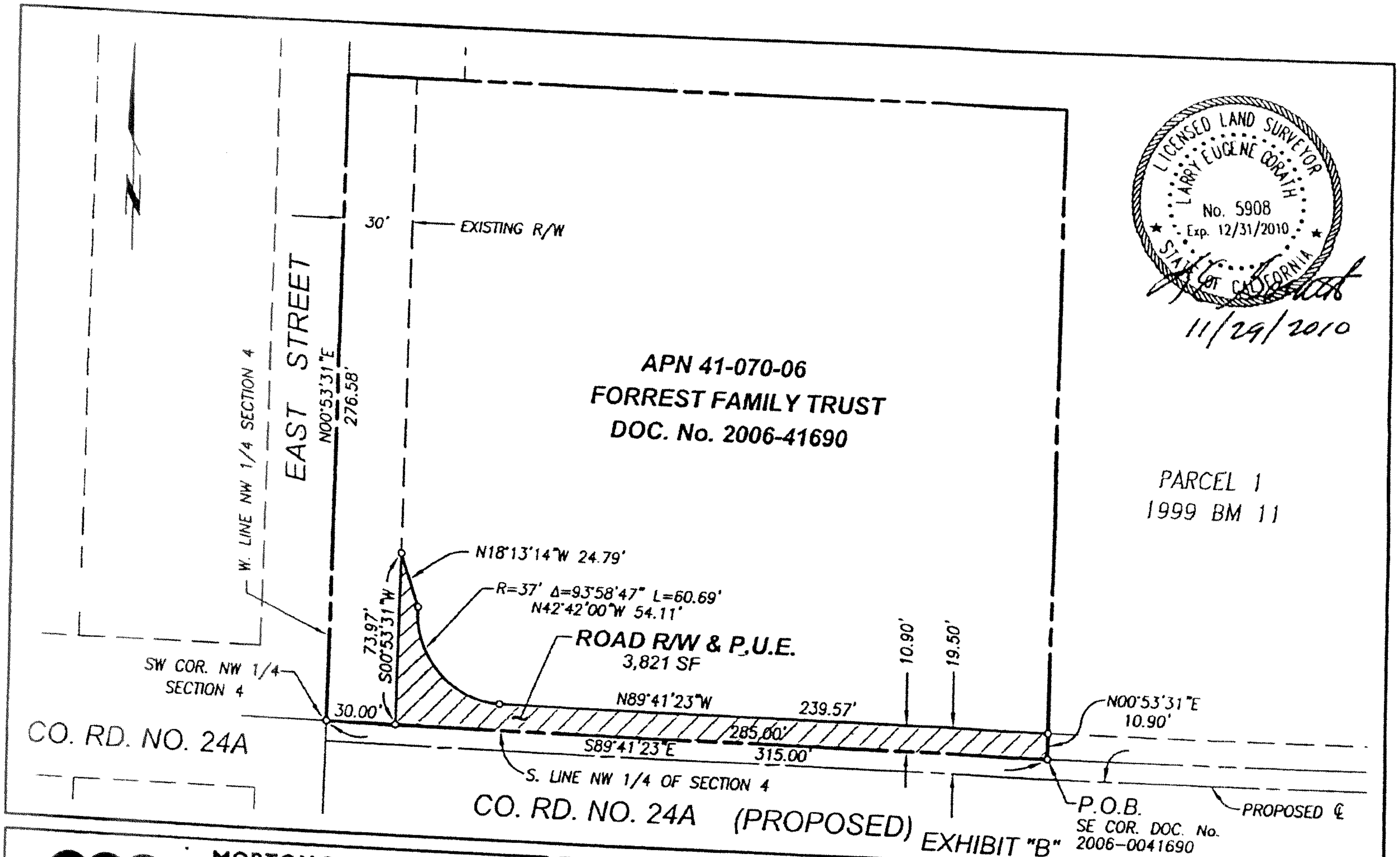

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phone 916.927.2400 • fax 916.567.0120 • survey fax: 916.563.6770
survey email slotung@mpengr.com • web: www.mpengr.com

DRAWN:		JOB NO:	060036
CHECKED	LG	DATE:	SEPTEMBER 2010
SCALE:	1"=60'	SHEET:	1 of 1

PLAT TO ACCOMPANY LEGAL DESCRIPTION

ROAD RIGHT-OF-WAY
FOR COUNTY ROAD NO. 24A

PORTION OF THE NW 1/4 OF SECTION 4
T. 9 N., R. 2 E., M.D.M.
CITY OF WOODLAND, YOLO COUNTY, CA

December 1, 2010
06-0036

EXHIBIT "A"

TEMPORARY CONSTRUCTION EASEMENT

All that certain real property situate in the City of Woodland, County of Yolo, State of California, described as follows:

All that portion of that certain parcel of land described in that certain Quitclaim Deed to the Fred A. Forrest and Le T. Forrest Family Trust dated February 10, 2006 recorded in Document No. 2006-0041690, Official Records of Yolo County, and being a portion of the northwest one-quarter of Section 4, Township 9 North, Range 2 East, M.D.M., more particularly described.as follows:

A strip of land the uniform width of ten (10.00) feet the southerly and southwesterly lines of which are described as follows:

Beginning at a point on the easterly line of the above referenced Forrest Family Trust parcel of land from which the southeast corner thereof bears South 00°53'31" West 10.90 feet;
thence from said point of beginning, parallel with the south line of said Forrest Family Trust parcel of land North 89°41'23" West 239.57 feet;
thence westerly along the arc of a tangent curve to the right, concave to the north, having a radius of 37.00 feet, a central angle of 93°58'47", an arc length of 60.69 feet and being subtended by a chord bearing North 42°42'00" West 54.11 feet;
thence North 18°13'14" West 24.79 feet to the east right-of-way line of East Street and the point of ending.

The sideline of said strip of land shall be extended of shortened, as the case my be, so as to begin at the easterly line of the Forrest Family Trust parcel of land and end at the east right-of-way line of East Street.

Portion of APN 41-070-06

The basis of bearings for this description being a line connecting City of Woodland Monuments P-24 and L-24 having a bearing of North 89°29'43" West as shown on the City of Woodland Geodetic Control Survey-2002, filed in Book 2002 of Maps at Page 88, Yolo County Records.

PROFESSIONAL LAND SURVEYOR
LARRY EUGENE GORATH
No. 5908
Exp. 12/31/2010
STATE OF CALIFORNIA

12/01/2010

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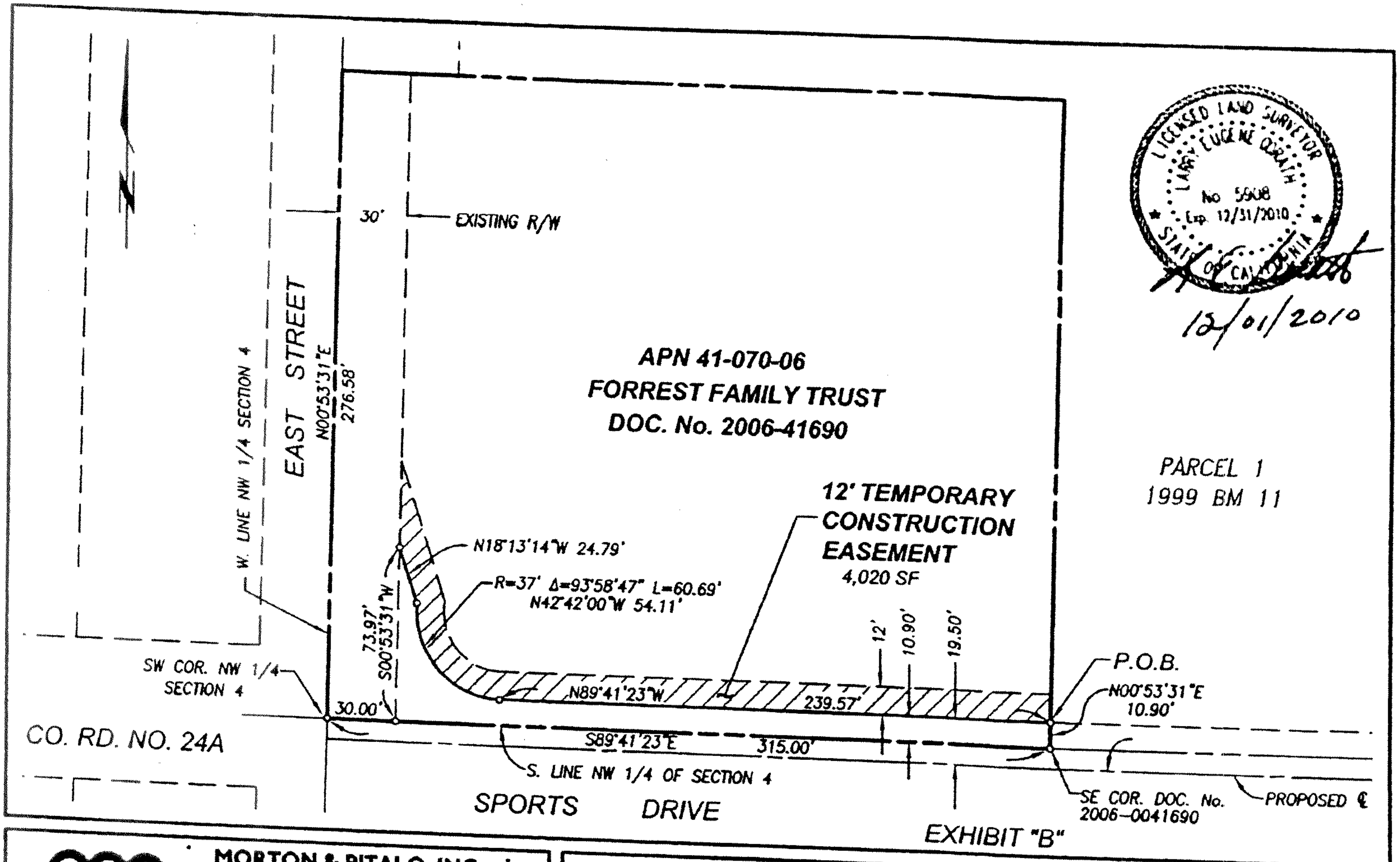

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phone: 916.984.7621 • fax: 916.984.5617 • survey fax: 916.543.4770
survey email: staking@mpengr.com • web: www.mpengr.com

DRAWN:		JOB NO:	060036-100027
CHECKED:		DATE:	DECEMBER 2010
SCALE:	1"=60'	SHEET:	1 of 1

PLAT TO ACCOMPANY LEGAL DESCRIPTION

TEMPORARY CONSTRUCTION EASEMENT

PORTION OF THE NW 1/4 OF SECTION 4
T. 9 N., R.2 E., M.D.M.

CITY OF WOODLAND, YOLO COUNTY, CALIFORNIA

November 29, 2010
06-0036

EXHIBIT "A"

ADDITIONAL P.G. & E. EASEMENT ACQUISITION AREA

All that certain real property situate in the City of Woodland, County of Yolo, State of California, described as follows:

All that portion of that certain parcel of land described in that certain Quitclaim Deed to the Fred A. Forrest and Le T. Forrest Family Trust dated February 10, 2006 recorded in Document No. 2006-0041690, Official Records of Yolo County, and being a portion of the northwest one-quarter of Section 4, Township 9 North, Range 2 East, M.D.M., more particularly described as follows:

Commencing at the southwest corner of the Northwest one-quarter of said Section 4;
thence from said point of commencement North 84°27'40" East 233.11 feet;
thence North 00°22'53" East 3.93 feet to the northerly line of that certain easement granted to Pacific Gas & Electric Company recorded in Book 341, Page 474, Official Records of Yolo County and the point of beginning;
thence from said point of beginning North 00°22'53" East 3.07 feet;
thence North 89°37'04" West 149.40 feet;
thence South 88°27'42" West 39.19 feet;
thence southeasterly along the arc of a non-tangent curve to the left, concave to the northeast, having, a radius of 37.00 feet and being subtended by a chord bearing South 43°17'58" East 18.04 feet to the northerly line of said Pacific Gas & Electric Company easement;
thence along said northerly line North 86°42'54" East 176.47 feet to the point of beginning.

Portion of APN 41-070-06

The basis of bearings for this description being a line connecting City of Woodland Monuments P-24 and L-24 having a bearing of North 89°29'43" West as shown on the City of Woodland Geodetic Control Survey-2002, filed in Book 2002 of Maps at Page 88, Yolo County Records.

PROFESSIONAL LAND SURVEYOR
LARRY EUGENE GORATH
5908
STATE OF CALIFORNIA

4/14/2011

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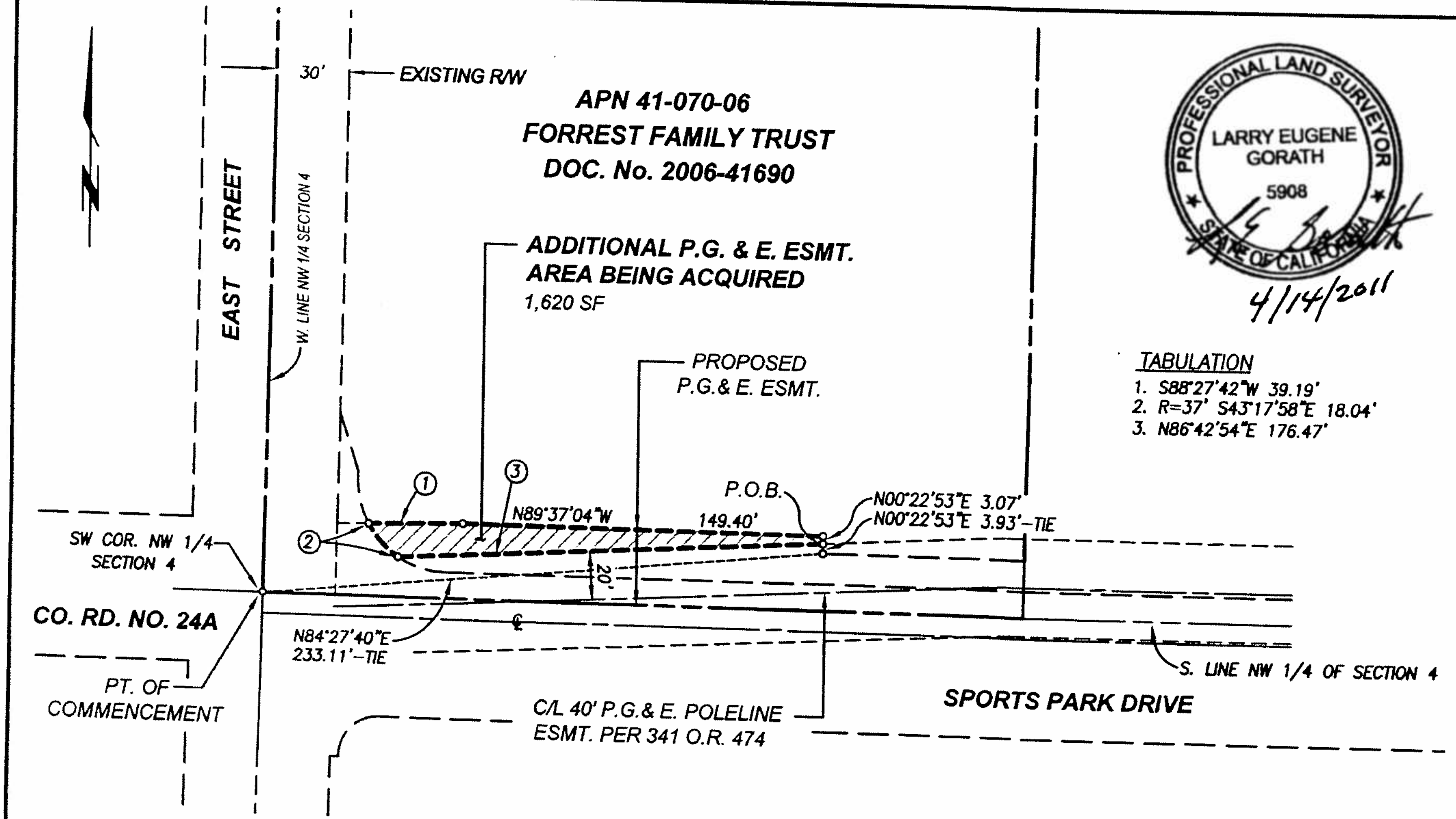

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DRAWN:	LG	JOB NO:	060036, 100027
CHECKED:		DATE:	NOVEMBER 2010
SCALE:	1"=60'	SHEET:	1 of 1

PLAT TO ACCOMPANY LEGAL DESCRIPTION

FORREST PROPERTY

P. G. & E. EASEMENT ACQUISITION

PORTION OF THE NW 1/4 OF SECTION 4
T. 9 N., R.2 E., M.D.M.
CITY OF WOODLAND, YOLO COUNTY, CA

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: May 3, 2011

SUBJECT: 2010 Water Quality Report

Report in Brief

The City of Woodland is dedicated and committed to providing the highest quality drinking water feasible. Each year, the City samples and analyzes the water supply to ensure the system meets or exceeds all regulatory requirements for health standards. The attached 2010 Annual Water Quality Report educates consumers by outlining and defining the test results and sources for both regulated and unregulated substances and identifies areas of continuing and growing concern for water system reliability. The results from the 2010 testing and analysis, as outlined in the attached report, reflect that Woodland water continues to meet or exceed all current primary and secondary quality standards without violations. The only constituent that warrants concern is the continued ruse in the level of nitrates which remains one of the major reasons the City is pursuing the Surface Water Project.

Staff will provide a brief summary of the Annual Water Quality Report during the May 3 meeting.

Staff recommends that the City Council read the attached 2010 Annual Water Quality Report to learn more about the quality of Woodland's water and provide comments and/or questions during the May 3 presentation.

Background

Per State guidelines the City, as a Water Purveyor, produces and distributes an Annual Water Quality Report to inform consumers of water quality testing results and to address related items or areas of interest to current or future water quality. The attached report was developed using staff input and will be published by Gemini Group LLC for distribution to consumers as inserts in the utility bills. As outlined in the report, drinking water standards are identified as Primary (regulated and enforced for health), Secondary (regulatory recommendations for aesthetics – taste, odor, color), and Unregulated (may be regulated in the future and some are of concern on the other end of the cycle in wastewater effluents). The report addresses the sources, source water assessment, health information, and contact information related to the City's drinking water. The report also identifies future requirements related to water conservation, water supply protection, water hardness and specific constituents of growing concern.

Discussion

The City obtains its water from wells which tap into groundwater aquifers at varying depths throughout the community. Groundwater aquifers are primarily replenished from rain seeping into the soil and becoming trapped at varying depths by impermeable layers (in this region, typically clay deposits). Groundwater replenishment is a slow process for reaching the depths from which the groundwater is drawn and the process serves to filter the water from most impurities carried from the surface. The quality of water eventually delivered to customers is largely a function of chemical and mineral leaching and erosion of the geologic formations from which the aquifers flow. Before entering the City system, water is disinfected using small amounts of chlorine.

Protection of groundwater aquifer(s) from contamination is of paramount concern to the City and a continuing focus for pursuing future system reliability. Contaminants that may end up in the water supply primarily come from septic systems, storm water runoff carrying chemicals and other constituents washed from pavements, industrial wastes, animal wastes, fertilizers and pesticides from agricultural and landscaped areas, copper and lead leaching from pipes, and from the chlorine disinfection process itself.

One constituent of concern is nitrate. Nitrate contamination of groundwater comes from fertilizers, industrial waste chemicals, seepage from septic systems and animal manure. Nitrate concentration levels vary throughout the City and vary within each well site at different times and different levels (aquifer zones). However, trends demonstrate nitrate levels are, on average, rising at a concerning number of well sites and the City is taking actions to address this concern.

Fiscal Impact

Staff management and publication and distribution costs are approximately $5,000 and funded through the Water Enterprise (210).

Public Contact

The water quality report will be distributed to residents via their utility bill before July 2011. The report will be distributed to managers of apartments, retirement homes and residential properties to be made available to their residents. City Departments will also receive copies to make available to the general public. Both the English and Spanish versions of the water quality report will be available through the City website. The City's water supply and reliability focus has been presented (and has been well received) in various forums around the City including the Chamber of Commerce. Continuing public education is planned as the City progresses in addressing system needs.

Recommendation for Action

Staff recommends that the City Council read the attached 2010 Annual Water Quality Report to learn more about the quality of Woodland's water and provide comments and/or questions during the May 3 presentation.

Prepared by: Doug Baxter, P.E.
Principal Civil Engineer

Reviewed by: Gregor G. Meyer
Public Works Director

____

Mark G. Deven
City Manager

Attachment: 2010 Water Quality Report

Substances That Could Be in Water

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and, in some cases, radioactive material and can pick up substances resulting from the presence of animals or from human activity.

In order to ensure that tap water is safe to drink, the U.S. Environmental Protection Agency (U.S. EPA) and the State Department of Public Health (Department) prescribe regulations that limit the amount of certain contaminants in water provided by public water systems. Department regulations also establish limits for contaminants in bottled water that must provide the same protection for public health. Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk.

Contaminants that may be present in source water include:

Microbial Contaminants, such as viruses and bacteria, that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife;

Inorganic Contaminants, such as salts and metals, that can be naturally occurring or can result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming;

Pesticides and Herbicides, that may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses;

Organic Chemical Contaminants, including synthetic and volatile organic chemicals, which are by-products of industrial processes and petroleum production and which can also come from gas stations, urban stormwater runoff, agricultural applications, and septic systems;

Radioactive Contaminants, that can be naturally occurring or can be the result of oil and gas production and mining activities.

More information about contaminants and potential health effects can be obtained by calling the U.S. EPA's Safe Drinking Water Hotline at (800) 426-4791.

Fact OR Fiction

There is the same amount of water on Earth now as there was when the Earth was formed. *(Fact: The water that comes from your faucet could contain molecules that dinosaurs drank!)*

About half the water treated by public water systems is used for drinking and cooking. *(Fiction: Actually, the amount used for cooking and drinking is less than 1 percent of the total water produced!)*

A person can live about a month without food, but only about a week without water. *(Fact: Dehydration symptoms generally become noticeable after only 2 percent of one's normal water volume has been lost.)*

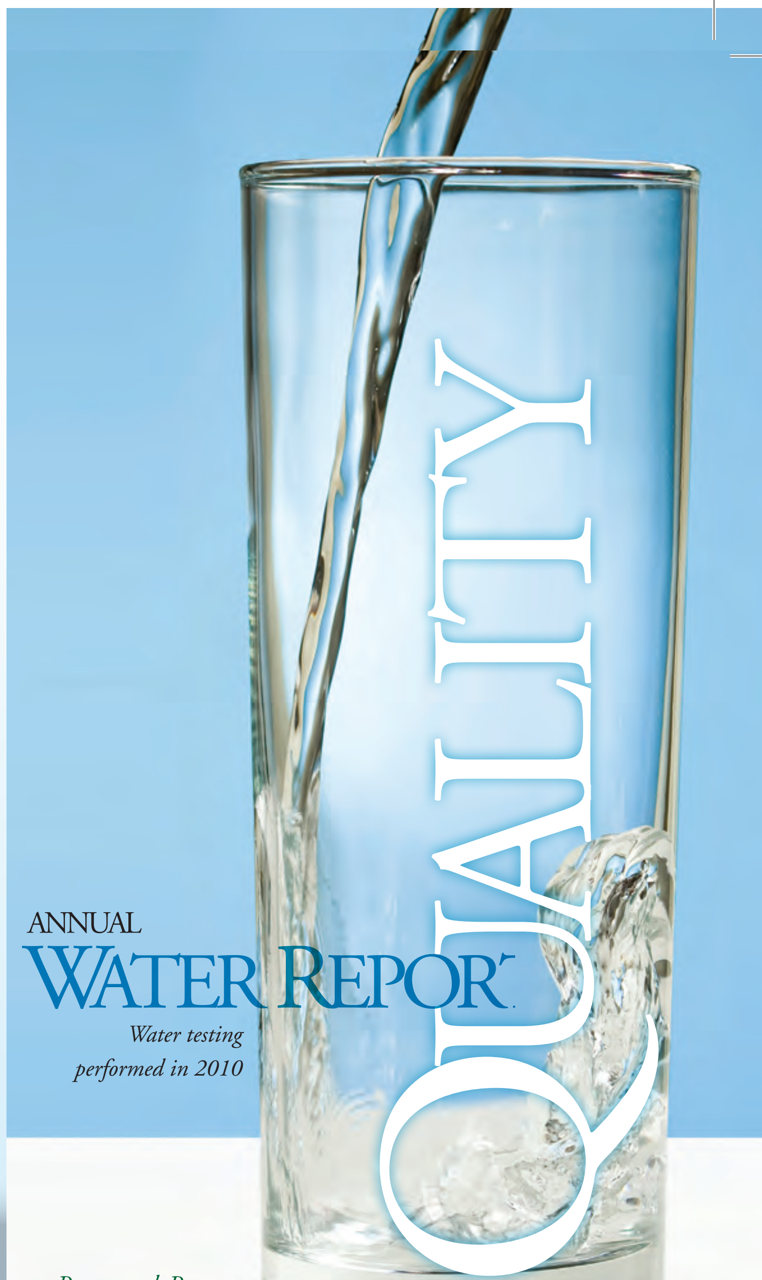
The first water pipes in the United States were made of cast iron. *(Fiction: The first water pipes were actually made of fire-charred bored logs.)*

The world's first municipal water filtration plant was opened in the United States. *(Fiction: The first plant was actually opened in Paisley, Scotland, in 1832.)*

A person must consume a half-gallon of water daily to live healthily. *(Fact: A person should drink at least 64 ounces, or 8 cups, of water each day.)*

One gallon of gasoline poured into a lake can contaminate approximately 750,000 gallons of water. *(Fact)*

CA000083



ANNUAL WATER QUALITY REPORT

Water testing performed in 2010

Presented By

City of Woodland

Anualmente la Ciudad de Woodland distribuye un informe a todos los clientes sobre la calidad y el conteniendo del agua potable para asegurarle que el agua potable es limpia y saludable para beber. Para ver la versión del informe en español por favor visite la página de Internet www.cityofwoodland.org y entre a las secciones: Homepage > Government > Departments > Public Works > Issues & Information > 2010 Water Quality Report.

PWS ID#: 5710006

To Our Water Customers:

The City of Woodland is pleased to provide you with its 2010 annual water quality report. This report is designed to inform you about the quality of the water that is provided to you.

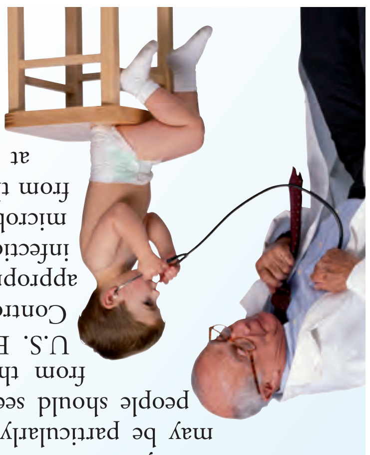
The City of Woodland is dedicated and committed to providing our customers with the highest quality drinking water available. We are pleased to announce that the City of Woodland's water supply meets or exceeds all federal and state standards. Our goal is to continue to provide a safe and dependable supply of drinking water.

Under the guidelines provided by the U.S. Environmental Protection Agency (U.S. EPA) and the California Department of Public Health (CDPH), the City of Woodland monitors and tests the drinking water from source to tap. Before water reaches your tap, hundreds of these tests have been performed to detect more than 80 different kinds of contaminants and ensure that your water meets all regulatory requirements for health standards.

In addition to the substances reported, we tested for 100 other substances and no measurable amounts were found. We hope this report will provide the answers to any questions you may have about the drinking water supplied by the City of Woodland.

Important Health Information

Some people may be more vulnerable to contaminants in drinking water than the general population. Immunocompromised persons such as people with cancer undergoing chemotherapy, people who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants may be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. The U.S. EPA/CDC (Centers for Disease Control and Prevention) guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Drinking Water Hotline at (800) 426-4791 or www.epa.gov/safewater/hotline/.



Where Does Your Water Come From?

Woodland's water supply is pumped from 16 operational groundwater wells located throughout the city to its distribution pipe system. Groundwater comes from rain that seeps down through the soil until it reaches an impermeable layer. Woodland's water does not pass through a central water treatment facility but is filtered naturally by the sand and gravel as it passes through the aquifers. This is standard practice in well water systems.

The only treatment administered is the addition of liquid chlorine (sodium hypochlorite) at the wells, for disinfection. The 0.2 parts per million dosage is typical of water systems throughout the country. Caution should be taken when using chlorinated water for medical uses such as for dialysis machines or when adding water to fish tanks or ponds.

For water quality reasons, the City is planning on receiving winter water and most of its summer water from the Sacramento River by approximately 2016.

Source Water Assessment

The California Department of Public Health requires water providers to conduct a source water assessment (SWA) to help protect the quality of future water supplies. The SWA describes where a water system's drinking water comes from, the type of polluting activities that may threaten source water quality, and an evaluation of the water's vulnerability to those threats. The assessment for the City of Woodland's water was completed in December of 2002, and our groundwater is most vulnerable to present-day land use activities, including agriculture, use of septic systems, gas stations, dry cleaners, and historical contamination plumes from these sources. A copy of the complete assessment report is available at http://swap.ice.ucdavis.edu/TSinfo/TSsources.asp?mySystem=5710006.

Surface Water Project Will Improve Water Quality

Improved water quality starts with a better water source. Plans are underway to largely replace groundwater supplies, currently the only source of water for Woodland residents, with higher-quality surface water from the Sacramento River. Water will be softer, taste better, be easier on water-using appliances, and will help meet future state and federal regulatory requirements.

The Woodland-Davis Clean Water Agency (WDCWA)—a joint powers authority of the Cities of Woodland and Davis—was formed in 2009 to finance, build, and operate a regional surface water supply project. The project includes:

1) Water intake structure on the Sacramento River

2) Pipelines from the intake structure to the water treatment facility

3) Regional water treatment facility

4) Pipelines from the water treatment facility to Woodland and Davis

5) Other repairs and updates to the Cities' existing local water systems

Design of the regional facilities is expected to be completed by the end of 2012. Construction is slated for 2013–2015. The facilities should be fully operational in 2016. The WDCWA will aggressively seek state and federal funding to minimize the need for rate increases to support the project. For more information, visit www.wdcwa.com, or call (530) 757-5673.

Contact Us

For more information about this report, or for any questions relating to your drinking water, please phone the Woodland Public Works Department at (530) 661-5962 or send email to pubworks@cityofwoodland.org.

Para más información acerca del reporte o si tiene preguntas acerca del agua potable por favor llame al Departamento de Obras Públicas de la Ciudad de Woodland al (530) 661-5962 o envié un correo electrónico a pubworks@cityofwoodland.org.

Property owners, please share this information with your tenants!

What Does Our Water Contain?

Before we deliver water to your homes, we take many steps to ensure its safety. During the past year we have taken hundreds of water samples in order to determine the presence of any inorganic, biological, radioactive, volatile organic, or synthetic organic constituents. In response to your concerns, we regularly collect and test other samples from the water sources, the distribution system, and customers' homes. The table below shows only those contaminants that were detected in the water. Although all of the substances listed here are under the Maximum Contaminant Level (MCL), we feel it is important that you know exactly what was detected and how much of the substance was present in the water.

The State requires us to monitor for certain substances less than once per year because the concentrations of these substances do not change frequently. In these cases, the most recent sample data are included, along with the year in which the sample was taken.

REGULATED PRIMARY SUBSTANCES

SUBSTANCE (UNIT OF MEASURE)	YEAR SAMPLED	MCL [MRDL]	PHG (MCLG) [MRDLG]	AVERAGE	RANGE LOW-HIGH	VIOLATION	TYPICAL SOURCE
Arsenic (ppb)	2010	10	0.004	1.0	ND–3.9	No	Erosion of natural deposits; runoff from orchards; glass and electronics production wastes
Barium (ppm)	2010	1	2	0.21	0.13–0.28	No	Discharges of oil drilling wastes and from metal refineries; erosion of natural deposits
Chromium (ppb)	2010	50	(100)	19	10–27	No	Discharge from steel and pulp mills and chrome plating; erosion of natural deposits
Fluoride (ppm)	2010	2.0	1	0.17	0.15–0.21	No	Erosion of natural deposits; water additive that promotes strong teeth; discharge from fertilizer and aluminum factories
Haloacetic Acids (ppb)	2010	60	NA	1.7	1.4–3.6	No	By-product of drinking water disinfection
Nitrate [as nitrate][1] (ppm)	2010	45	45	25	1.9–40	No	Runoff and leaching from fertilizer use; leaching from septic tanks and sewage; erosion of natural deposits
Selenium (ppb)	2010	50	(50)	7.7	ND–28	No	Discharge from petroleum, glass, and metal refineries; erosion of natural deposits; discharge from mines and chemical manufacturers; runoff from livestock lots (feed additive)
TTHMs [Total Trihalomethanes] (ppb)	2010	80	NA	3.5	2.6–5.6	No	By-product of drinking water disinfection

Distribution System Lead and Copper (Tap water samples were collected from 72 homes in 2010)

SUBSTANCE (UNIT OF MEASURE)	YEAR SAMPLED	ACTION LEVEL	PHG (MCLG)	AMOUNT DETECTED (90TH%TILE)	SITES ABOVE ACTION LEVEL	VIOLATION	TYPICAL SOURCE
Copper (ppm)	2010	1.3	0.3	0.33	0	No	Internal corrosion of household plumbing systems; erosion of natural deposits; leaching from wood preservatives
Lead (ppb)	2010	15	0.2	ND	2	No	Internal corrosion of household water plumbing systems; discharges from industrial manufacturers; erosion of natural deposits

REGULATED SECONDARY SUBSTANCES

SUBSTANCE (UNIT OF MEASURE)	YEAR SAMPLED	SMCL	PHG (MCLG)	AVERAGE	RANGE LOW-HIGH	VIOLATION	TYPICAL SOURCE
Chloride (ppm)	2010	500	NS	61	43–81	No	Runoff/leaching from natural deposits; seawater influence
Color (Units)	2010	15	NS	0.7	ND–5	No	Naturally occurring organic materials
Copper (ppm)	2010	1.0	NS	0.005	ND–0.035	No	Internal corrosion of household plumbing systems; erosion of natural deposits; leaching from wood preservatives
Iron (ppb)	2010	300	NS	100	ND–1000	No	Leaching from natural deposits; industrial wastes
Odor–Threshold (TON)	2010	3	NS	0.1	ND–1	No	Naturally occurring organic materials
Specific Conductance (µS/cm)	2010	1,600	NS	873	610–1000	No	Substances that form ions when in water; seawater influence
Sulfate (ppm)	2010	500	NS	30	17–44	No	Runoff/leaching from natural deposits; industrial wastes
Total Dissolved Solids (ppm)	2010	1,000	NS	483	340–560	No	Runoff/leaching from natural deposits
Turbidity (NTU)	2010	5	NS	0.02	ND–0.11	No	Soil runoff

UNREGULATED SUBSTANCES

SUBSTANCE (UNIT OF MEASURE)	YEAR SAMPLED	AVERAGE	RANGE LOW-HIGH
Bicarbonate (ppm)	2010	340	240–410
Calcium (ppm)	2010	60	33–79
Hardness (as CaCO3) (ppm)	2010	336	210–430
Magnesium (ppm)	2010	45	31–55
pH (Units)	2010	8.2	8–8.3
Potassium (ppm)	2010	1.9	ND–2.5
Sodium (ppm)	2010	57	48–65
Total Alkalinity (ppm)	2010	340	240–410

[1] Nitrate in drinking water at levels above 45 ppm is a health risk for infants of less than six months of age. Such nitrate levels in drinking water can interfere with the capacity of the infant's blood to carry oxygen, resulting in a serious illness; symptoms include shortness of breath and blueness of the skin. Nitrate levels above 45 ppm may also affect the ability of the blood to carry oxygen in other individuals, such as pregnant women and those with certain specific enzyme deficiencies. If you are caring for an infant, or you are pregnant, you should ask advice from your health care provider.

Definitions

AL (Regulatory Action Level): The concentration of a contaminant which, if exceeded, triggers treatment or other requirements that a water system must follow.

µS/cm (microsiemens per centimeter): A unit expressing the amount of electrical conductivity of a solution.

MCL (Maximum Contaminant Level): The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the PHGs (or MCLGs) as is economically and technologically feasible. Secondary MCLs (SMCLs) are set to protect the odor, taste, and appearance of drinking water.

MCLG (Maximum Contaminant Level Goal): The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs are set by the U.S. EPA.

MRDL (Maximum Residual Disinfectant Level): The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

MRDLG (Maximum Residual Disinfectant Level Goal): The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.

NA: Not applicable

ND (Not detected): Indicates that the substance was not found by laboratory analysis.

NS: No standard

NTU (Nephelometric Turbidity Units): Measurement of the clarity, or turbidity, of water. Turbidity in excess of 5 NTU is just noticeable to the average person.

PDWS (Primary Drinking Water Standard): MCLs and MRDLs for contaminants that affect health, along with their monitoring and reporting requirements, and water treatment requirements.

PHG (Public Health Goal): The level of a contaminant in drinking water below which there is no known or expected risk to health. PHGs are set by the California EPA.

ppb (parts per billion): One part substance per billion parts water (or micrograms per liter).

ppm (parts per million): One part substance per million parts water (or milligrams per liter).

TON (Threshold Odor Number): A measure of odor in water.

How Hard Is My Water?

A concentration of 17.1 parts per million (ppm) of hard water is equal to 1 grain per gallon. Woodland's water can be as high as 430 ppm, which equals about 25.1 grains per gallon. Water hardness does not affect a person's health but may not be aesthetically pleasing. Over time, water hardness leaves mineral deposits in pipes, fixtures, and equipment which may impact their life expectancy. (See table above.)

Lead and Drinking Water

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. We are responsible for providing high-quality drinking water, but we cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at www.epa.gov/safewater/lead.

Protect Your Water Supply — Prevent Pollution of Runoff

Unlike sanitary sewer flows, there is no treatment of stormwater and other urban runoff before it is released to local waterways. Polluted runoff can affect drinking water sources. This, in turn, can affect human health and increase drinking water costs. Please help protect the water supply. Properly dispose of household and automotive products that contain chemicals. Minimize the use of fertilizers and pesticides that can wash off and pollute streams or seep into groundwater supplies.

Water Conservation

Join with the City of Woodland in conserving water to meet the state goal of a 20 percent reduction in water consumption by 2020. With water meters being installed and increasing demands on our groundwater aquifer, it is more important than ever to conserve water both to help the environment and to save money. Over 50 percent of water usage in Northern California is for landscaping. As the summer approaches, check your irrigation system for leaks; consider installing a weather-based irrigation controller and replacing some of your turf with low-water-use plants. For more information on home and landscape water conservation and/or to request a water-wise kit and water conservation devices, go to www.cityofwoodland.org/waterconservation.

Get Involved

The City of Woodland periodically conducts public meetings and workshops concerning water issues. The Woodland City Council receives public comments at their regular meetings, which are held on the first and third Tuesdays of each month. For more information, please call the City Clerk at (530) 661-5806 or go to http://www.cityofwoodland.org/gov/cityhall/council/default.asp.

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: May 3, 2011

SUBJECT: Authorization for the Issuance of Water Revenue Commercial Paper Notes Not to Exceed $38,000,000

Report in Brief

In September 2009 Council authorized the formation of the Woodland Davis Clean Water Agency, a joint powers authority between the cities of Woodland, Davis, and the University of California, Davis. The sole purpose of the Agency is to build and manage a surface water supply facility that will provide Sacramento River water to the participating communities to blend with their existing ground water. This blended water will be of a higher water quality for the customers and will also help meet State discharge standards for the wastewater system.

The issuance of commercial paper notes will generate the funds necessary to finance the City's share of regional and local projects related to surface water. The City's contributions are determined by annual adoption of the budget for the joint powers authority. Given the complexity involved with this very large project, interim financing is needed to pay for costs up to the point of selection of a contractor for the surface water project. Staff is requesting the City Council and Woodland Finance Authority to authorize issuance of commercial paper notes in an amount not to exceed $38,000,000.

Staff recommends that (1) the City Council adopt Resolution No. ____ approving the issuance of Commercial Paper Notes in an amount not to exceed $38,000,000 and approval of the forms and authorization of execution and delivery of the Second Supplemental Installment Purchase Contract, the Dealer Agreement, the Reimbursement Agreement, the Fee Letter and the Continuing Disclosure Certificate, and authorizing related actions and matters thereto; and (2) the Woodland Finance Authority adopt Resolution No. ____, approving forms and authorizing execution and delivery of the Second Supplemental Installment Purchase Contract, the Trust Indenture, the Issuing and Paying Agent Agreement, the Dealer Agreement, the Reimbursement Agreement, the Fee Letter; authorizing the issuance of commercial paper notes, approving the form of the Official Memorandum and distribution thereof, and approving other actions related thereto.

Background

In September 2009, the City of Woodland entered into a Joint Powers Agreement with the City of Davis, which established the Woodland-Davis Clean Water Agency (WDCWA) to implement and oversee a regional water supply project. Under this agreement, the City agreed to fund its respective share of the annual operating and capital budgets as determined and approved by the WDCWA Board.

Based on project cost estimates provided by West Yost, funding needs for the Surface Water Project for the next three years are estimated at $37,345,348. However, due to the complexities involved with the surface water project, the timing of these project expenditures can fluctuate regularly, but are currently estimated annually at:

Fiscal Year	Total
2010/11	8,994,678
2011/12	8,802,660
2012/13	19,548,010
Total	**37,345,348**

In determining the most cost effective and flexible financing alternatives, staff and the City's Financial Advisor analyzed the following options:

1) Long term funding with 30-year municipal bonds (the City’s traditional financing method)
2) Interim funding with a bank line of credit
3) Interim funding with Commercial Paper Notes

Since the timing and actual amounts of the proposed expenditures are only an estimate, it does not make sense to borrow and pay interest on long term debt while potentially sitting on bond proceeds earning close to 0.00% in this interest rate environment. Staff and the Financial Advisor met with the Council Infrastructure Committee and received their support to seek interim funding alternatives. RFPs went out to eight banks in late 2010 and the City received two conforming responses from Union Bank, N.A. and US Bank National Association.

None of the banks were willing to loan directly via a bank line of credit because of the large size of the borrowing program. However, the two responding banks were both willing to provide "direct pay" letters of credit that in effect pay bondholders first and seek reimbursement simultaneously from the City. It was determined that the Union Bank, N.A. letter of credit was the least expensive option with the fewest restrictions.

Discussion

City water revenues are derived from three sources: (i) monthly service charges imposed, billed, and collected by the City; (ii) water service installation charges (connection fees and MPFP fees); and (iii) other miscellaneous sources including interest income.

The current water system rate structure was approved by the City Council on November 3, 2009 and the new consumptive rates became effective in January 2010. This revenue stream is insufficient to provide "pay-as-you-go" funding for the regional surface water project. The issuance of the Commercial Paper Notes is recommended to provide the lowest cost of funding necessary to complete initial design, engineering and right-of-way acquisition for the Surface Water Project.

If approval is granted, the project will be financed through the sale of Commercial Paper Notes ("Notes") issued by the Woodland Finance Authority. The City will pledge to make installment payments to the Authority from Net Water Revenues of the Water Enterprise Fund defined as Gross Revenues less Operations & Maintenance (O&M) expenditures. Gross Revenues include all revenues of the Enterprise including rate revenues, connection fees, Water MPFP fees charged to new development and other sources including interest income. Net Revenues will be sufficient to cover debt service at least 1.20 times. The City will have the ability to issue additional bonds in the future upon meeting certain tests described in the bond documents.

Commercial Paper Notes (the "Notes") have a final maturity of up to 270 days. When Notes mature they can either be rolled over or paid off by the City. The letter of credit (the "LOC") issued by Union Bank, N.A. (the "Bank") will pay the bondholders directly via the direct pay LOC and the City will simultaneously reimburse the Bank. In exchange, the City agrees to pay the bank the LOC fee of 0.78% (78 basis points) annually for the 3-year term of the LOC. To the extent that the City issues Notes, the City will pay the rate of interest to the bondholders determined at the time of sale or rollover.

The Notes will generally trade +/- to the 1-Year "AAA" Municipal Market Data ("MMD) index. The MMD is an index of tax-exempt interest rates for 30-years published daily by rating category and used by firms for pricing bonds in the municipal market. The current 1-Year MMD rate is 0.32% (32 basis points). In addition, the City will pay Citigroup Global Markets, Inc. (the "Dealer") an annual remarketing fee of 0.05% (5 basis points) for any new and rolled balances. As Dealer, Citigroup will arrange buyers for the City’s notes on an ongoing basis. If the various fees are added it is anticipated that the interest rate in today's market would be around 1.15% (0.78+0.32+0.05). Over the last ten years the 1-Year MMD has averaged 1.80% which would make the interest rate 2.63% (0.78+1.80+0.05) on average.

In either case, the Commercial Paper Notes offer a significantly lower borrowing cost than long term fixed rate bonds that are trading around 6.00% in today's market. In addition, Notes will only be issued to the extent money is to be spent on actual project expenditures. As a result, the City will not be paying interest on borrowed money until it is actually needed and avoids the issue of earning close to 0.00% interest on invested balances in the current low interest rate environment.

Under this financing option, the City can elect not to make any interest payments on the outstanding Notes and instead carry that cost forward and roll it into new Notes. In order to minimize the size of future long term bond financing to repay these Notes, staff anticipates that the City will pay all interest as it becomes due and payable. It is also anticipated that the notes will be paid off via long term fixed rate bonds prior to the expiration of the LOC. However, the Notes can remain in perpetuity to the extent that Union Bank, N.A. is willing to extend their LOC or another bank is willing to replace the Union Bank LOC prior to expiration.

To avoid confusion, the "not to exceed" principal amount of Notes is $38,000,000 but the Bank has approved an LOC for an amount up to $42,000,000 which includes principal and 270 days of interest at an assumed maximum interest rate. The $42,000,000 is also used by the Bank to calculate the annual LOC fees.

After issuance, the Commercial Paper Notes and the Series 2011 Bonds (issued in March 2011) will be the only outstanding indebtedness of the Water Enterprise Fund secured by Net Water Revenues. **The Net Water Revenues are projected to be sufficient to repay all indebtedness (including the Commercial Paper Notes) under existing adopted rates.**

The financing team consists of Citigroup Global Markets Inc. as Dealer, Del Rio Advisors, LLC as Financial Advisor, Kronick, Moskovitz, Tiedemann & Girard as Bond Counsel and Lofton & Jennings as Disclosure Counsel.

The financing team intends to pursue an underlying bond rating from Standard & Poor’s Corporation (S&P) and short-term credit ratings from both Standard & Poor's Corporation and Fitch Ratings. The Series 2011 Bonds were rated AA- by S&P and staff is expecting an affirmation of that rating. The team is hoping to report the ratings to the Council / Authority by the time of the meeting.

The following legal documents related to the Water Revenue Commercial Paper Notes have been prepared in substantially final form and attached for Council and Authority review:

- Second Supplemental Installment Purchase Contract: An agreement between the Authority and the City whereby the City will acquire the specific water system improvements from the Authority in return for the payment of Net Water Revenues.

- Trust Indenture: An agreement between US Bank National Association and the Authority which provides the general terms of the Notes and secures the payment of the principal of and interest on the Notes.

- Issuing and Paying Agency Agreement: An agreement between US Bank National Association and the Authority which provides for the mechanics of the issuance and delivery of the Notes from time to time.

- Dealer Agreement: An agreement between the Authority, the City and Citigroup Global Markets Inc (the "Dealer") pursuant to which the Dealer will solicit and effect purchases of the Notes.

- Reimbursement Agreement: an agreement between the Authority, the City and Union Bank, N.A. (the "Credit Bank") pursuant to which the Credit Bank will issue a letter of credit to support the Notes.

- Fee Letter: an agreement between the Authority, the City and the Credit Bank which provides for the fees payable to the Credit Bank for the letter of credit.

- Offering Memorandum: the marketing document used by the Dealer to solicit and affect purchases of the Notes. This document will be updated from time to time during the period of time in which the Notes remain outstanding.

- Continuing Disclosure Certificate: an agreement whereby the City agrees to update bondholders annually via the filing of a continuing disclosure report as well as report on any material events should they occur.

Fiscal Impact

Issuance of traditional long term debt was assumed in the ten year CIP and the ten year plan for funding the surface water project in the Water Enterprise Fund; as the Commercial Paper Notes are less expensive than the traditional bonds, the proposed financing will still be within the plan.

Similar to all other enterprise funded debt, the City pledges to set rates sufficient enough to generate the necessary debt service coverage and meet all requirements identified in the documents related to the issuance of the Notes. The water rate study approved by Council in November 2009 assumed long term debt financing of capital improvements, and therefore the anticipated debt service from the maximum amount of the Notes can be supported by existing water rates.

Public Contact

Posting of the City Council Agenda.

Alternative Courses of Action

1. Adopt City Council Resolution No. ____ approving the issuance of Commercial Paper Notes in an amount not to exceed $38,000,000 and approval of the forms and authorization of execution and delivery of the Second Supplemental Installment Purchase Contract, the Dealer Agreement, the Reimbursement Agreement, the Fee Letter and the Continuing Disclosure Certificate, and authorizing related actions and matters thereto; and (2) adopt Woodland Finance Authority Resolution No. ____, approving forms and authorizing execution and delivery of the Second Supplemental Installment Purchase Contract, the Trust Indenture, the Issuing and Paying Agent Agreement, the Dealer Agreement, the Reimbursement Agreement, the Fee Letter; authorizing the issuance of commercial paper notes, approving the form of the Official Memorandum and distribution thereof, and approving other actions related thereto.

2. Direct staff to seek alternative funding sources for the proposed Surface Water Project needs.

3. Determine to not fund the interim projects.

Recommendation for Action

Staff recommends that the City Council and Woodland Finance Authority approve Alternative No. 1.

Prepared by: Kimberly McKinney
Finance Officer

____
Mark G. Deven
City Manager

Attachments

WOODLAND FINANCE AUTHORITY

RESOLUTION NO. ________

RESOLUTION APPROVING THE FORMS OF AND AUTHORIZING EXECUTION AND DELIVERY OF THE SECOND SUPPLEMENTAL INSTALLMENT PURCHASE CONTRACT, THE TRUST INDENTURE, THE ISSUING AND PAYING AGENCY AGREEMENT, THE DEALER AGREEMENT, THE REIMBURSEMENT AGREEMENT, AND THE FEE LETTER; AUTHORIZING THE ISSUANCE OF COMMERCIAL PAPER NOTES; APPROVING THE FORM OF THE OFFERING MEMORANDUM AND THE DISTRIBUTION THEREOF, AND APPROVING OTHER ACTIONS RELATED TO THE WOODLAND FINANCE AUTHORITY WATER REVENUE COMMERCIAL PAPER NOTES

WHEREAS, the Woodland Finance Authority (the "Authority") is a joint exercise of powers agency duly organized and operating pursuant to Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Act") and a joint exercise of powers agreement (the "Joint Powers Agreement") between the City of Woodland (the "City") and the Redevelopment Agency of the City of Woodland;

WHEREAS, Article 4 of the Act and the Joint Powers Agreement authorize the Authority to acquire and sell property and issue bonds and other debt obligations to assist in financing public improvements for the City;

WHEREAS, to provide funds for the purpose of financing improvements to the City's water supply and distribution facilities, the Authority intends to issue from time to time its Woodland Finance Authority Water Revenue Commercial Paper Notes (the "Notes"), in an aggregate principal amount not to exceed $38,000,000;

WHEREAS, on May 3, 2011, the City adopted a resolution approving the financing of certain improvements to the City's Water System by the Notes and making a finding of significant public benefit;

WHEREAS, the following proposed agreements and documents relating to the issuance, sale and delivery of the Notes by the Authority, which are incorporated herein by reference, have been presented to the Board of Directors (the "Board") for its review and approval:

1. the Second Supplemental Installment Purchase Contract (the "Second Supplemental Installment Purchase Contract") between the Authority and the City, supplemental to the Installment Purchase Contract dated February 1, 2011, between the Authority and the City, whereby the City will acquire the specific water system improvements described therein for the payments to be detailed therein;
2. the Trust Indenture (the "Indenture") between U.S. Bank National Association (the "Trustee") and the Authority, supplemental to the Trust Agreement dated February 1, 2011, between the Authority and the Trustee, which provides the general terms of the Notes and secures the payment of the principal of and interest on the Notes according to the terms and conditions set forth therein;

3. the Issuing and Paying Agency Agreement (the "Issuing and Paying Agency Agreement") between the Authority and the Bank, which provides for the mechanics of the issuance and delivery of the Notes from time to time;
4. the Dealer Agreement (the "Dealer Agreement") between the Authority, the City, and Citigroup Global Markets Inc. (the "Dealer"), pursuant to which the Dealer will solicit and effect purchases of the Notes;
5. the Reimbursement Agreement (the "Reimbursement Agreement") between the Authority, the City, and Union Bank, N.A. (the "Credit Bank"), pursuant to which the Credit Bank will issue a letter of credit to support the Notes;
6. the Fee Letter (the "Fee Letter") between the Authority, the City, and the Credit Bank, which provides for the fees payable to the Credit Bank for the letter of credit; and
7. the Offering Memorandum relating to the Notes (the "Offering Memorandum");

WHEREAS, it appears to the Board that the authorization, approval, execution, and delivery of the agreements described above or contemplated thereby or incidental thereto and the issuance, sale, and delivery of the Notes in accordance with the Indenture are desirable and in the best interests of the Authority;

NOW, THEREFORE, BE IT RESOLVED, by the Board of the Woodland Finance Authority, as follows:

Section 1. Recitals. The foregoing recitals are true and correct and the Board so finds and determines.

Section 2. Authorization of Officers to Execute and Deliver Documents. The Board hereby authorizes and directs the President, the Vice President, the Administrator, the Treasurer, and the Secretary of the Authority (the "Designated Officers"), for and in the name of the Authority, to approve, execute, and deliver the following agreements and documents:

a. the Second Supplemental Installment Purchase Contract;
b. the Indenture;
c. the Issuing and Paying Agency Agreement;
d. the Dealer Agreement;
e. the Reimbursement Agreement;
f. the Fee Letter; and
g. the Offering Memorandum;

in substantially the form presented to the Board at this meeting, which documents are hereby approved, with such changes, insertions, revisions, corrections, or amendments as shall be approved by the officer or officers executing the document for the Authority. The execution of the foregoing documents by a Designated Officer or Officers shall constitute conclusive evidence of such officer's or officers' and the Board's approval of any such changes, insertions, revisions, corrections, or amendments to the respective forms of documents presented to the Board at this meeting. The dates, principal amounts, maturities, interest rates, and other terms of the Notes shall be determined by the method provided in the Issuing and Paying Agency Agreement as finally executed.

Section 3. Authorization to Issue the Notes. The Board hereby authorizes the issuance of the Notes in accordance with the terms of the Indenture and the Issuing and Paying Agency Agreement as finally executed.

Section 4. Authorization of Sale. The Board hereby authorizes the sale of not to exceed $38,000,000 principal amount of the Notes from time to time in accordance with the procedures described in the Indenture, the Issuing and Paying Agency Agreement, and the Dealer Agreement. The Designated Officers are hereby authorized and directed to take the actions required by those agreements to establish the final terms and timing of sales of the Notes. The Board hereby determines that the sale of the Notes by the procedures described in those agreements would result in an overall lower cost.

Section 5. Execution of the Master Note. The Designated Officers are hereby authorized and directed to execute the master note in substantially the form thereof attached to the Indenture on behalf of the Authority.

Section 6. Distribution of Offering Materials. The Authority hereby authorizes the Dealer to distribute the Offering Memorandum and other offering materials (the "Offering Materials") to offerees of the Notes. The Board hereby authorizes and directs the Designated Officers, and each of them, to prepare and deliver to the Dealer such amendments and supplements to the Offering Materials as may be required under the terms of the Dealer Agreement.

Section 7. General Authorization. The Board hereby authorizes and directs the Designated Officers and other officers and agents of the Authority, and each of them individually, for and in the name of and on behalf of the Authority, to do any and all things and to execute and deliver any and all documents that they may deem necessary or advisable in order to complete the sale, issuance, and delivery of the Notes and otherwise to carry out, give effect to, and comply with the terms and intent of this resolution. All actions heretofore taken by such officers and agents that are in conformity with the purposes and intent of this resolution are hereby ratified, confirmed and approved in all respects.

Section 8. Effective Date. This resolution shall take effect immediately upon its passage.

APPROVED, PASSED, AND ADOPTED on May 3, 2011, by the following vote:

AYES: Board Members:
NOES: Board Members:
ABSENT: Board Members:
ABSTAIN: Board Members:

____
Secretary of the Authority

CITY COUNCIL OF THE CITY OF WOODLAND

RESOLUTION NO. ______

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND APPROVING THE ISSUANCE BY THE WOODLAND FINANCE AUTHORITY OF NOT TO EXCEED $38,000,000 AGGREGATE PRINCIPAL AMOUNT OF WOODLAND FINANCE AUTHORITY COMMERCIAL PAPER NOTES; APPROVING THE FORMS OF AND AUTHORIZING EXECUTION AND DELIVERY OF A SECOND SUPPLEMENTAL INSTALLMENT PURCHASE CONTRACT, A DEALER AGREEMENT, A REIMBURSEMENT AGREEMENT, A FEE LETTER, AND A CONTINUING DISCLOSURE CERTIFICATE IN CONNECTION WITH CERTAIN WATER SYSTEM IMPROVEMENTS; AND AUTHORIZING RELATED ACTIONS AND MATTERS

WHEREAS, pursuant to Article 1 of Chapter 5 of Division 7 of Title 1 of the California Government Code, the City of Woodland (the “City”) and the Redevelopment Agency of the City have established a joint exercise of powers agency, the Woodland Finance Authority (the “Authority”), for the purpose of, among other things, financing public improvements;

WHEREAS, significant public benefits, including more efficient delivery of local City services to the public, will be provided through the Authority’s financing and refinancing improvements to the City’s water supply and distribution facilities by issuing commercial paper notes pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code;

WHEREAS, the following documents and proposed agreements relating to the issuance, sale and delivery of the Authority’s proposed water revenue commercial paper notes, which are incorporated herein by reference, have been presented to the City Council for its review and approval:

1. the Second Supplemental Installment Purchase Contract (the “Second Supplemental Installment Purchase Contract”) between the Authority and the City, supplemental to the Installment Purchase Contract dated February 1, 2011, between the Authority and the City, whereby the City will acquire the specific water system improvements described therein for the payments to be detailed therein;

2. the Dealer Agreement (the “Dealer Agreement”) between the Authority, the City, and Citigroup Global Markets Inc. (the “Dealer”), pursuant to which the Dealer will solicit and effect purchases of the commercial paper notes;

3. the Reimbursement Agreement (the “Reimbursement Agreement”) between the Authority, the City, and Union Bank, N.A. (the “Credit Bank”), pursuant to which the Credit Bank will issue a letter of credit to support the Authority’s commercial paper notes;

4. the Fee Letter (the “Fee Letter”) between the Authority, the City, and the Credit Bank, which provides for the fees payable to the Credit Bank for the letter of credit; and

5. the Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") relating to the commercial paper notes;

WHEREAS, it appears to the City Council that the authorization, approval, execution, and delivery of the agreements described above or contemplated thereby or incidental thereto and the Authority's issuance, sale, and delivery of commercial paper notes are desirable and in the best interests of the City;

NOW, THEREFORE, BE IT RESOLVED by the City Council as follows:

Section 1. Recitals. The foregoing recitals are true and correct and the City Council so finds and determines.

Section 2. Approval of Issuance of Notes. The City hereby approves the issuance of the Woodland Finance Authority Water Revenue Commercial Paper Notes (the "Notes"), in an aggregate principal amount not to exceed $38,000,000. The dates, principal amounts, maturities, interest rates, and other terms of the Notes shall be determined by the method provided in the Issuing and Paying Agency Agreement between the Authority and U.S. Bank National Association, as finally executed.

Section 3. Authorization of Officers to Execute and Deliver Documents. The City Council hereby authorizes and directs the Mayor, the City Manager, the Finance Director, and the City Clerk (the "Designated Officers"), for and in the name of the City, to approve, execute, and deliver the following agreements and documents:

a. the Second Supplemental Installment Purchase Contract;

b. the Dealer Agreement;

c. the Reimbursement Agreement;

d. the Fee Letter; and

e. the Continuing Disclosure Certificate;

in substantially the form presented to the City Council at this meeting, which documents are hereby approved, with such changes, insertions, revisions, corrections, or amendments as shall be approved by the officer or officers executing the document for the City. The execution of the foregoing documents by a Designated Officer or Officers shall constitute conclusive evidence of such officer's or officers' and the City Council's approval of any such changes, insertions, revisions, corrections, or amendments to the respective forms of documents presented to the City Council at this meeting.

Section 4. Retention of Financial Advisor, Bond Counsel, and Disclosure Counsel. Del Rio Advisors, LLC, is hereby appointed financial advisor to the City for the issuance and sale of the Notes. Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, is hereby appointed bond counsel to the City for the issuance and sale of the Notes. Lofton & Jennings is hereby appointed disclosure counsel to the City for the issuance and sale of the Notes.

Section 5. Authorization of Officers to Execute Documents. The City Council hereby authorizes and directs the Designated Officers and other officers and agents of the City, and each of them individually, for and in the name of and on behalf of the City, to do any and all things and to execute and deliver any and all documents that they may deem necessary or advisable in order to complete the sale, issuance, and delivery of the Notes and otherwise to carry out, give effect to, and comply with the terms and intent of this resolution. All actions heretofore taken by such officers and agents that are in conformity with the purposes and intent of this resolution are hereby ratified, confirmed and approved in all respects.

Section 6. Effective Date. This resolution shall take effect immediately upon its adoption.

APPROVED, PASSED, AND ADOPTED this 3rd day of May 2011 by the City Council of the City of Woodland by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Artemio Pimentel, Mayor

ATTEST:

____
Ana Gonzalez, City Clerk

FEE LETTER

Reference is hereby made to (i) that certain Reimbursement Agreement dated as of May 1, 2011 (the "*Agreement*"), among the City of Woodland (the "*City*"), the Woodland Finance Authority (the "*Authority*"), and Union Bank, N.A. (the "*Bank*"), relating to the City of Woodland, California Water Revenue Commercial Paper Notes (the "*Notes*") and (ii) that certain Irrevocable Transferable Direct-Pay Letter of Credit dated May ___, 2011, issued pursuant to the Agreement, supporting the Notes. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

The purpose of this Fee Letter is to confirm the agreement between the Bank and the City with respect to, among other things, the Facility Fees (as defined below) and certain other fees payable to the Bank. This Fee Letter is the Fee Letter referenced in the Agreement.

ARTICLE I. FEES AND OTHER AGREEMENTS.

Section 1.1. Facility Fees. The City hereby agrees to pay to the Bank on July 1, 2011, for the period commencing on the Closing Date and ending on June 30, 2011, and in arrears on the first Business Day of each January, April, July and October occurring thereafter to the Termination Date, and on the Termination Date, a non-refundable facility fee (the "*Facility Fees*") in an amount equal to the product of (i) 0.78% (the "*Facility Fee Rate*") and (ii) the Stated Amount of the Letter of Credit (without regard to any temporary reductions of the Stated Amount of the Letter of Credit).

In the event that any Rating is reduced below "Baa3" (or its equivalent) by Moody's, "BBB-" (or its equivalent) by S&P, or "BBB-" (or its equivalent) by Fitch, or is suspended, withdrawn, or otherwise unavailable from any Rating Agency or upon the occurrence and during the continuance of an Event of Default under the Agreement, the Facility Fee Rate shall equal the Default Rate. The Facility Fees shall be payable quarterly in arrears, based upon a year of 360 days and the actual number of days elapsed together with interest on the Facility Fees from the date payment is due until payment in full at the Default Rate. The term "*Rating*" as used above shall mean the lowest rating assigned by Moody's, S&P or Fitch, as applicable, to any long-term unenhanced indebtedness of the City secured by Water Revenues.

Section 1.2. Draw Fees. The City hereby agrees to pay a non-refundable drawing fee of $250 to the Bank for each Drawing under the Letter of Credit, payable on the date of each such Drawing.

Section 1.3. Amendment Fees. The City shall pay to the Bank an amendment fee in an amount equal to $2,000 for any amendment to or waiver or consent with respect to any provision in the Letter of Credit, the Agreement, this Fee Letter or any of the other Related Documents, plus, in each case, the Bank's reasonable costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) which the Bank may incur by reason of or in connection with such amendment, waiver or consent, payable not later than the effective date of each such amendment, waiver or consent.

Section 1.4. Transfer Fee. Upon each transfer of the Letter of Credit in accordance with its terms to a successor Issuing and Paying Agent (whether by replacement, substitution, or change as a result of a sale, assignment, merger, consolidation, reorganization, an act of law, or otherwise), the City agrees to pay to the Bank a transfer fee in an amount equal to $2,000, plus, in each case, the reasonable fees and expenses of counsel to the Bank, payable on the date of such transfer.

Section 1.5. Termination Fee. (a) The City hereby agrees to pay to the Bank a termination fee in connection with the termination or replacement of the Letter of Credit by the City as set forth in Section 2.7 of the Agreement in an amount equal to the difference between (x) the product of (A) the Facility Fee Rate, (B) the initial Stated Amount, and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such termination to and including the date that is the one (1) year anniversary of the Closing Date and the denominator of which is 360 and (y) any amounts previously paid pursuant to Section 1.5(b) hereof (the "*Termination Fee*"), payable on the date the Letter of Credit is terminated or replaced.

(b) The City hereby agrees to pay to the Bank a reduction fee in connection with each and every permanent reduction of the Letter of Credit by the City as set forth in Section 2.7 of the Agreement in an amount equal to the product of (A) the Facility Fee Rate, (B) the difference between the Stated Amount prior to such reduction and the Stated Amount after such reduction, and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such reduction to and including the date that is the one (1) year anniversary of the Closing Date and the denominator of which is 360 (the "*Reduction Fee*"), payable on the date the Letter of Credit is reduced.

Section 1.6. Administrative Expenses. The City hereby agrees to reimburse the Bank for all administrative expenses (including, without limitation, wire fees, courier and overnight delivery fees, and internal processing fees) incurred by the Bank in connection with the execution, delivery and administration of the Agreement and the Letter of Credit, promptly upon the Bank's request therefor.

Section 1.7. Closing Fee. The City agrees to pay to the Bank on the Closing Date, a non-refundable closing fee in an amount equal to $2,500.

ARTICLE II. MISCELLANEOUS.

Section 2.1. Out-of-Pocket Expenses. The City shall pay promptly, upon receipt of invoice, any and all reasonable fees and expenses of the Bank (including the out-of-pocket expenses of the Bank and the fees and expenses of domestic and foreign counsel to the Bank) all payable in accordance with Section 7.6 of the Agreement. On the Closing Date, the City will pay to the Bank out-of-pocket expenses, a fee for special counsel, plus the reasonable expenses of such special counsel.

Section 2.2. Amendments. No amendment to this Fee Letter shall become effective without the prior written consent of the City and the Bank.

Section 2.3. *Governing Law.* THIS FEE LETTER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

Section 2.4. *Counterparts.* This Fee Letter may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument.

Section 2.5. *Severability*. Any provision of this Fee Letter which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction. The parties shall endeavor in good faith negotiations to replace the prohibited, unenforceable or unauthorized provisions with valid provisions the economic effect of which comes as close as possible to that of the prohibited, unenforceable or unauthorized provisions.

IN WITNESS WHEREOF, the parties hereto have caused this Fee Letter to be duly executed and delivered by their respective officers thereunto duly authorized as of this ___ day of May, 2011.

CITY OF WOODLAND

By:________________________________
Name: ____________________________
Title: _____________________________

UNION BANK, N.A.

By:____________________________________
Name: _______________________________
Title: ________________________________

WOODLAND FINANCE AUTHORITY
WATER REVENUE COMMERCIAL PAPER NOTES

DEALER AGREEMENT

May 1, 2011

Woodland Finance Authority
City of Woodland
300 First Street
Woodland, California 95695

Ladies and Gentlemen:

This Dealer Agreement confirms the agreement between the undersigned, CITIGROUP GLOBAL MARKETS INC. (the "Dealer"), the WOODLAND FINANCE AUTHORITY (the "Authority"), a joint exercise of powers agency duly organized under the laws of the State of California, and the CITY OF WOODLAND (the "City"), a municipal corporation duly organized under the laws of the State of California, for the Dealer to act as exclusive dealer in connection with the issuance, sale, and delivery of Woodland Finance Authority Water Revenue Commercial Paper Notes (the "Notes"). The Notes are to be issued pursuant to the Trust Agreement dated February 1, 2011, between the Authority and U.S. Bank National Association, as trustee, as supplemented by a Trust Indenture dated May 1, 2011 (as so supplemented, referred to herein as the "Indenture"), between the Authority and U.S. Bank National Association, as trustee (in such capacity the "Trustee"), and an Issuing and Paying Agency Agreement dated May 1, 2011 (the "Issuing and Paying Agency Agreement"), between the Authority and U.S. Bank National Association, as Trustee (in such capacity, the "Issuing and Paying Agent").

1. Definitions; Time References.

(a) Definitions. All capitalized terms used herein and not defined herein shall have the meanings specified in the Indenture or the Issuing and Paying Agency Agreement.

(b) Time References. All times referred to in this Agreement are New York City time.

2. Appointment of Dealer. Subject to the terms and conditions herein contained, the Authority hereby appoints the Dealer, and the Dealer hereby accepts such appointment, as exclusive dealer for the Authority in connection with the offering, issuance and sale of the Notes. The Dealer, subject to the terms and conditions of this Agreement, agrees to perform the duties and responsibilities of the Dealer as set forth in the Indenture and this Agreement. It is understood that in undertaking to perform such duties and responsibilities, and in the performance thereof, it is the intention of the Issuer and the Dealer that the Dealer will act solely as an agent for the Authority Issuer and not as a principal.

3. Basic Responsibilities of Dealer. (a) Solicitation of Purchases. In its capacity as dealer, the Dealer shall exercise customary efforts to solicit purchases and arrange for the sale of the Notes on behalf of the Authority in accordance with the terms of the Indenture, the Issuing and Paying Agency Agreement, and this Agreement, on such terms and conditions, including maturity dates and interest rates, as may prevail from time to time in the tax-exempt commercial paper market. The Dealer and the Authority agree that any Note that the Dealer may arrange the sale of or that, in the Dealer's sole discretion, the Dealer may elect to purchase, will be purchased or sold on the terms and conditions and in the manner provided in the Indenture, the Issuing and Paying Agency Agreement, and this Agreement. Nothing in this Agreement shall be deemed to constitute the Dealer an underwriter of any Note or to obligate the Dealer to purchase any Note for its own account at any time.

(b) General Responsibilities. It is understood and agreed that the Dealer's responsibilities hereunder will include (i) the soliciting of purchases of Notes from investors that customarily purchase commercial paper or tax-exempt securities in large denominations, (ii) effecting and processing such purchases, (iii) causing the furnishing, by mail or otherwise (at the Authority's expense), of such offering materials as are described in Section 10 hereof, (iv) billing and receiving payment for Notes purchases, and (v) performing such other related functions as may be requested by the Authority and agreed to by the Dealer.

4. Details of the Notes. As more fully described in Section 2.01 of the Indenture, the Notes will be issuable in minimum denominations of $100,000 and increments of $1,000 there above, will have maturities of not more than 270 days from their respective dates of issuance, and shall not mature after the date that is one (1) Business Day prior to the Expiration Date. The Notes shall be issued in registered form, without coupons. The Notes will be issued as interest-bearing obligations, maturing at such times as an Authorized Representative may designate upon authorizing the issuance thereof. Principal of and interest on the Notes will be payable at maturity in immediately available funds through the facilities of the Depository Trust Company, New York, New York.

5. Transactions in Notes. All transactions in Notes between the Dealer and the Authority shall be in accordance with the Indenture, the Issuing and Paying Agency Agreement, this Agreement, and the Letter of Credit and with the customs and practices in the commercial paper market regarding settlement and delivery formally adopted in writing from time to time by the New York Clearinghouse, to the extent not inconsistent with the Issuing and Paying Agency Agreement. As early as possible, but not later than **11:30 a.m.** on the date on which any Notes are to be issued, the Dealer shall notify an Authority Representative and the Issuing and Paying Agent of the amounts and terms and conditions of such Notes with respect to which the Dealer has received indications of interest from potential purchasers. The receipt by the Dealer of such indications of interest from potential purchasers of Notes shall not constitute legal and binding commitments of such purchasers, and the giving by the Dealer of notice of such indications of interest from potential purchasers of Notes pursuant to this paragraph shall not constitute, or be construed as constituting, notice of the receipt by the Dealer of legal and binding commitments of such purchasers. The Dealer shall not be obligated to purchase any Notes unless and until agreement, as described in the following sentence, has been reached, in each case on the proposed final maturities and interest rates. Not later than **12:00 noon** on the date of issuance of the Notes, the Authority may approve or disapprove of such final maturities and interest rates (provided that, if the Authority does not provide notice to the Dealer of disapproval, then the Authority shall be deemed to have approved such terms) and the Dealer shall either (a) confirm each transaction made with or arranged by it or (b) notify the Authority and the Issuing and Paying Agent of the difference, if any, between the amount of maturing Notes and the amount of Notes that the Dealer has arranged to sell or has agreed to purchase. Such confirmation or notification shall be given by telephone (or by other telecommunications medium acceptable to the Authority) and confirmed in writing to the Authority and the Issuing and Paying Agent.

6. **Payment for Notes**. The Dealer shall pay, through the facilities of the Depository Trust Company, for the Notes purchased by the Dealer or sold by the Dealer in immediately available funds by **2:15 p.m.** on the Business Day such Notes are delivered to the Dealer. All Notes will be sold at par, and will be executed in the manner provided for in the Issuing and Paying Agency Agreement.

7. **Authority Representative**. Note transactions with the Authority, pursuant to Section 5 hereof, shall be with any one of the officers or employees of the Authority who is designated as an Authority Representative in accordance with the Issuing and Paying Agency Agreement.

8. **Representations of the Authority.** The Authority represents and warrants to the Dealer as of the date of this Agreement, as of each date upon which the Dealer offers and sells Notes, and as of each date upon which Notes are, or are to be, issued, that:

(a) Actions Authorized. The Authority and has full legal right, power and authority to enter into (i) this Agreement, (ii) the Issuing and Paying Agency Agreement, (iii) the Indenture, (iv) the Reimbursement Agreement, and (v) the Second Supplemental Installment Purchase Contract (this Agreement, the Issuing and Paying Agency Agreement, the Indenture, the Reimbursement Agreement, and the Installment Purchase Contract hereinafter, collectively, the "Authority Documents"); to sell the Notes; to issue and deliver the Notes to the Dealer as provided herein; and to carry out and consummate all other transactions described in the Authority Documents.

(b) Official Action. By official action of the Authority prior to or concurrently with the acceptance hereof, the Authority has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations contained in, the Notes and the Authority Documents and has duly authorized and approved the performance by the Authority of its obligations contained in such documents; and the Authority Documents have been duly and validly executed and delivered by the Authority and constitute (and the Notes when validly executed and delivered in accordance with the Indenture and the Issuing and Paying Agency Agreement will constitute) legal, valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms and shall be entitled to the benefits of the Indenture, except to the extent that such enforceability may be limited by applicable provisions of federal bankruptcy laws and any other similar laws affecting the rights of creditors of political subdivisions generally, and subject to general principles of equity and the exercise of judicial discretion.

9. (c) No Current Violation of Law or Breach of Contract. The current activities of the Authority do not violate any applicable provision of statutory law or regulation or breach or otherwise violate any existing obligation of the Authority under any court order or administrative decree to which the Authority is subject; nor is the Authority in breach of or default under any loan agreement, note, resolution, indenture, contract, agreement, or other instrument to which the Authority is a party or is otherwise subject or bound, and no event has occurred and is continuing that constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Authority under any of the foregoing.

10. (d) Transactions Do Not Violate Law or Breach Contracts. The execution and delivery of the Notes and the Authority Documents and compliance with the provisions on the Authority's part contained therein, will not (i) violate any applicable provision of statutory law or regulation, (ii) breach or otherwise violate any existing obligation of the Authority under any court order or administrative decree to which the Authority is subject, or (iii) breach, or result in a default under, any loan agreement, note, resolution, indenture, contract, agreement, or other instrument to which the Authority is a party or is otherwise subject or bound.

11. (e) Governmental Approvals. All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter that are required for the due authorization of, that would constitute a condition precedent to, or the absence of which would materially adversely affect the approval or adoption, as applicable, of the Authority Documents, the issuance of the Notes or the due performance by the Authority of its obligations under the Authority Documents and the Notes have been duly obtained.

12. (f) No Litigation. Except to the extent disclosed in the Offering Materials, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or overtly threatened in writing against the Authority: (i) affecting the existence of the Authority or the titles of its officers to their respective offices, (ii) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Notes, (iii) in any way contesting or affecting the validity or enforceability of the Notes or the Authority Documents, (iv) contesting the exclusion from gross income of interest on the Notes for federal income tax purposes, (v) contesting in any way the completeness or accuracy of the Offering Materials or any supplement or amendment thereto, or (vi) contesting the powers of the Authority or any authority for the issuance of the Notes or the execution and delivery of the Authority Documents, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Notes or the Authority Documents.

13. (g) Information Accurate and Complete. The information furnished to the Dealer by the Authority, whether or not contained in the Offering Materials, does not contain any untrue statement of a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

14. (h) Blue Sky. The Authority will cooperate with the Dealer in arranging for the qualification of the Notes for sale and the determination of their eligibility for investment under the laws of such jurisdictions as each Dealer may designate and will use its best efforts to continue such qualifications in effect so long as the Notes are being offered by the Dealer; provided, however, that the Authority will not be required to execute a special or general consent to service of process or qualify to do business in connection with action taken under this subsection.

15. **<u>Representations of the City.</u>** The City represents and warrants to the Dealer as of the date of this Agreement, as of each date upon which the Dealer offers and sells Notes, and as of each date upon which Notes are, or are to be, issued, that:

(a) <u>Actions Authorized</u>. The City and has full legal right, power and City to enter into (i) this Agreement and (ii) and the Second Supplemental Installment Purchase Contract (this Agreement and the Second Supplemental Installment Purchase Contract hereinafter, collectively, the "City Documents"); and to carry out and consummate all other transactions described in the Transaction Documents.

(b) <u>Official Action.</u> By official action of the City prior to or concurrently with the acceptance hereof, the City has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations contained in, the City Documents and has duly authorized and approved the performance by the City of its obligations contained in such documents; and the City Documents have been duly and validly executed and delivered by the City and constitute legal, valid and binding obligations of the City enforceable against the City in accordance with their respective terms, except to the extent that such enforceability may be limited by applicable provisions of federal bankruptcy laws and any other similar laws affecting the rights of creditors of political subdivisions generally, and subject to general principles of equity and the exercise of judicial discretion.

16. (c) <u>No Current Violation of Law or Breach of Contract</u>. The current activities of the City do not violate any applicable provision of statutory law or regulation or breach or otherwise violate any existing obligation of the City under any court order or administrative decree to which the City is subject; nor is the City in breach of or default under any loan agreement, note, resolution, indenture, contract, agreement, or other instrument to which the City is a party or is otherwise subject or bound, and no event has occurred and is continuing that constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the City under any of the foregoing. No event has occurred that would have a material and adverse effect upon the properties, business, condition (financial or other) or results of operations of the City's Water System since the date of the Offering Materials.

17. (d) <u>Transactions Do Not Violate Law or Breach Contracts</u>. The execution and delivery of the City Documents and compliance with the provisions on the City's part contained therein, will not (i) violate any applicable provision of statutory law or regulation, (ii) breach or otherwise violate any existing obligation of the City under any court order or administrative decree to which the City is subject, or (iii) breach, or result in a default under, any loan agreement, note, resolution, indenture, contract, agreement, or other instrument to which the City is a party or is otherwise subject or bound.

18. (e) <u>Governmental Approvals.</u> All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter that are required for the due authorization of, that would constitute a condition precedent to, or the absence of which would materially adversely affect the approval or adoption, as applicable, of the City Documents or the due performance by the City of its obligations under the City Documents have been duly obtained.

19. (f) No Litigation. Except to the extent disclosed in the Offering Materials, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or overtly threatened in writing against the City: (i) affecting the existence of the City or the titles of its officers to their respective offices, (ii) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Notes, (iii) in any way contesting or affecting the validity or enforceability of the Notes or the City Documents, (iv) contesting the exclusion from gross income of interest on the Notes for federal income tax purposes, (v) contesting in any way the completeness or accuracy of the Offering Materials, or (vi) contesting the powers of the City or any authority for the issuance of the Notes, or the execution and delivery of the City Documents, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Notes or the City Documents.

20. (g) Information Accurate and Complete. The information furnished to the Dealer by the City, whether or not contained in the Offering Materials, does not contain any untrue statement of a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

21. (h) Blue Sky. The City will cooperate with the Dealer in arranging for the qualification of the Notes for sale and the determination of their eligibility for investment under the laws of such jurisdictions as each Dealer may designate and will use its best efforts to continue such qualifications in effect so long as the Notes are being offered by the Dealer; provided, however, that the City will not be required to execute a special or general consent to service of process or qualify to do business in connection with action taken under this subsection.

22. **Offering Materials.** (a) Preparation of Offering Materials. At its expense, payable solely from Revenues or Note proceeds, the Authority will prepare an offering memorandum and other offering materials regarding the Notes (the "Offering Materials," which term shall include amendments and supplements thereto that may be prepared from time to time in accordance with this Agreement (other than any amendment or supplement that has been completely superseded by a later supplement or amendment)). Throughout the term of this Agreement, the Authority will cooperate with the Dealer in the preparation of, and will furnish the Dealer with as many copies as the Dealer may reasonably request of, the Offering Materials.

(b) Furnishing of Offering Materials. The Dealer will furnish the Offering Materials to each offeree of the Notes at or prior to the date on which such offeree is first offered the Notes. The Dealer shall not provide prospective or actual purchasers of the Notes with any written offering materials, disclosure documents or other documents or information in connection with the solicitation of purchases and sales of the Notes other than the Offering Materials and any supplements, amendments or updates thereto and the Indenture, the Issuing and Paying Agency Agreement, the Reimbursement Agreement, and the Letter of Credit, as the same may be amended, supplemented or replaced from time to time.

(c) Updates to Offering Materials. As promptly as practicable, but in no event more than 90 days following a written request by the Dealer and not more than 90 days following receipt by the Authority of the annual audited financial statements of the City, the Authority shall update the Offering Materials.

(d) Notice of Certain Events. The Authority and the City agree to notify the Dealer promptly upon the occurrence of any event of which the Authority has actual knowledge relating to or affecting the Authority, the City, the Notes, the Letter of Credit, or the security providing for the payment of the Notes that would cause the Offering Materials then in existence to include an untrue statement of a material fact or to omit to state a material fact with necessary in order to make the statements contained therein, in light of the circumstances under which they are made, not misleading. In addition, the Authority will give the Dealer prompt notice of the occurrence of any default by the Credit Bank in the payment of any Drawing under the Letter of Credit, any change in the Stated Amount of the Letter of Credit, the extension of the Stated Termination Date of the Letter of Credit, the delivery of an Alternate Letter of Credit in substitution of the Letter of Credit, or the termination of the Letter of Credit prior to the Stated Termination Date. If, as a result of such event or condition or any other event or condition, it is necessary or advisable, in the opinion of the Dealer, to amend or supplement the Offering Materials in light of such event or condition, the Authority will cooperate with the Dealer in the prompt preparation of a supplement to the Offering Materials, in form and substance satisfactory to the Dealer.

(e) Change in Law. If in the reasonable opinion of the Dealer, with the concurrence of Bond Counsel, changes in applicable law require that a disclosure document more extensive than the Offering Materials be prepared and distributed, the Authority agrees to prepare such document, with the assistance of the Dealer.

(f) Information Accurate and Complete. The information relating to the Authority and the City contained in the Offering Materials and any Official Statement of the Authority or the City that accompanies the Offering Materials will be true and correct in all material respects on and as of the respective dates of the Offering Materials and such Official Statement of the Authority or the City.

23. Other Disclosure. The Authority shall promptly provide the Dealer with:

(a) Documents Furnished to Credit Bank. all financial statements, reports and information required to be furnished to the Credit Bank pursuant to Section 5.1 of the Reimbursement Agreement;

(b) Amendments to Documents. notice and a copy of any amendment to the Indenture, the Installment Purchase Contract, or the Issuing and Paying Agency Agreement;

(c) Events of Default. notice of the occurrence and continuance of an event of default under the Indenture, the Issuing and Paying Agency Agreement, or the Reimbursement Agreement;

(d) Rating Changes. notice of the suspension, reduction or withdrawal of the rating on any obligations of the Authority or the City that are secured on parity with the Bonds or the Installment Purchase Contract or the public announcement of the possibility thereof by the rating agencies then rating the Notes; and

(e) Withdrawal of Opinion. notice of the receipt by the Authority of notification from Bond Counsel that the Authority may not continue to rely on their opinion regarding the validity or tax-exempt status of the Notes.

24. Conditions To Dealer's Obligations. The obligations of the Dealer under this Dealer Agreement have been undertaken in reliance on, and shall be subject to, the due performance by the Authority of its obligations and agreements to be performed hereunder and to the accuracy of and compliance with the representations, warranties, covenants and agreements of the Authority and the City contained herein, in each case on and as of the date of delivery of this Dealer Agreement and on and as of each date on which the Notes are to be issued. The obligations of the Dealer hereunder with respect to each date on which the Notes are to be issued are also subject, at the discretion of the Dealer, to the following further conditions precedent:

(a) Documents and Opinions in Full Force. The Indenture, the Installment Purchase Contract, the Reimbursement Agreement, the Letter of Credit, and the Issuing and Paying Agency Agreement shall be in full force and effect and the Notes to be issued on such date shall have the full benefits of all of the foregoing, all of which shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Dealer, and there shall be in full force and effect such additional resolutions, agreements, instruments, certificates (including such certificates as may be required by Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation ("Bond Counsel") to enable them to render an Opinion of Counsel regarding the exclusion from gross income of interest on the Notes from federal income tax), and Opinions of Counsel, which resolutions, agreements, certificates and Opinions of Counsel shall be satisfactory in form and substance to Bond Counsel, and there shall have been taken in connection therewith and in connection with the issuance of the Notes all such action as shall, in the opinion of Bond Counsel, be necessary in connection with the transactions contemplated hereby.

(b) No Material Adverse Event. There shall have been no material adverse change in the properties, business, condition (financial or other) or results of operations of the City's Water System or the Credit Bank since the date of the Offering Materials; and no Event of Default (as such term is defined in the Indenture or the Reimbursement Agreement) shall have occurred and be continuing, and no event shall have occurred and be continuing that, with the passage of time or giving of notice or both, would constitute such an Event of Default.

(c) Documents to be Delivered. At or prior to the first date on which Notes are to be sold pursuant to the terms of the Indenture and this Dealer Agreement, the Dealer shall have received:

(i) executed copies of the Reimbursement Agreement and the Issuing and Paying Agency Agreement; and a transcript of all proceedings relating to the authorization of the Notes certified by a duly authorized official of the Authority;

(ii) opinions dated as of such date of (a) Bond Counsel and (b) counsel to the Credit Bank (each such opinion to be in form and substance as previously agreed to by each such counsel and the Dealer);

(iii) a certificate of the Authority, executed by an Authority Representative, dated as of such date, as to the accuracy of and compliance with the representations, warranties, covenants and agreements of the Authority contained herein on and as of such date, which certificate may state that the certifications therein set forth are to the best knowledge and belief of such official;

(iv) a certificate of the City, executed by any duly authorized official of the City, dated as of such date, as to the accuracy of and compliance with the representations, warranties, covenants and agreements of the City contained herein on and as of such date, which certificate may state that the certifications therein set forth are to the best knowledge and belief of such official;

(v) a certificate of the Authority, executed by an Authority Representative, dated as of such date, as to the accuracy of and compliance with the representations, warranties, covenants and agreements of the Authority contained in the Reimbursement Agreement on and as of such date, which certificate may state that the certifications therein set forth are to the best knowledge and belief of such official;

(vi) a certificate of the Credit Bank, executed by a Credit Bank Representative, dated as of such date, as to the correctness of information concerning the Credit Bank that is contained in the Offering Materials;

(vii) a specimen of the Letter of Credit;

(viii) copies of all documents required by, and delivered pursuant to Section 3.1 of the Reimbursement Agreement; and

(ix) copies of such other documents, certificates and opinions as the Dealer shall have reasonably requested.

25. Term of Dealer Agreement. This Dealer Agreement shall become effective upon its execution by the Dealer, the Authority, and the City and shall continue in full force and effect until the earlier of (i) the date on which all outstanding Notes have been paid or deemed paid in accordance with the terms of the Indenture and (ii) the termination of this Agreement as provided in Section 14.

26. Termination of Dealer Agreement. (a) Termination on 60 Days' Notice. This Dealer Agreement may be canceled by the Dealer, the Authority, or the City (each with the consent of the Credit Bank) at any time on written notice. To be effective, such written notice must be given no less than 60 days prior to such cancellation date with a copy to the Issuing and Paying Agent and the Credit Bank; provided, however, that, upon the mutual agreement of the Dealer and the Authority, such written notice may be given fewer than 60 days prior to such cancellation date, if the Credit Bank consents to the shorter notice, which consent is not required if a successor Dealer has been appointed by the Authority with the prior written consent of the Credit Bank (consent to such appointment not to be unreasonably withheld or delayed). The Authority will use its best efforts to notify Standard & Poor's and Moody's Investors Service, Inc., of the termination of this Dealer Agreement and any change in the dealer for the Notes.

(b) Termination on Notice of Material Adverse Event. In addition, the Dealer may terminate its obligations under this Dealer Agreement at any time by notifying the Authority and the Credit Bank in writing or by telegram, telex or other electronic communication of its election to do so:

(i) if any event shall have occurred, or information become known, that, in the Dealer's reasonable opinion, makes untrue, incorrect or misleading in any material respect any statement or information contained in the Offering Materials or has the effect that the Offering Materials contain an untrue, incorrect or misleading statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and the Authority shall fail to supplement the Offering Materials in a manner satisfactory to the Dealer within a reasonable period of time after requested to do so by the Dealer.

(ii) Legislation shall be favorably reported by a committee of the House of Representatives or the Senate of the Congress of the United States or be introduced by committee by amendment or otherwise in, or be enacted by, the House of Representatives or the Senate or be recommended by the President of the United States to the Congress of the United States for passage by the Congress of the United States, or a decision by a court established under Article III of the Constitution of the United States, or the Tax Court of the United States, shall be rendered or a ruling, regulation or order of the Treasury Department of the United States or the Internal Revenue Service or any other governmental entity having jurisdiction over the subject matter shall be made or proposed having the purpose or effect of imposing federal income taxation, or any other event shall have occurred that result in the imposition of federal income taxation, upon interest on the Notes.

(iii) Legislation shall be favorably reported by a committee of the House of Representatives or the Senate of the Congress of the United States, or shall be introduced by committee by amendment or otherwise, or be introduced by the House of Representatives or the Senate or shall be recommended by the President of the United States to the Congress of the United States for passage by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the United States Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter should be made or proposed, to the effect that the offering or sale of obligations of the character of the Notes, as contemplated hereby, is or would be in violation of any provision of the Securities Act of 1933 as amended (the "Securities Act") and as then in effect, or the Securities Act of 1934 as amended and as then in effect, or that the Indenture shall be required to be qualified under the Trust Indenture Act of 1939 as amended and as then in effect, or with the purpose or effect of otherwise prohibiting the offering for sale of obligations of the character of the Notes, or the Notes as contemplated hereby, without registration under the Securities Act or qualification of the Indenture under the Trust Indenture Act of 1939, as amended.

(iv) Any legislation, resolution, ordinance, rule or regulation shall be introduced in, or be enacted by, any federal governmental body, department or agency of the United States or the State of California, or a decision by any court of competent jurisdiction within the United States or the State of California shall be rendered that, in the Dealer's reasonable opinion, materially adversely affects the marketability of the Notes.

(v) Additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities similar to the Notes by any governmental authority or by any national securities exchange that, in the Dealer's reasonable opinion, materially adversely affects the marketability of the Notes.

(vi) Any governmental authority shall impose, as to the Notes, or obligations of the character of the Notes, any material restrictions not now in force, or increase materially those now in force that, in the Dealer's reasonable opinion, materially adversely affects the marketability of the Notes.

(vii) A banking moratorium shall have been established by federal or New York authorities.

(viii) The rating of the Notes shall have been downgraded to a rating below "P-1" by Moody's Investors Service, Inc. or "A-1" by Standard & Poor's or such rating agencies shall withdraw any ratings they may have in effect with respect to the Notes.

(ix) A war involving the United States shall have been declared, or any existing conflict involving the armed forces of the United States shall have escalated, or any other national emergency relating to the effective operation of government of the financial community shall have occurred, that, in the Dealer's reasonable opinion, materially adversely affects the marketability of the Notes.

(x) Any event, including, without limitation, the bankruptcy or default of any issuer of or obligor on tax-exempt securities shall have occurred that, in the Dealer's reasonable opinion, makes the marketing of the securities of the character of the Notes impossible over an extended period of time.

(xi) The Indenture, the Issuing and Paying Agency Agreement, or the Letter of Credit shall cease to be in full force and effect or shall have been amended, modified or supplemented except as agreed to by the Dealer.

(xii) An Event of Default under the Indenture or the Reimbursement Agreement has occurred and is continuing.

(xiii) The Credit Bank has issued and not rescinded a No-Issuance Notice or has issued a Final Drawing Notice under the Reimbursement Agreement.

27. Payment of Fees and Expenses. (a) Fees. In consideration of the services to be performed by the Dealer under this Dealer Agreement, the Authority agrees to pay to the Dealer a fee in the amount of the product of (i) 0.05 of 1% divided by 365 or 366, as appropriate, and (ii) the sum of the principal amounts of the Notes outstanding on each day during the billing period (to which reference is made in the next succeeding sentence). It is understood and agreed that (i) payment of such fee shall be made by the Authority calendar quarterly in arrears upon receipt of an invoice therefor from the Dealer, and (ii) the obligation of the Authority to pay such fee shall survive the termination or cancellation of this Dealer Agreement to the extent that such obligation related to Notes outstanding prior to such termination or cancellation.

(b) Expenses. All reasonable expenses and costs of the Dealer in effecting the authorization, preparation, issuance, offering, delivery and sale of the Notes (including, without limitation, the expenses and costs of the preparation, printing, photocopying, execution and delivery of the Notes, the Offering Materials, the Reimbursement Agreement, the Issuing and Paying Agency Agreement, this Dealer Agreement and all other agreements and documents contemplated hereby and thereby, including amendments, modifications and supplements to any such agreements and documents at any time during the term of this Dealer Agreement) shall be paid or reimbursed by the Authority, unless and to the extent that such expenses and costs are paid out of or reimbursed from the proceeds of the Notes.

(c) Limited Liability of Authority. All fees and expenses payable hereunder shall be payable solely from Revenues or from the proceeds of the Notes.

28. **Miscellaneous.** (a) Notices. All notices, demands and formal actions under this Dealer Agreement shall be in writing and mailed, telecopied, telegraphed or delivered to:

Dealer:	Citigroup Global Markets Inc. Public Finance Division 390 Greenwich Street, 2nd floor New York, New York 10013 Attention: Manager, Short-Term Finance Group Facsimile Transmission Number: (212) 723-8939
Authority:	Woodland Finance Authority, c/o City of Woodland 300 First Street Woodland, California 95695 Attention: Treasurer/Controller Facsimile Transmission Number: (916) 661-5848
City:	City of Woodland 300 First Street Woodland, California 95695 Attention: Finance Director Facsimile Transmission Number: (916) 661-5848

Issuing and Paying Agent:	U.S. Bank National Association 100 Wall Street, 16th Floor New York, NY 10005 Attn: Corporate Trust Operations Telephone No.: (212)361-6140 Telecopy No.: (212)509-4529
Credit Bank:	Union Bank, N.A. 445 South Figueroa Street G08-268 Los Angeles, CA 90071 Attention: Christine Armani Telephone No.: (213) 236-7741 Telecopy No.: (212) 236-6917

provided, however, that all notices pursuant to, or contemplated by, the provisions of Section 3 of this Dealer Agreement shall be given by telephonic communication between or among authorized representatives of the parties to this Dealer Agreement and shall be confirmed in writing and mailed, telegraphed or delivered to such parties on the later of the Business Day following the settlement, if any, of the respective transactions to which such notices relate or the Business Day following the telephonic communication. The Dealer, the Authority, the City, and the Credit Bank may, by notice given under this Dealer Agreement, designate other addresses to which subsequent notices, requests, reports or other communications shall be directed.

(b) Representations of Authority and City. Any certificate authorized by the Authority, signed by an Authority Representative and delivered to the Dealer shall be deemed a representation by the Authority to the Dealer as to the statements made therein. Any certificate authorized by the City, signed by a any duly authorized official of the City and delivered to the Dealer shall be deemed a representation by the City to the Dealer as to the statements made therein.

(c) Successors and Assigns. This Dealer Agreement will inure to the benefit of and be binding upon the Authority and the Dealer and their respective successors and assigns, and will not confer any rights upon any other person, partnership, association or corporation. The term “successors” and “assigns” shall not include any purchaser of any of the Notes merely because of such purchase.

(d) Survival of Representations and Warranties. All of the representations, warranties and covenants of the Authority, the City, and the Dealer in this Dealer Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Dealer or (ii) delivery of and any payment for any Notes hereunder.

(e) Notice to Rating Agencies. The Dealer shall use its best efforts to notify Standard & Poor’s and Moody’s Investors Service, Inc. of any modification of or amendment to the Dealer Agreement. Notice shall be sent by first class mail, postage prepaid.

(f) Section Headings. Section headings have been inserted in this Dealer Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Dealer Agreement and will not be used in the interpretation of any provisions of his Dealer Agreement.

(g) Separability. If any provision of this Dealer Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Dealer Agreement invalid, inoperative or unenforceable to any extent whatever.

(h) Counterparts. This Dealer Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which constitute one and the same document.

(i) Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the matters covered hereby, and supersedes all prior agreements and understandings between the parties. This Agreement shall only be amended, supplemented or modified in a writing signed by all of the parties hereto.

(j) No Personal Liability. The Authority, the City and their respective governing board members, officers, employees, representatives, agents and attorneys shall not be held personally liable for the execution or performance of this Agreement, or any breach or default of the provisions hereof.

(k) Governing Law. This Dealer Agreement shall be governed by and construed in accordance with the laws of the State of California.

CITIGROUP GLOBAL MARKETS INC.

By:_____________________________________
Title: Managing Director

Accepted and Agreed:

WOODLAND FINANCE AUTHORITY

By:___________________________________

CITY OF WOODLAND

By:____________________________________

TRUST INDENTURE

between the

WOODLAND FINANCE AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION, as Trustee

Dated May 1, 2011

Relating to
Woodland Finance Authority
Water Revenue Commercial Paper Notes

(supplemental to the Trust Agreement dated February 1, 2011)

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ARTICLE I
INTRODUCTION, DEFINITIONS AND OTHER GENERAL PROVISIONS

SECTION 1.01. Description of the Indenture. This Trust Indenture dated May 1, 2011 (the "Indenture"), is entered into between U.S. Bank National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (the "Trustee") and the Woodland Finance Authority (the "Authority"), a joint exercise of powers agency, duly organized and existing pursuant to an Agreement entitled "Joint Exercise of Powers Agreement" between the City of Woodland (the "City") and the Redevelopment Agency of the City of Woodland (the "Joint Powers Agreement").

This Indenture provides for the following transactions:

(a) the Authority's issuance of commercial paper notes (the "Notes") pursuant to the provisions hereof;

(b) to facilitate the issuance and sale of the Notes, the Authority's entering into an Issuing and Paying Agency Agreement with U.S. Bank National Association and a Dealer Agreement with Citigroup;

(c) to facilitate the sale of the Notes, the Authority's entering into a Letter of Credit and Reimbursement Agreement with Union Bank, N.A. (the "Bank"), pursuant to which the Credit Bank will issue its irrevocable direct-pay letter of credit to support the payment of principal and interest on the Notes when due;

(d) the Authority's entering into an Installment Purchase Contract with the City pursuant to which the Authority will use proceeds of the Notes to finance facilities for the City's water supply system and sell them to the City in exchange for installment payments that are payable solely from the revenues of the City's water supply system; and

(e) the Authority's assignment to the Trustee in trust for the benefit and security of the owners of the Notes and the Credit Bank of the payments to be received under the Installment Purchase Contract and in any security provided in connection therewith and hereunder and the rights to receive the same.

In consideration of the mutual agreements contained in this Indenture and other good and valuable consideration, the receipt of which is hereby acknowledged, the Authority and the Trustee agree as set forth herein for their own benefit and for the benefit of the City, the Credit Bank and the owners of the Notes.

This Indenture shall constitute a Supplemental Trust Agreement, as that term is defined in the Trust Agreement dated February 1, 2011 (the "Trust Agreement"), between the Authority and U.S. Bank National Association, and the Notes shall be deemed to be "Bonds" issued thereunder. The conditions of the Trust Agreement for the issuance of the Notes secured on parity with the previously issued Bonds have been satisfied.

SECTION 1.02. Definitions; Time References.

(A) Definitions. Unless the context otherwise requires, the terms defined in this section shall for all purposes hereof and of any certificate, opinion, request or other document herein or therein mentioned have the meanings herein specified. Capitalized terms used herein and not defined herein shall have the definitions ascribed to such terms by the Trust Agreement.

Alternate Letter of Credit means any line of credit, letter of credit, revolving credit agreement, standby purchase agreement or other credit facility substituted for the Letter of Credit pursuant to and in accordance with Section 4.02 hereof.

Authority Representative has the meaning ascribed thereto in Section 6 of the Issuing and Paying Agency Agreement.

Authorized Denomination means $100,000 and any integral multiple of $1,000 in excess thereof.

Authorized Officer of the Issuing and Paying Agent has the meaning ascribed thereto in Section 6 of the Issuing and Paying Agency Agreement.

Authorized Officer of the Trustee means any officer in the Trustee's Corporate Trust Department and when used with reference to an act or document of the Trustee also means any other person authorized to perform the act or sign the document

Bank Default means, that (a) the Credit Bank has wrongfully failed or refused to honor a demand for any payment under the Letter of Credit for payment of any Note or accrued interest under circumstances in which all conditions precedent to honor of such demand for purchase specified in the Letter of Credit were strictly fulfilled; or (b) the Credit Bank has commenced an action or proceeding before a court to contest the validity or enforceability of the Letter of Credit; or (c) a proceeding has been instituted in a court or by a regulatory agency having jurisdiction in the premises seeking an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution in respect of the Credit Bank.

Business Day means a day other than a Saturday or Sunday or a day on which banks in each of the cities in which the principal offices of the Authority, the Trustee, the Issuing and Paying Agent and the Dealer and the office of the Credit Bank at which demands for payment under the Letter of Credit are to be presented are located are authorized by law or executive order to remain closed or a day on which the New York Stock Exchange is closed.

Certificate Agreement means the Money Market Instrument Certificate Agreement dated as of __________ __, ____, between the Issuing and Paying Agent and DTC.

Commercial Paper Fund means the fund established pursuant to Section 5.02 hereof.

CP Installment Payments means the installment payments of interest and principal payable by the City under and pursuant to the Installment Purchase Contract as supplemented by the Second Supplemental Installment Purchase Contract and described in Section 10.4 (Installment Payments) thereof.

CP Project means the capital expenditures to be made and/or facilities to be constructed as described on Exhibit A to the Second Supplemental Installment Purchase Contract.

Credit Bank means Union Bank, N.A., and, upon the substitution of an Alternate Letter of Credit, the issuer of such Alternate Letter of Credit.

Credit Bank Representative has the meaning ascribed thereto in Section 6 of the Issuing and Paying Agency Agreement.

Dealer shall mean Citigroup Global Markets Inc. or any other person appointed as Dealer for the Notes by the Authority with the prior written consent of the Credit Bank.

Dealer Agreement shall mean the Dealer Agreement dated May 1, 2011, between the Authority, the City, and the Dealer, as it may from time to time be amended or supplemented, and any other agreement relating to the appointment of another Person to act as Dealer for the Notes entered into by the Authority with the prior written consent of the Credit Bank.

Drawing means a drawing under the Letter of Credit in accordance with its terms to pay the principal of and accrued interest on the Notes when due and payable.

DTC means the Depository Trust Company, New York, New York.

Event of Bankruptcy means the filing of a petition in bankruptcy or the commencement of a proceeding under the United States Bankruptcy Code or any other applicable law concerning insolvency, reorganization or bankruptcy by or against the City, any guarantor of the Notes (other than the Credit Bank) or the Authority, as debtor.

Event of Default means any of the events described in Section 8.01 (Events of Default) hereof as an "Event of Default."

Expiration Date means the date on which the Letter of Credit then in effect with respect to payment of the Notes is stated to expire in accordance with its terms (without giving effect to the occurrence of any event that may cause such Letter of Credit to terminate or expire prior to such date).

Instructions means instructions for issuing Notes delivered to the Issuing and Paying Agent by an Authority Representative or a Dealer Representative pursuant to and in accordance with the terms of the Issuing and Paying Agency Agreement.

Issuing and Paying Agent means U.S. Bank National Association or any other Person appointed as Issuing and Paying Agent for the Notes by the Authority pursuant to this Indenture and the Issuing and Paying Agency Agreement and with the prior written consent of the Credit Bank.

Issuing and Paying Agency Agreement means the Issuing and Paying Agency Agreement dated May 1, 2011, between the Authority and the Issuing and Paying Agent, or any other agreement relating to the appointment of another Person to act as Issuing and Paying Agent for the Notes entered into by the Authority with the prior written consent of the Credit Bank and the Dealer.

Letter of Credit means initially the Letter of Credit dated May __, 2011, issued by Union Bank, N.A., and supporting payment of the principal of and interest on the Notes, as amended or supplemented from time to time in accordance with the terms thereof and of this Indenture; and, upon the substitution of an Alternate Letter of Credit (or for an Alternate Letter of Credit previously substituted therefor) in accordance with Section 4.02 hereof, such Alternate Letter of Credit.

Letter of Representations means the Letter of Representations relating to the Notes filed by the Authority with DTC.

Master Note means the Master Note substantially in the form contained in Exhibit A hereto and otherwise meeting the requirements of this Indenture, evidencing the Notes while the Notes are in book-entry form.

Maximum Principal Amount of Notes means the maximum amount of Notes authorized by the Authority to be Outstanding at any time, initially $38,000,000

Maximum Rate means the lesser of (i) twelve percent (12%) per annum and (ii) the maximum rate of interest on the relevant obligation permitted by applicable law.

Noteowners or **Owners** means the registered owners of the Notes from time to time as shown in the books kept by the Issuing and Paying Agent as registrar and transfer agent.

Note Rate shall mean the rate of interest to be borne by Notes determined by the Dealer in accordance with the Dealer Agreement; provided, however, that in no event shall the Note Rate applicable to any Notes exceed the Maximum Rate, anything herein to the contrary notwithstanding.

Notes means the notes of the Authority authorized and issued pursuant to Section 3.01 hereof, including the Master Note and each portion of the indebtedness evidenced by the Master Note and any note or notes duly issued in exchange or replacement therefor.

Reimbursement Agreement means, initially, the Letter of Credit and Reimbursement Agreement dated as of May 1, 2011, between the Authority and the Credit Bank, and any similar reimbursement agreement that may be entered into in the future between the Authority and the Credit Bank with respect to the Letter of Credit.

Reimbursement Obligations means the obligations of the Authority to make payments to the Credit Bank in reimbursement of or as interest on (which interest may be higher than the interest rate on the related Notes) any Drawing or other advance, loan or other payment made by such provider for the purpose of paying the principal of or interest on Commercial Paper. Reimbursement Obligations shall not include any payments of any fees, expenses, or other similar obligations to any such provider. Reimbursement Obligations may be evidenced by a promissory note or notes issued pursuant to and in accordance with the Reimbursement Agreement and having the terms and characteristics contained therein..

Stated Amount shall have the meaning ascribed thereto in the Letter of Credit.

Trust Indenture means this Trust Indenture dated May 1, 2011, between the Authority and the Trustee, as originally executed and as it may from time to time be amended or supplemented pursuant to the provisions hereof.

(B) Time References. All times referred to in this Trust Indenture are New York City time.

SECTION 1.03. Amendment to Definition. Proviso (d) in the definition of Debt Service in Section 1.01 (Definitions) of the Trust Agreement is amended to read as follows:

> (d) Balloon Debt: whether or not any of such Bonds, Contracts, or City Revenue Bonds are secured by a letter of credit as described in clause (c) of this definition, if 20% or more of the original principal of such Bonds or City Revenue Bonds or the Installment Payments due under such Contracts is due in any one year, the principal of such Bonds or City Revenue Bonds or the Installment Payments due under such Contracts may, at the option of the Authority or the City, be treated as if it were due based upon a level amortization of such principal over the term of such Bonds, City Revenue Bonds, or Installment Payments or thirty (30) years, whichever is greater;

SECTION 1.04. Security for and Payment of Reimbursement Obligations.

(A) Pledge of Revenues and Assignment of Installment Purchase Contract to Secure Reimbursement Obligations. Notwithstanding anything to the contrary contained in Article VI (Revenues) of the Trust Agreement, the Authority hereby (a) pledges all of the Revenues and any other amounts (including proceeds of the sale of Bonds) held in any fund or account established pursuant to the Trust Agreement, other than amounts on deposit in the Rebate Fund, and (b) transfers, assigns, and sets over to the Trustee all of the Installment Payments and any and all rights and privileges it has under the Installment Purchase Contract as security for the Authority's Reimbursement Obligations to the Credit Bank. This pledge and assignment shall constitute a first pledge of and charge and lien upon such assets for the payment of the Reimbursement Obligations on parity with the pledge and assignment made in Article VI (Revenues) of the Trust Agreement and shall be valid and binding from and after issuance of the Notes, without any physical delivery thereof or further act. The pledge and assignment herein made shall be irrevocable until all of the Reimbursement Obligations have been paid in full.

(B) Application of Interest Fund and Principal Fund to Pay Reimbursement Obligations. Notwithstanding anything to the contrary contained in Article VI (Revenues) of the Trust Agreement, to the extent not paid from the Commercial Paper Fund, the Trustee shall apply moneys on deposit in the Interest Fund and the Principal Fund to reimburse the Bank for Drawings under the Letter of Credit (so long as no Bank Default has occurred and is continuing).

SECTION 1.05. Notices to Rating Agencies. The Authority shall give each rating agency then rating the Notes, the Dealer, the Issuing and Paying Agent, and the Credit Bank advance notice in writing of any (i) change of the Dealer, (ii) change of Issuing and Paying Agent, (iii) expiration, termination or substitution of the Letter of Credit, and (iv) amendment or material change to the Trust Agreement (which includes this Trust Indenture), the Reimbursement Agreement, the Letter of Credit, the Issuing and Paying Agency Agreement, or the Dealer Agreement; provided, however, that, if the Authority does not have advance actual notice of any such event, notice shall be given by the Authority as soon as practicable after the Authority has actual notice thereof.

SECTION 1.06. Notices, etc., to Bank and Dealer . Any notice or other communications hereunder to the Credit Bank or the Dealer shall be sufficiently given and shall be deemed given when delivered or mailed by first-class mail, postage prepaid, to:

Credit Bank: Union Bank, N.A.
445 South Figueroa Street
G08-268
Los Angeles, CA 90071
Attention:

Dealer: Citigroup Global Markets Inc.
Public Finance Division
390 Greenwich Street, 2nd floor
New York, New York 10013
Attention: Manager, Short-Term Finance Group

The Credit Bank and the Dealer may, by notice given hereunder, designate any further or different address to which subsequent notices shall be sent.

SECTION 1.07. Effect of Headings and Table of Contents. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, or effect of this Indenture.

SECTION 1.08. Separability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Notes shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality, or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority and the Trustee each hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issuance and delivery of the Notes pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

SECTION 1.09. Provisions of the Trust Agreement. Except as in this Indenture expressly provided, every term and condition contained in the Trust Agreement shall apply to this Indenture and to the Notes with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Indenture.

This Indenture and all the terms and provisions herein contained shall form part of the Trust Agreement as fully and with the same effect as if all such terms and provisions had been set forth in the Trust Agreement. The Trust Agreement is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby.

SECTION 1.10. Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

ARTICLE II
THE BORROWING

SECTION 2.01. The Notes.

(A) Details of the Notes. Notes may be issued, sold, executed and delivered from time to time in such principal amounts as determined by the Dealer in minimum denominations of $100,000 and integral multiples of $1,000 in excess thereof, numbered from CP-1 upwards in the order of their issuance, or in any other manner deemed appropriate by the Issuing and Paying Agent and maturing and becoming due and payable on such dates as the Dealer shall determine in accordance with the Dealer Agreement; provided, however, that no Note shall (i) mature on a day that is not a Business Day; (ii) mature after the date that is five (5) Business Days prior to the Expiration Date; (iii) have a term in excess of two hundred seventy (270) days; (iv) bear interest at a rate in excess of the Maximum Rate; or (v) result in the aggregate principal amount of Notes Outstanding together with interest thereon exceeding the Stated Amount.

The Notes may be issued for the purposes of (i) financing portions of the costs of Projects; (ii) providing for capitalized interest on the Notes; (iii) paying costs of issuance of the Notes; and (iv) paying maturing Notes or reimbursing the Credit Bank for Drawings honored by the Credit Bank, the proceeds of which were used to pay principal of and interest on Notes.

Notes shall be dated as of their date of issuance and shall bear an effective interest rate per annum computed on the basis of a 365- or 366-day year, as appropriate, for actual days elapsed.

Notes shall be signed on behalf of the Authority by the manual or facsimile signature of an Authority Representative. The Notes shall be manually countersigned by an Authorized Officer of the Issuing and Paying Agent.

In case any officer whose manual or facsimile signature shall appear on any Note shall cease to be such officer before the delivery thereof, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if he or she had remained in office until after such delivery.

The Notes are not subject to early redemption. The Notes may be accelerated, however, under certain circumstances as described in Section 8.02 of the Trust Agreement.

The Notes shall be issued in fully registered form in Authorized Denominations (provided that no Note may be in a denomination that exceeds the principal coming due on any maturity date, and no individual Note will be issued for more than one maturity). The Notes shall be dated their date of actual issuance, and, so long as the Notes are in book-entry form, there shall be a single Master Note in the form attached as Exhibit A hereto. The Authority, the Issuing and Paying Agent, and the Dealer may treat the registered owner of any Note as the absolute owner of such Note for the purpose of receiving payment thereof and for all other purposes, and none of the Authority, the Issuing and Paying Agent, nor the Dealer shall be affected by any notice or knowledge to the contrary.

The Notes shall initially be issued in book-entry form through the delivery by the Authority to the Issuing and Paying Agent of a Master Note, as provided in Section 2.01(B) hereof and in the Issuing and Paying Agency Agreement. If any Notes shall not be issued in book-entry form, upon the adoption of this Indenture and from time to time thereafter as may be required in connection with the Notes authorized hereby, the Authority shall deliver to the Issuing and Paying Agent for safekeeping, completion, countersignature and delivery in accordance with the provisions hereof and with the Issuing and Paying Agency Agreement, Notes executed on behalf of the Authority, with the date of issuance, principal amount, maturity date, owner and rate of interest left blank. Each such Note shall be held in safekeeping by the Issuing and Paying Agent until countersigned and issued in accordance with the provisions of the Issuing and Paying Agency Agreement. The principal of and interest on the Notes are payable at maturity of such Notes in immediately available funds, at the corporate trust office of the Issuing and Paying Agent, to the registered owner thereof as shown on the registration records kept by the Issuing and Paying Agent, upon presentation and surrender at the offices of the Issuing and Paying Agent. If any Note shall not be paid upon such presentation and surrender at or after maturity, it shall continue to bear interest at the interest rate borne by the Note until the principal thereof is paid in full.

(B) Master Note. The Authority may deliver the Notes in the form of a Master Note that shall be in an amount equal to the Maximum Principal Amount of Notes. The Master Note shall evidence the indebtedness of the Authority with respect to the Notes. The indebtedness under the Master Note shall at all times equal or be less than the amount available to be drawn under the Letter of Credit to pay the principal of maturing Notes and shall mature on a date that is not later than the date that is five (5) Business Days prior to the Expiration Date.

(C) Registration, Transfer, Exchange and Replacement of Notes. Records for the registration and transfer of the Notes shall be kept by the Issuing and Paying Agent. Upon the surrender for transfer of any Note at the Issuing and Paying Agent, duly endorsed for transfer or accompanied by an assignment in form satisfactory to the Issuing and Paying Agent duly executed by the registered owner or his or her attorney duly authorized in writing, the Issuing and Paying Agent shall authenticate and deliver in the name of the transferee or transferees a new Note or Notes of a like aggregate principal amount and of the same maturity and interest rate bearing a number or numbers not previously assigned. Notes may be exchanged at the Issuing and Paying Agent for an equal aggregate principal amount of Notes of the same maturity of other Authorized Denominations. In the case of such an exchange, the Issuing and Paying Agent shall authenticate and deliver a Note or Notes bearing a number or numbers not previously assigned. The Issuing and Paying Agent shall require the payment by the owner of any Note requesting exchange or transfer, of any tax or other governmental charge required to be paid with respect to such exchange or transfer and may charge a sum sufficient to pay the cost of preparing and authenticating each new Note.

The person in whose name any Note shall be registered on the registration records kept by the Issuing and Paying Agent, shall be deemed and regarded as the absolute owner thereof for the purpose of making payments thereof and for all other purposes; and payment of either principal of or interest on any Note shall be made only to or upon the written order of the registered owner thereof or his or her legal representative. All such payments shall be valid and effectual to discharge the liability upon such Note to the extent of the sum or sums so paid. Whenever any Note shall be surrendered to the Issuing and Paying Agent upon payment thereof, or to the Issuing and Paying Agent for transfer, exchange or replacement as provided herein, such Note shall be promptly canceled by the Issuing and Paying Agent. In case any Note shall become mutilated or be destroyed, lost or stolen, the Authority in its discretion may execute, and upon its request the Trustee shall authenticate and deliver, a new Note of like tenor, bearing the same or a different serial number, in exchange and substitution for, and upon cancellation of, the mutilated Note, or in lieu of and substitution for the Note so destroyed, lost or stolen. The applicant for a Note in lieu of one lost, destroyed or stolen shall furnish to the Authority and the Trustee evidence of ownership and of the loss, destruction or theft thereof, which evidence shall be satisfactory to the Authority and the Trustee in their discretion; and any applicant for a new Note shall also furnish indemnity satisfactory to both of them in their discretion, and shall pay, if demanded, to the Authority an amount sufficient to reimburse it for the expense incurred at such issue.

(D) Registration of Notes in the Book-Entry Only System. Notwithstanding any provision of this Indenture to the contrary:

(1) While the Notes are in book-entry form, an executed Master Note in the Maximum Principal Amount of Notes, manually signed by an Authorized Officer of the Authority and authenticated by an Authorized Officer of the Issuing and Paying Agent, will be held by the Issuing and Paying Agent pursuant to the Issuing and Paying Agency Agreement, the Letter of Representations, and the Certificate Agreement and will be registered in the name of Cede & Co., as nominee of DTC, New York, New York. Payment of principal of and interest on the Notes shall be made to the account of Cede & Co. on the maturity date for such Notes at the address indicated for Cede & Co. in the registration records maintained by the Issuing and Paying Agent by transfer of immediately available funds. DTC has represented to the Authority that it will maintain a book-entry system in recording ownership interests of its participants (the "Direct Participants"), and the ownership interests of a purchaser of a beneficial interest in the Notes (a "Beneficial Owner") will be recorded through book entries on the records of the Direct Participants.

(2) With respect to a Master Note registered in the name of Cede & Co., the Authority and the Issuing and Paying Agent shall have no responsibility or obligation to any Direct Participant or to any Beneficial Owner of the Notes. Without limiting the immediately preceding sentence, the Authority and the Issuing and Paying Agent shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co. or any Direct Participant with respect to any beneficial ownership interest in the Notes, (b) the delivery to any

Direct Participant, Beneficial Owner or other person, other than DTC, of any notice with respect to the Notes, including any notice of redemption, (c) the payment to any Direct Participant, Beneficial Owner or other person, other than DTC, of any amount with respect to the principal of or interest on the Notes, or (d) any consent given or other action taken by DTC as owner of the Notes. The Authority and the Issuing and Paying Agent may treat DTC as, and deem DTC to be, the absolute owner of each Note for all purposes whatsoever including (but not limited to) (a) payment of the principal of and interest on each such Note, (b) giving notices of purchase and other matters with respect to such Notes, and (c) registering transfers with respect to such Notes. The Issuing and Paying Agent shall pay the principal of and interest on all Notes only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to such principal and interest to the extent of the sum or sums so paid. While the Notes are in book-entry form, no person other than DTC shall receive a Note or a Master Note evidencing the obligation of the Authority to make payments of principal of and interest on the Notes pursuant to this Indenture. Upon delivery by DTC to the Issuing and Paying Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the transfer provisions hereof, the term "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(3) Upon receipt by the Authority and the Trustee of written notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities, the Issuing and Paying Agent shall issue, transfer and exchange Notes as requested by DTC in appropriate amounts. Whenever DTC requests the Authority, the Issuing and Paying Agent and the Trustee to do so, the Trustee, the Issuing and Paying Agent and the Authority will cooperate with DTC in taking appropriate action after reasonable notice (a) to arrange for a substitute depository willing and able upon reasonable and customary terms to maintain custody of Notes or (b) to make available Notes registered in whatever name or names the Noteowners transferring or exchanging such Notes shall designate.

(4) If the Authority determines that it is in the best interests of the Beneficial Owners that they be able to obtain Note certificates, the Authority may so notify DTC, the Issuing and Paying Agent and the Trustee, whereupon DTC will notify the Direct Participants of the availability through DTC of Note certificates. In such event, the Issuing and Paying Agent shall issue, transfer and exchange Note certificates as requested by DTC in appropriate amounts and in authorized denominations. Whenever DTC requests the Authority and the Issuing and Paying Agent to do so, the Issuing and Paying Agent and the Authority will cooperate with DTC in taking appropriate action after reasonable notice to make available Notes registered in whatever name or names the Beneficial Owners transferring or exchanging Notes shall designate.

(5) Notwithstanding any other provision of this Indenture to the contrary, so long as any Note is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of and interest on such Note and all notices with respect to such Note shall be made and given, respectively, to DTC.

(6) In connection with any notice or other communication to be provided to Noteowners pursuant to this Indenture by the Authority or the Issuing and Paying Agent with respect to any consent or other action to be taken by Noteowners, the Authority, or the Issuing and Paying Agent, as the case may be, shall establish a record date for such consent or other action and give

DTC notice of such record date not less than fifteen (15) calendar days (or such shorter time as shall be acceptable to DTC) in advance of such record date to the extent the Issuing and Paying Agent is reasonably able to do so.

SECTION 2.02. Application of Note Proceeds. The proceeds of the sale of Notes shall be deposited as provided in Section 11 of the Issuing and Paying Agent Agreement.

SECTION 2.03. Establishment and Application of CP Project Fund. The City shall establish and maintain a separate fund designated as the "CP Project Fund." The moneys in the CP Project Fund shall be used and withdrawn by the City to pay the costs of acquiring and constructing the CP Project and to pay Costs of Issuance of the Notes (or reimbursing the City for such costs). All earnings from the investment of moneys in the CP Project Fund shall be deposited therein. Upon completion of the CP Project, the City shall transfer any amounts remaining in the CP Project Fund to the Trustee for deposit in the Revenue Fund.

SECTION 2.04. Limitation on Notes. In order to provide for a reduction/termination of the Letter of Credit, the Dealer shall (i) maintain at all times within two hundred seventy-one (271) days before a scheduled reduction/termination in the Letter of Credit enough Notes with maturities ending on or before the date of the reduction or the Expiration Date to effect the reduction/termination; and (ii) follow any written directions of an Authority Representative, not inconsistent with the preceding clause as to maturity dates of Notes to be made available.

ARTICLE III
ISSUANCE AND SALE OF NOTES

SECTION 3.01. Maturity and Payment Provisions; Determination of Note Rate. The Authority may issue and sell Notes pursuant to the Dealer Agreement and the Issuing and Paying Agency Agreement at such times, in such amounts, with such maturities at such fixed rates of interest up to the Maximum Rate, and upon such other terms and conditions as shall be fixed by the Authority at the time of issuance, subject to the terms of this Indenture. The maturities of the Notes and the Note Rates shall be proposed by the Dealer and determined by the Authority as set forth in Section 3.01(D) below. The Dealer shall communicate such maturities and Note Rates to the Issuing and Paying Agent as set forth in Sections 3.01(A), (B) and (D) below. The preceding provisions of this Section 3.01 shall be implemented as follows:

(A) Maturities. Each Note shall have such maturity as is specified in the Instructions delivered to the Issuing and Paying Agent pursuant to the Issuing and Paying Agency Agreement at the time of its issuance, subject to the limits stated in the Issuing and Paying Agency Agreement and Section 3.01(D) hereof; provided, however, that each Note shall mature on a Business Day occurring on or prior to the day that is the earliest of (i) 270 calendar days from the date of issuance of such Note and(ii) five (5) Business Days prior to the Expiration Date (as in effect on the date of issuance of such Note). No Notes shall be issued if (i) an Event of Default shall have occurred and be continuing under and as defined in Section 8.01 of the Trust Agreement, or (ii) the Issuing and Paying Agent shall have received an instruction from the Credit Bank pursuant to the Reimbursement Agreement to cease issuing Notes (and such instruction shall not have been rescinded in writing by the Credit Bank).

(B) Determination of Note Rate. Subject to the approval of the Authority, as provided in the Issuing and Paying Agency Agreement, each Note shall bear interest at a Note Rate that shall be the lowest annual rate of interest that, in the judgment of the Dealer (having due regard for market conditions described in Section 3.01(D) hereof), would enable such Note to be sold at par on the date of issuance thereof; provided that such Note Rate shall not exceed the Maximum Rate. Interest at the Note Rate shall be calculated on the basis of actual days elapsed and a year of 365 or 366 days, as appropriate, and shall be payable on the maturity date of the Note.

(C) Authority Representative. Any Authority Representative may give any directions, notices or consents pursuant hereto or pursuant to the Issuing and Paying Agency Agreement and Dealer Agreement. The Authority may by resolution appoint additional or different Authority Representatives.

(D) Sale of Notes. Subject to Section 2.04 hereof, on each date upon which Notes mature, the Dealer shall use its best efforts to sell Notes having a principal amount equal to the principal amount of the Notes maturing on such date. Not later than **11:30 a.m.** on the date on which Notes are to be issued, the Dealer shall propose the maturities and Note Rates for such Notes and communicate them to the Authority. Such proposed maturities and Note Rates shall be those that will, in the Dealer's judgment, based on the current and expected future market for the Notes and other comparable commercial paper and such other factors as in its expert judgment are relevant to the pricing and establishment of maturities for the Notes, but subject to the limits stated herein and in the Issuing and Paying Agency Agreement, produce the lowest cost to the Authority. Not later than **12:00 noon** on the date of issuance of the Notes, the Authority may approve or disapprove of such maturities and Note Rates (provided that, if the Authority does not provide notice to the Dealer of disapproval, then the Authority shall be deemed to have approved such terms). Upon such approval (or deemed approval), the Dealer shall deliver Instructions containing the approved terms to the Issuing and Paying Agent by **12:30 p.m.** on the date of issuance of the Notes.

(E) Limitations on Note Issuance. In addition to the limitations set forth in Section 2.01(A), no Notes shall be issued hereunder if the Credit Bank has directed that no additional Notes may be issued in accordance with the Reimbursement Agreement.

(F) Delivery of Note Proceeds. The Dealer shall on each day it sells Notes direct the payment of all proceeds of the sale of all Notes to the Issuing and Paying Agent by **2:15 p.m.** on the date of sale of such Notes.

(G) Note Preparation, Execution and Delivery. An Authority Representative is hereby authorized and directed to prepare and to execute the Master Note and, if any Notes are issued in other than book-entry form, individual Notes, as herein provided. The Authority Representative is hereby authorized and directed to deliver Instructions to the Issuing and Paying Agent from time to time in accordance with the Issuing and Paying Agency Agreement and this Indenture, requesting the issuance and sale of Notes, specifying the principal amounts, dates of issue, maturities, rates of interest and other terms of such Notes, and (in the case of Notes issued other than in book-entry form) requesting the Issuing and Paying Agent to provide for the authentication of such Notes by an Authorized Officer of the Issuing and Paying Agent.

SECTION 3.02. Execution and Delivery of Documents. Upon the execution and delivery of this Indenture, the Authority shall execute and deliver to the Issuing and Paying Agent the Master Note.

Prior to the execution and delivery by the Trustee of this Indenture and prior to the initial issuance of Notes, there shall be filed with the Trustee and/or the Issuing and Paying Agent by the Authority:

(a) A copy, duly certified by the Authority, of the resolution of the Authority authorizing the issuance of the Notes and the execution and delivery of this Indenture and directing the issuance and delivery of the Notes.

(b) The approving opinion of Bond Counsel.

(c) An original executed counterpart of this Indenture.

(d) An original executed counterpart of the Dealer Agreement.

(e) An original executed counterpart of the Issuing and Paying Agency Agreement.

(f) The original executed Letter of Credit.

(g) An original executed counterpart of the Second Supplemental Installment Purchase Contract.

(h) An original executed counterpart of the Reimbursement Agreement.

Prior to any subsequent issuance of Notes, there shall be filed with the Trustee and/or the Issuing and Paying Agent by the Authority:

(a) Any amendments to items (a), (d), (e) and (f) above.

(b) The approving opinion of Bond Counsel.

ARTICLE IV
LETTER OF CREDIT

SECTION 4.01. Drawings Under Letter of Credit. The Authority shall maintain a Letter of Credit in effect through the Final Maturity Date in an amount sufficient to pay principal of and interest on all Notes issued from time to time as such Notes come due. Not later than **11:30 a.m.** on each day on which Notes mature, the Issuing and Paying Agent shall determine the amount of principal of and interest coming due on such maturing Notes and shall make a Drawing under the Letter of Credit in accordance with the terms thereof in such amount (by submitting to the Credit Bank all such documents as are required for such purpose). Upon receipt of the proceeds of such Drawing, the Issuing and Paying Agent shall deposit such proceeds in the Commercial Paper Fund and shall use such amounts to pay the principal of and interest on the Notes maturing on such day.

SECTION 4.02. Alternate Letter of Credit.

(a) At any time permitted by the Reimbursement Agreement, the Authority may cause to be delivered to the Issuing and Paying Agent an Alternate Letter of Credit, together with

(i) written evidence from the rating agencies then rating the Notes that the ratings assigned by such rating agencies to the Notes will not be withdrawn or reduced as the result of the substitution of such Alternate Letter of Credit for the Letter of Credit, unless all of the Outstanding Notes (A) mature on the day prior to the effective date of such substitution and (B) are paid or provided to be paid (including, without limitation, from the proceeds of the Letter of Credit being replaced) immediately prior to such substitution; (ii) an Opinion or Opinions of Counsel, addressed to the Trustee and the Issuing and Paying Agent, to the effect that (A) such Alternate Letter of Credit is the legal, valid and binding obligation of the issuer or issuers thereof, enforceable against such issuer or issuers in accordance with its terms (subject to customary exceptions relating to bankruptcy, insolvency and rights of creditors generally and to specific performance and equitable remedies); and (B) in connection with the sale of the Notes with the support of such Alternate Letter of Credit, it is not necessary to register such Alternate Letter of Credit under the Securities Act of 1933, as amended, or to qualify an indenture relating to such Alternate Letter of Credit under the Trust Indenture Act of 1939, as amended, (iii) an Opinion of Counsel to the effect that substitution of such Alternate Letter of Credit for the Letter of Credit is authorized under this Indenture and complies with the terms hereof and will not cause the interest on the Notes to be includable in the gross income of Owners for purposes of federal income taxation, and (iv) the written acknowledgment of the Credit Bank that all conditions precedent to the substitution of such Alternate Letter of Credit for the Letter of Credit that are contained in the Letter of Credit have been fulfilled (or provision satisfactory to the Credit Bank has been made for such fulfillment) and that all Reimbursement Obligations and all other sums payable under the Reimbursement Agreement have been paid in full. Upon delivery of an Alternate Letter of Credit for the Letter of Credit, together with the documents described in the preceding clauses (i) through (iv), the Trustee shall accept such Alternate Letter of Credit and, upon such acceptance, such Alternate Letter of Credit shall be the Letter of Credit and the issuer or issuers of such Alternate Letter of Credit shall be the Credit Bank, in each case, for all purposes of this Indenture.

(b) The Authority shall notify in writing the Trustee, the Issuing and Paying Agent, the Dealer, any rating agency then rating the Notes and the Credit Bank of the proposed substitution of an Alternate Letter of Credit for the Letter of Credit and the related substitution date at least fifteen (15) days prior to such substitution date. The Trustee shall give written notice of the occurrence of such substitution date to the Owners of the Notes at least ten (10) Business Days prior to the scheduled occurrence thereof.

(c) Without limitation of any provision of (a) or (b) of this Section 4.02, the Authority shall use its best efforts to cause an Alternate Letter of Credit to be substituted for the Letter of Credit in accordance with subsection (a) hereof if (i) the Credit Bank has rescinded, terminated or repudiated the Letter of Credit or any governmental authority with jurisdiction is challenging the validity or enforceability of the Letter of Credit, or (ii) the Credit Bank fails or refuses to extend the Expiration Date of the Letter of Credit. The Authority shall not rescind or terminate a Letter of Credit unless an Alternate Letter of Credit has been substituted therefor in accordance with this Section 4.02.

(d) If the Credit Bank determines not to extend the term of the Letter of Credit and the Authority is unable to provide an Alternate Letter of Credit, the Authority shall so notify in writing the Trustee, the Issuing and Paying Agent, and the Dealer immediately upon determining that an Alternate Letter of Credit will not be provided and in any event, within eighty (80) days prior to the Expiration Date.

SECTION 4.03. Amendment of Letter of Credit The Authority and/or the Trustee may, without the consent of or notice to the Owners, but with written confirmation from each rating agency that then has a rating assigned to the Notes, that such amendment, change or modification will not, in and of itself, result in a reduction, withdrawal or suspension of the rating then assigned by such rating agency to the Notes supported by the Letter of Credit, enter into or consent to any amendment, change or modification of the Letter of Credit. Upon request of the Trustee, the Authority shall provide the Trustee with the name(s) of the rating agency or agencies then rating the Notes.

ARTICLE V
ISSUING AND PAYING AGENT

SECTION 5.01. Issuing and Paying Agent. The Authority has designated an Issuing and Paying Agent. The Authority may discharge the Issuing and Paying Agent from time to time and appoint a successor, but such discharge shall not take effect until a successor has been appointed. The Authority shall also designate a successor if the Issuing and Paying Agent resigns or becomes ineligible. The Issuing and Paying Agent shall be a bank with trust powers or trust company having a capital and surplus of not less than $50,000,000 and shall be registered as a transfer agent with the Securities and Exchange Commission. The Authority shall give written notice of the appointment of a successor Issuing and Paying Agent in writing to each Noteowner and the Credit Bank. The Authority will promptly, and in any case within five (5) days, certify to the Trustee that it has mailed such notice to all Noteowners and such certificate will be conclusive evidence that such notice was given in the manner required hereby. The Issuing and Paying Agent may but need not be the same person as the Trustee. The Issuing and Paying Agent shall act as such and as Note registrar and transfer agent.

SECTION 5.02. Commercial Paper Fund. Concurrently herewith, a Commercial Paper Fund has been established to be held by the Issuing and Paying Agent on behalf of the Trustee. On each maturity date of Notes, the Issuing and Paying Agent shall draw on the Letter of Credit an amount equal to the principal of and interest on the Notes coming due on such date, pursuant to the terms of the Letter of Credit, and deposit such Drawing proceeds in the Commercial Paper Fund. The Issuing and Paying Agent shall pay from the proceeds of such Drawing on deposit in the Commercial Paper Fund the principal of and interest on the Notes then due. Amounts on deposit in the Commercial Paper Fund constituting proceeds from the sale of Notes shall be applied by the Issuing and Paying Agent first to pay amounts due to the Credit Bank under the Reimbursement Agreement for Drawings under the Letter of Credit paid by the Credit Bank and then shall be used to pay principal and interest on the Notes only if the Credit Bank has not paid a related Drawing under the Letter of Credit. The proceeds of all Drawings on deposit in the Commercial Paper Fund shall be used to pay principal of and interest on the Notes prior to the use of Revenues for such purpose.

SECTION 5.03. Unclaimed Moneys. Except as may otherwise be required by applicable law, in case any moneys deposited with the Issuing and Paying Agent for the payment of the principal of or interest on any Note, which amounts shall be held uninvested, remain unclaimed for two (2) years after such principal or interest has become due and payable, the Issuing and Paying Agent shall pay over to the Credit Bank any such principal or interest constituting moneys paid by the Credit Bank pursuant to the Letter of Credit and shall pay over to the Authority the remaining amount so deposited in immediately available funds, without additional interest, and thereupon the Issuing and Paying Agent and the Authority shall be released from any further liability with respect to the payment of principal or interest and the Owner of such Note shall be entitled (subject to any applicable statute of limitations) to look only to the Letter of Credit or the Authority, as applicable, as an unsecured creditor for the payment thereof.

ARTICLE VI
DEFEASANCE

SECTION 6.01. Deposit of Money or Securities with Trustee. With respect to Notes, whenever in the Trust Agreement it is provided or permitted that there be deposited with or held in trust by the Trustee money or Defeasance Securities that will provide sufficient funds to pay or redeem Notes, such funds must be either (i) amounts drawn under the Letter of Credit; (ii) amounts held under this Indenture by the Trustee for a period of at least 123 days during which no Event of Bankruptcy has occurred; or (iii) amounts that, if applied to the payment of the Notes, would not, in the opinion of counsel experienced in bankruptcy matters selected by the Authority, be subject to avoidance as a preference under the United States Bankruptcy Code upon an Event of Bankruptcy.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the WOODLAND FINANCE AUTHORITY has caused this Trust Indenture to be signed in its name by its duly authorized officer and U.S. BANK NATIONAL ASSOCIATION, in token of its acceptance of the trusts created hereunder, has caused this Trust Agreement to be signed by one of the officers thereunder duly authorized, all as of the day and year first above written.

WOODLAND FINANCE AUTHORITY

By____
Mark Deven, Administrator

ATTEST:

____
Ana Gonzalez, Secretary

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By____
Authorized Officer

The City of Woodland hereby consents to amendment made to the Trust Agreement by this Trust Indenture.

By__________________________________
Mark Deven, City Manager
City of Woodland

EXHIBIT A

FORM OF MASTER NOTE

MUNICIPAL COMMERCIAL PAPER - TECP MASTER NOTE

____
(Date of Issuance)

The Woodland Finance Authority ("Issuer") for value received, hereby promises to pay to Cede & Co., as nominee of The Depository Trust Company, or to registered assigns: (i) the principal amount, together with unpaid accrued interest thereon, if any, on the maturity date of each obligation identified on the records of Issuer (the "Underlying Records") as being evidenced by this Master Note, which Underlying Records are maintained by U.S. Bank National Association (the "Issuing and Paying Agent"); (ii) interest on the principal amount of each such obligation that is payable in installments, if any, on the due date of each installment, as specified on the Underlying Records; and (iii) the principal amount of each such obligation that is payable in installments, if any, on the due date of each installment, as specified on the Underlying Records. Interest shall be calculated at the rate and according to the calculation convention specified on the Underlying Records. Payments shall be made solely from the sources stated on the Underlying Records by wire transfer to the registered owner from the Issuing and Paying Agent without the necessity of presentation and surrender of this Master Note.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS MASTER NOTE SET FORTH ON THE REVERSE HEREOF.

This Master Note is a valid and binding obligation of Issuer.

Not Valid Unless Countersigned for Authentication by the Issuing and Paying Agent.

U.S. BANK NATIONAL ASSOCIATION (Issuing and Paying Agent)	WOODLAND FINANCE AUTHORITY (Issuer)
By:________________________ (Authorized Countersignature)	By:________________________ (Authorized Countersignature)

At the request of the registered owner, Issuer shall promptly issue and deliver one or more separate note certificates evidencing each obligation evidenced by this Master Note. As of the date any such note certificate or certificates are issued, the obligations that are evidenced thereby shall no longer be evidenced by this Master Note.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto ____

(Name, Address, and Taxpayer Identification Number of Assignee)

the Master Note and all rights thereunder, hereby irrevocably constituting and appointing ______________________________ attorney to transfer said Master Note on the books of Issuer with full power of substitution in the premises.

Dated:

Signature(s) Guaranteed:

____

(Signature)

Notice: The signature on this assignment must correspond with the name as written upon the face of this Master Note, in every particular, without alteration or enlargement or any charge whatsoever.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

OFFERING MEMORANDUM

NOT TO EXCEED
$38,000,000
WOODLAND FINANCE AUTHORITY
WATER REVENUE COMMERCIAL PAPER NOTES

Citigroup Global Markets Inc., as commercial paper dealer (the "Dealer"), is offering for sale Woodland Finance Authority Water Revenue Commercial Paper Notes (the "Commercial Paper Notes") in an aggregate principal amount not to exceed $38,000,000 at any one time Outstanding. The Commercial Paper Notes will be executed and delivered by being issued pursuant to a Trust Agreement (the "Trust Agreement"), as supplemented by a Trust Indenture (the "Trust Indenture" and together with the Trust Agreement, the "Indenture"), each between the Authority and U.S. Bank National Association, as trustee (the "Trustee") and an Issuing and Paying Agency Agreement dated as of April 1, 2011 (the "Issuing and Paying Agency Agreement"), between the Authority and U.S. Bank National Association, as Issuing and Paying Agent (the "Issuing and Paying Agent"). The Commercial Paper Notes will be executed and delivered from time to time in such principal amounts as proposed by the Dealer and determined by the Authority in Authorized Denominations of $100,000 and in integral multiples of $1,000 in excess thereof, registered in the name of Cede & Co. as nominee for The Depository Trust Company, New York, New York ("DTC").

The Commercial Paper Notes are secured solely from a pledge of Revenues, consisting of CP Project Installment Payments (defined herein) made by the City of Woodland (the "City") to the Authority pursuant to an Installment Purchase Contract, as amended by the First Supplemental Installment Purchase Contract and the Second Supplemental Installment Purchase Contract (collectively, the "CP Project Installment Purchase Contract") for the purchase of certain improvements (the "CP Project") made to the Water System of the City. The obligation of the City to make the CP Project Installment Payments from Net Water Revenues (defined herein) is absolute and unconditional and until the Commercial Paper Notes are paid in full and may not be abated, discontinued or suspended whether or not any part of the CP Project or any part thereof is operating or operable or has been completed, or its use suspended, interfered with, reduced curtailed or terminated, in whole or in part.

Principal of and interest with respect to the Commercial Paper Notes is payable by the Issuing and Paying Agent from drawings on an irrevocable direct-pay letter of credit (the "Letter of Credit"), issued by Union Bank, N.A. (the "Bank"), pursuant to a Reimbursement Agreement, among the Authority, the City and the Bank. In accordance with the terms thereof, the Letter of Credit expires on May __, 2014, unless the expiration date is extended or unless the Letter of Credit terminates earlier in accordance with its terms.

This Offering Memorandum contains certain information for general reference only. It is not intended to be a complete summary of the terms of or security for the Commercial Paper Notes. Additional information essential to the making of an informed investment decision with respect to the Commercial Paper Notes may be obtained in the manner described under the caption "INFORMATION INCORPORATED BY REFERENCE." All references to documents and other materials not purporting to be quoted in full are qualified in their entirety by reference to the complete provisions of the documents and other materials referenced. Capitalized terms used herein not otherwise defined shall have the respective meanings given thereto in such documents and other materials referenced. The information and expressions of opinion in this Offering Memorandum are subject to change without notice after the date hereof. Future use of this Offering

Memorandum shall not create any implication that there has been no change in the matters referred to in this Offering Memorandum since its date.

The Commercial Paper Notes are limited obligations of the Authority payable solely from Revenues, consisting primarily of CP Project Installment Payments and are not secured by a legal or equitable pledge of, or charge or lien upon, any property of the Authority or any of its income or receipts, except as described herein. Neither the faith and credit nor the general taxing power of the City, the County of Yolo, the State of California, or any political subdivision thereof is pledged to the payment of the Commercial Paper Notes. The obligation of the City to make CP Project Installment Payments is a special obligation payable solely from Net Water Revenues and certain other legally available funds as provided in the CP Project Installment Purchase Contract and does not constitute a debt, liability or obligation of the City for which it is obligated to levy or pledge, or for which it has levied or pledged, any form of taxation. The Commercial Paper Notes do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The Authority has no taxing power.

Citi

Dealer for the Commercial Paper Notes

Dated: May __, 2011.

No dealer, broker, salesperson or other person has been authorized by the Authority, the City, or the Underwriter to give any information or to make any representations other than as contained in this Offering Memorandum, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Commercial Paper Notes by any person, in any jurisdiction where such offer, solicitation or sale would be unlawful. The information and expressions of opinion stated herein are subject to change without notice. The delivery of this Offering Memorandum nor any sale made hereunder shall under any circumstances create any implication that there at any time does not imply that the information contained herein is correct as of any time subsequent to its date.
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The Dealer has provided the following sentence for inclusion in this Offering Memorandum: The Dealer has reviewed the information in this Offering Memorandum in accordance with, and as part of, its responsibility to investors under the federal securities law as applied to the facts and circumstances of this transaction, but the Dealer does not guarantee the accuracy or completeness of such information.

The issuance and sale of the Commercial Paper Notes have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)(2) and 3(a)(12), respectively, for the issuance and sale of municipal securities. The registration or qualification of the Commercial Paper Notes in accordance with applicable provisions of securities laws of the states in which these Commercial Paper Notes have been registered or qualified, and the exemption from registration or qualification in other states shall not be regarded as a recommendation thereof. None of these states or any of their agencies has passed upon the merits of the securities or the accuracy or completeness of this Offering Memorandum. Any representation to the contrary may be a criminal offense.

The City maintains a website. Unless specifically indicated otherwise, the information presented on that website is ***not*** incorporated by reference as part of this Offering Memorandum and should not be relied upon in making investment decisions with respect to the Commercial Paper Notes.

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NOT TO EXCEED
$38,000,000
WOODLAND FINANCE AUTHORITY
WATER REVENUE COMMERCIAL PAPER NOTES

INFORMATION CONCERNING THE OFFERING

This Offering Memorandum is not to be construed as a contract between the Authority and the purchasers of the Commercial Paper Notes. Prospective purchasers of the Commercial Paper Notes are expected to conduct their own review and analysis before making an investment decision.

This Offering Memorandum relates to the offering by Citigroup Global Markets Inc. (the "Dealer"), from time to time, of not to exceed $38,000,000 aggregate principal amount of Woodland Finance Authority Water Revenue Commercial Paper Notes (the "Commercial Paper Notes") issued by the Woodland Finance Authority (the "Authority"). The Commercial Paper Notes are issued pursuant to a Trust Agreement dated February 1, 2011 (the "Trust Agreement"), as supplemented by a Trust Indenture dated _______ 1, 2011 (the "Trust Indenture" and together with the Trust Agreement, the "Indenture"), each between the Authority and U.S. Bank National Association, as trustee (the "Trustee") and an Issuing and Paying Agency Agreement dated as of April 1, 2011 (the "Issuing and Paying Agency Agreement"), between the Authority and U.S. Bank National Association, as Issuing and Paying Agent (the "Issuing and Paying Agent"). The aggregate principal amount of the Commercial Paper Notes outstanding may change from time to time as provided in the Issuing and Paying Agent Agreement. The Commercial Paper Notes will be executed and delivered as fully registered securities in the name of Cede & Co. as nominee for The Depository Trust Company, New York, New York ("DTC"). See APPENDIX C–"DTC AND THE BOOK-ENTRY ONLY SYSTEM."

The Commercial Paper Notes are secured solely from a pledge of Revenues, consisting of CP Project Installment Payments (defined herein) made by the City of Woodland (the "City") to the Authority pursuant to an Installment Purchase Contract dated February 1, 2011, as amended by the First Supplemental Installment Purchase Contract dated February 1, 2011 and the Second Supplemental Installment Purchase Contract dated _______ 1, 2011 (collectively, the "CP Project Installment Purchase Contract") for the purchase of certain improvements (the "CP Project") made to the water system of the City (the "Water System"). The obligation of the City to make the CP Project Installment Payments from Net Water Revenues (defined herein) is absolute and unconditional and until the Commercial Paper Notes are paid in full and may not be abated, discontinued or suspended whether or not any part of the CP Project or any part thereof is operating or operable or has been completed, or its use suspended, interfered with, reduced curtailed or terminated, in whole or in part. **No funds or properties of the City, other than the Net Water Revenues, are pledged to pay the CP Project Installment Payments.** See "SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES–Pledge of Revenues."

Principal of and interest with respect to the Commercial Paper Notes is payable by the Issuing and Paying Agent from drawings on an irrevocable direct-pay letter of credit (the "Letter of Credit") issued by Union Bank, N.A. (the "Bank"), pursuant to a Reimbursement Agreement, dated as of May 1, 2011 (the "Reimbursement Agreement"), among the Authority, the City and the Bank. In accordance with the terms thereof, the Letter of Credit expires at 5:00 p.m., New York City time, on May __, 2014, unless the expiration date is extended or unless the Letter of Credit terminates earlier in accordance with its terms. See "LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT."

If for any reason the Bank fails to make a payment due under the Letter of Credit, no assurance can be given that the Authority will have sufficient Revenues on hand and available to make such payment of principal of and/or interest on the Commercial Paper Notes or to make such payments in a timely manner.

The Authority has outstanding $18,815,000 principal amount of water revenue bonds that are payable from installment payments made by the City from Net Water Revenues on a parity with the CP Project Installment Payments. See "SOURCES OF REVENUES FOR PAYMENT OF THE COMMERCIAL PAPER NOTES–Outstanding Water System Obligations."

No attempt is made herein to provide a complete summary of the terms of the Indenture, the CP Project Installment Purchase Contract or the State or federal loans of the Authority. The Authority will provide upon request copies of its most recent official statements concerning water revenue bonds that are payable from Net Water Revenues, and the foregoing documents. The information and opinions set forth herein are subject to change without notice, and neither the delivery thereof nor the delivery of this Offering Memorandum shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority, the City, the Water System or other matters described herein. Copies of any of the foregoing documents may be obtained from the Authority through the Dealer for the Commercial Paper Notes: Citigroup Global Markets Inc., 390 Greenwich Street, 2nd Floor, New York, New York 10013; Attention: Short Term Tax Exempt Trading; phone: 212-723-7082.

THE COMMERCIAL PAPER NOTES

The Commercial Paper Notes are authorized and issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Bond Act"), and the Indenture.

The proceeds of the Commercial Paper Notes will be used to by the Authority: finance the costs of planning, designing, engineering, acquiring and constructing certain improvements to the Water System of the City (collectively, the "CP Project"). The Authority will sell the CP Project to the City pursuant to the terms of the CP Project Installment Purchase Contract.

The Commercial Paper Notes will be dated as of their date of issuance and shall bear an effective interest rate per annum computed on the basis of a 365- or 366-day year, as applicable, for actual days elapsed, and shall mature and become due and payable on such dates as determined by the Dealer in accordance with the Dealer Agreement dated _____ 1, 2011 (the "Dealer Agreement") among the Dealer, the Authority and the City.

No Commercial Paper Note shall (i) mature on a day that is not a Business Day (defined as a day other than a Saturday or Sunday or a day on which banks in each of the cities in which the principal offices of the Authority, the Trustee, the Issuing and Paying Agent and the Dealer and the office of the Credit Bank at which demands for payment under the Letter of Credit are to be presented are located are authorized by law or executive order to remain closed or a day on which the New York Stock Exchange is closed); (ii) mature after the date that is five Business Days prior to the Expiration Date of the Letter of Credit; (iii) have a term in excess of 270 days; (iv) bear interest at a rate in excess of the Maximum Rate (defined as the lesser of 12% per annum and the maximum rate of interest on the relevant obligation permitted by applicable law); or (v) result in the aggregate principal amount of Commercial Paper Notes Outstanding together with interest thereon exceeding the Stated Amount of the Letter of Credit. See "THE LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT."

The Commercial Paper Notes will be issued, sold, executed and delivered from time to time as proposed by the Dealer and approved by the Authority as fully-registered notes, in book-entry only form, in the name of Cede & Co., as registered owner and nominee for DTC. The Commercial Paper Notes will be issued in Authorized Denominations of $100,000 and in integral multiples of $1,000 in excess of $100,000. Beneficial ownership interests in the Commercial Paper Notes will be available in book-entry form only, and purchasers of the Commercial Paper Notes will not receive certificates representing their interests in the

Commercial Paper Notes purchased. While held in book-entry only form, the Issuing and Paying Agent, will make all payments of principal of and interest on the Commercial Paper Notes by wire transfer to DTC or its nominee as the sole registered owner of the Commercial Paper Notes. Payments to the beneficial owners are the responsibility of DTC and its participants. See APPENDIX C–"DTC AND THE BOOK-ENTRY ONLY SYSTEM."

THE LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT

General

The Letter of Credit will be issued by the Bank pursuant to the Reimbursement Agreement. The following summarizes certain provisions of the Letter of Credit and the Reimbursement Agreement, to which documents reference is made for the complete provisions thereof. Investors should obtain and review a copy of the Reimbursement Agreement and the Letter of Credit in order to understand all of the terms thereof. The provisions of any Alternate Letter of Credit (as defined in the Indenture) and the related reimbursement agreement may be different from those summarized below.

Letter of Credit

The Commercial Paper Notes are payable from and supported by an irrevocable direct-pay Letter of Credit issued by the Bank in favor of the Issuing and Paying Agent. The Letter of Credit is issued pursuant to the terms and conditions of the Reimbursement Agreement in the stated amount of $________ (the "Stated Amount") consisting of a principal component equal to $________ and an interest component equal to $________, representing 270 days' interest on the Commercial Paper Notes calculated at an assumed maximum interest rate of 12% per annum, calculated on the basis of the actual number of days elapsed in a year of 365days. The Stated Amount of the Letter of Credit may be reduced and/or reinstated from time to time as described in the Reimbursement Agreement. The Issuing and Paying Agent is required to draw upon the Letter of Credit in an amount sufficient to pay both principal of and interest on the Commercial Paper Notes when due.

The Letter of Credit will terminate on the earliest of: (i) 5:00 P.M. (New York time) on May __, 2014 (the "Expiration Date"); (ii) the later of the date on which the Bank receives written notice from the Issuing and Paying Agent that a Alternate Letter of Credit has been substituted for the Letter of Credit is accordance with the Indenture or the effective date of such Alternate Letter of Credit, (iii) the date of which the Bank receives written notice from the Issuing and Paying Agent that there are no longer any Commercial Paper Notes "Outstanding" as defined in the Indenture and that the Issuing and Paying Agent elects to terminate the Letter of Credit, or (iv) the earlier of (a) the 10th calendar day after the date on which the Issuing and Paying Agent receives the Final Drawing Notice (as defined in the Reimbursement Agreement) and (b) the date on which the Drawing resulting from the delivery of the Final Drawing Notice is honored. The Letter of Credit Expiration Date may be extended as provided in the Reimbursement Agreement. ***The Letter of Credit may not be terminated while any Commercial Paper Notes are Outstanding.***

Reimbursement Agreement

Pursuant to the Reimbursement Agreement, the occurrence of any of the following events, among others, shall constitute an Event of Default thereunder. Reference is made to the Reimbursement Agreement for a complete listing of all Events of Default:

Events of Default.

(a) the City shall fail to pay, or cause to be paid, as and when due, any Obligation (as defined in the Reimbursement Agreement);

(b) any representation, warranty, certification, or statement made by the City or the Authority in the Reimbursement Agreement or in any certificate, financial statement, or other document delivered pursuant to the Reimbursement Agreement shall prove to have been incorrect in any material respect when made;

(c) breach by the City of certain covenants, agreements, or other requirements contained in the Reimbursement Agreement.

(d) breach by the City of any other covenant, agreement, or condition (other than those referred to or contained in clauses (a), (b), or (c) under this subheading "Events of Default") contained in the Reimbursement Agreement or any of the Reimbursement Agreement, the Letter of Credit, the Fee Letter, the Issuing and Paying Agency Agreement, the Commercial Paper Notes, the Dealer Agreement, the Trust Agreement, the Purchase Contract, the Offering Memorandum, the Bank Note and any documents related thereto (each a "Program Document" and collectively, the "Program Documents") and the continuation thereof for more than ten days after written notice thereof has been given to the City by the Bank without cure or correction to the satisfaction of the Bank;

(e) (i) a final unappealable judgment or order for the payment of money in excess of $2,500,000 payable from Water Revenues shall be rendered against the City in connection with the Water System and such judgment or order shall continue unsatisfied and unstayed for a period of 60 days, or (ii) the City shall have failed promptly to lift any execution, garnishment, or attachment pursuant to such judgment or order as will impair the City's ability to carry on its Water System business;

(f) (i) default by the City in the payment of any Indebtedness (as defined in the Reimbursement Agreement) payable from or secured by the Net Water Revenues when due or within any applicable grace period or (ii) the occurrence of any event under any ordinance, resolution, or instrument giving rise to any such Indebtedness, which results in or would entitle the obligee thereof or a trustee on behalf of such obligee to pursue any remedies against the City, including the right to declare the acceleration of any maturity thereof, or upon the lapse of time or the giving of notice or both would entitle the obligee thereof or a trustee on behalf of such obligee to accelerate any maturity thereof, or which results in the forfeiture by the City of any of its rights under any such ordinance, resolution, or instrument;

(g) (i) the City shall commence a voluntary case or other proceeding seeking (x) liquidation, reorganization, or other relief with respect to the Water System or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect or (y) the appointment of a receiver, liquidator, custodian, or other similar official with respect to the City or any substantial part of its property, or shall consent to or acquiesce in such relief or the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it; (ii) a receiver, liquidator, custodian, or other official, appointed in an involuntary case or proceeding commenced against the City, appointed without consent or acquiescence of the City, takes charge of a substantial part of the Water System; (iii) the City shall make a general assignment for the benefit of creditors, or declare a moratorium with respect to its debts, or shall fail generally to pay its debts as they become due, or shall take any action to authorize any or all of the foregoing; or (iv) an involuntary case or other proceeding shall be commenced against the City seeking (x) liquidation, reorganization, or other relief with respect to the City's debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect, or (y) the appointment of a custodian, receiver, liquidator, trustee or other similar official of the Water System, or any substantial part thereof, and such proceeding or case shall not be dismissed or stayed within 60 days after the filing thereof or an order of relief shall be entered against the City under the federal bankruptcy laws as now or hereafter in effect;

(h) (i) any provision of the Reimbursement Agreement, the Fee Letter (as defined in the Reimbursement Agreement) or any other Program Document relating to the City's ability to make payments to the Bank hereunder and under the Fee Letter, to make payments on the Commercial Paper Notes or to raise funds to meet such payment obligations or any other material provision of the Reimbursement Agreement shall at any time for any reason cease to be valid and binding on the City as a result of federal or state legislative or administrative action, or shall be declared in a final non-appealable judgment by any court having jurisdiction over the City to be null and void, invalid, or unenforceable, or the validity or enforceability thereof shall be contested by the City, or (ii) the City (A) repudiates or otherwise denies, in writing, in a judicial or administrative proceeding that it has any further liability or obligation hereunder, or (B) contests, in a judicial or administrative proceeding, the validity or enforceability of any material provision of the Reimbursement Agreement (including, without limitation, its obligations to make payments as and when due hereunder) or any Program Document relating to or otherwise affecting the City's obligation to make payments on the Commercial Paper Notes or to raise funds to meet such payment obligations;

(i) the powers of the City shall be limited in any way or the Indenture shall be modified or amended in any way without the prior written consent of the Bank, in either case, which prevents the City from fixing, charging or collecting rates and charges for the use and services of the Water System in any amount sufficient to pay its debts as they become due;

(j) any of Fitch, Moody's and S&P shall have downgraded its rating of the unenhanced debt of the Water System to below "BBB-" (or its equivalent), "Baa3" (or its equivalent), or "BBB-" (or its equivalent) respectively, or any two of Fitch, Moody's and S&P shall have suspended or withdrawn its rating of the same; or

(k) any event of default shall have occurred and be continuing under or with respect to any other credit enhancement or liquidity agreement supporting any other tranche of Commercial Paper Notes (as defined respectively therein).

Remedies. Following the occurrence of any of the above described Events of Default, the Bank may take any one or more of the following actions, among others. Reference is made to the Reimbursement Agreement for a complete listing of all consequences of Events of Default:

(a) declare all Obligations to be immediately due and payable, whereupon the same shall be immediately due and payable without any further notice of any kind, which notice is hereby waived by the City; *provided, however,* that in the case of an Event of Default described in clause (g) under the subheading "Events of Default" above, such acceleration shall automatically occur (unless such automatic acceleration is waived by the Bank in writing); or

(b) issue a No-Issuance Notice (as defined in the Reimbursement Agreement) (the effect of which shall be as provided in the Reimbursement Agreement), reduce the Stated Amount (as defined in the Reimbursement Agreement) of the Letter of Credit to the amount of the then outstanding Commercial Paper supported by the Letter of Credit plus a corresponding amount of interest coverage and/or terminate the Stated Amount as the then outstanding Commercial Paper Notes are paid; or

(c) issue the Final Drawing Notice (the effect of which shall be to cause the Termination Date (as defined in the Reimbursement Agreement) of the Letter of Credit to occur on the tenth (10th) calendar day after the date of receipt thereof by the Issuing and Paying Agent); or

(d) pursue any rights and remedies it may have under the Program Documents; or

(e) pursue any other action available at law or in equity.

Alternate Letter of Credit

At any time permitted by the Reimbursement Agreement, the Authority may deliver to the Issuing and Paying Agent an Alternate Letter of Credit to replace the Letter of Credit then in effect, including while the Commercial Paper Notes are Outstanding. The Authority is required under the Indenture to provide written notification to the Trustee, the Issuing and Paying Agent, the Dealer, any rating agency then rating the Commercial Paper Notes and the Bank of the proposed substitution of an Alternate Letter of Credit for the Letter of Credit and the related substitution date at least 15 days prior to such substitution date. The Trustee is required under the Indenture to give written notice of the occurrence of such substitution date to the Owners of the Commercial Paper Notes at least 10 Business Days prior to the scheduled occurrence thereof.

Prior to the delivery of the Alternate Letter of Credit, the Authority is required to deliver to the Issuing and Paying Agent: (i) written evidence from the rating agencies then rating the Commercial Paper Notes that the ratings assigned by such rating agencies to the Commercial Paper Notes will not be withdrawn or reduced as the result of the substitution of such Alternate Letter of Credit for the Letter of Credit, unless all of the Outstanding Commercial Paper Notes (A) mature on the day prior to the effective date of such substitution and (B) are paid or provided to be paid (including, without limitation, from the proceeds of the Letter of Credit being replaced) immediately prior to such substitution; (ii) an Opinion or Opinions of Counsel, addressed to the Trustee and the Issuing and Paying Agent, to the effect that (A) such Alternate Letter of Credit is the legal, valid and binding obligation of the issuer or issuers thereof, enforceable against such issuer or issuers in accordance with its terms (subject to customary exceptions relating to bankruptcy, insolvency and rights of creditors generally and to specific performance and equitable remedies); and (B) in connection with the sale of the Commercial Paper Notes with the support of such Alternate Letter of Credit, it is not necessary to register such Alternate Letter of Credit under the Securities Act of 1933, as amended, or to qualify an indenture relating to such Alternate Letter of Credit under the Trust Indenture Act of 1939, as amended, (iii) an Opinion of Counsel to the effect that substitution of such Alternate Letter of Credit for the Letter of Credit is authorized under the Indenture and complies with the terms hereof and will not cause the interest on the Commercial Paper Notes to be includable in the gross income of Owners for purposes of federal income taxation, and (iv) the written acknowledgment of the Bank that all conditions precedent to the substitution of such Alternate Letter of Credit for the Letter of Credit that are contained in the Letter of Credit [and the Reimbursement Agreement] have been fulfilled (or provision satisfactory to the Bank has been made for such fulfillment) and that all Reimbursement Obligations and all other sums payable under the Reimbursement Agreement have been paid in full. Upon delivery of an Alternate Letter of Credit for the Letter of Credit, together with the documents described in the preceding clauses (i) through (iv), the Trustee shall accept such Alternate Letter of Credit and, upon such acceptance, such Alternate Letter of Credit shall be the Letter of Credit and the issuer or issuers of such Alternate Letter of Credit shall be the Bank, in each case, for all purposes of the Indenture.

The Authority is required to use its best efforts to cause an Alternate Letter of Credit to be substituted for the Letter of Credit in accordance with the terms of the Indenture if: (i) the Bank has rescinds terminates or repudiates the Letter of Credit or any governmental authority with jurisdiction is challenging the validity or enforceability of the Letter of Credit, or (ii) the Bank fails or refuses to extend the Expiration Date of the Letter of Credit. The Authority may not rescind or terminate a Letter of Credit unless an Alternate Letter of Credit has been substituted therefor in accordance with the terms of the Indenture.

If the Bank determines not to extend the term of the Letter of Credit and the Authority is unable to provide an Alternate Letter of Credit, the Authority is required under the Indenture to notify in writing the Trustee, the Issuing and Paying Agent, and the Dealer immediately upon determining that an Alternate Letter of Credit will not be provided and in any event, within 80 days prior to the Expiration Date of the Letter of Credit.

THE BANK

The following information concerning the Bank has been provided by representatives of the Bank and has not been independently confirmed or verified by the Dealer, the Authority or the City. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information given below or incorporated herein by reference is correct as of any time subsequent to its date.

Union Bank, N.A.

Union Bank is a full-service commercial bank providing an array of financial services to individuals, small businesses, middle-market companies, and major corporations. The Bank operates 339 branches and 561 ATM's in California, Oregon, Washington, and Texas, as well as two international offices. The Bank serves commercial clients across the country, and has a retail customer base of approximately one million households.

Union Bank, N.A. is the primary subsidiary of UnionBanCal Corporation, the second-largest commercial bank holding company headquartered in California, based on assets of $79.1 billion at December 31, 2010. UnionBanCal is a wholly owned subsidiary of The Bank of Tokyo-Mitsubishi UFJ, Ltd., and a member of the Mitsubishi UFJ Financial Group, Inc., one of the world's largest financial organizations.

For the quarter ending December 31, 2010, the Corporation had loans totaling $48.1 billion, total assets of $79.1 billion and total deposits of $60.0 billion. For fiscal year ended December 31, 2010, a net income of $573.0 million was reported, compared with a net loss of $65 million for full year 2009. Copies of the latest annual report and the most recent quarterly report may be obtained at www.unionbank.com or at the Bank's Los Angeles office, located at 445 South Figueroa Street, Los Angeles, California 90071.

SOURCES OF REVENUES FOR PAYMENT OF THE COMMERCIAL PAPER NOTES

Pledge of Revenues Under the Trust Indenture

The Commercial Paper Notes are limited obligations of the Authority payable solely from the Revenues and other assets pledged under the Trust Indenture. The term "Revenues" is defined in the Trust Indenture to mean all CP Project Installment Payments paid by the City and received by the Authority pursuant to the CP Project Installment Purchase Contract and all interest or other income from any investment of any money in any fund or account (other than the Rebate Fund established under the Indenture).

The obligation of the City to make the CP Project Installment Payments under the CP Project Installment Purchase Contract from Net Water Revenues is absolute and unconditional and until the Series 2011 Purchase Price for the Water Supply Project is are paid in full, may not abate, discontinue or suspend any Installment Payments whether or not the Water Supply Project or any part thereof is operating or operable or has been completed, or its use suspended, interfered with, reduced or curtailed or terminated in whole or in part.

> "*Net Water Revenues*" is defined in the Trust Agreement as, for any Fiscal Year, the Water Revenues during such Fiscal Year less Operation and Maintenance Costs during such Fiscal Year.
>
> "*Water Revenues*" means all gross income and revenue received or receivable by the City from the ownership or operation of the Water System, determined in accordance with Generally Accepted Accounting Principles, including, without limiting the generality of the foregoing: (i) all rates, fees and charges (including connection fees and charges) received by the City for the Water Service and the other services of the Water System and all other income and revenue howsoever derived by the City from the ownership or operation of the Water System or arising from the Water System (including developer impact fees for Water System facilities), (ii) the earnings on and income derived from the investment of all such income, rates, fees, charges, or other moneys to the extent that the use of such earnings and income is limited to the Water System by or pursuant to law, (iii) the proceeds derived by the City directly or indirectly from the sale, lease, or other disposition of a part of the Water System, (iv) the payments received under a Financial Products Agreement, and (v) all income from the deposit or investment of any money in the Water Revenue Fund and the Rate Stabilization Fund and (vi) deposits to the Water Revenue Fund from amounts on deposit in the Rate Stabilization Fund, but only as and to the extent specified in the Installment Purchase Contract, but excluding in all cases any proceeds of taxes and any refundable deposits made to establish credit and advances or contributions in aid of construction. See "–Rate Covenant under the Trust Agreement; Collection of Rates and Charges" and "–Rate Stabilization Fund."
>
> "*Operation and Maintenance Costs*" is defined in the Trust Agreement (i) the reasonable and necessary costs paid or incurred by the City for maintaining and operating the Water System, determined in accordance with Generally Accepted Accounting Principles, including all reasonable expenses of management and repair and other expenses necessary to maintain and preserve the Water System in good repair and working order, and including all administrative costs of the City that are charged directly or apportioned to the operation of the Water System, such as salaries and wages of employees, overhead, taxes (if any) and insurance premiums, and including all other reasonable and necessary costs of the City or charges required to be paid by it to comply with the terms of the Trust Agreement or of any resolution authorizing the issuance of additional bonds, or of any resolution authorizing the execution of any Trust Agreement, indenture or contract secured by a pledge of Net Water Revenues, such as compensation, reimbursement and indemnification of the trustee for any such Trust Agreement, indenture or contract and fees and expenses of Independent Certified Public Accountants and Independent Engineers, Insurance Consultants and the financial advisor to the City; and (ii) all payments under an O&M Obligation, but excluding in all cases (A) depreciation, replacement and obsolescence charges or reserves therefor, amortization of intangibles losses or gains on subsidiaries accounted for on any equity basis, or other bookkeeping entries of a similar nature, (B) intergovernmental transfers by the City that are not reimbursements or payments for overhead or other administrative expenses incurred by the City, and (C) all interest charges and charges for the payment of principal or amortization of bonded or other indebtedness of the City.

"*O&M Obligation*" is defined in the Trust Agreement as a contract entered into by the City with the State or the United States of America the payments under which are secured by a pledge of Water Revenues but that does not include a covenant restricting the issuance of additional obligations or require the City to maintain rates and charges in amounts any greater than required to meet the repayment obligations under such contract. The CEC Loan and the SRF Contract are each deemed to be an O&M Obligation under the Trust Agreement.

"*CEC Loan*" is a defined in the Trust Agreement as Loan Number 025-03-ECB in the principal amount of $2,150,000 made by the California Energy Resources Conservation and Development Commission to the City pursuant to the Energy Conservation Assistance Account Loan Agreement executed by the City on March 25, 2004.

"*SRF Contract*" is defined in the Trust Agreement as the Funding Agreement No. AR09FP04 between the State of California Department of Public Health and the City, which as of ________, 2010 was outstanding in the principal amount of $________.

The obligation of the City to make the CP Project Installment Payments is limited to Net Water Revenues. The CP Project Installment Payments are not secured by a legal or equitable pledge of, or charge or lien upon, any property of the City or any of its income or receipts, except the Net Water Revenues. Neither the full faith and credit nor the taxing power of the City is pledged to the payment of the principal of, premium, if any, or interest on the Commercial Paper Notes. No tax or other sources of funds, other than the Net Water Revenues, is pledged to pay CP Project Installment Payments.

The payments made by the City under the CP Project Installment Purchase Contract are scheduled in both time and amount to provide sufficient funds to pay, when due, the principal of and interest on the Commercial Paper Notes. **No funds or properties of the City, other than the Net Water Revenues, are pledged to pay the CP Project Installment Payments.**

Rate Covenant Under the Trust Agreement; Collection of Rates and Charges

The City covenants in the Installment Purchase Contract to fix, prescribe and collect rates and charges for the Water Service during each Fiscal Year that are reasonably fair and nondiscriminatory that will be at least sufficient to yield: (i) Net Water Revenues that, together with other revenues of the City (including special taxes and assessments not pledged to debt service on other obligations of the City) equal to 120% of Debt Service payable on the Commercial Paper Notes, (ii) any amounts necessary to replenish the Reserve Fund, and any similar reserve fund established with respect to any City Revenue Bonds or Contracts to the required amounts; and (iii) any amounts necessary to pay all amounts owed to any issuer of a Reserve Facility and any similar credit instrument obtained with respect to any City Revenue Bonds or Contracts. The City may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net Water Revenues from such reduced rates and charges will at all times be sufficient to meet the requirements described in the preceding sentence.

"*City Revenue Bonds*" is defined in the Trust Agreement to mean all revenue bonds of the City authorized, executed, issued and delivered by the City under and pursuant to applicable law, the interest and principal and redemption premium, if any, payments under and pursuant to which are payable from Net Water Revenues on a parity with the payment of the CP Project Installment Payments.

"*Contracts*" is defined in the Trust Agreement to mean all installment sale contracts, capital leases or similar obligations of the City authorized and executed by the City under and pursuant to applicable law, the interest and principal and prepayment premium, if any, payments under and pursuant to which are payable from Net Water Revenues on a parity with the payment of the CP Project Installment Payments. An O&M Obligation *is not* deemed to be a Contract.

Rate Stabilization Fund

The City may, but is not required to, establish a Rate Stabilization Fund which is held and maintained by the City. From time to time the City may deposit in the Rate Stabilization Fund from any available funds, including such Net Water Revenues as the City determines are not needed to make Installment Payments, provided that deposits for each Fiscal Year may be made until (but not after) 120 days following the end of such Fiscal Year. The City may withdraw amounts from the Rate Stabilization Fund for inclusion in Water Revenues for any Fiscal Year, such withdrawals to be made until (but not after) 120 days following the end of such Fiscal Year. All interest or other earnings on deposits in the Rate Stabilization Fund will be withdrawn therefrom and accounted for as Water Revenues.

Outstanding Water System Obligations

In March 2011, the Authority issued $18,815,000 principal amount of Woodland Finance Authority Water Revenue Bonds, Series 2011 (the "Series 2011 Bonds") that are payable from installment payments (the "Series 2011 Installment Payments") made by the City to the Authority on a parity with the obligation of the City to make CP Project Installment Payments to the Authority to pay the Commercial Paper Notes.

In addition, the City may at any time execute Contracts or issue City Revenue Bonds (each as defined in the Trust Agreement) that are payable from and secured by a pledge of Net Water Revenues that are on a parity with the obligation to make the CP Project Installment Payments and the Series 2011 Installment Payments from Net Water Revenues.

WATER SYSTEM

Water Supplies and Facilities

Water Supplies

Current Supplies. The City currently relies on 20 active groundwater wells for all of its water supply. Notable hydrologic features in the area include Yolo Bypass and Sacramento River two miles east, Willow Slough located to the south and Cache Creek one mile north of the City. A groundwater aquifer underlies the City and serves as the sole municipal water supply for the Water System at this time. The water supplied by the Water System does not pass through a central water treatment facility but is filtered naturally by the sand and gravel of the aquifer. Disinfection is provided at each well site by the addition of sodium hypochlorite (chlorine). The Water System produces over five billion gallons of safe drinking water per year.

In accordance with Sections 10750 *et seq.* of the State Water Code, spring 2011, the City expects to adopt a Groundwater Management Plan to assist in the development of an integrated regional water management program that will be coordinated with the Yolo County Integrated Groundwater Management Plan to manage the groundwater basin as a safe and sustainable water supply for the region.

Future Supplies. Since 2004, the City and the City of Davis have been working collaboratively on the Davis-Woodland Water Supply Project (the "Water Supply Project") to secure a long-term, reliable source of high-quality water. When constructed, the Water Supply Project will divert water from the Sacramento River, convey the diverted water to a water treatment plant and convey the treated water to the City and the City of Davis, and if it decides to participate, the University of California, Davis ("UC Davis") to satisfy the water utility needs of each entity. A final Environmental Impact Report for the Water Supply Project, which included the need of the two cities to secure supplemental water during the summer months, was certified in 2007.

In 2009, the City and the City of Davis executed a joint powers agreement (the "JPA Agreement") that created the Woodland-Davis Clean Water Agency (the "Agency"). The Agency was formed to pursue the development, construction and operation of the Water Supply Project. The primary objectives of the Water Supply Project are to: (i) provide a new water supply to meet existing and future needs; (ii) improve drinking water quality; and (iii) improve the quality of treated wastewater discharges. When the Water Supply Project is completed, it will supplement existing groundwater resources, increase the reliability and long-term sustainability of the City's water supply portfolio and assist the City in satisfying increasingly stringent State and federal drinking water standards and treated wastewater discharge regulations. The costs associated with the Water Supply Project will be funded by utility user fees and State and federal funding, if and to the extent such funding is available.

The City previously held water-right Application 30358B, which is on file with the California State Water Resources Control Board (the "SWRCB"), and which requests a permit to appropriate 15,000 acre-feet per year of water from the Sacramento River. In connection with the Water Supply Project, the City assigned all of its right, title and interest in Application 30358B to the Agency in December 2010.. In December 2010, the City of Davis and the UC Davis assigned to the Agency all of their rights, title and interests in water-right Application 30358A, which is on file with the SWRCB, and which requested a permit to appropriate 30,000 acre feet per year of water from the Sacramento River.

On March 1, 2011, the SWRCB approved the permit to appropriate up to 45,000 acre feet of surface water per year from the Sacramento River for the Water Supply Project. This new permit is subject to restrictions on diversions during dry-year conditions and other requirements. This allocation of surface water to each participant from the Water Supply Project and the reallocation of unneeded supply in any year will be governed by the terms of the JPA Agreement.

The Agency has negotiated various agreements in connection with the Water Supply Project, including: (i) a Water Agreement between the Agency and a private party (the "Water Agreement") for the purchase and assignment of certain senior appropriative rights to divert and use water from the Sacramento River; (ii) a Joint Intake Agreement between the Agency and Reclamation District 2035 for sharing an intake site and the joint design, construction, operation and maintenance of a new screened water intake structure on the Sacramento River; (iii) a Real Property Agreement with a private party for the Agency and Reclamation District 2035 to acquire the intake site, and for the Agency to acquire pipeline and other easements for the Water Supply Project; and (iv) two separate Installment Purchase Agreements, one between the Agency and the City and one between the Agency and the City of Davis. Each of the agreements described in this paragraph has been executed.

If the necessary, regulatory approvals to implement the Water Agreement are issued, the Agency will have the right to divert 10,000 acre/feet of water each year (which amount will be reduced to 7,500 acre/feet per year in critically dry years) commencing in 2016, when the Water Supply Project is expected to be completed and water deliveries are expected to begin, and continuing in perpetuity. The required payments from the Agency to the private party under the Water Agreement will total $79,096,000, of which the City will be responsible for the payment of 53.9% (or $42,632,744) and the City of Davis will be responsible for the payment of the remaining 46.1% (or $36,463,256). These percentages correspond to the percentages of water that each city will be entitled to receive from the Water Supply Project. Pursuant to the Installment Purchase Agreements, the obligation of each city to pay for its share of the Water Agreement costs has been established and each city has committed to fix and collect water rates to cover the installment purchase obligation of the Agency under the Water Agreement.

In order for the Water Supply Project to be able to operate throughout all types of water years in the future, it will be necessary for the Agency to enter into other agreements for additional water supplies, or to develop alternative water supplies.

Facilities. The Water System is comprised of 20 groundwater wells located throughout the City, approximately 250 miles of water mains, 8,500 valves, 3,500 fire hydrants, one newly constructed 400,000 gallon elevated water storage tank, 16 water sampling stations, 53 end of the line blow-off valves and 1,000 backflow devices monitored by the City's back-flow testing program.

Power Supply. Power for the groundwater wells and pumps is supplied by Pacific Gas & Electric. The Water System operates eight diesel powered back-up generators at well sites throughout the City.

Water Supply Demand Measures and Conservation Efforts. The City has an active water conservation program to encourage and assist residents and businesses in using water efficiently. These efforts ensure compliance with state and federally mandated water conservation requirements and help ensure an adequate long-term water supply for the City. Water conservation efforts include financial incentives for residents and businesses such as rebates for water-conserving appliances, ultra-low flush toilets and weather-based irrigation controllers, and distribution of free low-flow showerheads and garden hose nozzles. Additional conservation efforts include public outreach programs on water-wise landscaping and water conservation measures, and school information programs on ways to reduce water usage. The water conservation staff also works with all City departments to lower the City's overall water consumption.

To encourage water conservation within the State and prevent waste, Assembly Bill 2572 (the "Water Measurement Law") was enacted in 2004. The Water Measurement Law requires urban water suppliers, including the City, to: (i) install meters, establish rates and fees and begin consumption-based billing (based on volume of water consumed) for all buildings constructed after January 1, 1992; and (ii) install water meters and begin consumption-based billing as a condition of water service for all customers on or before January 1, 2025.

The Water System initiated the installation of water meters throughout the Service Area in two phases. Phase I was completed in early 2010 and included the installation and/or retrofit of approximately 5,000 meters with Automatic Meter Reading Systems ("AMR") to permit automated billing. Completion of Phase I brought the City into compliance with the requirements of the Water Measurement Law that all water users in buildings constructed after 1992 be billed for the actual volume of water consumed. Phase II, which includes the installation of approximately 8,000 meters on the remainder of Water System connections, began in 2009 and is expected to be completed in fall 2011. Completion of Phase II will permit the Water System to initiate consumption based-billing of all customers in advance of the 2025 deadline established in the Water Measurement Law and offer customers the opportunity to increase their water conservation.

SB No. 7. On November 10, 2009, the Governor signed into law Senate Bill No. 7, "Sustainable Water use and Demand Reduction" ("SB 7") SB 7 requires, among other things, that the State achieve a 20% reduction in urban per capita water use by December 31, 2020, by reducing per capita water use by at least 10% over baseline use, on or before December 31, 2015. SB 7 also requires each urban retail water supplier (including the City) to develop urban water use targets and an interim water use target in accordance with specified requirements. The City has contracted with an environmental engineering firm, West Yost Associates, to determine interim and final per capita water use targets, identify the appropriate base year, evaluate and recommend an appropriate method for developing the urban water use targets and assist with the public hearing process required to adopt the baseline method to be used. The City expects to hold a public hearing and adopt a per capita water use target by July 2011 after the State of California releases its final determination on baseline calculation methods.

Master Planning for the Water System

The Water System has initiated and adopted a number of studies and plans to identify improvements to the Water System infrastructure and operations to achieve these goals.

The City adopted a master plan for the Water System in 1999 (the "Water Master Plan") to plan for acquisition, installation and construction of improvements to meet increasing standards for drinking water and to improve reliability of the delivery system. The City recently updated and verified the hydraulic model of the City's water production and distribution system and used the updated demand estimates and system evaluations to develop a Water Focus Study. The Water Focus Study is a planning tool to update operational requirements and goals identified in the Water Master Plan. It identifies existing system deficiencies and required system improvements and uses this information to formulate a comprehensive capital improvement program (a "CIP") to provide the highest quality water and most sustainable and reliable supplies and service to existing and future customers.

In accordance with State Water Code, the City adopted a Groundwater Management Plan for optimization and management of its groundwater supplies in December 2010. The City is also finalizing an Urban Water Management Plan (a "UWMP") for adoption in 2011 in compliance with State Water Code requirements. The UWMP provides a long-term resource planning tool to ensure adequate water supplies are available to meet existing and future water demands.

The City is an active member of the Water Resources Association of Yolo County (the "WRA") which focuses on regional planning and management of water resources. In 2007, the WRA prepared and submitted to the State Department of Water Resources an Integrated Regional Water Management Plan. In September 2009, the City of Woodland, City of Davis and UC Davis entered into a Joint Powers Agreement to pursue implementation of a project to bring high-quality surface water from the Sacramento River to supplement groundwater supplies for all three parties.

A City-wide balanced 10-year CIP consistent with departmental master plans, including the Water Master Plan, is re-evaluated annually by the City Council, together with a three year appropriations request.

Water Rate Study. The City contracted with HDR Engineering to complete a Water Rate Study (the "Rate Study") in 2009. In accordance with the California state law, requiring that billing for water service be based on water consumption, the Water System used the results of the Rate Study to establish equitable rate schedules for both consumption-based and flat- rate water usage. The Rate Study included review of a 10-year CIP to ensure adequate future revenue to construct and maintain the Water System infrastructure. The Rate Study was finalized in late 2009 and new water rates were adopted by City Council November 3, 2009.

The City committed to providing six months of water use data or "sample billing" to newly-metered customers prior to implementation of consumption-based billing to give the newly-metered customers the opportunity to adjust their water usage patterns and/or address leaks which might affect water consumption.

Insurance on the Water System

In addition to the insurance required to be maintained on the Water Supply Project, the City also maintains insurance on the Water System with responsible insurers in such amounts and against such risks (including accident to or destruction of the Water System) as are usually covered in connection with systems similar to the Water System.

The City manages risk by participating in a 10-member public agency risk pool which is known as the Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA). YCPARMIA was formed in 1979 to develop an effective risk management program to reduce the amount and frequency of losses by pooling the agencies' self-insurance losses and jointly purchasing excess insurance. A risk manager was hired to administer the YCPARMIA program. YCPARMIA provides workers' compensation insurance coverage up to the statutory limit set by the State per accident per employee, above the City's self insurance limit of $1,000 per occurrence, and general and auto liability coverage of $40,000,000, above the City's self insurance limit of $1,000 per occurrence, boiler and machinery insurance up to $100,000,000, above the City's deductible of $1,000 per claim, and property damage insurance up to $714,356,856, above the City's deductible of $1,000 per other occurrence.

YCPARMIA is a joint exercise of powers agency governed by a board consisting of representatives from member public agencies. The board controls the operations of YCPARMIA, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the board.

The City provides for the uninsured portion of the claims and judgments in the Self-Insurance Internal Service Fund. Claims and judgments, including a provision for claims incurred but not reported, are recorded when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable. As discussed above, the City has coverage for such claims, but it has retained the risk for the deductible, or uninsured portions of these claims.

Rate Setting, Billing and Collection Procedures

Users of the Water System who are connected to the City's Water System are billed separately for water service and sewer service, on a combined bill, by the City's Finance Department. The fee for either service may not be paid separately from the other. Users of the Water System who are not connected to the City's sewer system are billed for water service only.

Rate Setting Procedure. In accordance with California law, the City Council may, from time to time and at its discretion, fix, alter, change, amend or revise any user fees, connection charges and all other fees related to the Water System.

Billing Procedure. Commercial accounts are billed monthly and residential accounts are billed monthly for advance payment of utility service. Residential customers that have transitioned to consumption based billing are billed monthly for water consumption for the previous month. Bills are due and payable within 15 days of the billing date. Section 23C-2-6(f) of the City Code provides that in the event any bill for Water Service and Sewer service remains unpaid for 60 days after mailing, the account is deemed delinquent and service may be terminated within 10 days following the mailing of the notice of delinquency. Premises disconnected for the non-payment of Water Service or sewer service fees are not reconnected until all current and delinquent fees and penalties are paid in full. Enforcement effectively takes place at the time of the next billing cycle.

Rates, Fees and Charges

Water Revenues are derived from three sources: (i) monthly service charges and pretreatment charges imposed billed and collected by the City; (ii) Water Service installation charges; and (iii) other miscellaneous charges, including interest income.

Service Charges. Customers of the Water System are billed for monthly water service based on a user classification system. Service charges include the direct and indirect costs of operating, maintaining and repairing, and the capital replacement and improvement costs related to the Water System.

The City began installing water meters in approximately 5,000 residential properties in 2008. In accordance with State law, residences built after 1992 are required to be billed based upon on consumption in 2010; these properties are known as "Phase I" of meter installation in the City. Beginning March 2010, Phase I customers began receiving sample bills in addition to their flat rate bills. The sample bills illustrated the total utility bill that would be due under consumption rates. Beginning in December 2010, Phase I customers are billed based upon actual consumption other customers will remain on flat rate bills until their meters are installed and they receive six months of samples bills. Phase II, consisting of the installation of approximately 8,000 water meters to the remaining users of the Water System, commenced in 2009 and is expected to be completed in fall 2011. Following receipt of six months of sample consumption based bills by the Phase II customers, the City expects all accounts to be on consumption based by the end of Fiscal Year 2012-13.

Residential users that remain on flat rates are charged based upon the size of the residence. Metered commercial and industrial accounts are charged monthly rates based upon the size and type of the meter and are charged a volume charge per 100 cubic feet (CCF) (which is equivalent to 748 gallons) of water consumed per month. Non-metered commercial and industrial accounts (representing approximately 12% of the commercial and industrial accounts) are charged flat rates.

In November 2009, the City Council approved phased increases in Water System rates, which after July 1, 2012, will be adjusted annually for inflation, based on the construction cost index. The new metered rate is calculated based upon (i) the water service base rate (*i.e.* the share of water delivery costs allocated to the customer) and (ii) actual water use.

Development Fees. Development fees are one-time charges levied by the City on each unit of new construction to recover costs incurred by the Water System for providing capacity in the Water System required by new users. Providing this capacity extends to the Water Treatment Plant and distribution system pipelines and pumps.

Interest Income. The Water System receives additional income from interest income earned on funds available for use in operations and for application to capital projects.

Investment of Revenue

Investment of Water Revenues (except pension and retirement funds) are made in accordance with the City's Investment Policy.

The investment of funds of the City, including those funds established under the Trust Indenture and held by the City, are made in accordance with the investment policy of the City, developed by the City Treasurer, and most recently approved by the City Council on May 19, 2009 (the "Investment Policy") and Section 53600 *et seq*. of Government Code of the State of California (the "Code"). The Code also directs the City to present an annual investment policy for confirmation to the City Council.

The Investment Policy is subject to revision at any time, and is reviewed periodically to ensure compliance with the stated objectives of safety, liquidity, yield and current laws and financial trends.

The Investment Policy sets forth the following primary objectives, in order of priority:

1. Safety - preservation of capital.
2. Liquidity - funds shall be invested only until date of anticipated need or for a lesser period.
3. Yield - generation of a favorable return on investment without compromise of the first two objectives.

Authorized Investments*.* The City is empowered by State law to invest in certain "eligible securities" as defined in the California Government Code Sections 53600 *et seq.* Authorized investments also include, in accordance with California Government Code Section 16429.1, investments in the State Local Agency Investment Fund ("LAIF"). ***The City does not enter into reverse repurchase agreements***. Authorization for specific instruments within these general categories, include the following: U.S. Treasuries, Government Sponsored Corporations, Bankers Acceptances, Commercial Paper, Certificates of Deposit, Repurchase Agreements, Reverse Repurchase Agreements, Medium-term Corporate Notes/Bonds and Asset-Backed Securities.

Prohibited Investments*.* No investments will be authorized that have the possibility of returning a zero or negative yield if held to maturity. These will include inverse floaters, range notes, and interest only strips derived from a pool of mortgages. Other prohibited investments include any mortgage pass-through security or collateralized mortgage obligation, or other pay-through bond. Repurchase agreements executed with approved broker/dealers must be collateralized. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value.

Delegation of Authority and Reporting*.* Management responsibility for the investment program is delegated to the City Treasurer. The City Treasurer is responsible for establishing written procedures for the operation of the investment program consistent with the investment policy, all transactions undertaken, and establishing a system of controls to regulate the activities of subordinate officials.

The City Treasurer is required to prepare and submit to the City Manager and the City Council monthly investment reports. Such reports are to include a subsidiary ledger of the investment portfolio, detailing a review of transactions, security positions and performance indications. Such report will also include a statement denoting the degree of compliance with the investment policy and the City's ability to meet its expenditure requirements for the next six months.

Investment Policy Adoption*.* The Investment Policy is approved annually by minute action of the City Council. The Investment Policy is reviewed annually by the City Council and any modifications are required to be approved by the City Council.

THE AUTHORITY

The Authority is a joint powers authority, organized pursuant to a Joint Exercise of Powers Agreement, dated as November 1, 1996 (the "JPA Agreement"), between the City and the Redevelopment Agency of the City of Woodland. The JPA Agreement was entered into pursuant to the California Government Code, commencing with Section 6500. The Authority is a separate entity constituting a public instrumentality of the State of California and was formed for the public purpose of assisting in financing and refinancing projects for the benefit of the City.

The Authority is governed by a five-member Board. The City Council constitutes the Board of the Authority. The Administrator and Secretary of the Authority are the City Manager and the City Clerk, the Treasurer/Controller of the Authority is the Finance Officer of the City. The Authority's powers include, but are not limited to, the power to issue bonds and to sell such bonds to public or private purchasers at public or by negotiated sale. The Authority is entitled to exercise the powers common to its members and necessary to accomplish the purposes for which it was formed. These powers include the power to make and enter into contracts; to employ agents and employees; to acquire, construct, manage, maintain and operate buildings, works or improvements; to acquire, hold or dispose of property within the City; and to incur debts, liabilities or obligations.

THE CITY

The City of Woodland (the "City") is a general law city and the county seat of Yolo County (the "County"). It is located approximately 85 miles northeast of San Francisco and approximately 18 miles northwest of Sacramento at the intersection of Interstate 5 and State Route 113. The City has been the seat of government for the County since 1862 and is also the industrial and agricultural center of the County. The City encompasses approximately 14.5 square miles near the center of the California's Central Valley. The City enjoys a mean temperature of 61.5 degrees and an annual average rainfall of 17.28 inches.

The City has a diversified economic base that has its origins in agriculture. However, due to the proximity of the City to major transportation arteries (Interstate 5 and State Route 113), and major waterways, the City has also become increasingly important as a manufacturing and distribution center of products including, food processing, plastics, farm machinery and mobile homes.

THE ISSUING AND PAYING AGENT

The Authority has appointed U.S. Bank National Association to serve as Issuing and Paying Agent for the Commercial Paper Notes pursuant to the terms and conditions of the Indenture and the Issuing and Paying Agency Agreement.

THE DEALER

The Authority has appointed Citigroup Global Markets, Inc. as the exclusive dealer pursuant to the terms and conditions of the Dealer Agreement with respect to the offering and sale of the Commercial Paper Notes pursuant to the terms and conditions of the Dealer Agreement.

FINANCIAL ADVISOR

Del Rio Advisors, LLC, Modesto, California, has served as Financial Advisor to the City with respect to the sale of the Commercial Paper Notes. The Financial Advisor has assisted the City in the review of this Offering Memorandum and in other matters relating to the planning, structuring, execution and delivery of the Commercial Paper Notes. The Financial Advisor has not independently verified any of the data contained herein or conducted a detailed investigation of the affairs of the City to determine the accuracy or completeness of this Offering Memorandum. Due to its limited participation, the Financial Advisor assumes no responsibility for the accuracy or completeness of any of the information contained herein. The Financial Advisor will receive compensation from the City contingent upon the sale and delivery of the Commercial Paper Notes.

TAX MATTERS

In the opinion of Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, Sacramento, California, Bond Counsel, based on existing statutes, regulations, rulings and judicial decisions and assuming, among other things, the accuracy of certain representations and compliance with certain covenants, compliance with the certain covenants interest on the Commercial Paper Notes, when issued in accordance with the Indenture, is excludable from gross income for federal income tax purposes and is exempt from State of California personal income taxes. In the opinion of Bond Counsel, interest on the Commercial Paper Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. A copy of the proposed form of opinion of Bond Counsel is attached hereto as APPENDIX A.

The Internal Revenue Code of 1986 (the "Code") imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Commercial Paper Notes. The Authority and the City have made certain representations and have covenanted to comply with certain restrictions designed to assure that interest on the Commercial Paper Notes will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Commercial Paper Notes being included in federal gross income, possibly from the date of issuance of the Commercial Paper Notes. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Commercial Paper Notes may affect the tax status of interest on the Commercial Paper Notes.

Although Bond Counsel has rendered an opinion that interest on the Commercial Paper Notes is excludable from gross income for federal income tax purposes and is exempt from California personal income taxes, the ownership or disposition of the Commercial Paper Notes or the accrual or receipt of interest on the Commercial Paper Notes may otherwise affect the owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the owner's particular tax status or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

In addition, no assurance can be given that any future legislation, including amendments to the Code, if enacted into law, or changes in interpretation of the Code, will not cause interest on the Commercial Paper Notes to be subject, directly or indirectly, to federal or State income taxation or otherwise prevent owners of Commercial Paper Notes from realizing the full current benefit of the tax status of such interest. Prospective purchasers of Commercial Paper Notes should consult their own tax advisers regarding any pending or proposed federal or State tax legislation, regulation, or litigation. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any action of the Internal Revenue Service ("IRS"), including but not limited to regulation, ruling, or selection of the Commercial Paper Notes for audit examination, or the course or result of any IRS examination of the Commercial Paper Notes, or obligations that present similar tax issues, will not affect the market price or liquidity of the Commercial Paper Notes.

CERTAIN LEGAL MATTERS

The proceedings in connection with the issuance of the Commercial Paper Notes are subject to the approval as to their legality by Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, Sacramento, California, Bond Counsel. A copy of the proposed form of Bond Counsel opinion is contained in APPENDIX A to this Offering Memorandum. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Offering Memorandum. Certain legal matters will be passed upon for the

Authority and the City by the City Attorney and by Lofton & Jennings, San Francisco, California, Disclosure Counsel. Payment of the fees of Bond Counsel and Disclosure Counsel are contingent upon the issuance and delivery of the Commercial Paper Notes.

ABSENCE OF MATERIAL LITIGATION

At the time of delivery of and payment for the Commercial Paper Notes, Counsel to the Authority and the City Attorney will deliver opinions to the initial Underwriter at the time of original delivery of the Commercial Paper Notes each certify that there is no action, suit, litigation, inquiry or investigation before or by any court, governmental agency, public board or body served, or to the best knowledge of the City or the Authority threatened, against the City or the Authority in any material respect affecting the existence of the City or the Authority or the titles of their officers to their respective offices or seeking to prohibit, restrain or enjoin the sale or delivery of the Commercial Paper Notes, the execution and delivery of the Trust Indenture, the Installment Purchase Contract or the payment of CP Project Installment Payments or challenging, directly or indirectly, or the proceedings to lease the Leased Property from the Authority.

The Authority

No litigation is pending with service of process having been accomplished or, to the knowledge of the Counsel to the Authority, threatened, concerning the validity of the Trust Agreement, the Indenture, the Commercial Paper Notes, the CP Project or the Installment Purchase Contract, and the Counsel to the Authority will issue an opinion to that effect.

The City

No litigation is pending with service of process having been accomplished or, to the knowledge of the City Attorney, threatened, concerning the validity of the Commercial Paper Notes, the CP Project Installment Purchase Contract or the CP Project and the City Attorney will issue an opinion to that effect. The City Attorney is not aware of any litigation pending or threatened questioning the political existence of the City or contesting the City's ability to appropriate or make CP Project Installment Payments.

Various legal actions are pending against the City. The aggregate amount of the uninsured liabilities of the City which may result from all legal claims currently pending against it will not, in the opinion of the City, materially affect the City's finances or impair its ability to make CP Project Installment Payments under the CP Project Installment Purchase Contract.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of the owners of the Commercial Paper Notes to provide annually certain financial information and operating data relating to the City, and to provide notices of the occurrence of certain specified events. The Annual Report will be delivered not later than seven months after the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2011 (the "Annual Report"). The Annual Report and the notices of specified events will be filed by the City through the Electronic Municipal Market Access site maintained by the Municipal Securities Rulemaking Board (the "MSRB"). These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5) (the "Rule"). The specific nature of the information to be contained in the Annual Report and the notices of specified events is set forth in APPENDIX B–"FORM OF CONTINUING DISCLOSURE CERTIFICATE."

The City has not failed in the last five years to comply with any material respect with any prior undertaking under the Rule.

RATINGS

Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. ("S&P") has assigned its rating of "___" to the Commercial Paper Notes and Fitch Inc. ("Fitch") has assigned its rating of "___" to the Commercial Paper Notes. Each rating reflects only the view of the agency giving such rating and is not a recommendation to buy, sell or hold the Commercial Paper Notes. An explanation of the significance of the rating may be obtained from Standard & Poor's Ratings Services, 25 Broadway, New York, New York 10004, 212-208-8000 and Fitch Inc., One State Street Plaza, New York, New York 10004. Certain information was supplied by the Authority and the City to the rating agencies to be considered in evaluating the Commercial Paper Notes.

There is no assurance that any rating will continue for any given period of time or that any rating will not be reduced or withdrawn entirely by the rating agency, if in its, judgment, circumstances so warrant. The Authority, the City and the Issuing and Paying Agent undertake no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal may have an adverse effect on the market price of the Commercial Paper Notes.

INFORMATION INCORPORATED BY REFERENCE

Pursuant to Rule 15c2-12 ("Rule 15c2-12") promulgated by the United States Securities and Exchange Commission (the "SEC"), the City entered into a written undertaking, for the benefit of the holders of the Series 2011 Bonds, to provide certain disclosure information from time to time. Such disclosure information consists of: (i) a report (an "Annual Filing") containing certain updated disclosure information to be filed not later than seven months after the end of the fiscal year of the City (which currently ends June 30) with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (the "MSRB") site; and (ii) notices (a "Specified Event Notice") of each occurrence of certain enumerated events, to be filed with the MSRB.

The Official Statement of the Authority dated February 15, 2011 with respect to $18,815,000 principal amount of the Series 2011 Bonds, including a more complete description of the Water System, the Water System Finances, certain economic and demographic information for the City, and the Investment Policy of the City is available and incorporated herein by reference.

The Authority includes in this Offering Memorandum by this reference the following materials in their entirety: (i) as of any particular date, the then most recent official statement, offering memorandum or Annual Filing that has been filed by the Authority with the Repository (including any supplemental filing(s) with respect thereto), as such official statement, offering memorandum or Annual Filing is modified, superseded or supplemented by any applicable update information; and (ii) each Specified Event Notice filed by or on behalf of the Authority, except to the extent any such Specified Event Notice is superseded by a subsequent Specified Event Notice or a subsequent official statement, offering memorandum or Annual Filing. Upon the filing by or on behalf of the Authority with the MSRB of any official statement, offering memorandum or Annual Filing, such document (including any supplemental filing(s) with respect thereto), as modified, superseded or supplemented by any applicable update information, shall be included by reference herein in the stead of such prior document. All references in this Offering Memorandum to any official statement, offering memorandum or Annual Filing, including cross references to particular sections of such document, shall, as of any particular time, refer to the official statement, offering memorandum or Annual Filing then most recently filed with the MSRB (including any supplemental filing(s) with respect thereto).

A copy of the Official Statement may be obtained or reviewed: from the MSRB, or from any other source or by contacting the Authority or the Dealer as provided below:

Woodland Finance Authority
300 First Street
Woodland, California 95695
Attention: Finance Officer
Email: Kimberly.mckinney@cityofwoodland.org
Phone: 530-661-5849

Citigroup Global Markets Inc.
390 Greenwich Street, 2nd Floor
New York, New York 10013
Attention: Short Term Tax Exempt Trading
Phone: 212-723-7082

APPENDIX A

PROPOSED FORM OF NOTE COUNSEL OPINION

APPENDIX B

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") is executed and delivered by the City of Woodland (the "City") in connection with the issuance by the Woodland Finance Authority of Not to Exceed $_______ aggregate principal amount of Woodland Finance Authority Water Revenue Commercial Paper Notes (the "Notes") pursuant to a Trust Agreement dated as of February 1, 2011, (the "Trust Agreement"), as supplemented by a Trust Indenture dated _______ 1, 2011 (the "Trust Indenture" and together with the Trust Agreement, the "Indenture") each between the Authority and U.S. Bank National Association, as trustee (the "Trustee") and an Issuing and Paying Agency Agreement dated as of April 1, 2011 (the "Issuing and Paying Agency Agreement") between the Authority and U.S. Bank National Association, as Issuing and Paying Agent (the "Issuing and Paying Agent"), made by the City, and in connection therewith the City agrees and covenants as follows:

SECTION 1. Purpose of the Continuing Disclosure Certificate. The Continuing Disclosure Certificate is being executed and delivered by the City for the benefit of the Beneficial Owners of the Notes and in order to assist the Participating Dealer in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Continuing Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Filing" shall mean any Annual Filing provided by the City pursuant to, and as described in, Sections 3 and 4 of this Continuing Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Notes (including persons holding Notes through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Notes for federal income tax purposes.

"Disclosure Representative" shall mean the Finance Officer of the City or such other official as may be designated in writing to the Dissemination Agent (if other than the City) from time to time.

"Dissemination Agent" shall mean U. S. Bank Trust National Association, acting in its capacity as Dissemination Agent under this Continuing Disclosure Certificate, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"Filing Date" shall mean the last day of the seventh month following the end of each Fiscal Year of the City (or the next succeeding business day if such day is not a business day), commencing with the Fiscal Year ending June 30, 2011.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org.

"Obligated Person" shall mean any person, including the issuer of municipal securities (such as the Notes), who is generally committed by contract or other arrangement to support payment of all or part of the obligations on the municipal securities being sold in an offering document (such as the Offering Memorandum). The City is the only Obligated Person for the Notes.

"Offering Memorandum" means the Offering Memorandum dated May ___, 2011 relating to the Notes.

"Participating Dealer" shall mean any of the original dealer of the Notes required to comply with the Rule in connection with offering of the Notes.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Specified Events" shall mean any of the events listed in Section 5(a) or Section 4(b) of this Continuing Disclosure Certificate and any other event legally required to be reported pursuant to the Rule.

"State" shall mean the State of California.

SECTION 3. <u>Provision of Annual Filing</u>.

(a) The City shall provide (or cause to be provided), not later than the Filing date to the MSRB an Annual Filing that is consistent with the requirements of Section 4 of this Continuing Disclosure Certificate. The Annual Filing shall be submitted in electronic format, accompanied by such identifying information as prescribed by the MSRB, and may be submitted as a single document or as separate documents comprising a package, and may cross-reference any other information (as provided in Section 4 of this Continuing Disclosure Certificate. If the fiscal year of the City changes, it shall give notice of such change in the same manner as for a Specified Event under this Continuing Disclosure Certificate.

(b) Not later than fifteen (15) Business Days prior to the Filing Date, the City shall provide the Annual Filing to the Dissemination Agent (if other than the City). The City shall provide, or cause the preparer of the Annual Filing to provide, a written certificate with each Annual Filing furnished to the Dissemination Agent to the effect that such Annual Filing constitutes the Annual Filing required to be furnished to it hereunder. The Dissemination Agent may conclusively rely upon such certification and shall have no duty or obligation to review such Annual Filing.

(c) If the City is unable to provide the Annual Filing to the Dissemination Agent by the date specified herein, the City shall send a notice to the MSRB.

(d) The Dissemination Agent shall:

1. If not previously filed by the City, send a notice to the MSRB if the City is unable to provide to the Annual Filing to the MSRB by the date required in subsection (a).

2. File a report with the City certifying that the Annual Filing has been provided pursuant to this Continuing Disclosure Certificate, stating the date it was provided.

SECTION 4. <u>Content of Annual Filings</u>. The City's Annual Filing shall contain or incorporate by reference the following:

(a) The adopted budget of the Water Enterprise System of the City for the then current fiscal year, the audited financial statements of the Water Enterprise System of the City for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If such City's audited financial statements are not available by the time the Annual Filing is required to be filed pursuant to Section 3(a), the Annual Filing shall contain unaudited financial statements in a format similar to the audited financial statements and the audited financial statements shall be filed in the same manner as the Annual Filing when they become available; and

(b) a description of any bonds or commercial paper notes payable from Water System Revenues and outstanding as of the date of such report;

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which have been made available to the public on the MSRB website. The City shall clearly identify each such other document so included by reference.

The contents, presentation and format of the Annual Filings may be modified from time to time as determined in the judgment of the City to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the City to reflect changes in the business, structure, operations, legal form of the City or any mergers, consolidations, acquisitions or dispositions made by or affecting the City; provided that any such modifications shall comply with the requirements of the Rule.

SECTION 5. Reporting of Specified Events.

(a) The City shall give, or cause to be given, notice to the MSRB of the occurrence of any of the following events with respect to the Notes not later than ten (10) business days after the occurrence of the event:

(i) Principal and interest payment delinquencies;

(ii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iii) Unscheduled draws on credit enhancements reflecting financial difficulties;

(iv) Substitution of credit or liquidity providers, or their failure to perform;

(v) Issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);

(vi) Tender offers;

(vii) Defeasances;

(viii) Rating changes; or

(ix) Bankruptcy, insolvency, receivership or similar event of the obligated person. This event is considered to occur upon the happening of any of the following: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The City shall give, or cause to be given, notice to the MSRB of the occurrence of any of the following events described in this Section 5(b) with respect to the Notes, if material, not later than ten (10) business days after the occurrence of the event:

(i) Unless described in Section 5(a)(v) above, adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Notes or other material events affecting the tax status of the Notes;

(ii) Modifications to rights of the holders of the Notes;

(iii) Optional, unscheduled or contingent calls of the Notes;

(iv) Release, substitution, or sale of property securing repayment of the Notes;

(v) Non-payment related defaults;

(vi) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or

(vii) Appointment of a successor or additional trustee or the change of name of a trustee.

(c) The City acknowledges that it is required to make a determination whether a Specified Event in Section 5(b) above is material under applicable federal securities laws in order to determine whether a filing with the MSRB is required under Section 5(b). Notwithstanding the foregoing, notice of Specified Events described in Section 5(a)(vii) and Section 5(b)(iii) above need not be given any earlier than the notice (if any) of the underlying event is given to Holders of affected Notes pursuant to the Indenture.

SECTION 6. Termination of Reporting Obligation. The City's obligations under this Continuing Disclosure Certificate shall terminate upon the date of legal defeasance, prior redemption or payment in full of all of the Notes. If such termination occurs prior to the final maturity of the Notes, the City shall give notice of such termination in the same manner as that for giving notice of the occurrence of a Specified Event under Section 5(a).

SECTION 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign at any time by providing at least thirty (30) days notice in writing to the City. The initial Dissemination Agent shall be the City.

SECTION 8. Amendment; Waiver. (a) Notwithstanding any provision hereof, the City may amend or this Continuing Disclosure Certificate (provided no amendment increasing or affecting the obligations or duties of the Dissemination Agent, if any, shall be made without the consent of the dissemination Agent, and any provision of this Continuing Disclosure Certificate may be waived, is such amendment or waiver is supported by an opinion of counsel expert in the federal securities laws designated by the city, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings contained in this

Continuing Disclosure Certificate to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

(b) In the event of any amendment or waiver of a provision of this Continuing Disclosure Certificate, the City shall describe such amendment in the next Annual Filing, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Specified Event under Section 5(a); and (ii) the Annual Filing for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing contained herein shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth herein or any other means of communication, or including any other information in any Annual Filing or notice of occurrence of a Specified Event, in addition to that which is required hereby. If the City chooses at any time to include any information in any Annual Filing or notice of occurrence of a Specified Event in addition to that which is specifically required hereby, the City shall have no obligation hereunder to update such information or include it in any future Annual Filing or notice of occurrence of a Specified Event.

SECTION 10. Default. This Continuing Disclosure Certificate shall be solely for the benefit of the holders and beneficial owners from time to time of the Notes. The exclusive remedy for any failure of the City to comply with any provision hereof shall be limited, to the extent permitted by law, to a right of the holders and the beneficial owners to institute and maintain, or to cause to be instituted and maintained, such proceedings as may be authorized at law or in equity to obtain the specific performance by the City of its obligations under this Continuing Disclosure Certificate in a court of competent jurisdiction in Yolo County, California; provided that any holder or beneficial owner seeking to require the City to comply with this Continuing Disclosure Certificate shall first provide at least thirty (30) days prior written notice to the City of the failure of the City, giving reasonable detail of such failure, following which notice the City shall have thirty (30) days to comply. A default under this Continuing Disclosure Certificate shall not be deemed an "Event of Default" under the Indenture with respect to the Notes, and the sole remedy under this Continuing Disclosure Certificate in the event of any failure of the City to comply with the agreements and covenants contained herein shall be an action to compel performance. No person or entity shall be entitled to recover monetary damages under this Continuing Disclosure Certificate.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Notes.

SECTION 12. Beneficiaries. This Continuing Disclosure Certificate shall inure solely to the benefit of the City, the Participating Underwriters, and the holders and beneficial owners from time to of the Notes, and shall create no rights in any other person or entity.

SECTION 13. Record Keeping. The City shall maintain records of Annual Filings and notices of Specified Events, including the content of such disclosure, the name of the entities with which such disclosure was filed and the date of filing of such disclosure.

SECTION 14. Governing Law. This Continuing Disclosure Certificate shall be governed by the laws of the State

DATE: ________, 2011

CITY OF WOODLAND

By:______________________________
Kimberly McKinney
Finance Officer

EXHIBIT A

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Woodland

Name of Note Issue: Woodland Finance Authority Water Revenue Commercial Paper Notes

Date of Issuance: ____________

NOTICE IS HEREBY GIVEN that the City of Woodland has not provided an Annual Report with respect to the above-named Notes as required by the Continuing Disclosure Certificate executed on the date of issuance of the Notes by the City, and the City anticipates that the Annual Report will be filed by ______________________.

Dated: [Date of Notice]

CITY OF WOODLAND

By:______________________________
Finance Officer

APPENDIX C

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The information in this Appendix C concerning The Depository Trust Company, New York, New York ("DTC") and DTC's book-entry system has been obtained from DTC and the City takes no responsibility for the completeness or accuracy thereof. The City cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Commercial Paper Notes, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Commercial Paper Notes, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Commercial Paper Notes, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Commercial Paper Notes. The Commercial Paper Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Commercial Paper Note certificate will be issued for each maturity of the Commercial Paper Notes, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTTC is owned by users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Commercial Paper Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Commercial Paper Notes on DTC's records. The ownership interest of each actual purchaser of each Commercial Paper Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Commercial Paper Notes are to be accomplished by entries made on the books of

Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Commercial Paper Notes, except in the event that use of the book-entry system for the Commercial Paper Notes is discontinued.

To facilitate subsequent transfers, all Commercial Paper Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Commercial Paper Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Commercial Paper Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Commercial Paper Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Commercial Paper Notes may wish to take certain steps to augment the transmission to them of notices of specified events with respect to the Commercial Paper Notes, such as redemptions, tenders, defaults, and proposed amendments to the Indenture. For example, Beneficial Owners of the Commercial Paper Notes may wish to ascertain that the nominee holding the Commercial Paper Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC, if less than all of the Commercial Paper Notes within a maturity are being redeemed. DTC's practice is to determine by lot the amount of the interest of each Direct Participant in each issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Commercial Paper Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Commercial Paper Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of, premium, if any, and interest on the Commercial Paper Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Issuing and Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Issuing and Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest on the Commercial Paper Notes to Cede (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Issuing and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Commercial Paper Notes at any time by giving reasonable notice to the City or the Issuing and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Commercial Paper Note certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Commercial Paper Note certificates will be printed and delivered.

The foregoing information concerning DTC concerning and DTC's book-entry system has been provided by DTC, and neither the City nor the Issuing and Paying Agent take any responsibility for the accuracy thereof.

NEITHER THE CITY NOR THE ISSUING AND PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO THE PAYMENTS OR THE PROVIDING OF NOTICE TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OR THE SELECTION OF NOTES FOR REDEMPTION.

Neither the City nor the Issuing and Paying Agent can give any assurances that DTC, DTC Participants, Indirect Participants or others will distribute payments of principal of, premium, if any, and interest on the Commercial Paper Notes paid to DTC or its nominee, as the registered Owner, or any redemption or other notice, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in a manner described in this Offering Memorandum.

In the event that the book-entry system is discontinued as described above, the requirements of the Indenture will apply.

The City and the Issuing and Paying Agent cannot and do not give any assurances that DTC, the Participants or others will distribute payments of principal, interest or premium, if any, evidenced by the Commercial Paper Notes paid to DTC or its nominee as the registered owner, or will distribute any redemption notices or other notices, to the Beneficial Owners, or that they will do so on a timely basis or will serve and act in the manner described in this Offering Memorandum. Neither the City nor the Issuing and Paying Agent are responsible or liable for the failure of DTC or any Participant to make any payment or give any notice to a Beneficial Owner with respect to the Commercial Paper Notes or an error or delay relating thereto.

REIMBURSEMENT AGREEMENT

Dated as of May 1, 2011,

among

CITY OF WOODLAND,

WOODLAND FINANCE AUTHORITY,

and

UNION BANK, N.A.

relating to:

WOODLAND FINANCE AUTHORITY,
WATER REVENUE
COMMERCIAL PAPER NOTES

REIMBURSEMENT AGREEMENT

(This Table of Contents is not a part of this
Reimbursement Agreement and is only
for convenience of reference)

REIMBURSEMENT AGREEMENT

THIS REIMBURSEMENT AGREEMENT dated as of May 1, 2011 (together with any amendments or supplements hereto, this *"Agreement"*), among the CITY OF WOODLAND (the *"City"*), the WOODLAND FINANCE AUTHORITY (the *"Authority"*) and UNION BANK, N.A. (together with its successors and assigns, the *"Bank"*).

WITNESSETH:

WHEREAS, pursuant to authority granted by the laws of the State of California, the Authority is empowered to issue commercial paper notes for the purposes set forth in the Trust Agreement dated as of February 1, 2011 (the "*Original Trust Agreement*") and the Trust Indenture dated as of May 1, 2011 (the "*Trust Indenture*" and together with the Original Trust Agreement, referred to collectively herein as the "*Trust Agreement*"), each between the Authority and the Trustee;

WHEREAS, pursuant to the Trust Agreement, the Authority has established a commercial paper program pursuant to which the Authority may, from time-to-time, issue Water Revenue Commercial Paper Notes (the "*Commercial Paper Notes*") under the Trust Agreement and supplemental trust agreements;

WHEREAS, the Authority has authorized its Commercial Paper Notes;

WHEREAS, the Authority has agreed to enter into an Installment Purchase Contract with the City dated February 1, 2011 (as amended, restated, supplemented and/or otherwise modified from time to time, the *"Installment Purchase Contract"*), the First Supplemental Installment Purchase Contract dated February 1, 2011 (the "*First Supplemental Installment Purchase Contract*"), and that certain Second Supplemental Installment Purchase Contract dated as of May 1, 2011 (the *"Second Supplemental Installment Purchase Contract,"* and together with the Installment Purchase Contract and the First Supplemental Installment Purchase Contract, collectively referred to herein as the *"Purchase Contract"*), pursuant to which the Authority will use the proceeds of the Commercial Paper Notes to finance facilities for the Water System (as hereinafter defined) and sell such facilities to the City in exchange for Installment Payments (as hereinafter defined) that are payable by the City solely from the Water Revenues (as hereinafter defined);

WHEREAS, the Authority will contemporaneously assign to the Trustee for the benefit and security of the owners of the Commercial Paper Notes and to the Bank with respect to the obligations due and owing the Bank hereunder and under the Fee Letter its right to receive Installment Payments under the Purchase Contract and in any security provided in connection therewith and under the Indenture and the rights of the Trustee to receive the same;

WHEREAS, the City has requested the Bank to support the Commercial Paper Notes by making available a letter of credit in the original stated amount of $**[3,315,040]** (representing an amount supporting the total aggregate principal amount of the Commercial Paper Notes in a principal amount of $**[37,345,348]** plus an amount equal to 270 days, interest on such principal amount at an assumed maximum rate per annum of twelve percent (12%) on the basis of a 365 day year) for the payment by the Issuing and Paying Agent, when and as due, of the principal of and interest on the Commercial Paper Notes on their respective maturity dates.

WHEREAS, the Bank is willing to issue such letter of credit upon the terms and conditions provided herein.

NOW THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows:

ARTICLE ONE
DEFINITIONS

Section 1.1. *Definitions*. As used in this Agreement:

"*Advance*" has the meaning set forth in Section 2.4(a) hereof.

"*Advance Maturity Date*" has the meaning set forth in Section 2.4(b) hereof.

"*Advance Rate*" means the rate of interest per annum with respect to an Advance (i) for any day commencing on the date such Advance is made up to and including the one hundred eightieth (180th) day following such Advance, equal to the Base Rate from time to time in effect, and (ii) from and after the one hundred eighty-first (181st) day following such Advance, equal to the Term Loan Rate from time to time in effect; *provided, however,* that immediately and automatically upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, "Advance Rate" shall mean the Default Rate; *provided, further*, that at no time shall the Advance Rate be less than the highest rate on any outstanding Commercial Paper Notes.

"*Agreement*" means this Reimbursement Agreement, as amended and supplemented.

"*Alternate Letter of Credit*" has the meaning set forth in the Trust Indenture.

"*Authority*" has the meaning set forth in the recitals hereof.

"*Authorized Representative*" has the meaning set forth in Section 6 of the Issuing and Paying Agency Agreement.

"*Bank*" has the meaning set forth in the first paragraph hereof.

"*Bank Note*" has the meaning set forth in Section 2.6 hereof.

"*Base Rate*" means, for any day, the rate per annum equal to the highest of (i) the sum of the Reference Rate in effect on such day *plus* two and one-half of one percent

(2.50%), (ii) the sum of the Federal Funds Rate in effect on such day *plus* two and one-half of one percent (2.50%), (iii) the sum of the LIBOR Rate as in effect on such day *plus* two and one-half of one percent (2.50%), and (iv) seven percent (7.00%).

"*Bond Counsel*" means Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation or another nationally recognized bond counsel selected by the City.

"*Bonds*" has the meaning set forth in the Trust Agreement.

"*Business Day*" has the meaning set forth in the Letter of Credit.

"*Capital Lease*" means any lease of Property which in accordance with GAAP would be required to be capitalized on the balance sheet of the lessee.

"*Capitalized Lease Obligations*" means the amount of the liability shown on the balance sheet of any Person in respect of a Capital Lease as determined in accordance with GAAP.

"*City*" has the meaning set forth in the recitals hereof.

"*Closing Date*" means May 12, 2011, which, subject to the satisfaction of the conditions precedent set forth in Section 3.1 hereof, is the date on which the Letter of Credit shall be issued.

"*Collateral*" means the Collateral described in Section 4.1(n) hereof.

"*Commercial Paper*" has the meaning set forth in the introductory paragraphs hereof.

"*Conversion Date*" means, with respect to a particular Advance, the Advance Maturity Date for such Advance.

"*Dealer Agreement*" means the Dealer Agreement dated as of May 1, 2011, among the City, the Authority and the Dealer approved and authorized pursuant to the Trust Agreement, as amended or supplemented from time to time in accordance with the terms hereof and thereof.

"*Dealer*" means Citigroup Global Markets Inc. and its respective successors and assigns, and any additional or successor Dealer in accordance with the terms of the Trust Indenture and the terms hereof.

"*Default*" means any condition or event which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

"*Default Rate*" means a fluctuating interest rate per annum equal to the sum of the Base Rate from time to time in effect *plus* three percent (3.00%).

"*Drawing*" has the meaning set forth in Section 2.3 hereof.

"*ERISA*" means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute thereto.

"*Event of Default*" has the meaning set forth in Section 6.1 hereof.

"*Facility Fee*" has the meaning set forth in the Fee Letter.

"*Fee Letter*" means that certain Fee Letter dated as of the Closing Date between the City and the Bank, as supplemented and amended from time to time.

"*Federal Funds Rate*" means, for any day, the rate of interest per annum as determined by the Bank at which overnight Federal Funds are offered to the Bank for such day by major banks in the interbank market, with any change in such rate to become effective as to the City and the Authority, on the date of any change in such rate. Each determination of the Federal Funds Rate by the Bank shall be deemed conclusive and binding on the City and the Authority, absent manifest error.

"*Final Drawing Notice*" has the meaning set forth in the Letter of Credit.

"*First Supplemental Installment Purchase Contract*" has the meaning set forth in the recitals hereof.

"*Fiscal Year*" has the meaning set forth in the Trust Agreement.

"*Fitch*" means Fitch, Inc., and its successors and assigns.

"*GAAP*" means generally accepted accounting principles in the United States as in effect from time to time, applied by the City on a basis consistent with the City's most recent financial statements furnished to the Bank.

"*Governmental Authority*" means any nation or government, any state, department, agency or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government, and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing.

"*Guarantees*" means, for any Person, all guarantees, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations of such Person to purchase, to provide funds for payment, to supply funds to invest in any other Person or otherwise to assure a creditor of another Person against loss.

"*Indebtedness*" means for any Person (without duplication) (i) all indebtedness created, assumed or incurred in any manner by such Person representing money borrowed (including by the issuance of debt securities), (ii) all obligations for the deferred purchase price of property or services (other than trade accounts payable arising in the ordinary course of business), (iii) all obligations secured by any Lien upon Property of such Person, whether or not such Person has assumed or become liable for the payment of such indebtedness, (iv) all Capitalized Lease Obligations of such Person, (v) all obligations, contingent or otherwise, of such Person on or with respect to letters of credit, banker's acceptances and other evidences of indebtedness representing extensions of credit whether or not representing obligations for borrowed money, (vi) all Guarantees and (vii) all obligations of such Person arising under or pursuant to any Swap Contract.

"Investment Policy" means the investment policy of the City delivered to the Bank pursuant to Section 3.1 hereof.

"Issuing and Paying Agent" means U.S. Bank National Association, and its successors and assigns, and any successor Issuing and Paying Agent pursuant to the terms of the Trust Agreement and the terms hereof.

"Issuing and Paying Agency Agreement" - means that certain Issuing and Paying Agency Agreement dated as of May 1, 2011, between the Authority and the Issuing and Paying Agent, as supplemented and amended in accordance with the terms hereof and thereof.

"Letter of Credit" means that certain irrevocable transferable letter of credit issued by the Bank for the account of the Authority in favor of the Issuing and Paying Agent supporting the Commercial Paper Notes, in the form of Appendix I hereto, with appropriate insertions, as amended.

"LIBOR Rate" means, for any day, a rate per annum equal the interest rate per annum (rounded upwards, if necessary to the nearest 1/1000 of 1%) for deposits in Dollars for a period equal to one month, which appears on Reuters LIBOR01 Page as of 11:00 a.m. (London, England time) on such date (or, if such day is not a London business day, on the immediately preceding London business day).

"Material Adverse Effect" means a material adverse effect on the ability of the City to perform any of its payment obligations or any other material obligations under this Agreement, the Fee Letter of any of the other Program Documents.

"*Maximum Rate*" means the maximum net effective interest rate permitted by applicable law.

"Moody's" means Moody's Investors Service, Inc., and its successors and assigns.

"Net Water Revenues" has the meaning set forth in the Trust Agreement.

“*No-Issuance Notice*” means the written instruction, in the form attached hereto as Exhibit A, given by the Bank to the City, the Authority and the Issuing and Paying Agent pursuant to Section 6.2(b) hereof.

“*Obligations*” means the Reimbursement Obligations (which includes amounts owing to the Bank evidenced by the Bank Note), the Facility Fees and all other obligations of the City or the Authority to the Bank arising under or in relation to this Agreement, the Fee Letter or any of the other Program Documents.

“*Offering Memorandum*” means that certain Offering Memorandum dated May __, 2011, relating to the Commercial Paper Notes.

“*Original Stated Amount*” has the meaning set forth in Section 2.1 hereof.

“*Original Trust Agreement*” has the meaning set forth in the recitals hereof.

“*Parity Obligations*” means any Indebtedness of the City or the Authority secured by a lien on Water Revenues on a parity with the lien on Water Revenues securing the Commercial Paper Notes and the Obligations owed to the Bank hereunder and under the Fee Letter.

“*Participant*” has the meaning set forth in Section 8.3(b) hereof.

“*Participation*” has the meaning set forth in Section 8.3(b) hereof.

“*Payment Office*” - means Union Bank, N.A., at ABA # 122-000-496, in favor of Union Bank, N.A., A/C # 30516-196431, Ref: Letter of Credit No. ___________ (Woodland Finance Authority Commercial Paper Notes), Attn: SC-TSO Standby LOC. or such other office as the Bank may designate from time to time.

“*Person*” means an individual, a corporation, a partnership, an association, a limited liability company, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

“*Plan*” means, with respect to the City at any time, an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code.

“*Principal Payments*” has the meaning set forth in Section 2.4(g)

“*Program Documents*” means this Agreement, the Letter of Credit, the Fee Letter, the Issuing and Paying Agency Agreement, the Commercial Paper Notes, the Dealer Agreement, the Trust Agreement, the Purchase Contract, the Offering Memorandum, the Bank Note and any documents related thereto.

"*Property*" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, whether now owned or hereafter acquired.

"*Rating Agency*" and "*Rating Agencies*" means, individually or collectively, as applicable, Fitch, Moody's and S&P.

"*Reference Rate*" means, for any day, the rate per annum equal to the rate of interest announced or otherwise established by the Bank from time to time as its prime commercial rate as in effect on such day, with any change in the Reference Rate resulting from a change in said prime commercial rate to be effective as of the date of the relevant change in said prime commercial rate (it being acknowledged and agreed that such rate may not be the Bank's best or lowest rate).

"*Reimbursement Obligations*" means any and all obligations of the City to reimburse the Bank for Drawings under the Letter of Credit and all obligations to repay the Bank for any Advance or Term Loan, including in each instance all interest accrued thereon, which obligations are evidenced and secured by the Bank Note.

"*S&P*" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors and assigns.

"*Second Supplemental Installment Purchase Contract*" has the meaning set forth in the recitals hereof.

"*State*" means the State of California.

"*Stated Amount*" has the meaning set forth in the Letter of Credit.

"*Stated Expiration Date*" has the meaning set forth in the Letter of Credit.

"*Swap Contract*" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "*Master Agreement*"), including any such obligations or liabilities under any Master Agreement.

"*Term Loan*" has the meaning set forth in Section 2.4(e) hereof.

"*Term Loan Maturity Date*" means, with respect to any Term Loan, the third anniversary of the date the related Advance was made.

"*Term Loan Rate*" means the rate of interest per annum with respect to any Term Loan equal to the greater of (x) the Base Rate from time to time in effect plus one percent (1.0%) or (y) the highest rate of interest on any outstanding Commercial Paper Notes.

"*Termination Date*" has the meaning set forth in the Letter of Credit.

"*Trust Agreement*" has the meaning set forth in the recitals hereof.

"*Trustee*" means U.S. Bank National Association, its successors and assigns.

"*Unpaid Drawing*" has the meaning set forth in Section 2.3 hereof.

"*Water Revenues*" has the meaning set forth in the Trust Agreement.

"*Water System*" has the meaning set forth in the Trust Agreement.

Section 1.02. Other Interpretive Provisions. With reference to this Agreement and each other Program Documents, unless otherwise specified herein or in such other Related Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Program Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "herein," "hereof" and "hereunder," and words of similar import when used in any Program Document, shall be construed to refer to such Program Document in its entirety and not to any particular provision thereof, (iv) all references in a Program Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Program Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein or in the other Program Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Program Document.

(d) Defined terms used herein which are stated to have the meanings assigned in the Master Indenture or Bond Indenture, as applicable, shall incorporate any amendments, restatements, supplements or other modifications to such terms.

Section 1.03. Accounting Terms. (a) *Generally.* All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with GAAP applied on a Consistent Basis, except as otherwise stated herein.

(b) *Changes in GAAP.* If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Program Document, and either the City, the Authority or the Bank shall so request, the Bank, the City and the Authority shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; *provided that*, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the City shall provide to the Bank financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

Section 1.04. Letter of Credit Amounts. Unless otherwise specified herein, the amount of the Letter of Credit at any time shall be deemed to be the maximum amount available to be drawn under the Letter of Credit, whether or not such maximum stated amount is in effect at such time. Without limiting the foregoing, the determination of such maximum amount shall assume compliance with all conditions for drawing and no reduction for any amount drawn by any drawing referred to in the Letter of Credit, the amount of which, in whole or in part, is subject to reinstatement (unless such amount is not reinstated under the Letter of Credit).

ARTICLE TWO
LETTER OF CREDIT

Section 2.1. Issuance of Letter of Credit. Upon the terms, subject to the conditions and relying upon the representations and warranties set forth in this Agreement or incorporated herein by reference, the Bank agrees to issue the Letter of Credit substantially in the form of

Appendix I hereto. The Letter of Credit shall be in the original stated amount of $**[40,660,388]** (the *"Original Stated Amount"*), which is the sum of (i) the total aggregate principal amount of the Commercial Paper Notes authorized to be issued under the Trust Indenture and the Issuing and Paying Agency Agreement, plus (ii) interest thereon at an assumed maximum rate of twelve percent (12%) per annum for a period of two hundred seventy (270) days on the basis of a 365 day year.

Section 2.2. Letter of Credit Drawings. The Issuing and Paying Agent is authorized to make drawings under the Letter of Credit in accordance with its terms. The City hereby directs the Bank to make payments under the Letter of Credit in the manner therein provided. The City hereby irrevocably approves reductions and reinstatements of the Stated Amount as provided therein.

Section 2.3. Reimbursement. Subject to the provisions of Section 2.4 hereof, the City and the Authority agree to pay, or to cause to be paid, to the Bank (i) on each date on which the Bank shall honor any demand for payment under the Letter of Credit (each such payment by the Bank being herein referred to as a *"Drawing"*) a sum equal to the amount so paid under the Letter of Credit (any amount so paid until reimbursed being herein referred to as an *"Unpaid Drawing"*), plus (ii) interest on the amount of each such Unpaid Drawing from and including the date such Drawing is paid until the Bank is reimbursed in full for such Drawing equal to the Default Rate. Subject to the provisions of Section 2.4 hereof respecting Advances (each such Advance when made shall constitute reimbursement of a Drawing in an amount equal to the amount of such Advance), the City and the Authority shall be obligated, without notice of a Drawing or demand for reimbursement (which notice is hereby waived by the City and the Authority), to reimburse the Bank for all Drawings on the same day as made. For avoidance of doubt, the amount of any Drawing relating to accrued interest on the related Commercial Paper Notes shall be reimbursed by the City and/or the Authority on the date on which such Drawing is made. The City, the Authority and the Bank agree that the reimbursement in full for each Drawing on the day such Drawing is made is intended to be a contemporaneous exchange for new value given to the City and the Authority by the Bank. If a Drawing is reimbursed at or prior to 3:00 P.M., New York City time, on the same day on which it is made, no interest shall be payable on such Drawing.

Section 2.4. Advances; Term Loans.

(a) *Making of Advances.* The Bank agrees that if (i) the Bank shall honor any Drawing under the Letter of Credit, (ii) the portion of such Drawing relating to the principal amount of the related Commercial Paper Notes shall not be reimbursed in full on the date of such Drawing by payment to the Bank as provided in Section 2.3 hereof, and (iii) (A) the representations and warranties of the City contained in Article Four of this Agreement are true and correct as of the date of such Drawing, and (B) no Default or Event of Default shall have occurred and be continuing on the date of such Drawing, the portion of such Drawing relating to the principal amount of the related Commercial Paper Notes (or the portion thereof) which is not so reimbursed by the City and/or the Authority to the Bank on the date of such Drawing shall automatically constitute an advance made by the Bank to the City and the Authority on the date and in an amount equal to the amount of such Drawing (or portion thereof) which is not so reimbursed by the City and/or the Authority to the Bank (individually referred to herein as an *"Advance"* and, collectively referred to herein as the *"Advances"*). For purposes of Section 2.3 hereof, each Advance when made shall constitute reimbursement of the portion of the related Drawing relating to the principal amount of the related Commercial Paper Notes in an amount equal to the amount of such Advance; and each Advance when made shall preclude, to the extent of the amount of such Advance, the portion of the related Drawing relating to the principal amount of the related Commercial Paper Notes from being or constituting an Unpaid Drawing. Unless the City shall have otherwise previously advised the Bank in writing, payment by the Bank of any Drawing under the Letter of Credit shall be deemed to constitute a representation and warranty by the City that on the date of such Drawing (i) the representations and warranties of the City contained in Article Four are true and correct, and (ii) no Default or Event of Default has occurred and is continuing.

(b) *Payment of Principal and Interest on Advances.* Except as otherwise required or permitted by Section 2.4(c), 2.4(d) or 2.4(e) of this Agreement, the City shall repay, or cause to be repaid, the unpaid amount of each Advance on the 180th day next following the date of such Advance (with respect to such Advance, the *"Advance Maturity Date"*). The City shall pay interest on the unpaid amount of each Advance from the date of such Advance until paid in full at the Advance Rate from time to time in effect; *provided* that from and after the occurrence of an Event of Default, each Advance shall bear interest at the Default Rate. Interest on each Advance shall be payable monthly, in arrears, on the first Business Day of each calendar month for each calendar day in the immediately preceding calendar month (commencing with the first such date to occur after the making of the related Advance) and upon prepayment or maturity of such Advance.

(c) *Mandatory Prepayment of Advances and Term Loans.* The City shall prepay Unpaid Drawings, Advances and Term Loans as provided below on each day on which the aggregate proceeds of the issuance of the Commercial Paper Notes exceed the sum of (i) Commercial Paper Notes maturing on such day, (ii) the amount of any Unpaid Drawings on such day, (iii) the amount of any Advances outstanding on such day, and (iv) the amount of any Term Loans outstanding on such day, in an amount equal to the amount of such excess. On the date of each such prepayment of Unpaid Drawings, Advances or Term Loan, as applicable (or portions thereof), the City and/or the Authority shall pay to the Bank interest accrued and unpaid to the date of such prepayment on the aggregate amount of the Unpaid Drawings, Advances and Term Loans (or portions thereof) prepaid. Upon the Bank's receipt of any payment or prepayment of any Unpaid Drawing, Advance or Term Loan, the amount of such Unpaid Drawing, Advance and/or Term Loan shall be reduced by the amount of such payment or prepayment. Any prepayment pursuant to this clause (c) shall be applied first to outstanding Term Loans, in the inverse order of maturity, then to outstanding Advances in the inverse order of maturity and then to outstanding Unpaid Drawings in the inverse order of maturity.

(d) *Optional Prepayment.* The City may prepay Advances in whole, or in part in a minimum amount of $1,000,000 and in integral multiples of $100,000 in excess thereof, in each case, without penalty or premium on one Business Day's prior written notice.

(e) *Term Loan Option.* On an Advance Maturity Date, each Advance maturing on such date shall, if the conditions precedent set forth in Section 2.4(f) have been satisfied, be converted to a loan (a *"Term Loan"*).

(f) *Conditions Precedent to Term Loans.* Amounts owed by the City for Advances remaining unpaid on their respective Advance Maturity Dates shall be converted to Term Loans if and only if:

(i) the representations and warranties of the City and the Authority contained in Article Four of this Agreement are true and correct on and as of the Conversion Date as though made on and as of such date;

(ii) no Default or Event of Default has occurred and is continuing or would result from converting the Advance to a Term Loan; and

(iii) a No-Issuance Notice shall not be in effect.

(g) *Repayment of Term Loans.* The City agrees to pay to the Bank an amount equal to the unpaid principal amount of each Term Loan made by the Bank together with interest thereon from and including the Conversion Date to but excluding the date the Bank is reimbursed therefor at a rate per annum equal to the Term Loan Rate; *provided* that from and after the occurrence of an Event of Default, each Term Loan shall bear interest at the Default Rate. Interest on the unpaid balance of each Term Loan shall be paid to the Bank monthly in arrears on the first Business day of each calendar month during the term of such Term Loan for each day in the immediately preceding calendar month (commencing with the first such date to occur after the Conversion Date) and on the Term Loan Maturity Date. Each Term Loan shall be repaid in six equal semi-annual installments (each such installment herein referred to as a *"Principal Payment"*), the first such Principal Payment to be made on the Conversion Date, and each date occurring every six months thereafter, until paid in full; *provided* that the unpaid amount of each Term Loan shall be paid in full not later than the applicable Term Loan Maturity Date; *provided further,* that if the City elects to prepay a Term Loan in part, each such prepayment shall be applied (i) to the Term Loans in inverse order of the Conversion Dates of the Term Loans, and (ii) to the remaining Principal Payments relating to each Term Loan prepaid in inverse order of the date of such Principal Payment.

(h) *Prepayment of Term Loans.* The Authority may prepay any Term Loan in whole, or in part in a minimum amount of $1,000,000 and in integral multiples of $100,000 in excess thereof, in each case without penalty on one Business Day's prior written notice.

Section 2.5. Fees. The City hereby agrees to pay and perform its obligations provided for in the Fee Letter, including the payment of all fees and expenses provided for therein. The terms and provisions of the Fee Letter are incorporated herein by reference.

Section 2.6. The Bank Note. All Reimbursement Obligations shall be made against and evidenced by the City's promissory note payable to the order of the Bank in the principal amount equal to the Original Stated Amount, such note to be executed and delivered to the Bank on the

Closing Date in the form of Exhibit B attached hereto with appropriate insertions (the "*Bank Note*"). All Reimbursement Obligations and all payments and prepayments on account of the principal of and interest on each Reimbursement Obligation shall be recorded by the Bank on its books and records, which books and records shall, absent manifest error, be conclusive as to amounts payable by the City hereunder and under the Bank Note. The Bank may, but shall not be required to, complete the schedule attached to the Bank Note to reflect the making and status of Drawings, *provided* that the failure to make or any error in making any such endorsement on such schedule shall not limit, extinguish or in any way modify the obligation of the City to repay the Drawings, Unpaid Drawings, Advances and Term Loans. The City shall pay principal and interest on the Bank Note on the dates and at the interest rates provided for in Sections 2.3 and 2.4 hereof with respect to Unpaid Drawings, Advances and Term Loans.

Section 2.7. Substitute Letter of Credit; Reduction of Stated Amount. Notwithstanding any provisions of this Agreement to the contrary, the City and the Authority agree not to (a) terminate or replace the Letter of Credit prior to the Stated Expiration Date, except upon (i) the payment by the City and/or the Authority to the Bank of the Termination Fee, (ii) the payment to the Bank of all Obligations payable hereunder and (iii) the City and/or the Authority providing the Bank with thirty (30) days prior written notice of its intent to terminate or replace, as applicable, the Letter of Credit, or permanently reduce the Stated Amount of the Letter of Credit prior to the Stated Expiration Date, except upon (i) the payment by the City and/or the Authority to the Bank of the Reduction Fee and (ii) the City and/or the Authority providing the Bank with ten (10) days prior written notice of its intent to permanently reduce the Stated Amount of the Letter; *provided* that all payments to the Bank referred to in clause (i) and (ii) above shall be made in immediately available funds and that any such termination or replacement of the Letter of Credit or permanent reduction of the Stated Amount of the Letter of Credit shall be in compliance with the terms and conditions of the Trust Agreement. The City and the Authority agree that any termination of the Letter of Credit as a result of the provision of any Alternate Letter of Credit will require, as a condition thereto, that the City, the Authority or the issuer of any Alternate Letter of Credit provide funds on the date of such termination or provision, which funds be sufficient to pay in full at the time of termination of the Letter of Credit all Obligations due and owing to the Bank hereunder and under the Fee Letter.

Section 2.8. Computation of Interest and Fees. Interest and fees payable hereunder shall be calculated on the basis of a year of 360 days and the actual number of days elapsed. Interest shall accrue during each period during which interest is computed from and including the first day thereof to but excluding the last day thereof.

Section 2.9. Payment Due on Non-Business Day to Be Made on Next Business Day. If any sum becomes payable pursuant to this Agreement on a day which is not a Business Day, the date for payment thereof shall be extended, without penalty, to the next succeeding Business Day, and such extended time shall be included in the computation of interest and fees.

Section 2.10. Late Payments. If the any Obligation is not paid when due, such Obligation shall bear interest until paid in full at a rate per annum equal to the Default Rate.

Section 2.11. Source of Funds. All payments made by the Bank pursuant to the Letter of Credit shall be made from funds of the Bank, and not from the funds of any other Person.

Section 2.12. Extension of Stated Expiration Date. If the City or the Authority on any date which is not less than sixty (60) days prior to the Stated Expiration Date (as the same may be extended from time to time) submits to the Bank a written request for an extension of the Stated Expiration Date for a period as specified in such written request, the Bank will make reasonable efforts to respond to such request within 30 days after receipt of all information necessary, in the Bank's reasonable judgment, to permit the Bank to make an informed credit decision. In the event the Bank fails to definitively respond to such request within such period of time, the Bank shall be deemed to have refused to grant the extension requested. The Bank may, in its sole and absolute discretion, decide to accept or reject any such proposed extension and no extension shall become effective unless the Bank shall have consented thereto in writing. The consent of the Bank, if granted, shall be conditioned upon the preparation, execution and delivery of documentation in form and substance reasonably satisfactory to the Bank and consistent with this Agreement. If such an extension request is accepted by the Bank in its sole and absolute discretion, the then current Stated Expiration Date for the Letter of Credit shall be extended to the date agreed to by the City, the Authority and the Bank.

Section 2.13. Net of Taxes, Etc.

(a) *Taxes*. Any and all payments to the Bank by the City and the Authority hereunder and under the Fee Letter shall be made free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges, withholdings or liabilities imposed thereon, excluding, however, taxes imposed on or measured by the net income or capital of the Bank by any jurisdiction or any political subdivision or taxing authority thereof or therein solely as a result of a connection between the Bank and such jurisdiction or political subdivision (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as *"Taxes"*). If the City and/or the Authority shall be required by law to withhold or deduct any Taxes imposed by the United States or any political subdivision thereof from or in respect of any sum payable hereunder or under the Fee Letter to the Bank, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.13), the Bank receives an amount equal to the sum it would have received had no such deductions been made, (ii) the City and/or the Authority shall make such deductions and (iii) the City and/or the Authority shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the City and/or the Authority shall make any payment under this Section 2.13 to or for the benefit of the Bank with respect to Taxes and if the Bank shall claim any credit or deduction for such Taxes against any other taxes payable by the Bank to any taxing jurisdiction in the United States then the Bank shall pay to the City or the Authority, as applicable, an amount equal to the amount by which such other taxes are actually reduced; *provided* that the aggregate amount payable by the Bank pursuant to this sentence shall not exceed the aggregate amount previously paid by the City and/or the Authority with respect to such Taxes. In addition, the City and the Authority agree to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America or the State of New York or any other taxing jurisdiction or any Governmental Authority from any payment made hereunder or from the execution or delivery or otherwise with respect to this Agreement or the Fee Letter (hereinafter referred to as "*Other Taxes*"). The Bank shall provide to the City and the Authority within a reasonable time a copy of any written notification it receives with respect to Taxes or Other Taxes owing by the City or the Authority, as applicable, to the Bank hereunder; *provided* that the Bank's failure to send such notice shall not relieve the City or the Authority, as applicable, of its obligation to pay such amounts hereunder.

(b) *Indemnity.* The City and/or the Authority shall, to the fullest extent permitted by law and subject to the provisions hereof, indemnify the Bank for the full amount of Taxes and Other Taxes including any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.13 paid by the Bank or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted; *provided* that the City and the Authority shall not be obligated to indemnify the Bank for any penalties, interest or expenses relating to Taxes or Other Taxes arising from the Bank's gross negligence or willful misconduct. The Bank agrees to give notice to the City and the Authority of the assertion of any claim against the Bank relating to such Taxes or Other Taxes as promptly as is practicable after being notified of such assertion; *provided* that the Bank's failure to notify the City and the Authority of such assertion shall not relieve the City and/or the Authority of their respective obligations under this Section 2.13. Payments by the City and/or the Authority pursuant to this Section shall be made within thirty (30) days from the date the Bank makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. The Bank agrees to repay to the City or the Authority, as applicable, any refund (including that portion of any interest that was included as part of such refund) with respect to Taxes or Other Taxes paid by the City and/or the Authority pursuant to this Section 2.13 received by the Bank for Taxes or Other Taxes that were paid by the City and/or the Authority pursuant to this Section 2.13. The City or the Authority may request the Bank to contest any such Taxes or Other Taxes which the City or the Authority, as applicable, has paid pursuant to this Section 2.13 and which the City or the Authority, as applicable, reasonably believes not to have been properly assessed, but the Bank shall have the sole discretion in determining whether to contest the assessment of such Taxes or Other Taxes. Any contest which the Bank determines to make after having received a request from the City or the Authority, shall be at the sole expense of the City and the Authority, but shall be conducted at the direction of and sole control of the Bank.

(c) *Notice.* Within thirty (30) days after the date of any payment of Taxes by the City and/or the Authority, the City or the Authority, as applicable, shall furnish to the Bank, the original or a certified copy of a receipt evidencing payment thereof.

(d) *Survival of Obligations.* The obligations of the City and the Authority under this Section 2.13 shall survive the termination of this Agreement.

Section 2.14. Increased Costs. (a) If the Code or any newly adopted law, treaty, regulation, guideline or directive, or any change in any, law, treaty, regulation, guideline or directive or any new or modified interpretation of any of the foregoing by any authority or agency charged with the administration or interpretation thereof or any central bank or other fiscal, monetary or other authority having jurisdiction over the Bank or the transactions contemplated by this Agreement, whether or not having the force of law (each a *"Change in Law"*) shall:

(i) limit the deductibility of interest on funds obtained by the Bank to pay any of its liabilities or subject the Bank to any tax, duty, charge, deduction or withholding on or with respect to payments relating to the Bonds, the Letter of Credit, this Agreement or the Fee Letter, or any amount paid or to be paid by the Bank as the issuer of the Letter of Credit (other than any tax measured by or based upon the overall net income of the Bank imposed by any jurisdiction having control over the Bank);

(ii) impose, modify, require, make or deem applicable to the Bank any reserve requirement, capital requirement, special deposit requirement, insurance assessment or similar requirement against any assets held by, deposits with or for the account of, or loans, letters of credit or commitments by, an office of the Bank;

(iii) change the basis of taxation of payments due the Bank under this Agreement, the Fee Letter or the Bank Note (other than by a change in taxation of the overall net income of the Bank);

(iv) cause or deem letters of credit to be assets held by the Bank and/or as deposits on its books; or

(v) impose upon the Bank any other condition with respect to any amount paid or payable to or by the Bank or with respect to this Agreement, the Fee Letter or any of the other Program Documents;

and the result of any of the foregoing is to increase the cost to the Bank of making any payment or maintaining the Letter of Credit, or to reduce the amount of any payment (whether of principal, interest or otherwise) receivable by the Bank, or to reduce the rate of return on the capital of the Bank or to require the Bank to make any payment on or calculated by reference to the gross amount of any sum received by it, in each case by an amount which the Bank in its reasonable judgment deems material, then:

(1) the Bank shall promptly notify the City and the Authority in writing of such event;

(2) the Bank shall promptly deliver to the City and the Authority a certificate stating the change which has occurred or the reserve requirements or other costs or conditions which have been imposed on the Bank or the request, direction or requirement with which it has complied, together with the date thereof, the amount of such increased cost, reduction or payment and a reasonably detailed description of the way in which such amount has been calculated, and the Bank's determination of such amounts, absent fraud or manifest error, shall be conclusive; and

(3) the City and/or the Authority shall pay to the Bank, from time to time as specified by the Bank, such an amount or amounts as will compensate the Bank for such additional cost, reduction or payment.

(b) The protection of this Section 2.14 shall be available to the Bank regardless of any possible contention of invalidity or inapplicability of the law, regulation or condition which has been imposed; *provided, however,* that if it shall be later determined by the Bank that any amount so paid by the City or the Authority pursuant to this Section 2.14 is in excess of the amount payable under the provisions hereof, the Bank shall refund such excess amount to the City or the Authority, as applicable. Notwithstanding the foregoing, for purposes of this Agreement (x) all requests, rules, guidelines or directives in connection with the Dodd-Frank Act shall be deemed to be a Change in Law, regardless of the date enacted, adopted or issued, and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) or any Governmental Authority shall be deemed a Change in Law regardless of the date enacted, adopted or issued.

(c) All payments of amounts referred to in paragraphs (a) and (b) of this Section shall be due thirty (30) days following the City's receipt of written notice thereof and shall be payable, in full, on the next succeeding quarterly payment date that the Facility Fee is due and payable. Interest on the sums due as described in paragraphs (a) and (b) of this Section, and in the preceding sentence, shall begin to accrue from the date which is thirty (30) days following the receipt of notice by the City and the Authority thereof and shall otherwise be payable in accordance with Section 2.19 hereof; *provided* that from and after the required date of payment, interest shall begin to accrue on such obligations at a rate per annum equal to the Default Rate until such delinquent payments have been paid in full. A certificate as to such increased cost, increased capital or reduction in return incurred by the Bank as a result of any event mentioned in paragraphs (a) or (b) of this Section setting forth, in reasonable detail, the basis for calculation and the amount of such calculation shall be submitted by the Bank to the City and the Authority and shall be deemed conclusive if reasonably determined. In making the determinations contemplated by the above referenced certificate, the Bank may make such reasonable estimates, assumptions, allocations and the like that the Bank in good faith determines to be appropriate.

(d) The obligations of the City and the Authority under this Section 2.14 shall survive the termination of this Agreement.

Section 2.15. Margin Regulations. No portion of the proceeds of any Drawings under the Letter of Credit shall be used by the City or the Authority (or the Issuing and Paying Agent or any other Person on behalf of the City or the Authority) for the purpose of "purchasing" or "carrying" any margin stock or used in any manner which might cause the borrowing or the application of such proceeds to violate Regulation U, Regulation T, or Regulation X of the Board of Governors of the Federal Reserve System or any other regulation of said Board of Governors or to violate the Securities Exchange Act of 1934, as amended, in each case as in effect on the date or dates of such Drawings or Advances and such use of proceeds.

Section 2.16. Maximum Rate; Payment of Fee. If the rate of interest payable hereunder shall exceed the Maximum Rate for any period for which interest is payable, then (i) interest at the Maximum Rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof without regard to the limitation of the Maximum Interest Rate and (B) the Maximum Rate (the *"Excess Interest"*), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed the Maximum Rate, at which time the City and/or the Authority shall pay to the Bank with respect to amounts then payable to the Bank that are required to accrue interest hereunder, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bank to equal the Maximum Rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder and under the Fee Letter until all deferred Excess Interest is fully paid to the Bank. Upon the termination of the Letter of Credit, this Agreement and the Fee Letter, in consideration for the limitation of the rate of interest otherwise payable hereunder, the City and/or the Authority shall pay to the Bank a fee equal to the amount of all unpaid deferred Excess Interest.

Section 2.17. Commercial Paper Operations.

(a) *Issuance Generally.* The Authority will permit Commercial Paper Notes to be issued, and authorize the Issuing and Paying Agent to issue Commercial Paper Notes, only in accordance with the terms of the Trust Agreement, the Issuing and Paying Agency Agreement and this Agreement.

(b) *No-Issuance Notices; Final Drawing Notice.* Commercial Paper Notes may be issued from time to time prior to the Stated Expiration Date in accordance herewith and with the Trust Agreement so long as (i) the Issuing and Paying Agent is not in receipt of instructions then in effect given pursuant to this Section 2.18(b) and in substantially the form of Exhibit A to this Agreement (a *"No-Issuance Notice"*), and not rescinded, by the Bank not to issue Commercial Paper Notes and (ii) the Issuing and Paying Agent is not in receipt of the Final Drawing Notice. The Bank may deliver a No-Issuance Notice at any time when: (i) an Event of Default shall have occurred and be continuing; or (ii) the representations and warranties of the City or the Authority set forth in Article Four hereof shall, in the reasonable opinion of the Bank, no longer be true and correct in any material respect. The Bank may deliver the Final Drawing Notice at any time when an Event of Default shall have occurred and be continuing. A No-Issuance Notice or the Final Drawing Notice shall be effective when received by the Issuing and Paying Agent; *provided, however,* that a No-Issuance Notice or the Final Drawing Notice received by the Issuing and Paying Agent after 10:30 A.M., New York City time, on any day on which Commercial Paper Notes is being issued shall be effective on the next succeeding Business Day. A No-Issuance Notice or the Final Drawing Notice may be given by facsimile or electronic mail transmission, confirmed in writing within 24 hours, but the failure to so confirm such No-Issuance Notice or the Final Drawing Notice in writing shall not render such No-Issuance Notice or the Final Drawing Notice ineffective. The Bank will furnish a copy of any No-Issuance Notice or the Final Drawing Notice to the City, the Authority, the Issuing and Paying Agent and the Dealers promptly following delivery thereof to the Issuing and Paying Agent, but the failure to furnish any such copy shall not render ineffective such No-Issuance Notice or the Final Drawing Notice.

Section 2.19. *Method of Payment; Etc.* All payments to be made by the City under this Agreement shall be made at the Payment Office not later than 3:00 p.m. (New York time) on the date when due and shall be made in lawful money of the United States of America in freely transferable and immediately available funds.

Section 2.20. *Net Water Revenues.* Notwithstanding anything herein to the contrary, all obligations of the Authority and the City hereunder and under the Fee Letter are payable from and secured by a lien on Net Water Revenues.

ARTICLE THREE
CONDITIONS PRECEDENT

Section 3.1. *Conditions Precedent to Issuance of the Letter of Credit*. As conditions precedent to the obligation of the Bank to issue the Letter of Credit, the City or the Authority, as applicable, shall provide to the Bank on the Closing Date, each in form and substance satisfactory to the Bank and its counsel, Chapman and Cutler LLP (hereinafter, *"Bank's Counsel"*):

(i) *Approvals*. The Bank shall have received a counterpart of this Agreement duly executed by the City, the Authority and the Bank and copies of all action taken by the City and the Authority approving the execution and delivery by the City and the Authority, as applicable, of this Agreement, the Fee Letter and the other Program Documents, in each case certified by an authorized official of the City and the Authority as complete and correct as of the date hereof.

(ii) *Incumbency of City and Authority Officials*. The Bank shall have received an incumbency certificate of the City and the Authority in respect of each of the officials who is authorized to (i) sign this Agreement and the other Program Documents on behalf of the City or the Authority, as applicable, and (ii) take actions for the City or the Authority, as applicable, under this Agreement and the other Program Documents.

(iii) *Opinion of Bond Counsel*. The Bank shall have received a written opinion of Bond Counsel to the City, addressed to the Bank, dated the Closing Date to the effect that (i) this Agreement and the Fee Letter have been duly authorized, executed and delivered by the City and is the valid and binding obligation of the City enforceable in accordance with its terms, except as may be limited by the valid exercise of judicial discretion and the constitutional powers of the United States of America and to valid bankruptcy, insolvency, reorganization or moratorium or other similar laws applicable to the City and equitable principles relating to or affecting creditors' rights generally from time to time, (ii) the execution and delivery by the City of this Agreement does not violate the Constitution or laws of the State, and (iii) the City has taken all actions, and has obtained any approvals, necessary to the authorization, execution, delivery, and performance by the City of this Agreement.

(iv) *Opinion of City Attorney*. The Bank shall have received a written opinion of the City Attorney, addressed to the Bank, dated the Closing Date, in form and substance agreed to by the City Attorney and the Bank.

(v) *Opinions of Counsel to the Authority.* The Bank shall have received a written opinion of counsel to the Authority, addressed to the Bank, dated the Closing Date in form and substance satisfactory to the Bank and counsel of the Bank.

(vi) *Issuing and Paying Agent; Dealer*. The Issuing and Paying Agent and Dealer shall have been appointed. The Bank shall have received copies of each of the Dealer Agreement, duly executed by the Dealer, which agreement shall be in full force and effect.

(vii) *Program Documents*. The Bank shall have received (A) certified copies of the Original Trust Agreement and the Installment Purchase Contract and (B) executed copies of Trust Indenture, the Second Supplemental Installment Purchase Contract, the Issuing and Paying Agency Agreement and the Dealer Agreement, which have been executed on or prior to the Closing Date, authorizing the issuance of the Commercial Paper Notes, and approving and authorizing this Agreement and the Fee Letter in form and substance satisfactory to the Bank, all certified by an authorized officer of the City and the Authority as being in full force and effect.

(viii) *No Default, Etc*. (i) No Default or Event of Default shall have occurred and be continuing as of the date hereof or will result from the execution and delivery by the City of this Agreement, (ii) the representations and warranties and covenants made by the City in Article Four hereof shall be true and correct in all material respects on and as of the Closing Date, as if made on and as of such date, (iii) all of the conditions precedent to issuance of the Letter of Credit set forth in this Section 3.1 shall have been satisfied, and (iv) the Bank shall have received a certificate, given and made as of the Closing Date, from the City to the foregoing effect.

(ix) *Financial Information*. The Bank shall have received (a) the audited financial statements of the City dated June 30, 2010, (b) the unaudited final statements of the City dated **[December 31, 2010]**, (d) the most recent adopted budget of the City with respect to the Water System, (d) the investment policy and (e) such other financial information as the Bank may reasonably request.

(x) *Legality; Material Adverse Change*. The Bank shall have determined (in its sole discretion) that (i) neither the making of any Advances nor the consummation of any of the transactions contemplated by the Trust Agreement, the Trust Indenture, the Purchase Contract, the Issuing and Paying Agency Agreement, the Commercial Paper Notes, this Agreement, the Fee Letter or any other Program Document will violate any law, rule, guideline or regulation applicable to the City, the Authority, the Bank or this Agreement or the Fee Letter and (ii) no material adverse change in the ratings, financial condition, business, assets, liabilities or prospects of the Water System shall have occurred since June 30, 2010.

(xi) *Fees, Etc*. The Bank shall have received payment of the fees, costs and expenses referred to in the Fee Letter and Section 7.6 hereof that are required to be paid on the Closing Date.

(xii) *Other Documents*. The Bank shall have received such other documents, certificates, and opinions as the Bank or the Bank's counsel shall have reasonably requested.

(xiii) *No Default, Etc*. (A) No Default or Event of Default shall have occurred and be continuing as of the date hereof or will result from the execution, delivery and performance by the City or the Authority of this Agreement, the Fee Letter or any other Program Document to which the City or the Authority is a party, (B) the representations and warranties made by the City and the Authority in Article IV hereof shall be true and correct on and as of the Closing Date, as if made on and as of such date, (C) all conditions precedent to the issuance of the Letter of Credit set forth in this Section 3.1 have been satisfied, and (D) the Bank shall have received a certificate, given and made as of the Closing Date, from each of the City and the Authority to the foregoing effect.

(xiv) *Governmental Approvals*. The Bank shall have received true and correct copies of all Governmental Approvals, if any, necessary for the City and the Authority to execute, deliver and perform this Agreement, the Fee Letter and the other Program Documents to which each is a party and to authorize the City and the Authority to obtain the issuance of the Letter of Credit.

(xv) *Insurance*. The Bank shall have received evidence of insurance with respect to the Water System as required by the terms of the Purchase Contract and the terms hereof in form and substance satisfactory to it.

(xvi) *Bank Note.* An executed Bank Note payable to the Bank, and written evidence satisfactory to the Bank that (a) a CUSIP number has been obtained and reserved from Standard & Poor's CUSIP Service for the Bank Note and (b) a long-term rating on the Bank has been obtained from any of Moody's, Fitch or S&P.

(xvii) *Ratings of Commercial Paper Notes*. Evidence that the Commercial Paper Notes have been rated "A1" or better by S&P and "F-1" or better by Fitch.

(xviii) *Underlying Rating.* Evidence that the long-term, unenhanced rating on the Bonds is at least ____ and ____ by Fitch and S&P, respectively.

ARTICLE FOUR
REPRESENTATIONS AND WARRANTIES

Section 4.1. Representations and Warranties of the City. In order to induce the Bank to issue the Letter of Credit, the City represents and warrants to the Bank as follows:

(a) *Organization and Powers.* The City (a) is duly organized and validly existing as a municipal corporation under the laws of the State of California; (b) has all corporate powers and all material governmental licenses, authorizations, consents, and approvals required to carry on its business as now conducted; (c) has full power and authority to operate the Water System and to use the proceeds of the Commercial Paper Notes as contemplated in the Second Supplemental Installment Purchase Contract; and (d) has full power and authority to execute, deliver, and perform its obligations under the Purchase Contract, this Agreement, the Fee Letter and the other Program Documents to which it is a party; to borrow and obtain extensions of credit hereunder and under the Letter of Credit.

(b) *Compliance with Laws and Contracts.* Neither the execution and delivery or adoption by the City of the Program Documents to which the City is a party, nor the consummation of the transactions herein and therein contemplated, nor compliance with the provisions hereof or thereof will violate any constitutional provision or any law, rule, regulation, order, writ, judgment, injunction, decree or award of any court or Governmental Authority, arbitration, agency or other instrumentality applicable to the City binding on the City, the City's charter, bylaws or other organizational documents or the provisions of any indenture, instrument or agreement to which the City is a party or is subject, or by which it or its property is bound, or conflict with or constitute a default under or result in the creation or imposition of any security interest, lien, charge or encumbrance on any of its assets pursuant to the provisions of any of the foregoing.

(c) *Governmental Consent or Approval.* No authorization, consent, approval, permit, license, or exemption of, or filing or registration with, any court or governmental department, commission, board, bureau, agency, or instrumentality that has not been obtained or issued is or will be necessary for the valid adoption, execution, delivery or performance by the City of the this Agreement, the Fee Letter and the other Program Documents to which it is a party and obtaining extensions of credit hereunder.

(d) *Litigation.* There is no action, suit, or proceeding pending in any court or, to the knowledge of the City, pending or threatened against or affecting the City, the Water System, or relating to other applicable laws or regulations, or this Agreement, the Fee Letter or the other Program Documents in any court or before or by any governmental department, agency, instrumentality, or arbitrator the resolution of which would materially and adversely affect the ability or authority of the City to perform its obligations under this Agreement, the Fee Letter and the other Program Documents to which it is a party, or which in any manner questions the validity or enforceability of this Agreement, the Fee Letter and the other Program Documents to which it is a party or the granting, perfection, enforceability, or priority of the lien on and pledge of the Collateral.

(e) *No Event of Default under the Trust Agreement.* No "Event of Default" specified in the Trust Agreement or any other Program Document and no event which, with the giving of notice or lapse of time or both would become such an Event of Default, has occurred and is continuing.

(f) *Financial Statements.* Since the effective date of the financial information provided by the City to the Bank in connection with this Agreement, there has been no material adverse change in the business, properties, condition (financial or otherwise), or operations, present or prospective, of the City or the Water System.

(g) *Complete and Correct Information.* All information, reports, and other papers and data with respect to the City and the Water System furnished to the Bank in connection with this Agreement were, at the time the same were so furnished, complete and correct in all material respects, to the extent necessary to give the Bank a true and accurate knowledge of the subject matter. No document furnished or statement made by the City in connection with the negotiation, preparation, or execution of this Agreement contains any untrue statement of a fact material to its creditworthiness or omits to state a material fact necessary in order to make the statements contained therein not misleading.

(h) *Sovereign Immunity.* The provisions of this Agreement are a contract with the Bank, and the duties and obligations of the City, including, without limitation, the obligation to set rates at a level as provided for in Section 6.12 of the Installment Purchase Contract, are enforceable by mandamus in any court of competent jurisdiction. The City is not entitled to claim immunity on the grounds of sovereignty or similar grounds from (i) relief by way of mandamus to perform its obligations under this Agreement, the Fee Letter or any other Program Document to which it is a party or (ii) enforcement by writ of mandamus of its payment obligations with respect to any Unpaid Drawing, Advance, Term Loan or other Obligation.

(i) *No Conflict as to Law or Agreements.* Neither the execution, delivery, and performance of this Agreement, the Fee Letter or the other Program Documents to which the City is a party, nor the consummation of the transactions contemplated hereby and thereby, will result in any violation of any law, rule, regulation, order, or judgment applicable to the City or any material agreement or contractual restriction binding on or affecting the City or any of its material properties or result in the breach of any of the terms, conditions, or provisions of, or constitute a default under, or result in the creation or imposition of any lien upon any property or assets of the City pursuant to any contract or agreement (other than Purchase Contract or such other Program Documents) to which the City is a party, or by which it may be bound.

(j) *Legal, Valid, and Binding Obligations*. Assuming due authorization, execution, and delivery by the other parties thereto, this Agreement, the Fee Letter and the other Program Documents to which the City is a party are the legal, valid, and binding obligations and agreements of the City, enforceable against the City in accordance with their respective terms, subject to the application by a court of general principles of equity and to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium, or similar law affecting creditors' rights generally.

(k) *No Further Consent or Approval*. The execution, delivery and performance of this Agreement, the Fee Letter and the other Program Documents to which it is a party are not subject to any approval, authorization, notice, filing, or consent which has not been obtained or made of any federal, state, or local governmental authority or court, and all such approvals, authorizations, notices, filings, or consents which have been obtained or made remain in full force and effect.

(l) *Offering Memorandum*. The City, acting through duly authorized officials, has duly authorized and approved the Offering Memorandum. Except for the information regarding the Bank (as to which no representation is made) (i) the Offering Memorandum is, and any supplement shall be, and the Offering Memorandum was, as of its date, accurate in all material respects and (ii) the Offering Memorandum does not, any supplement shall not, and the Offering Memorandum did not, as of its date, contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Subsequent to the respective dates as of which information is given in the Offering Memorandum, there has not been any material adverse change in the financial position, results of operations or condition, financial or otherwise, of the City or of the Water System.

(m) *Incorporation by Reference.* All representations and warranties of the City set forth in the Program Documents to which the City is a party are incorporated herein by reference as if fully set forth herein in their entirety. No amendment to such representations and warranties or definitions made pursuant to the relevant Program Documents shall be effective to amend such representations or warranties incorporated by reference herein without the prior written consent of the Bank.

(n) *Security.* The Purchase Contract creates, for the benefit of the Installment Payments, the Obligations owed to the Bank hereunder and under the Fee Letter and the Bonds, the legally valid, binding and irrevocable lien on and pledge of the Net Water Revenues (the "*Collateral*"). There is no lien on or pledge of the Net Water Revenues other than the liens and/or pledges created by the Purchase Contract existing on the Closing Date. The payment of the Obligations ranks on a parity with the payment of the principal of and interest on the Commercial Paper Notes and the other Parity Obligations. No Indebtedness secured by a lien on Net Water Revenues (other than Bonds) may be issued with a lien on Net Water Revenues senior to the lien on Net Water Revenues securing the Installment Payments and the Obligations owed to the Bank hereunder and under the Fee Letter. No filing, registration, recording or publication of the Purchase Contract, any other Program Document or any other instrument is required to establish the pledge provided for thereunder or to perfect, protect or maintain the lien created thereby on the Net Water Revenues to secure the Installment Payments, the Bank Note and the Obligations.

(o) *No Proposed Legal Changes.* There is no amendment or proposed amendment certified for placement on a ballot or referendum, or, to the knowledge of the City, to any law, ordinance, or regulation of the City, or any legislation that has passed either house of the legislature of the State, or any published judicial decision interpreting any of the foregoing, the effect of which is to materially adversely affect the Commercial Paper Notes, or any holder thereof in its capacity as such, or this Agreement or the Fee Letter or the security therefor or any of the Program Documents or any Net Water Revenues, or the City's ability to satisfy the Obligations.

(p) *Swap Contract Termination Payments*. No termination fee or settlement amount payable by the City in connection with any Swap Contract ranks senior to the Parity Obligations.

Section 4.2. Representations and Warranties of the Authority. The Authority hereby represents and warrants to the Bank as follows:

(a) *Legal Existence; Power and Authority.* The Authority is (a) duly organized and validly existing as a joint exercise of powers entity of the State of California, (b) has all corporate powers and all material governmental licenses, authorizations, consents, and approvals required to carry on its business as now conducted; (c) has full power and authority to use the proceeds of the Commercial Paper Notes as contemplated in the Second Supplemental Installment Purchase Contract; and (d) has full power and authority to execute, deliver, and perform its obligations under the Trust Agreement, the Purchase Contract, this Agreement, the Fee Letter and the other Program Documents to which it is a party; to borrow and obtain extensions of credit hereunder and under the Letter of Credit.

(b) *Due Authorization; Compliance with Law and Contracts.* The issuance, execution and delivery of the Commercial Paper Notes, and the execution, delivery and performance by the Authority of this Agreement, the Fee Letter and the other Program Documents to which it is a party have been duly authorized by all necessary action on the part of the Authority, and do not and will not (i) conflict with, violate, or contravene any constitutional provision or any provision of existing law or regulation (including, without limitation, the Act) or any order, writ, injunction or decree of any court, tribunal, governmental authority, bureau, agency or other instrumentality applicable to the Authority, or (ii) conflict with, violate, or cause a default, or with the passage of time or the giving of notice or both would cause a default, under any bond, note or other evidence of indebtedness or mortgage, indenture, contract or other agreement to which the Authority is a party or that is binding upon it or any of its properties.

(c) *Governmental Authorization; Other Consent.* No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Authority of this Agreement or any other Related Document, or if required, such approval, consent, exemption or authorization, as applicable, has been obtained, such notice has been given or such other appropriate action has been taken.

(d) *Legal, Valid, and Binding Obligations*. Assuming due authorization, execution, and delivery by the other parties thereto, this Agreement, the Fee Letter and the other Program Documents to which the Authority is a party are the legal, valid, and binding obligations and agreements of the Authority, enforceable against the Authority in accordance with their respective terms, subject to the application by a court of general principles of equity and to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium, or similar law affecting creditors' rights generally. The Commercial Paper Notes shall be duly issued, executed and delivered in conformity with the Act and the Indenture, and constitute legal, valid and binding obligations of the Authority, enforceable in accordance with their terms, except as such enforceability may be limited by applicable bankruptcy, reorganization, insolvency, liquidation, readjustment of debt, moratorium or other similar laws now or hereafter affecting the enforcement of the rights of creditors generally and by general principles of equity which permit the exercise of judicial discretion, and entitled to the benefit and security of the Indenture.

(e) *Litigation.* There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, arbitrator, public board or body pending or, to the knowledge of the Authority, threatened against or affecting the Authority wherein an unfavorable decision, ruling or finding could reasonably be expected to materially adversely affect (i) the transactions contemplated by or the validity or enforceability of this Agreement, the Fee Letter or any of the other Program Documents to which the Authority is or will be a party or (ii) the Authority's ability to perform its obligations under this Agreement, the Fee Letter or the other Program Documents to which it is a party or to issue the Commercial Paper Notes; or which in any way contests the existence, organization or powers of the Authority or the titles of any of their respective officers to their respective offices.

(f) *No Event of Default under the Trust Agreement.* No "Event of Default" specified in the Trust Agreement, the Purchase Contract or any other Program Document and no event which, with the giving of notice or lapse of time or both would become such an Event of Default, has occurred and is continuing.

(g) *Sovereign Immunity.* The provisions of this Agreement and the Fee Letter are a contract with the Bank, and the duties and obligations of the Authority are enforceable by mandamus in any court of competent jurisdiction. The Authority is not entitled to claim immunity on the grounds of sovereignty or similar grounds from (i) relief by way of mandamus to perform its obligations under this Agreement, the Fee Letter or any other Program Document to which it is a party or (ii) enforcement by writ of mandamus of its payment obligations with respect to any Unpaid Drawing, Advance, Term Loan or other Obligation.

(h) *No Conflict as to Law or Agreements.* Neither the execution, delivery, and performance of this Agreement, the Fee Letter or the other Program Documents to which the Authority is a party, nor the consummation of the transactions contemplated hereby and thereby, will result in any violation of any law, rule, regulation, order, or judgment applicable to the Authority or any material agreement or contractual restriction binding on or affecting the Authority or any of its material properties or result in the breach of any of the terms, conditions, or provisions of, or constitute a default under, or result in the creation or imposition of any lien upon any property or assets of the Authority pursuant to any contract or agreement (other than Purchase Contract or such other Program Documents) to which the Authority is a party, or by which it may be bound.

(i) *No Further Consent or Approval.* The execution, delivery and performance of this Agreement, the Fee Letter and the other Program Documents to which the Authority is a party are not subject to any approval, authorization, notice, filing, or consent which has not been obtained or made of any federal, state, or local governmental authority or court, and all such approvals, authorizations, notices, filings, or consents which have been obtained or made remain in full force and effect.

(j) *Incorporation by Reference.* All representations and warranties of the Authority set forth in the Program Documents to which the Authority is a party are incorporated herein by reference as if fully set forth herein in their entirety. No amendment to such representations and warranties or definitions made pursuant to the relevant Program Documents shall be effective to amend such representations or warranties incorporated by reference herein without the prior written consent of the Bank.

ARTICLE FIVE
COVENANTS

The City will do the following so long as any amounts may be drawn under the Letter of Credit or any Obligations remain outstanding under this Agreement or the Fee Letter, unless the Bank shall otherwise consent in writing:

Section 5.1. *Information.* The City will deliver to the Bank:

(a) as soon as reasonably available after the end of each Fiscal Year, and in any event within 180 days after the end of such Fiscal Year, a copy of the annual report of the City prepared in accordance with generally accepted accounting principles consistently applied and audited by independent certified public accountants of recognized standing, including a balance sheet of the City as of the end of such Fiscal Year and related statements of revenues, expenses, and changes in retained earnings and cash flows for the Fiscal Year then ended;

(b) as soon as practicable and in any event within 45 days after the end of each fiscal quarter of each Fiscal Year, the unaudited financial report of the Water System as of the end of such fiscal quarter, which includes information as to actual financial results compared to results contemplated by an annual budget, prepared from the books and records of the Water System on a consistent basis;

(c) as soon as available and in any event within 180 days after the close of each Fiscal Year of the City, a certificate of an Authorized Representative (A)(i) to the effect that as of the date of such certificate no Default or Event of Default has occurred, (ii) if a Default or Event of Default has occurred specifying the nature of such Default or Event of Default, the period of its existence, and the action which the City is taking or proposes to take with respect thereto unless such Default or Event of Default has previously been reported pursuant to Section 5.01(e) below, and no change in the status of such Default or Event of Default has occurred and (B) which demonstrates compliance by the City with the rate covenant set forth in Section 6.12 of the Installment Purchase Contract;

(d) as soon as practicable but in any event within three (3) Business Days after the issuance thereof, copies of any prospectus, Offering Memorandum, offering circular, placement memorandum, or similar or corresponding document, and any supplements thereto and updates and amendments thereof, that the City makes available in connection with the offering for sale of any securities issued by the City secured by a pledge of revenues of the Water System, and, on request, copies of such other financial reports that the City shall customarily and regularly provide to the public;

(e) forthwith upon the occurrence of any Default or Event of Default a certificate of the chief financial officer of the City setting forth the details thereof and the action which the City is taking or proposes to take with respect thereto;

(f) concurrently with the delivery of the quarterly financial reports set out in Subsection (b) above, a written description of (i) the existence, nature and status of any litigation or any other action, suit or proceeding before any court or governmental department, commission, board, bureau, agency or instrumentality which individually or in the aggregate could, in the event of an unfavorable outcome, have a material adverse effect on (A) the financial condition or operations of the Water System, (B) the Commercial Paper Notes, (C) the City's ability to pay and perform the Obligations hereunder and under the Fee Letter, (D) its ability to fix, charge, impose, and collect rentals, rates, fees, and other charges for the use of the Water System in order to comply with the rate covenant set forth in Section 6.12 of the Installment Purchase Contract, or (E) the enforceability or validity of the Program Documents, or (ii) any change in any material fact or circumstance represented or warranted in this Agreement or in any of the Program Documents; and

(g) as soon as practicable but in any event within ten (10) Business Days after any amendment to the investment policy of the City, a copy of such amendment to the investment policy;

(h) as soon as practicable but in any event within ten (10) Business Days after the adoption of the budget of the Water System, a copy of such budget; and

(i) upon written request of the Bank, information relating to the Net Water Revenues or any other financial information reasonably requested.

Section 5.2. Access to Records. The City will furnish to the Bank such information regarding the financial condition, results of operations, or business of the City and the Water System as the Bank may reasonably request and will permit any officers, employees, or agents of the Bank to visit and inspect any of the properties of the City and to discuss matters reasonably pertinent to an evaluation of the credit of the City and to meet with the independent certified public accountants of the City upon reasonable request of the Bank, all at such reasonable times as the Bank may reasonably request. All information received by or provided to the Bank pursuant to this Agreement, unless otherwise made public by the City, will be held as confidential information by such party.

Section 5.3. Proceeds of the Commercial Paper Notes. None of the proceeds of the Commercial Paper Notes will be used in any manner or for any purpose except in the manner and for the purposes authorized by California law, this Agreement, the Trust Agreement and the Purchase Contract. The City shall not use the proceeds of the Commercial Paper Notes or drawings under the Letter of Credit, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose, in each case in violation of, or for a purpose which violates, or would be inconsistent with, Regulation T, U or X of the Board of Governors of the Federal Reserve System.

Section 5.4. No Amendment of Certain Contracts or Ordinances; No Combination of Water System. (a) The City will not consent to or permit any amendment or supplement to or modification or waiver of any of the provisions of the Program Documents without the prior written consent of the Bank. The City will give the Bank notice as promptly as practicable (but in no event less than ten (10) Business Days) of any proposed amendments or supplements to or modifications or waivers of any provisions of any of the Program Documents and of any meeting of the City Council of the City at which any of the foregoing will be discussed or considered.

(b)The City will not permit (i) any other utility system to be combined with the Water System as it exists on the date hereof or (ii) or any lease or sale of all or any substantial part of the Water System, except upon the prior written consent of the Bank, which consent shall not be unreasonably withheld.

Section 5.5. Rates. The City shall prior to any date on which principal of and interest on the Commercial Paper Notes or any payment with respect to any Obligation becomes due, fix, charge and collect rates and charges for the use and services of the Water System, or, to the extent permitted by law, use its best efforts to offer and sell Commercial Paper Notes, or undertake a combination of both of the foregoing, to produce amounts sufficient, together with other funds available therefor, to pay on such date the principal of or interest on the Commercial Paper Notes which is due on such date plus accrued interest thereon and all amounts due to the Bank hereunder in respect thereof, not previously paid from other funds available to the City.

Section 5.6. Other Covenants. The City shall fully and faithfully perform each of the covenants required of it pursuant to the provisions of the Trust Agreement, the Purchase Contract and the other Program Documents to which it is a party and all other supplements to the Trust Agreement, the Purchase Contract and the other Program Documents to which it is a party.

Section 5.7. Taxes and Liabilities. The City will pay all the indebtedness and obligations of the Water System promptly and in accordance with its terms and pay and discharge or cause to be paid and discharged promptly all taxes, assessments, and governmental charges or levies imposed upon it or upon its income and profits, or upon any of its property, real, personal, or mixed, or upon any part thereof, before the same shall become in default except for those matters which are reasonably being contested in good faith by appropriate action or proceedings or for which the City has established adequate reserves in accordance with GAAP.

Section 5.8. Supplemental Ordinances and Further Assurances. The City will not adopt any supplemental trust agreements or indentures, pursuant to the Trust Agreement or otherwise, which would adversely affect the ability of the City to make payments on the Commercial Paper Notes or any Obligation when due. The City will at any and all times, insofar as it may be authorized so to do by law, pass, make, do execute, acknowledge, and deliver all and every such further resolutions, acts, assignments, recordings, filings, transfers, and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning, and confirming all and singular the rights, revenues, and other funds and the Collateral pledged or assigned to the payment of the Installment Payments, Commercial Paper Notes or the Obligations due and owing hereunder and under the Fee Letter, or intended so to be, of which the City may become bound to pledge or assign.

Section 5.9. Efforts to Pay. In the event that any Commercial Paper Notes is not paid at maturity or any Obligation shall not be paid when due, the City shall take all action reasonably necessary to allow payment from any lawfully available Water System funds or to issue bonded indebtedness to satisfy its Obligations hereunder.

Section 5.10. Performance and Compliance with Other Covenants. The City shall perform and comply with each of the covenants, obligations and agreements required to be performed or observed by it in the Trust Agreement and the other Program Documents to which it is a party, which provisions, as well as the related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety. No amendment to such obligations, covenants and agreements or defined terms made pursuant to any of the Trust Agreement or any of the other Program Documents to which the City is a party shall be effective to amend such obligations, covenants and agreements and defined terms as incorporated by reference herein without the written consent of the Bank.

Section 5.11. Compliance with Rules and Regulations. The City shall comply with all laws, ordinances, orders, rules, and regulations of duly constituted public authorities.

Section 5.12. Maintenance and Operation of the Water System. The City covenants that it will at all times maintain the Water System, or within the limits of its authority cause the same to be maintained, in good condition and working order and will operate the same, or cause the same to be operated, in an efficient and economical manner at a reasonable cost and in accordance with sound business principles. In operating and maintaining the Water System, the City will comply with all contractual provisions and agreements entered into by it and with all valid rules, regulations, directions or orders of any governmental, administrative or judicial body promulgating same, noncompliance with which would materially and adversely affect the operation of the Water System.

Section 5.13. Insurance. The City currently maintains insurance which is of such type and in such amounts or in excess of such amounts as are customarily carried by and insures against such risks as are customarily insured against by entities of like size, business and character to the Water System. Any reserves maintained by the City with respect to the Water System with respect to self-insurance programs have been actuarially determined and provide reasonable reserves with respect to the risks involved.

Section 5.14. Alternate Letter of Credit. (a) The City agrees to use all commercially reasonable efforts to obtain an Alternate Letter of Credit or refinance the Commercial Paper

Notes with long-term fixed rate Indebtedness in the event that (A) the Bank shall decide not to extend the Stated Expiration Date pursuant to Section 2.12 hereof, or (B) the City or the Authority terminates this Agreement and the Letter of Credit pursuant to Section 2.7 hereof.

(b) The City shall require, not later than the close of business on the effective date of any Alternate Letter of Credit, that all amounts due and owing under this Agreement and the Fee Letter through and including the effective date of any such Alternate Letter of Credit, as applicable, be paid in full.

(c) The City shall not permit an Alternate Letter of Credit to become effective with respect to less than all of the Commercial Paper Notes without the prior written consent of the Bank.

(d) Notwithstanding the foregoing, nothing set forth herein shall prohibit the City from obtaining an Alternate Letter of Credit in substitution for the Letter of Credit so long as such substitution is otherwise in compliance with the terms of this Agreement.

Section 5.15. Investment Policy. The City will not, directly or indirectly, make, retain or have outstanding any investments (whether through purchase of stock or obligations or otherwise) in, or loans or advances to, any other Person, or acquire all or any substantial part of the assets or business of any other Person, or subordinate any claim or demand it may have to the claim or demand of any other Person; *provided, however,* that the foregoing shall not operate to prevent investments made in accordance with the City's Investment Policy or prevent any action permitted under Section 5.4 hereof.

Section 5.16. Activities of City. The City will preserve, renew, and maintain all licenses, approvals, authorizations, permits, rights, privileges, and franchises necessary or desirable in the normal conduct of its affairs relating to the Water System.

Section 5.17. Litigation and Other Actions. The City shall promptly notify the Bank of (i) the existence and status of any litigation or any other action, suit or proceeding before any court or governmental department, commission, board, bureau, agency or instrumentality which individually or in the aggregate could, in the event of an unfavorable outcome, have a material adverse effect on (A) the financial condition or operations of the Water System, (B) the Commercial Paper Notes, (C) the City's ability to pay and perform the Obligations, (D) its ability to fix, charge, impose, and collect rentals, rates, fees, and other charges for the use of the Water System in accordance with Section 6.12 of the Installment Purchase Contract, or (E) the enforceability or validity of any of the Program Documents, or (ii) any change in any material fact or circumstance represented or warranted in this Agreement or in any of the Program Documents.

Section 5.18. Exempt Status. The City shall not take any action or omit to take any action that, if taken or omitted, would adversely affect the excludability of interest on the Commercial Paper Notes from the gross income of the holders thereof for purposes of federal income taxation.

Section 5.19. Credit Facilities. In the event that the City or the Authority has entered into or shall, directly or indirectly, enter into any Bank Agreement or otherwise consent to any Bank Agreement, which such Bank Agreement provides such Person with more restrictive covenants, more restrictive events of default and/or greater rights and remedies than are provided to the Bank in this Agreement, provide the Bank with a copy of each such Bank Agreement and such more restrictive covenants, more restrictive events of default and/or greater rights and remedies shall automatically be deemed to be incorporated into this Agreement for so long as such other Bank Agreement remains in effect and the Bank shall have the benefits of such more restrictive covenants, more restrictive events of default and/or such greater rights and remedies as if specifically set forth herein for so long as such other Bank Agreement remains in effect. Upon the request of the Bank, the City or the Authority, as applicable, shall promptly enter into an amendment to this Agreement to include such more restrictive covenants, more restrictive events of default and/or greater rights or remedies for so long as such other Bank Agreement remains in effect (provided that the Bank shall maintain the benefit of such more restrictive covenants, more restrictive events of default and/or greater rights and remedies even if the City or the Authority, as applicable, fails to provide such amendment). Each and every amendment or waiver of such covenants, default or remedies or definitions made pursuant to such other documentation, or the release, termination or other discharge of such other documentation, shall be not effective to amend, release, terminate or discharge (as applicable) such covenants and definitions as incorporated by reference herein without the prior written consent of the Bank.

Section 5.20. Swap Contracts. The City shall at all times require that any termination fees or settlement amounts payable in connection with any Swap Contract entered into by the City on or after May 12, 2011, shall be subordinate to the payment of the Obligations hereunder; *provided, however,* that the foregoing shall not operate to prevent amendments and supplements to Swap Contracts that were entered into prior to May 12, 2011, as long as such amendments or supplements do not operate to modify the priority of payment of any related termination fees or settlement amounts. The City shall not provide any collateral to support the obligations of the City under any Swap Contract other than a Lien on Net Water Revenues subordinate to the lien on Net Water Revenues securing the Installment Payments and the Obligations.

Section 5.21. Dealer; Issuing and Paying Agent. The City will not, without the prior written consent of the Bank (which consent shall not be unreasonably withheld), appoint or permit the appointment of a successor Dealer or Issuing and Paying Agent, which successor must be acceptable to the Bank. The Issuing and Paying Agent shall at all times have capital of not less than $500,000,000, and it or its parent organization shall have an underlying rating from Moody's and S&P of at least "A2" (or its equivalent) and "A" (or its equivalent), respectively. The City shall at all times maintain a Dealer that has capital of not less than $500,000,000, and an underlying rating (with respect to such Dealer or its parent organization) from Moody's and S&P of at least "A2" (or its equivalent) and "A" (or its equivalent), respectively. The City shall at all times maintain a Dealer and an Issuing and Paying Agent under the Trust Agreement. The City shall cause the Dealer and the Issuing and Paying Agent to market, issue, and deliver, as applicable, Commercial Paper Notes. If the Dealer fails to sell Commercial Paper Notes for sixty (60) consecutive days, then the City agrees, at the written request of the Bank, to cause the Dealer to be replaced with a Dealer reasonably satisfactory to the Bank. Any dealer agreement with a successor Dealer shall provide that (a) such dealer may resign upon at least 60-days prior written notice to the City, Issuing and Paying Agent and the Bank, (b) such dealer shall use its best efforts to sell the Commercial Paper Notes, and (c) such dealer shall offer the Commercial Paper Notes for sale at the maximum rate permitted under the Program Documents.

Section 5.22. Sovereign Immunity. To the fullest extent permitted by law, the City agrees to waive sovereign immunity from suit and liability for the purposes of adjudicating a claim to enforce its duties and obligations under this Agreement or the Fee Letter or for damages for breach of this Agreement or the Fee Letter.

Section 5.23. Bonding Capacity. The City shall at all times maintain the ability under the Trust Agreement to issue long-term bonded indebtedness in an amount at least equal to the sum of (i) the aggregate principal amount of the Commercial Paper Notes authorized under the Trust Agreement, plus (ii) the aggregate amount of accrued interest to maturity on all Commercial Paper Notes, plus (iii) any other obligations (other than with respect to principal and interest on Commercial Paper Notes) owing to any credit enhancer or liquidity provider supporting any commercial paper notes issued by the City the proceeds of which shall used in connection with the Water System.

Section 5.24. ERISA. The City will comply in all material respects with Title IV of ERISA, if, when and to the extent applicable.

Section 5.25. Sale or Encumbrance of Water System. During the term of this Agreement, and as long as any Commercial Paper Notes, or any interest thereon, or any amount may be drawn under the Letter of Credit or any Obligations outstanding under this Agreement, remains outstanding, the City will not sell, dispose of or, except as permitted hereunder or under the Trust Agreement, further encumber or lease all or substantially all of the Water System; *provided, however,* that this provision shall not prevent the City from disposing of any portion of the Water System which is being replaced or is deemed by the City to be obsolete, worn out, surplus or no longer needed for the proper operation of the Water System. Net proceeds from any such disposition may be deposited in the _____________ Fund (as defined in the Trust Agreement). Any agreement pursuant to which the City contracts with a person, corporation, municipal corporation or political subdivision to operate the Water System or to lease and/or operate all or part of the Water System shall not be considered as an encumbrance of the Water System.

Section 5.26. Offering Memorandum. The City shall not refer to the Bank in any offering document or make any changes in reference to the Bank in any offering document without the Bank's prior written consent thereto (the Bank hereby giving its written consent to the reference to it in the Offering Memorandum as in effect on the Closing Date to the extent the same conforms to information provided by the Bank for inclusion in the Offering Memorandum).

ARTICLE SIX
DEFAULTS

Section 6.1. Events of Default and Remedies. If any of the following events shall occur, each such event shall be an *"Event of Default"*:

(a) the City shall fail to pay, or cause to be paid, as and when due, any Obligation;

(b) any representation, warranty, certification, or statement made by the City or the Authority in this Agreement or in any certificate, financial statement, or other document delivered pursuant to this Agreement shall prove to have been incorrect in any material respect when made;

(c) breach by the City of any covenant, agreement, or other requirement contained in Sections 5.3, 5.4, 5.6, 5.8, 5.10, 5.11, 5.13, 5.16, 5.18, 5.19, 5.21, 5.22, 5.23, 5.24, 5.25 or 5.26 hereof.

(d) breach by the City of any other covenant, agreement, or condition (other than those referred to or contained in clauses (a), (b), or (c) above) contained in this Agreement or any Program Document and the continuation thereof for more than ten days after written notice thereof has been given to the City by the Bank without cure or correction to the satisfaction of the Bank;

(e) (i) a final unappealable judgment or order for the payment of money in excess of $2,500,000 payable from Water Revenues shall be rendered against the City in connection with the Water System and such judgment or order shall continue unsatisfied and unstayed for a period of 60 days, or (ii) the City shall have failed promptly to lift any execution, garnishment, or attachment pursuant to such judgment or order as will impair the City's ability to carry on its Water System business;

(f) (i) default by the City in the payment of any Indebtedness payable from or secured by the Net Water Revenues when due or within any applicable grace period or (ii) the occurrence of any event under any ordinance, resolution, or instrument giving rise to any such Indebtedness, which results in or would entitle the obligee thereof or a trustee on behalf of such obligee to pursue any remedies against the City, including the right to declare the acceleration of any maturity thereof, or upon the lapse of time or the giving of notice or both would entitle the obligee thereof or a trustee on behalf of such obligee to accelerate any maturity thereof, or which results in the forfeiture by the City of any of its rights under any such ordinance, resolution, or instrument;

(g) (i) the City shall commence a voluntary case or other proceeding seeking (x) liquidation, reorganization, or other relief with respect to the Water System or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect or (y) the appointment of a receiver, liquidator, custodian, or other similar official with respect to the City or any substantial part of its property, or shall consent to or acquiesce in such relief or the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it; (ii) a receiver, liquidator, custodian, or other official, appointed in an involuntary case or proceeding commenced against the City, appointed without consent or acquiescence of the City, takes charge of a substantial part of the Water System; (iii) the City shall make a general assignment for the benefit of creditors, or declare a moratorium with respect to its debts, or shall fail generally to pay its debts as they become due, or shall take any action to authorize any or all of the foregoing; or (iv) an involuntary case or other proceeding shall be commenced against the City seeking (x) liquidation, reorganization, or other relief with respect to the City's debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect, or (y) the appointment of a custodian, receiver, liquidator, trustee or other similar official of the Water System, or any substantial part thereof, and such proceeding or case shall not be dismissed or stayed within sixty (60) days after the filing thereof or an order of relief shall be entered against the City under the federal bankruptcy laws as now or hereafter in effect;

(h) (i) any provision of this Agreement, the Fee Letter or any other Program Document relating to the City's ability to make payments to the Bank hereunder and under the Fee Letter, to make payments on the Commercial Paper Notes or to raise funds to meet such payment obligations or any other material provision of this Agreement shall at any time for any reason cease to be valid and binding on the City as a result of federal or state legislative or administrative action, or shall be declared in a final non-appealable judgment by any court having jurisdiction over the City to be null and void, invalid, or unenforceable, or the validity or enforceability thereof shall be contested by the City, or (ii) the City (A) repudiates or otherwise denies, in writing, in a judicial or administrative proceeding that it has any further liability or obligation hereunder, or (B) contests, in a judicial or administrative proceeding, the validity or enforceability of any material provision of this Agreement (including, without limitation, its obligations to make payments as and when due hereunder) or any Program Document relating to or otherwise affecting the City's obligation to make payments on the Commercial Paper or to raise funds to meet such payment obligations;

(i) the powers of the City shall be limited in any way or the Trust Agreement shall be modified or amended in any way without the prior written consent of the Bank, in either case, which prevents the City from fixing, charging or collecting rates and charges for the use and services of the Water System in any amount sufficient to pay its debts as they become due;

(j) either of Fitch or S&P shall have downgraded its rating of the unenhanced debt of the Water System to below "*BBB-*" (or its equivalent) or "BBB-" (or its equivalent) respectively, or either of Fitch or S&P shall have suspended or withdrawn its rating of the same; or

(k) any event of default shall have occurred and be continuing under or with respect to any other credit enhancement or liquidity agreement supporting any other tranche of Commercial Paper Notes (as defined respectively therein).

Section 6.2. Remedies. Upon the occurrence of any Event of Default the Bank may exercise any one or more of the following rights and remedies in addition to any other remedies herein or by law provided:

(a) declare all Obligations to be immediately due and payable, whereupon the same shall be immediately due and payable without any further notice of any kind, which notice is hereby waived by the City; *provided, however,* that in the case of an Event of Default described in Section 6.1(g) hereof, such acceleration shall automatically occur (unless such automatic acceleration is waived by the Bank in writing); or

(b) issue a No-Issuance Notice (the effect of which shall be as provided in Section 2.18 of this Agreement), reduce the Stated Amount of the Letter of Credit to the amount of the then outstanding Commercial Paper Notes supported by the Letter of Credit plus a corresponding amount of interest coverage and/or terminate the Stated Amount as the then outstanding Commercial Paper Notes is paid; or

(c) issue the Final Drawing Notice (the effect of which shall be to cause the Termination Date of the Letter of Credit to occur on the tenth (10th) calendar day after the date of receipt thereof by the Issuing and Paying Agent); or

(d) pursue any rights and remedies it may have under the Program Documents; or

(e) pursue any other action available at law or in equity.

ARTICLE SEVEN
MISCELLANEOUS

Section 7.1. Amendments, Waivers, Etc. No amendment or waiver of any provision of this Agreement, or consent to any departure by the Authority or the City therefrom, shall in any event be effective unless the same shall be in writing and signed by the Bank, the Authority, and the City and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 7.2. Notices. All notices and other communications provided for hereunder shall be in writing (including required copies) and sent by receipted hand delivery (including Federal Express or other receipted courier service), telecopy, facsimile transmission, or regular mail, as follows:

(a) if to the City:

City of Woodland
City Hall
300 First Street
Woodland, California 95695
Attention: Kim McKinney, Finance Officer
Telephone: (530) 661-5850
Telecopy: (530) 661-5848

(b) if to the Authority: Woodland Finance Authority
300 First Street
Woodland, California 95695
Attention: Finance Officer
Telephone: 530) 661-5849
Telecopy: (___) ___-____

(c) if to the Bank:

(i) with respect to drawings under the Letter of Credit:

Union Bank, N.A.
1980 Saturn Street, MC V02-906
Monterey Park, California 91755-7417
Attention: Standby Letter of Credit Unit
Telephone: (323) 720-7957
Facsimile: (323) 720-2773

(ii) with respect to all other notices and correspondence hereunder:

Union Bank, N.A.
445 South Figueroa Street, G08-268J
Los Angeles, California 90071
Attention: Christine Armani
Telephone: (213) 236-7741
Facsimile: (213) 236-6917

(d) if to Issuing and Paying Agent: U.S. Bank National Association
100 Wall Street, 16th Floor
New York, New York 10005
Attention: Corporate Trust Operations
Telephone: (212) 361-2892
Telecopy: (212) 509-3384

(e) if to the Dealer: Citigroup Global Markets Inc.
390 Greenwich Street, 2nd Floor
New York, New York 10013
Attention: Short-Term Tax Exempt Trading
Telephone: (212) 723-7082
Telecopy: (212) 723-8939

or, as to each Person named above, at such other address as shall be designated by such Person in a written notice to the parties hereto. All such notices and other communications shall, when delivered, telecopied, sent by facsimile transmission or mailed, be effective when deposited with the courier, telecopied, sent by facsimile transmission or mailed respectively, addressed as aforesaid, except that requests for Drawings submitted to the Bank shall not be effective until received by the Bank.

Section 7.3. Survival of Covenants; Successors and Assigns. (a) All covenants, agreements, representations, and warranties made herein and in the certificates delivered pursuant hereto shall survive the making of any Drawing or Advance hereunder and shall continue in full force and effect until all of the Obligations hereunder shall have been paid in full. Whenever in this Agreement any of the parties hereto is referred to, such reference shall, subject to the last sentence of this Section, be deemed to include the successors and assigns of such party, and all covenants, promises and agreements by or on behalf of the City which are contained in this Agreement shall inure to the benefit of the successors and assigns of the Bank. Neither the City nor the Authority may transfer its rights or obligations under this Agreement without the prior written consent of the Bank. The Bank may transfer or assign some or all of its rights and obligations under this Agreement and the Letter of Credit with the prior written consent of the City (which consent shall not be withheld unreasonably), *provided* that (i) with respect to the Letter of Credit only, the City has received written notice from at least two nationally recognized Rating Agencies that the transfer shall not cause the lowering, withdrawal or suspension of any ratings then existing on the Commercial Paper Notes, and (ii) the Bank shall be responsible for all costs resulting from the transfer. This Agreement is made solely for the benefit of the City and the Bank, and no other Person (including, without limitation, the Issuing and Paying Agent, the Dealer or any holder of Commercial Paper Notes) shall have any right, benefit or interest under or because of the existence of this Agreement; *provided further* that the City's liability to any Participant shall not in any event exceed that liability which the City would owe to the Bank but for such participation.

(b) Notwithstanding the foregoing, the Bank shall be permitted to grant to one or more financial institutions (each a *"Participant"*) a participation or participations in all or any part of the Bank's rights and benefits and obligations under this Agreement and the Letter of Credit on a participating basis but not as a party to this Agreement (a *"Participation"*) without the consent of the City. In the event of any such grant by the Bank of a Participation to a Participant, the Bank shall remain responsible for the performance of its obligations hereunder, and the City shall continue to deal solely and directly with the Bank in connection with the Bank's rights and obligations under this Agreement. The City agrees that each Participant shall, to the extent of its Participation, be entitled to the benefits of this Agreement as if such Participant were the Bank, *provided* that no Participant shall have the right to declare, or to take actions in response to, an Event of Default under Section 6.1 hereof.

Section 7.4. Unconditional Obligations. Subject to the terms and provisions of Section 2.20 hereof, the obligations of the City and the Authority under this Agreement shall be absolute, unconditional, irrevocable and payable strictly in accordance with the terms of the Trust Agreement and this Agreement, under all circumstances whatsoever, including, without limitation, the following:

(a) any lack of validity or enforceability of this Agreement, the Letter of Credit or, to the extent permitted by law, the Commercial Paper Notes, the Trust Agreement or any other Program Document;

(b) any amendment or waiver of or any consent to departure from the terms of the Trust Agreement or all or any of the Program Documents to which the Bank has not consented in writing;

(c) the existence of any claim, counterclaim, set-off, recoupment, defense, or other right which any Person may have at any time against the Bank, the City, the Issuing and Paying Agent, the Dealer, or any other Person, whether in connection with this Agreement, the Trust Agreement, the Program Documents, or any other transaction related thereto;

(d) any statement or any other document presented pursuant hereto or pursuant to the Letter of Credit which the Bank in good faith determines to be valid, sufficient or genuine and which subsequently proves to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;

(e) payment by the Bank of a Drawing or an Advance against presentation of a request which the Bank in good faith determines to be valid, sufficient or genuine and which subsequently is found not to comply with the terms of this Agreement; and

(f) any other circumstances or happening whatsoever whether or not similar to any of the foregoing.

SECTION 7.5. LIABILITY OF BANK; INDEMNIFICATION. (a) TO THE EXTENT PERMITTED BY THE LAWS OF THE STATE, THE CITY ASSUMES ALL RISKS OF THE ACTS OR OMISSIONS OF THE ISSUING AND PAYING AGENT WITH RESPECT TO THE USE OF THE LETTER OF CREDIT AND THE USE OF PROCEEDS THEREUNDER; *PROVIDED* THAT THIS ASSUMPTION WITH RESPECT TO THE BANK IS NOT INTENDED TO AND SHALL NOT PRECLUDE THE CITY FROM PURSUING SUCH RIGHTS AND REMEDIES AS IT MAY HAVE AGAINST THE ISSUING AND PAYING AGENT UNDER ANY OTHER AGREEMENTS. NEITHER THE BANK NOR ANY OF ITS RESPECTIVE OFFICERS OR DIRECTORS SHALL BE LIABLE OR RESPONSIBLE FOR (i) THE USE OF THE LETTER OF CREDIT, THE DRAWINGS OR ADVANCES THEREUNDER, THE PROCEEDS OF THE COMMERCIAL PAPER NOTES OR THE TRANSACTIONS CONTEMPLATED HEREBY AND BY THE PROGRAM DOCUMENTS OR FOR ANY ACTS OR OMISSIONS OF THE ISSUING AND PAYING AGENT OR THE DEALER, (ii) THE VALIDITY, SUFFICIENCY, OR GENUINENESS OF ANY DOCUMENTS DETERMINED IN GOOD FAITH BY THE BANK TO BE VALID, SUFFICIENT OR GENUINE, EVEN IF SUCH DOCUMENTS SHALL, IN FACT, PROVE TO BE IN ANY OR ALL RESPECTS INVALID, FRAUDULENT, FORGED OR INSUFFICIENT, (iii) PAYMENTS BY THE BANK AGAINST PRESENTATION OF REQUESTS FOR DRAWINGS OR REQUESTS FOR WHICH THE BANK IN GOOD FAITH HAS DETERMINED TO BE VALID, SUFFICIENT OR GENUINE AND WHICH SUBSEQUENTLY ARE FOUND NOT TO COMPLY WITH THE TERMS OF THIS AGREEMENT, OR (iv) ANY OTHER CIRCUMSTANCES WHATSOEVER IN MAKING OR FAILING TO MAKE PAYMENT HEREUNDER; PROVIDED THAT THE CITY SHALL NOT BE REQUIRED TO INDEMNIFY THE BANK FOR ANY CLAIMS, LOSSES, LIABILITIES, COSTS OR EXPENSES TO THE EXTENT, BUT ONLY TO THE EXTENT, CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE BANK.

(b) To the extent permitted by the laws of the State, the City hereby indemnifies and holds harmless the Bank from and against any and all direct, as opposed to consequential, claims, damages, losses, liabilities, costs or expenses (including specifically reasonable attorneys fees) which the Bank may incur (or which may be claimed against the Bank by any Person whatsoever) by reason of or in connection with (i) the execution and delivery of this Agreement, the Letter of Credit and the transactions contemplated hereby or thereby and (ii) any untrue statement or alleged untrue statement of any material fact contained in the Offering Memorandum prepared and distributed in connection with the Commercial Paper Notes, or the omission or alleged omission to state therein a material fact necessary to make such statements in light of the circumstances under which they are or were made, not misleading; *provided* that the City shall not be required to indemnify the Bank, to the extent, but only to the extent, any such claim, damage, loss, liability, cost or expense is caused by the Bank's willful misconduct or gross negligence. The Bank is hereby expressly authorized and directed to honor any demand for payment which is made under the Letter of Credit without regard to, and without any duty on its part to inquire into the existence of, any disputes or controversies between the City, the Dealer the Issuing and Paying Agent or any other person or the respective rights, duties or liabilities of any of them, or whether any facts or occurrences represented in any of the documents presented under the Letter of Credit are true and correct.

(c) To the fullest extent permitted by applicable law, the City shall not assert, and hereby waives, any claim against the Bank, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, the Fee Letter, the Letter of Credit, any other Program Document or any agreement or instrument contemplated hereby or thereby, the transactions contemplated hereby or thereby or the use of the proceeds thereof.

(d) The obligations of the City under this Section 7.5 shall survive the termination of this Agreement.

Section 7.6. *Expenses and Taxes*. The City will promptly pay (i) the reasonable fees and expenses of counsel to the Bank incurred in connection with the preparation, execution and delivery, and administration of this Agreement and the other Program Documents, (ii) the reasonable fees and disbursements of foreign counsel, if any, incurred in connection with the preparation, execution and delivery, and administration of this Agreement and the other Program Documents (provided that such fees in connection with the preparation, execution and delivery shall not exceed the amount specified in the Fee Letter), (iii) the reasonable out-of-pocket expenses of the Bank incurred in connection with the preparation, execution and delivery, and administration of this Agreement and the other Program Documents (provided that such expenses in connection with the preparation, execution, and delivery shall not exceed the amount specified in the Fee Letter), (iv) the fees and disbursements of counsel to the Bank with respect to advising the Bank as to the rights and responsibilities under this Agreement after the occurrence of an Event of Default, and (v) all costs and expenses, if any, in connection with the administration and enforcement of this Agreement and any other documents which may be delivered in connection herewith or therewith, including in each case the fees and disbursements of counsel to the Bank. In addition, the City shall pay any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing, and recording of this Agreement and the security contemplated by the Program Documents and any Program Documents and agrees to hold the Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees. In addition, the City agrees to pay, after the occurrence of an Event of Default, all reasonable costs and expenses (including attorneys' fees and costs of settlement) incurred by the Bank in enforcing any obligations or in collecting any payments due from the City hereunder by reason of such Event of Default or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "workout" or of any insolvency or bankruptcy proceedings. The obligations of the City under this Section 7.6 shall survive the termination of this Agreement.

Section 7.7. No Waiver; Conflict. Neither any failure nor any delay on the part of the Bank in exercising any right, power or privilege hereunder, nor any course of dealing with respect to any of the same, shall operate as a waiver thereof, preclude any other or further exercise thereof nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The remedies herein provided are cumulative, and not exclusive of any remedies provided by law. To the extent of any conflict between this Agreement, the Letter of Credit, the Trust Agreement and any other Program Documents, this Agreement shall control solely as between the City and the Bank.

Section 7.8. Modification, Amendment, Waiver, Etc. No modification, amendment or waiver of any provision of this Agreement shall be effective unless the same shall be in writing and signed in accordance with Section 7.1 hereof.

Section 7.9. Dealing with the City, the Issuing and Paying Agent, and/or the Dealer. The Bank and its affiliates may accept deposits from, extend credit to and generally engage in any kind of banking, trust or other business with the City, the Issuing and Paying Agent, and/or the Dealer regardless of the capacity of the Bank hereunder.

Section 7.10. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction, and all other remaining provisions hereof will be construed to render them enforceable to the fullest extent permitted by law. The parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

Section 7.11. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but when taken together shall constitute but one agreement and any of the parties hereto may execute this Agreement by signing any such counterpart.

Section 7.12. Table of Contents; Headings. The table of contents and the section and subsection headings used herein have been inserted for convenience of reference only and do not constitute matters to be considered in interpreting this Agreement.

SECTION 7.13. ENTIRE AGREEMENT. THIS AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES HERETO WITH RESPECT TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES HERETO AS TO SUCH SUBJECT MATTER.

Section 7.14. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 7.15. Waiver of Jury Trial. IN ADDITION, TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE CITY, THE AUTHORITY AND THE BANK HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING ARISING UNDER OR RELATING TO THIS AGREEMENT, THE FEE LETTER OR ANY OTHER PROGRAM DOCUMENT. IF AND TO THE EXTENT THAT THE FOREGOING WAIVER OF THE RIGHT TO A JURY TRIAL IS UNENFORCEABLE FOR ANY REASON IN SUCH FORUM, THE CITY, THE AUTHORITY AND THE BANK HEREBY CONSENT TO THE ADJUDICATION OF ANY AND ALL CLAIMS PURSUANT TO JUDICIAL REFERENCE AS PROVIDED IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638, AND THE JUDICIAL REFEREE SHALL BE EMPOWERED TO HEAR AND DETERMINE ANY AND ALL ISSUES IN SUCH REFERENCE WHETHER FACT OR LAW. THE CITY, THE AUTHORITY AND THE BANK REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND CONSENT AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS AND CONSENTS TO JUDICIAL REFERENCE FOLLOWING THE OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL OF ITS CHOICE ON SUCH MATTERS. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT OR TO JUDICIAL REFERENCE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 AS PROVIDED HEREIN.

Section 7.16. Governmental Regulations. The City shall (a) ensure that no person who owns a controlling interest in or otherwise controls the City is or shall be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the Office of Foreign Assets Control (*"OFAC"*), the Department of the Treasury or included in any Executive Orders, that prohibits or limits Bank from making any advance or extension of credit to the City or from otherwise conducting business with the City and (b) ensure that the proceeds of the Commercial Paper Notes shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto. Further, the City shall comply, and cause any of its subsidiaries to comply, with all applicable Bank Secrecy Act ("*BSA*") laws and regulations, as amended. The City agrees to provide documentary and other evidence of the City's identity as may be requested by Bank at any time to enable Bank to verify the City's identity or to comply with any applicable law or regulation, including, without limitation, Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318.

Section 7.17 Electronic Transmissions. The Bank is authorized to accept and process any amendments, transfers, assignments of proceeds, Drawings, consents, waivers and all documents relating to the Letter of Credit which are sent to Bank by electronic transmission, including SWIFT, electronic mail, telex, telecopy, telefax, courier, mail or other computer generated telecommunications and such electronic communication shall have the same legal effect as if written and shall be binding upon and enforceable against the City. The Bank may, but shall not be obligated to, require authentication of such electronic transmission or that the Bank receives original documents prior to acting on such electronic transmission.

Section 7.18. USA PATRIOT Act. The Bank hereby notifies the City that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the *"Act"*), it is required to obtain, verify and record information that identifies the City, which information includes the name and address of the City and other information that will allow the Bank to identify the City in accordance with the Act.

Section 7.19. Assignment to Federal Reserve Bank. The Bank may assign and pledge all or any portion of the obligations owing to it hereunder to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank, *provided* that any payment in respect of such assigned obligations made by the City to the Bank in accordance with the terms of this Agreement shall satisfy the City's obligations hereunder in respect of such assigned obligation to the extent of such payment. No such assignment shall release the Bank from its obligations hereunder.

[EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF, the City, the Authority and the Bank have duly executed this Agreement as of the date first above written.

CITY OF WOODLAND, CALIFORNIA

By:____________________________________
____

By:____________________________________
____

WOODLAND FINANCE AUTHORITY

By:____________________________________
____

ATTEST:

By:______________________________
____

UNION BANK, N.A.

By:______________________________________
Name:__________________________________
Title:___________________________________

APPENDIX I

IRREVOCABLE LETTER OF CREDIT NO. ____________

May 12, 2011
U.S. **[$40,660,388]**
No. _________

U.S. Bank National Association
100 Wall Street, 16th Floor
New York, New York 10005
Attention: Corporate Trust Operations

Ladies and Gentlemen:

We hereby establish, at the request and for the account of the Woodland Finance Authority (the *"Authority"*), as applicant (the *"Applicant"*), in your favor, as Beneficiary (the *"Issuing and Paying Agent"* or *"Beneficiary"*) with respect to the Woodland Finance Authority Water Revenue Commercial Paper Notes issued pursuant to that certain Trust Indenture, dated as of February 1, 2011, as supplemented by that certain Trust Agreement dated as of May 1, 2011, as the same may further supplemented and amended (collectively, the "*Trust Agreement*"), pursuant to which up to $**[37,345,348]** in aggregate principal amount of the Authority's Water Revenue Commercial Paper Notes (the "*Commercial Paper Notes*"), is being issued, our Irrevocable Letter of Credit No. ________ in the maximum available amount of **[Forty Million Six Hundred Sixty Thousand Three Hundred Eighty-Eight]** Dollars ($**[40,660,388]**) (calculated as the sum of the maximum principal amount of the Commercial Paper Notes (*i.e.*, $**[37,345,348]**), the *"Principal Portion"*), plus interest thereon up to $**[3,315,040]** for interest (the "*Interest Portion*") at an assumed maximum rate of twelve percent (12%) per annum for a period of two hundred seventy (270) days calculated on the basis of a year of 365 days and the actual number of days elapsed) (as more fully described below) (the *"Stated Amount"*), which may be drawn upon from time to time in respect of the principal of and actual interest accrued on the Commercial Paper Notes, effective on the date hereof and expiring on the Stated Expiration Date (as hereinafter defined) or earlier as hereafter provided; *provided*, *however*, that if such date is not a Business Day, the Stated Expiration Date shall be the next preceding Business Day. The Stated Amount is subject to reductions and reinstatements as provided herein. All drawings under this Letter of Credit will be paid with our own immediately available funds and will not be paid directly or indirectly from funds or collateral on deposit with or for the account of, or pledged with or for the account of, us by the Applicant. This Letter of Credit is being issued pursuant to that certain Reimbursement Agreement dated as of May 1, 2011 (the "*Reimbursement Agreement*"), among the Applicant, the City of Woodland, and the Bank. Capitalized terms used but not defined herein shall have the same meaning herein as in the Reimbursement Agreement.

We hereby irrevocably authorize you to draw on us in an aggregate amount not to exceed the Stated Amount of this Letter of Credit set forth above and in accordance with the terms and conditions and subject to the reductions and reinstatements in amount as hereinafter set forth, in one or more Drawings (as hereinafter defined) (subject to the provisions contained in the second following paragraph), payable as set forth herein on any day other than (i) a Saturday or Sunday or a day on which the office of the Bank for which presentation of drawings under this Letter of Credit is closed (a *"Business Day"*), by presentation of your written and completed certificate signed by you in the form of (i) Annex A-1 (with respect to the payment at maturity of the principal of and interest at maturity on Commercial Paper Notes issued in accordance with the Trust Agreement), or (ii) Annex A-2 (with respect to the payment at maturity of the principal of and interest to maturity on Commercial Paper Notes issued in accordance with the Trust Agreement and that otherwise matures on or after the date that you receive notice from us in the form of Annex E hereto (the *"Final Drawing Notice"*)), attached hereto (any such certificate being a *"Drawing"*), in each case an aggregate amount not exceeding the Stated Amount of this Letter of Credit.

Upon our honoring any Drawing, the Stated Amount and the amount available to be drawn hereunder by you pursuant to any subsequent Drawing shall be automatically decreased by an amount equal to the amount of such Drawing. In connection therewith, the Stated Amount and the amounts from time to time available to be drawn by you hereunder by any Drawing (except in the case of a Drawing resulting from the delivery of a Final Drawing Notice) shall be increased when and to the extent, but only when and to the extent (i) (A) of transfer by you to us on the date such Drawing is honored of proceeds of Commercial Paper Notes issued on such date or (B) you receive written notice from us to you in the form of Annex I hereto that we have been reimbursed by or on behalf of the Applicant for any amount drawn hereunder by any Drawing, and (ii) that you have not received from us a No-Issuance Notice in the form attached hereto as Annex H.

If we are requested to do so pursuant and subject to the terms of the Reimbursement Agreement, the Stated Amount of this Letter of Credit shall also be reduced from time to time on each Decrease Date specified in, and in the amounts set forth in, a notice from us to you in the form attached hereto as Annex F (each, a *"Decrease Notice"*), which we shall deliver promptly after receiving such request. As of the applicable Decrease Date and upon such reduction, the Stated Amount shall not be less than our certification in the applicable Decrease Notice of the sum of the principal amount of all outstanding Commercial Paper Notes plus interest thereon at the maximum rate of twelve percent (12%) per annum for a period of two hundred seventy (270) days calculated on the basis of a year of 365 days.

Each Drawing shall be dated the date of its presentation, and shall be presented by facsimile (at facsimile number (323) 720-2773), Attention: Standby Letter of Credit Section, without further need of documentation, including the original of this Letter of Credit, it being understood that each Drawing so submitted is to be the sole operative instrument of drawing. Each Drawing shall be immediately confirmed by telephone (telephone number: (323) 720-7957), notifying us of such Drawing; *provided that* the failure to confirm such Drawing by telephone shall not affect the validity or effectiveness of the Drawing. If we receive any Drawing , in strict conformity with the terms and conditions of this Letter of Credit, not later than [11:45 A.M., New York time, on a Business Day prior to the termination hereof, we will honor the same by 2:45 P.M., New York time, respectively, on the same day in accordance with your payment instructions. If we receive any Drawings, all in strict conformity with the terms and conditions of the Letter of Credit, after 11:45 A.M., New York time, on a Business Day prior to the termination hereof, we will honor the same by 2:45 P.M., New York time, on the next succeeding Business Day in accordance with your payment instructions.

Payment under this Letter of Credit shall be made by the Bank by wire transfer of immediately available funds to the Issuing and Paying Agent in accordance with the instructions specified by the Beneficiary in the related Drawing. Such account may be changed only by presentation to the Bank of a letter in form satisfactory to the Bank specifying a different account with the Beneficiary and executed by the Beneficiary.

This Letter of Credit shall expire at 5:00 p.m., New York time, on the date (the earliest of such date to occur referred to herein as the *"Termination Date"*) which is the earliest of (i) May 12, 2014 (the *"Stated Expiration Date"*), (ii) the later of the date on which we receive written notice from you in the form of Annex C attached hereto that an Alternate Letter of Credit has been substituted for this Letter of Credit in accordance with the Trust Agreement or the effective date of any such Alternate Letter of Credit as specified in such Annex C (after we honor any properly presented and conforming Drawing on such date), (iii) the date on which we receive written notice from you in the form of Annex D attached hereto that there is no longer any Commercial Paper Notes Outstanding within the meaning of the Trust Agreement and that you elect to terminate the Letter of Credit, or (iv) the earlier of (a) the tenth (10th) calendar day after the date on which you receive the Final Drawing Notice, and (b) the date on which the Drawing resulting from the delivery of the Final Drawing Notice is honored hereunder.

This Letter of Credit is transferable in its entirety to any transferee whom you have certified to us has succeeded you as Issuing and Paying Agent under the Commercial Paper Notes, and may be successively transferred. Transfer of the available balance under this Letter of Credit to such transferee shall be effected by presenting to us the attached form of Annex B signed by the transferor and the transferee (each a *"Transfer"*) together with the original Letter of Credit. Transfers to designated foreign nationals and /or specially designated nationals are not permitted as being contrary to the U.S. Treasury Department or Foreign Assets Control Regulations. Upon the Effective Date, as set forth in such Transfer, the transferee instead of the transferor shall, without necessity of further action, be entitled to all the benefits of and rights under this Letter of Credit in the transferor's place; *provided that,* in such case, any certificates of the Beneficiary to be provided hereunder shall be signed by one who states therein that he is a duly authorized officer or agent of the transferee.

This Letter of Credit sets forth in full our undertaking but not any of our rights (whether under applicable law or otherwise), and such undertaking but not any of our rights (whether under applicable law or otherwise) shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Commercial Paper Notes), except only the Drawings referred to herein and ISP98 (as hereinafter defined); and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such Drawings.

If a Drawing does not conform to the terms and conditions of the Letter of Credit, we will use commercially reasonably efforts to give telephonic notice to the Beneficiary thereof within the time set forth above for honor of such demand for payment; such notice, if given, to be confirmed in writing to the Beneficiary within one Business Day after such notice, and we shall hold all documents at your disposal or, at your option, return the same to you.

Communications with respect to this Letter of Credit shall be addressed to us at Union Bank, N.A., 1980 Saturn Street, MC VO2-906, Monterey Park, California 91755, Attention: Standby Letter of Credit, specifically referring to the number of this Letter of Credit.

Communications with respect to this Letter of Credit shall be addressed to you at U.S. Bank National Association, Attention: Corporate Trust Operations, specifically referring to the number of this Letter of Credit, or as otherwise provided in writing to us by you.

Except as expressly stated herein, this Letter of Credit is governed by, and construed in accordance with, the terms of the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 (the *"ISP98"*). As to matters not governed by ISP98, this Letter of Credit shall be governed by and construed in accordance with the laws of the State of New York, including without limitation the Uniform Commercial Code as in effect in the State of New York, without regard to conflict of laws.

All payments made by us hereunder shall be made from our funds and not with the funds of any other person.

[SIGNATURE PAGE TO FOLLOW]

Very truly yours,

UNION BANK, N.A.

By ______________________________
Name: ___________________________
Title: ___________________________

ANNEX A-1
TO
UNION BANK, N.A.
LETTER OF CREDIT NO. __________

CERTIFICATE FOR DRAWING IN CONNECTION
WITH THE PAYMENT OF PRINCIPAL AND INTEREST
IRREVOCABLE LETTER OF CREDIT NO. __________

Union Bank, N.A.
1980 Saturn Street, MC VO2-906
Monterey Park, California 91755-7417

Attention: Standby Letter of Credit

The undersigned, a duly authorized officer of the undersigned Beneficiary (the *"Beneficiary"*), hereby certifies to Union Bank, N.A. (the *"Bank"*), with reference to Irrevocable Letter of Credit No. ________ (the *"Letter of Credit,"* the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Beneficiary, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agency Agreement and the Trust Agreement and is acting as the agent for the holders of the Commercial Paper Notes.

2. The undersigned is making a drawing under the Letter of Credit with respect to a payment of the principal of and accrued interest on maturing Commercial Paper Notes, which payment is due on __________.

3. The amount of the Drawing is equal to $__________, with $__________ being drawn in respect of the payment of principal of maturing Commercial Paper Notes and $__________ representing ___ days' interest thereon. Such amounts were computed in compliance with the terms and conditions of the Commercial Paper Notes and the Trust Agreement. The amount of the Drawing being drawn in respect of the payment of principal of and accrued interest on maturing Commercial Paper Notes does not exceed the Stated Amount of the Letter of Credit.

4. The Commercial Paper Notes was authenticated and delivered by us (or a predecessor Issuing and Paying Agent) pursuant to authority under the Trust Agreement.

5. Upon receipt by the undersigned of the amount demanded hereby, (a) the undersigned will deposit the same directly into the Commercial Paper Fund maintained by the Beneficiary pursuant to the Trust Agreement and the Issuing and Paying Agency Agreement and apply the same directly to the payment when due of the principal amount of Commercial Paper Notes and the interest amount owing on account of the Commercial Paper Notes pursuant to the Trust Agreement, (b) no portion of said amount shall be

applied by the undersigned for any other purpose, (c) no portion of said amount shall be commingled with other funds held by the undersigned, except for other funds drawn under the Letter of Credit, and (d) when such Commercial Paper Notes has been presented for payment and paid by us, we will cancel such matured Commercial Paper Notes.

6. Payment by the Bank pursuant to this drawing shall be made to [____________, ABA Number _________, Account Number __________, Attention ___________________.]

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the ______ day of _______________, _____.

_________________________ , as Beneficiary

By ___________________________________
Name: ______________________________
Title: _______________________________

ANNEX A-2
TO
UNION BANK, N.A.
LETTER OF CREDIT NO. _________

CERTIFICATE FOR DRAWING IN CONNECTION WITH THE
PAYMENT OF PRINCIPAL AND INTEREST AFTER FINAL DRAWING NOTICE
IRREVOCABLE LETTER OF CREDIT NO. _________

Union Bank, N.A.
1980 Saturn Street, MC VO2-906
Monterey Park, California 91755-7417

Attention: Standby Letter of Credit

The undersigned, a duly authorized officer of the undersigned Beneficiary (the "*Beneficiary*"), hereby certifies to Union Bank, N.A. (the "*Bank*"), with reference to Irrevocable Letter of Credit No. ________ (the "*Letter of Credit,*" the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Beneficiary, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agency Agreement and the Trust Agreement and is acting as the agent for the holders of the Commercial Paper Notes.

2. The Beneficiary has received the Final Drawing Notice.

3. The undersigned is making a Drawing under the Letter of Credit with respect to a payment of the principal of and accrued interest on Commercial Paper Notes issued in accordance with the Trust Agreement but which matures on or after the date of a Final Drawing Notice.

4. The amount of the Drawing is equal to $__________, with $__________ being drawn in respect of the payment of principal of maturing Commercial Paper Notes and $__________ representing ___ days' interest thereon. Such amounts were computed in compliance with the terms and conditions of the Commercial Paper Notes and the Trust Agreement. The amount of the Drawing being drawn in respect of the payment of principal of, accrued interest on, and interest payable to maturity of, the Commercial Paper Notes does not exceed the Stated Amount of the Letter of Credit. The amount requested for payment hereunder has not been and is not the subject of a prior or contemporaneous request for payment under the Letter of Credit.

5. The Commercial Paper Notes were authenticated and delivered by us (or a predecessor Issuing and Paying Agent) pursuant to authority under the Trust Agreement.

6. Upon receipt by the undersigned of the amount demanded hereby, (a) the undersigned will deposit the same directly into the Commercial Paper Fund maintained by the Beneficiary pursuant to the Trust Agreement and the Issuing and Paying Agency Agreement and apply the same directly to the payment when due of the principal amount of Commercial Paper Notes and the interest amount owing on account of the Commercial Paper Notes pursuant to the Trust Agreement, (b) no portion of said amount shall be applied by the undersigned for any other purpose, (c) no portion of said amount shall be commingled with other funds held by the undersigned, except for other funds drawn under the Letter of Credit, and (d) when such Commercial Paper Notes have been presented for payment and paid by us, we will cancel such matured Commercial Paper Notes.

7. This Certificate is being presented to the Bank on a date which is no later than the ___ calendar day after receipt by the Beneficiary of the Final Drawing Notice.

8. Payment by the Bank pursuant to this drawing shall be made to [____________, ABA Number _________, Account Number __________, Attention ____________________.]

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the ______ day of _______________, _____.

__________________________ , as Beneficiary

By ____________________________________
Name: _______________________________
Title: ________________________________

ANNEX B
TO
UNION BANK, N.A.
LETTER OF CREDIT NO. ____________

TRANSFER

Date: _______________

Union Bank, N.A.
1980 Saturn Street, MC VO2-906
Monterey Park, California 91755-7417

Attention: Standby Letter of Credit

Re: Union Bank, N.A. Irrevocable Direct-Pay
Letter of Credit No. _________ dated May 12, 2011

We, the undersigned "Transferor", hereby irrevocably transfer all of our rights to draw under the above referenced Letter of Credit ("*Credit*") in its entirety to:

NAME OF TRANSFEREE

____
(Print Name and complete address of the Transferee) "Transferee"
ADDRESS OF TRANSFEREE

____

____
CITY, STATE/COUNTRY ZIP

____

In accordance with ISP98, Rule 6, regarding transfer of drawing rights, all rights of the undersigned Transferor in such Credit are transferred to the Transferee, who shall have the sole rights as beneficiary thereof, including sole rights relating to any amendments whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised directly to the Transferee without necessity of any consent of or notice to the undersigned Transferor.

The original Credit, including amendments to this date, is attached and the undersigned Transferor requests that you endorse an acknowledgment of this transfer on the reverse thereof. The undersigned Transferor requests that you notify the Transferee of this Credit in such form and manner as you deem appropriate, and the terms and conditions of the Credit as transferred. The undersigned Transferor acknowledges that you incur no obligation hereunder and that the transfer shall not be effective until you have expressly consented to effect the transfer by notice to the Transferee.

If you agree to these instructions, please advise the Transferee of the terms and conditions of this transferred Credit and these instructions.

Payment of transfer fee of U.S. $___ is for the account of the Applicant, who agrees to pay you on demand any expense or cost you may incur in connection with the transfer. Receipt of such shall not constitute consent by you to effect the transfer.

Transferor represents and warrants that (a) the Transferee is the Transferor's successor as Issuing and Paying Agent under the Trust Agreement, (b) the enclosed Credit is original and complete, and (c) there is no outstanding demand or request for payment or transfer under the Credit affecting the rights to be transferred

The Effective Date of this Transfer shall be the date hereafter on which Transferring Bank effects such transfer by giving notice thereof to Transferee.

WE WAIVE ANY RIGHT TO TRIAL BY JURY THAT WE MAY HAVE IN ANY ACTION OR PROCEEDING RELATING TO OR ARISING OUT OF THIS TRANSFER.

(SIGNATURE PAGE FOLLOWS)

This Transfer is made subject to ISP98 and is subject to and shall be governed by the laws of the State of New York, without regard to principles of conflict of laws.

Sincerely yours,

____
(Print Name of Transferor)

____
(Transferor's Authorized Signature)

____
(Print Authorized Signers Name and Title)

____
(Telephone Number/Fax Number)

SIGNATURE GUARANTEED

Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement. We attest that the individual, company or entity has been identified by us in compliance with USA PATRIOT Act procedures of our bank.

____
(Print Name of Bank)

____
(Address of Bank)

____
(City, State, Zip Code)

____
(Print Name and Title of Authorized Signer)

____
(Authorized Signature)

Acknowledged:

____
(Print Name of Transferee)

____
(Transferee's Authorized Signature)

____
(Print Authorized Signers Name and Title)

____
(Telephone Number/Fax Number)

SIGNATURE GUARANTEED

Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement. We attest that the individual, company or entity has been identified by us in compliance with USA PATRIOT Act procedures of our bank.

____
(Print Name of Bank)

____
(Address of Bank)

____
(City, State, Zip Code)

____
(Print Name and Title of Authorized Signer)

____
(Authorized Signature)

ANNEX C
TO
UNION BANK, N.A.
LETTER OF CREDIT NO. ___________

CERTIFICATE RE: ALTERNATE LETTER OF CREDIT
IRREVOCABLE LETTER OF CREDIT NO. ___________

Union Bank, N.A.
1980 Saturn Street, MC VO2-906
Monterey Park, California 91755-7417

Attention: Standby Letter of Credit

The undersigned, a duly authorized officer of the undersigned Beneficiary (the *"Beneficiary"*), hereby certifies to Union Bank, N.A. (the *"Bank"*), with reference to Irrevocable Letter of Credit No. ________ (the *"Letter of Credit,"* the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Beneficiary, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agency Agreement and the Trust Agreement for the holders of the Commercial Paper Notes.

2. The conditions precedent to the acceptance of an Alternate Letter of Credit set forth in the Trust Agreement have been satisfied.

3. An Alternate Letter of Credit in full and complete substitution for the Letter of Credit has been accepted by the Beneficiary and is or will be in effect as of _____________, 20__.

4. There will be no further Drawings requested from the Bank under the Letter of Credit.

5. Upon receipt by the Bank of this Certificate the Letter of Credit shall terminate with respect to all outstanding Commercial Paper Notes, and the Letter of Credit is returned to you herewith for cancellation.

6. No payment is demanded of you in connection with this notice.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the ______ day of ________________, _____.

___________________________ , as Beneficiary

By ______________________________________
Name: _________________________________
Title: __________________________________

ANNEX D
TO
UNION BANK, N.A.
LETTER OF CREDIT NO. _________

CERTIFICATE RE: NO OUTSTANDING NOTES
IRREVOCABLE LETTER OF CREDIT NO. _________

Union Bank, N.A.
1980 Saturn Street, MC VO2-906
Monterey Park, California 91755-7417

Attention: Standby Letter of Credit

The undersigned, a duly authorized officer of the undersigned Beneficiary (the *"Beneficiary"*), hereby certifies to Union Bank, N.A. (the *"Bank"*), with reference to Irrevocable Letter of Credit No. ________ (the *"Letter of Credit,"* the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Beneficiary, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the ___________ for the holders of the Commercial Paper Notes.

2. No Commercial Paper Notes (other than Commercial Paper Notes with respect to which an Alternate Letter of Credit is in effect) remains outstanding under the Trust Agreement nor does the City intend to issue any additional Commercial Paper Notes under the Trust Agreement.

3. There will be no further Drawings requested from the Bank under the Letter of Credit, and we hereby elect to terminate the Letter of Credit and return such Letter of Credit to you herewith for cancellation.

4. No payment is demanded of you in connection with this notice.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the ______ day of _______________, _____.

__________________________ , as Beneficiary

By ____________________________________
Name: ________________________________
Title: _________________________________

ANNEX E
TO
UNION BANK, N.A.
LETTER OF CREDIT NO. __________

CERTIFICATE RE: FINAL DRAWING
IRREVOCABLE LETTER OF CREDIT NO. ___________

[Issuing and Paying Agent]
____
____
____

Attention: ______________

Reference is made to Irrevocable Letter of Credit No. __________ (the *"Letter of Credit"*; the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in your favor as Beneficiary.

Please be advised that:

(1) An Event of Default under and as defined in the Reimbursement Agreement has occurred and is continuing.

(2) The Bank hereby instructs the Issuing and Paying Agent, effective upon receipt of this Notice, to cease issuing Commercial Paper Notes.

(3) The Bank hereby notifies the Beneficiary that (i) effective upon receipt of this Certificate, the Stated Amount available to be drawn under the Letter of Credit will not be reinstated in accordance with the Letter of Credit, (ii) the Beneficiary is instructed to make the final Drawing under the Letter of Credit to provide for the payment of Commercial Paper Notes issued in accordance with the Trust Agreement which are outstanding and are maturing or are hereafter to mature, and (iii) the Termination Date of the Letter of Credit will occur and the Letter of Credit will expire on the earlier of (a) date which is the tenth (10th) calendar day after the date of receipt by the Beneficiary of this notice, and (b) the date on which the Drawing resulting from the delivery of this notice is honored by us.

UNION BANK, N.A.

By _______________________________________
Name: __________________________________
Title: ___________________________________

ANNEX F
TO
UNION BANK, N.A.
LETTER OF CREDIT NO. _________

CERTIFICATE RE: REDUCTION IN STATED AMOUNT
IRREVOCABLE LETTER OF CREDIT NO. _________

[Issuing and Paying Agent]
____
____
____

Attention: _____________

The undersigned, duly authorized signatory of Union Bank, N.A. (the *"Bank"*), hereby certifies to _________________ (the *"Beneficiary"*), with reference to Irrevocable Letter of Credit No. _________ (the *"Letter of Credit,"* the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Beneficiary, that the Stated Amount of the Letter of Credit shall be decreased in the amount of $__________, effective as of __________ (the *"Decrease Date"*). The new Stated Amount of the Letter of Credit is $__________, of which $__________ is applicable to principal and $__________ is applicable to interest, which amounts are not less than the outstanding principal amount of Commercial Paper Notes on such Decrease Date plus interest thereon at the maximum rate of ______ percent (__%) per annum for a period of _____________ (___) days, calculated on the basis of a year of 365 days, respectively, on the Decrease Date. You are hereby authorized to attach this Notice of Decrease in Stated Amount to the Letter of Credit and to treat this Notice of Decrease in Stated Amount as an amendment to the Letter of Credit.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Certificate as of the ______ day of _______________, _____.

UNION BANK, N.A.

By ___________________________________
Name: ______________________________
Title: _______________________________

ANNEX G
TO
UNION BANK, N.A.
LETTER OF CREDIT NO. _________

NOTICE OF EXTENSION OF STATED EXPIRATION DATE
IRREVOCABLE LETTER OF CREDIT NO. _________

[Issuing and Paying Agent]
____
____
____

Attention: _____________

The undersigned, duly authorized signatory of Union Bank, N.A. (the "*Bank*"), hereby certify to _________________ (the "*Beneficiary*"), with reference to Irrevocable Letter of Credit No. _________ (the "*Letter of Credit,*" the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Beneficiary, as follows:

1. We hereby notify you that, in accordance with the terms of the Reimbursement Agreement, the Stated Expiration Date of the Letter of Credit has been extended to __________.

2. This letter should be attached to the Letter of Credit and made a part thereof.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Notice as of the ______ day of _______________, _____.

UNION BANK, N.A.

By _____________________________________
Name: ________________________________
Title: _________________________________

ANNEX H
TO
UNION BANK, N.A.
LETTER OF CREDIT NO. ________

CERTIFICATE RE: NO-ISSUANCE
IRREVOCABLE LETTER OF CREDIT NO. ________

[Issuing and Paying Agent]
____
____
____

Attention: _____________

The undersigned, duly authorized signatories of Union Bank, N.A. (the *"Bank"*), hereby certify to _______________ (the *"Beneficiary"*), with reference to Irrevocable Letter of Credit No. ________ (the *"Letter of Credit,"* the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Beneficiary, as follows:

1. We hereby notify you that, in accordance with the terms of the Reimbursement Agreement, an Event of Default (as defined in the Reimbursement Agreement) has occurred and is continuing.

2. Subject to the following sentence, you shall cease authenticating Commercial Paper Notes, as provided in Section 8(d) of the Issuing and Paying Agent Agreement, unless and until we rescind this No-Issuance Notice. If you receive this No-Issuance Notice after 10:30 A.M. New York City time, on a Business Day you shall cease authenticating Notes on the next Business Day.

3. This No-Issuance Notice shall not affect our obligation to honor demands for payment under the Letter of Credit with respect to Commercial Paper Notes authenticated prior to your receipt of this No-Issuance Notice (or, subject to paragraph 2 above, on the same Business Day that you receive this No-Issuance Notice), and you shall continue to have the right to draw under the Letter of Credit to pay the principal of and accrued interest on maturing Commercial Paper Notes authenticated prior to your receipt of this No-Issuance Notice (or, subject to paragraph 2 above, authenticated on the same Business Day that you receive this No-Issuance Notice).

IN WITNESS WHEREOF, the undersigned have executed and delivered this Notice as of the ______ day of ________________, _____.

UNION BANK, N.A.

By ____
Name: ________________________________
Title: _________________________________

ANNEX I
TO
UNION BANK, N.A.
LETTER OF CREDIT NO. ________

CERTIFICATE RE: INCREASE IN STATED AMOUNT

[Issuing and Paying Agent]
____
____
____

Attention: _____________

The undersigned, duly authorized signatory of Union Bank, N.A. (the *"Bank"*), hereby certifies to _________________ (the *"Beneficiary"*), with reference to Irrevocable Letter of Credit No. ________ (the *"Letter of Credit,"* the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Beneficiary, that we have been reimbursed by or on behalf of the City for an amount drawn hereunder, and that the Stated Amount of the Letter of Credit shall be increased in the amount of $__________, effective as of __________ (the *"Increase Date"*). The new Stated Amount of the Letter of Credit is $__________, of which $__________ is applicable to principal and $__________ is applicable to interest. You are hereby authorized to attach this Notice of Increase in Stated Amount to the Letter of Credit and to treat this Notice of Increase in Stated Amount as an amendment to the Letter of Credit.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Certificate as of the ______ day of _______________, _____.

UNION BANK, N.A.

By ____________________________________
Name: ________________________________
Title: _________________________________

EXHIBIT A

FORM OF NO-ISSUANCE NOTICE

[Dated Date]

City of Woodland
City Hall
300 First Street
Woodland, California 95695
Attention: Kim McKinney, Finance Officer

Woodland Finance Authority
300 First Street
Woodland, California 95695
Attention: Finance Officer

U.S. Bank National Association
100 Wall Street, 16th Floor
New York, New York 10005
Attention: Corporate Trust Operations

Re: Woodland Finance Authority
Water Revenue Commercial Paper Notes

Ladies and Gentlemen:

Pursuant to Section 6.2(b) of that certain Reimbursement Agreement dated as of May 1, 2011 (the "*Reimbursement Agreement*"), between the City of Woodland, California (the "*City*") and Union Bank, N.A., the undersigned hereby notifies you that (i) an "Event of Default" under Section 6.1(__) of the Reimbursement Agreement has occurred and is now continuing and (ii) upon receipt of this notice, no new Commercial Paper Notes (as defined in the Reimbursement Agreement) shall be issued or authenticated. This No-Issuance Notice shall remain in effect unless you have received written notification from us that this No-Issuance Notice has been rescinded.

Very truly yours,

UNION BANK, N.A.

By:___________________________________
Title: _______________________________

cc: [Dealer]
[Rating Agencies]

EXHIBIT B

FORM OF BANK NOTE

$**[40,660,388]**

May 12, 2011

FOR VALUE RECEIVED, the undersigned, CITY OF WOODLAND (the *"City"*), hereby promises to pay to the order of UNION BANK, N.A. (the *"Bank"*), in the manner and on the dates provided in the hereinafter defined Agreement in lawful money of the United States of America and in immediately available funds, the principal sum of **[Forty Million Six Hundred Sixty Thousand Three Hundred Eighty-Eight]** Dollars ($**[40,660,388]**) or, if less, the aggregate outstanding principal amount of the Reimbursement Obligations from time to time owing to the Bank under the Agreement (as hereinafter defined) but only from the Revenues (as defined in the Trust Agreement dated February 1, 2011, between the Authority and U.S. Bank National Association, as trustee). Terms used herein and not otherwise defined herein shall have the meanings assigned to them in that certain Reimbursement Agreement dated as of May 1, 2011 (the *"Agreement"*), among the City, the Woodland Finance Authority and the Bank, as from time to time in effect.

The City further promises to pay interest from the date hereof on the outstanding principal amount hereof and unpaid interest hereon from time to time at the rates and times and in all cases in accordance with the terms of the Agreement. The Bank may endorse its records relating to this Bank Note with appropriate notations evidencing the amounts drawn under the Letter of Credit and payments of principal hereunder as contemplated by the Agreement.

This Bank Note is issued pursuant to, is entitled to the benefits of, and is subject to, the provisions of the Agreement and the Trust Agreement, as further supplemented and amended in accordance with the terms thereof and the Agreement. Voluntary prepayments may be made hereon, certain prepayments are required to be made hereon, and this Bank Note may be declared due prior to the expressed maturity hereof, all in the events, on the terms and in the manner as provided for in the Agreement.

The parties hereto, including the undersigned maker and all guarantors, endorsers and pledgors that may exist at any time with respect hereto, hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Bank Note and assent to the extensions of the time of payment or forbearance or other indulgence without notice.

THIS BANK NOTE AND THE OBLIGATIONS OF THE CITY HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

IN WITNESS WHEREOF, the City has caused this Bank Note to be signed in its corporate name as an instrument by its duly authorized officer on the date and in the year first above written.

CITY OF WOODLAND, CALIFORNIA

By:_____________________________________
____

By:_____________________________________
____

ATTEST:

By:_______________________________
____

REPAYMENTS OF PRINCIPAL

Repayments of principal on this Bank Note were made on the dates and in the amounts specified below:

DATE	AMOUNT OF PRINCIPAL	BALANCE OF PRINCIPAL PREPAID	UNPAID	NOTATION MADE BY:

DRAFT

SECOND SUPPLEMENTAL INSTALLMENT PURCHASE CONTRACT

between the

CITY OF WOODLAND

and the

WOODLAND FINANCE AUTHORITY

Dated May 1, 2011

relating to
Woodland Finance Authority
Water Revenue Commercial Paper Notes

(supplemental to the Installment Purchase Contract dated February 1, 2011)

SECOND SUPPLEMENTAL INSTALLMENT PURCHASE CONTRACT

Woodland Finance Authority
Water Revenue Commercial Paper Notes

TABLE OF CONTENTS

SECOND SUPPLEMENTAL
INSTALLMENT PURCHASE CONTRACT

This SECOND SUPPLEMENTAL INSTALLMENT PURCHASE CONTRACT, dated May 1, 2011, between the CITY OF WOODLAND, a municipal corporation duly organized and existing under and by virtue of the laws of the State of California (the "City"), and the WOODLAND FINANCE AUTHORITY, a joint exercise of powers agency established pursuant to the laws of the State of California (the "Authority");

W I T N E S S E T H:

WHEREAS, the City has determined to make additional improvements to its water supply and distribution facilities, which the Authority has agreed to finance and sell to the City, such r financing to be made upon the terms and conditions set forth in the Installment Purchase Contract (the "Installment Purchase Contract"), dated February 1, 2011, between the Authority and the City, as supplemented herein;

WHEREAS, the installment payments hereunder will be applied by the Authority to secure and repay the commercial paper notes authorized pursuant to the Trust Agreement dated February 1, 2011 (the "Trust Agreement"), between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by the Trust Indenture dated May 1, 2011 (the "Indenture"), between the Authority and the Trustee, which is entered into as the second Supplemental Trust Agreement;

WHEREAS the Authority and the City have duly authorized the execution of this Second Supplemental Installment Purchase Contract;

WHEREAS, all acts, conditions, and things required by law to exist, to have happened, and to have been performed precedent to and in connection with the execution and delivery of this Second Supplemental Installment Purchase Contract do exist, have happened, and have been performed in regular and due time, form, and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Second Supplemental Installment Purchase Contract;

NOW, THEREFORE, the parties hereto agree as follows:

I. Definitions. For all purposes of this Second Supplemental Installment Purchase Contract and of any certificate, opinion, or other document herein mentioned, unless the context otherwise requires or unless otherwise defined herein, all defined terms shall have the meanings set forth in the Trust Agreement.

II. Supplemental Provisions. The following Article and Sections are hereby added to the Installment Purchase Contract:

ARTICLE 10
CP PROJECT; CP INSTALLMENT PAYMENTS

SECTION 10.1. Acquisition of the CP Project. (A) Acquisition Process. The Authority hereby agrees to cause the CP Project to be acquired by the City as its agent. The City shall enter into contracts and provide for, as agent for the Authority, the complete acquisition of the CP Project. The City hereby agrees that it will deposit proceeds of the Notes in the CP Project Fund as described in Section 11 (Commercial Paper Fund; Payment of Notes; Reimbursement) of the Issuing and Paying Agent Agreement, that it will cause the acquisition of the CP Project to be diligently performed, and that it will use its best efforts to cause the acquisition of the CP Project to be completed within three years from the date of execution of this Second Supplemental Installment Purchase Contract, unforeseeable events or delays beyond the reasonable control of the City excepted. The City hereby agrees to take the actions described in Section 2.03 (Establishment and Application of CP Project Fund) of the Indenture. It is hereby expressly understood and agreed that the Authority shall be under no liability of any kind or character whatsoever for the payment of any cost of the CP Project and that all such costs and expenses shall be paid by the City, regardless of whether the funds deposited in the CP Project Fund are sufficient to cover all such costs and expenses.

(B) Changes to the CP Project. The City may substitute other capital expenditure items for those listed as components of the CP Project in Exhibit A hereto, but only if the City first files with the Authority and the Trustee a Statement of the City:

(i) identifying the capital expenditure items to be substituted and the capital expenditure items they replace in the CP Project; and

(ii) stating that the estimated costs of the substituted capital expenditure items are not less than such costs for the capital expenditure items previously planned;

together with an Opinion of Bond Counsel to the effect that the substituted capital expenditure items will not adversely effect the exclusion from gross income for federal income tax purposes of interest on the Notes.

(C) Title. All right, title and interest in each component of the CP Project shall vest in the City immediately upon acquisition thereof. Such vesting shall occur without further action by the Authority or the City and the Authority shall, if requested by the City or if necessary to assure such automatic vesting, deliver any and all documents required to assure such vesting.

SECTION 10.2. Purchase of the CP Project. The Authority hereby transfers its interest in and title to the CP Project to the City and the City purchases the CP Project from the Authority at the purchase price set forth in Section 10.3 (CP Project Purchase Price).

SECTION 10.3. CP Project Purchase Price. (A) CP Project Purchase Price. The CP Project Purchase Price to be paid by the City hereunder for the CP Project is the sum of principal amount of the City's obligation hereunder plus the interest to accrue on the unpaid balance of such principal amount from the effective date hereof over the term hereof.

(B) Principal Component. The principal amount of the CP Installment Payments to be made by the City for the CP Project hereunder is _______________ dollars ($__________). The principal component of the CP Installment Payments shall be paid in the amounts and at the times necessary to pay the principal of the Notes, as described in Section 3.01 (Maturity and Payment Provisions; Determination of Note Rate) of the Indenture, to the extent the principal of the Notes is not paid from a Drawing on the Letter of Credit.

(C) Interest Component. The interest to accrue on the unpaid balance of such principal amount of CP Installment Payments shall be calculated as described in Section 3.01 (Maturity and Payment Provisions; Determination of Note Rate) of the Indenture, to the extent the interest on the Notes is not paid from a Drawing on the Letter of Credit, and shall be paid by the City as and constitutes interest paid on the principal amount of the City's obligations hereunder.

(D) Reimbursement Obligations. To the extent the principal of and interest on the Notes is paid from a Drawing on the Letter of Credit and the Drawing is not reimbursed to the Credit Bank from the proceeds of the sale of Notes, the City shall pay CP Installment Payments in the amounts and at the times necessary to pay the Reimbursement Obligations, as described in Section 2.4 (Advances; Term Loan) of the Reimbursement Agreement.

SECTION 10.4. CP Installment Payments. The Authority and the City hereby agree that the City shall pay the CP Project Purchase Price to the Issuing and Paying Agent in CP Installment Payments on each Installment Payment Date in accordance with the Indenture. The Trustee will apply the CP Installment Payments for the payment of principal (whether at maturity or upon acceleration) of and interest on the Notes, until all such amounts shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Trust Agreement.

The City shall pay the CP Installment Payments to the Trustee in immediately available funds for deposit in the Revenue Fund established pursuant to the Trust Agreement. If the City fails to make any of the payments required to be made by it under this section, such payment shall continue as an obligation of the City until such amount shall have been fully paid, and the City agrees to pay the same with interest accruing thereon at the rate or rates of interest then applicable to the remaining unpaid principal balance of the CP Installment Payments, respectively, if paid in accordance with their terms.

III. Provisions of the Installment Purchase Contract. Except as in this Second Supplemental Installment Purchase Contract expressly provided, every term and condition contained in the Installment Purchase Contract shall apply to this Second Supplemental Installment Purchase Contract with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Second Supplemental Installment Purchase Contract.

This Second Supplemental Installment Purchase Contract and all the terms and provisions herein contained shall form part of the Installment Purchase Contract as fully and with the same effect as if all such terms and provisions had been set forth in the Installment Purchase Contract. The Installment Purchase Contract is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby.

IV. Separability of Invalid Provisions. If any one or more of the provisions contained in this Second Supplemental Installment Purchase Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Second Supplemental Installment Purchase Contract and such invalidity, illegality, or unenforceability shall not affect any other provision of this Second Supplemental Installment Purchase Contract, and this Second Supplemental Installment Purchase Contract shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The City and the Authority each hereby declares that it would have adopted this Second Supplemental Installment Purchase Contract and each and every other Section, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Second Supplemental Installment Purchase Contract may be held illegal, invalid, or unenforceable.

V. Effect of Headings and Table of Contents. The headings or titles of the several Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, or effect of this Second Supplemental Installment Purchase Contract.

VI. Execution in Counterparts. This Second Supplemental Installment Purchase Contract may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Second Supplemental Installment Purchase Contract by their officers thereunto duly authorized as of the day and year first written above.

WOODLAND FINANCE AUTHORITY

By ______________________________________
Mark Deven, Administrator

ATTEST:

____
Ana Gonzalez, Secretary

CITY OF WOODLAND

By ______________________________________
Art Pimentel, Mayor

ATTEST:

____
Ana Gonzalez, City Clerk

APPROVED AS TO FORM:

____
Andrew Morris, City Attorney

EXHIBIT A

DESCRIPTION OF THE CP PROJECT

The CP Project consists of the following components:

ISSUING AND PAYING AGENCY AGREEMENT

This Issuing and Paying Agency Agreement, dated May 1, 2011 (this "Agreement), is made between the Woodland Finance Authority (the "Authority"), and U.S. Bank National Association, a national banking association, as trustee under the Trust Indenture dated May 1, 2011 (the "Indenture") between the Authority and U.S. Bank National Association (the "Trustee" and, acting as specified in Section 2, the "Issuing and Paying Agent").

The parties hereto agree as follows:

1. Definitions; Time References.

(a) Definitions. All capitalized terms used herein and not defined herein shall have the meanings specified in the Indenture, the Reimbursement Agreement (hereinafter defined) or the Representation Letter (hereinafter defined).

(b) Time References. All times referred to in this Agreement are New York City time.

2. Appointment of Issuing and Paying Agent.

(a) Appointment. The Authority hereby appoints the Issuing and Paying Agent, and the Issuing and Paying Agent hereby accepts such appointment and agrees, subject to the terms and conditions hereinafter set forth, to act as (i) the paying agent and registrar for the Authority in respect of Water Revenue Commercial Paper Notes (the "Notes") of the Authority to be issued from time to time under and pursuant to the Indenture and as directed or otherwise provided in Sections 8 and 11, and (ii) the issuing agent for the Notes.

(b) Acceptance. The Issuing and Paying Agent hereby accepts the duties and obligations under this Agreement and pursuant to the Indenture. The Issuing and Paying Agent hereby acknowledges receipt of a duplicate original or certified copy of the Indenture.

3. Letter of Credit.

Union Bank, N.A. (the "Credit Bank"), has agreed to issue an irrevocable letter of credit (the initial "Letter of Credit") to support payment of the principal of and interest due on the Notes. The Letter of Credit shall be substantially the form of Appendix I to the Reimbursement Agreement dated as of May 1, 2011, between the Authority and the Credit Bank (the "Reimbursement Agreement"). The Issuing and Paying Agent shall act in accordance with the provisions of this Agreement and the Indenture with respect to amounts drawn by it under the Letter of Credit and certain funds and accounts held hereunder.

The aggregate Stated Amount of the Letter of Credit at the delivery thereof is $____________. In making the calculations required pursuant to Section 8(d), the Issuing and Paying Agent may rely on the information last delivered to it by the Authority or the Credit Bank with respect to the amount of unpaid drawings and interest accrued thereon, and the Issuing and Paying Agent shall assume, unless it shall have received instructions from the Authority or the Credit Bank to the contrary, that the amount of unpaid drawings on any day equals the aggregate amount of payments made by the Credit Bank under the Letter of Credit honoring any demands for payment made by the Issuing and Paying Agent thereunder on such day, and the Issuing and Paying Agent shall have no obligation to make any further investigation for purposes of such calculations.

4. Certificate Agreement.

The Authority acknowledges that (i) the Issuing and Paying Agent has previously entered into a commercial paper certificate agreement (the "Certificate Agreement") with The Depository Trust Company, New York, New York ("DTC"), and (ii) the continuation in effect of the Certificate Agreement is a necessary prerequisite to the Issuing and Paying Agent's providing services related to the issuance and payment of the Notes while the Notes are in book-entry only form and DTC is the Note Depository.

5. Letter of Representations.

Prior to the issuance of any Notes, the Authority shall deliver to the Issuing and Paying Agent an executed Letter of Representations (the "Letter of Representations"), a copy of which is attached hereto as Exhibit A. The Letter of Representations, when executed by the Authority, the Issuing and Paying Agent, and DTC, shall supplement the provisions of this Agreement, and the Authority and the Issuing and Paying Agent shall be bound by the provisions of the Letter of Representations, to the extent not inconsistent with the provisions of the Indenture.

6. Authorized Representatives.

(a) Authority Representatives. Concurrent with the execution of this Agreement and from time to time thereafter, the Authority will furnish the Issuing and Paying Agent with a certificate certifying the incumbency and specimen signatures of officers or agents of the Authority authorized to take actions hereunder on behalf of the Authority (each an "Authority Representative").

(b) Dealer Representatives. Concurrent with the execution of this Agreement and from time to time thereafter, the Authority will furnish the Issuing and Paying Agent with a certificate designating and setting forth signatures of those officers or employees of the Dealer who are authorized to give such instructions hereunder (each a "Dealer Representative").

(c) Credit Bank Representatives. Concurrent with the execution of this Agreement and from time to time thereafter, the Trustee will also be furnished with certificates from the Credit Bank identifying officers and setting forth signatures of those persons authorized to act on behalf of the Credit Bank (each a "Credit Bank Representative").

(d) Authorized Officers of the Issuing and Paying Agent. The Authority, the Dealer, and the Credit Bank may request the Issuing and Paying Agent to specify, by appropriate certificates of designation, the names of its officers and employees (including specimens of their signatures) who are authorized to receipt for, complete, and deliver the Master Note, to receive instructions or notices from an Authority Representative, a Dealer Representative, or a Credit Bank Representative and to act for the Issuing and Paying Agent hereunder (the "Authorized Officers of the Issuing and Paying Agent"). For purposes of this Agreement, the undersigned hereby acknowledges that any Senior Vice President, Vice President, Assistant Vice President, Assistant

Secretary of the Corporate Trust Division of the Issuing and Paying Agent, or such officers of an affiliate of the Issuing and Paying Agent, shall be Authorized Officers of the Issuing and Paying Agent.

(e) Reliance on Certificates. Until the Issuing and Paying Agent receives a subsequent incumbency certificate, the Issuing and Paying Agent is entitled to rely on the last such certificate delivered to the Issuing and Paying Agent by the Authority, the Dealer, or the Credit Bank. The Issuing and Paying Agent shall not have any responsibility to the Authority to determine by whom or what means a facsimile signature may have been affixed on the Notes or to determine whether any facsimile or manual signature resembles the specimen signature(s) filed with the Issuing and Paying Agent.

7. Master Note.

Prior to the issuance of any Notes, the Authority shall deliver to the Issuing and Paying Agent the Master Note evidencing the Notes. The Master Note shall be in substantially the form attached as Exhibit A of the Indenture, be in the principal amount of $____________, be duly executed by the Authority, specify the date of issuance, and be registered in the name of Cede & Co., as nominee of DTC, all as specified in the Indenture. Upon receipt of the Master Note, an Authorized Officer of the Issuing and Paying Agent shall countersign the Master Note, and the Issuing and Paying Agent shall retain the Master Note on behalf of DTC in accordance with the terms of the Letter of Representations.

8. Issuance and Delivery of Notes.

(a) Issuance Instructions. From time to time, upon the timely receipt by the Issuing and Paying Agent from an Authority Representative or a Dealer Representative of issuance instructions (“Instructions”), an Authorized Officer of the Issuing and Paying Agent shall issue Notes through DTC in the manner provided in the Letter of Representations and the Certificate Agreement. Instructions shall include the following information with respect to each Note to be issued: its date of issue, maturity date, principal amount, interest rate or discount, purchase price therefor, and the person for whom delivery of such Note is to be made through DTC.

(b) Delivery of Instructions. All Instructions are to be directed to the Issuing and Paying Agent's Commercial Paper Operations Department. Instructions will be given through an electronic instruction and reporting communication service offered by either the Dealer or the Issuing and Paying Agent (the “Systems”). If either System is inoperable at any time, Instructions may be delivered in writing or by telephone or facsimile to the Issuing and Paying Agent, which instructions shall be verified in accordance with any security procedures agreed upon by the parties. The Issuing and Paying Agent shall incur no liability to the Authority in acting upon Instructions believed by the Issuing and Paying Agent in good faith to have been given by an Authority Representative or a Dealer Representative. If a discrepancy exists between a telephonic instruction and a later written confirmation, the telephonic instruction will be deemed the controlling and proper instruction and the written instruction shall be amended accordingly.

(c) Time for Receipt. All Instructions must be received by 12:30 p.m. on a Business Day in order for Notes to be issued or delivered on the same day. Upon notice from the Dealer by that time of the failure to sell Notes on the same day on which other Notes become due and payable, in a principal amount sufficient to pay the principal of any such maturing Notes, the Issuing and Paying Agent shall notify the Credit Bank and the Authority of the extent of such failure by 1:15 p.m. on such day.

The Issuing and Paying Agent shall issue the Notes through DTC in accordance with the terms of the Certificate Agreement and the Letter of Representations not later than 2:15 p.m. on the issue date.

If the Issuing and Paying Agent, at its option, acts upon Instructions transmitted after 12:30 p.m. on the day on which the Instructions are to be operative, the Authority understands and agrees that (a) such Instructions shall be acted upon, on a best efforts basis, by the Issuing and Paying Agent pursuant to the custom and practice of the commercial paper market, and (b) the Issuing and Paying Agent makes no representations or warranties that the issuance and delivery of any Note shall be completed prior to 2:15 p.m. or prior to the close of business on the issue date specified in the Instructions.

Any Instructions given by telephone shall be confirmed to the Issuing and Paying Agent in writing prior to 12:30 p.m. on the day on which such Instructions are to be operative. In the absence of the timely receipt by the Issuing and Paying Agent of such written confirmation or f the Issuing and Paying Agent acts upon Instructions received after 12:30 p.m. on the day on which the Instructions are to be operative, the Authority understands and agrees that the Instructions given by telephone or received after the aforementioned 12:30 p.m., as understood by the Issuing and Paying Agent, shall be the true and controlling Instructions for all purposes of this Agreement.

(d) Conditions for Issuance. The Issuing and Paying Agent shall not issue Notes unless it independently determines that, based upon the information provided in the Instructions, the following limitations set forth in the Indenture have been met:

(i) The aggregate principal amount of Notes to be outstanding after the issuance (taking into account the principal amount of Notes to be retired concurrently with the issuance) does not exceed the principal component available to be drawn under the Letter of Credit and the interest component available to be drawn under the Letter of Credit is in an amount at least equal to 270 days' accrued interest at 12% per annum on the Notes to be outstanding, based on a year of 365 or 366 days.

(ii) The Notes mature on a Business Day not later than 270 days from their date of issuance and in no event later than the fifth Business Day prior to the stated Expiration Date without regard to early termination.

(iii) The Notes bear interest at a rate not exceeding the Maximum Rate.

(iv) The Notes are sold at par.

The Issuing and Paying Agent shall not issue Notes to refund other Notes on their maturity date until it has made a drawing under the Letter of Credit to pay the Notes maturing on such maturity date.

The Issuing and Paying Agent shall not issue or deliver Notes pursuant to Instructions if the Issuing and Paying Agent has received instructions from the Credit Bank to cease issuing Notes ("No-Issuance Instructions), until the Issuing and Paying Agent receives written notice from the Credit Bank revoking the No-Issuance Instructions. The Issuing and Paying Agent shall have no responsibility for the correctness or validity of any No-Issuance Instructions nor liability for complying with them, notwithstanding any contrary instructions received from the Authority or the Dealer. The Issuing and Paying Agent shall immediately notify the Authority of the receipt of any No-Issuance Instructions.

The Issuing and Paying Agent shall notify the Authority immediately of any action taken, action not taken, or cessation of action pursuant to this subsection (d).

(e) Transmission to DTC. Upon receipt of Instructions, the Issuing and Paying Agent shall transmit such instructions to DTC and direct DTC to cause appropriate entries of the Notes to be made in accordance with DTC's applicable rules, regulations and procedures for book-entry commercial paper programs. The Issuing and Paying Agent shall assign CUSIP numbers to the Notes to identify the Authority's aggregate principal amount of outstanding Notes in DTC's system, together with the aggregate unpaid interest (if any) on such Notes. Promptly following DTC's established settlement time on each issuance date, the Issuing and Paying Agent shall access DTC's system to verify whether settlement has occurred with respect to the Authority's Notes. The Issuing and Paying Agent shall have no liability to the Authority whatsoever if any DTC participant purchasing Notes fails to settle or delays in settling its balance with DTC or if DTC fails to perform in any respect.

9. Effect of Change of Officers.

If any officer or employee of the Authority whose authorized manual or facsimile signature appears on any Note shall cease to be such officer before such Note has been furnished to or issued by the Issuing and Paying Agent or between such time and its payment by the Issuing and Paying Agent, such Note may nevertheless be issued and paid with the same effect as though the person whose signature appears on such Note had not ceased to be such officer or employee. The Issuing and Paying Agent is hereby authorized to pay each Note in accordance with its terms notwithstanding any such cessation and notwithstanding any termination of the authority of the Authorized Officer of the Issuing and Paying Agent who countersigned such Note between the time of issuance and the time of payment of such Note.

10. Reliance by the Issuing and Paying Agent.

The Issuing and Paying Agent shall incur no liability in acting upon telephonic or other electronic instructions that the Issuing and Paying Agent believed in good faith to have been given by an Authority Representative or a Dealer Representative.

The Issuing and Paying Agent shall accept, and shall be deemed to have knowledge of the contents of, all notices, advices and confirmations furnished as required by Section 14(a) by the Credit Bank to the Issuing and Paying Agent, at the second office of the Issuing and Paying Agent listed in Section 14(a), pursuant to this Agreement (including any No-Issuance Instructions and revocation thereof, and any notice as to the amount of the Letter of Credit that may be Drawn upon), and shall be deemed to have knowledge of the contents of all other notices, advices and confirmations furnished by the Credit Bank pursuant to the Reimbursement Agreement and actually received by the Issuing and Paying Agent at such address.

Whenever the Issuing and Paying Agent shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting to take any action hereunder, the Issuing and Paying Agent may, in the absence of negligence on its part, rely upon a certificate of an Authority Representative.

The Issuing and Paying Agent may consult with counsel and the advice of such counsel, or any opinion of counsel furnished by the Authority, shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

11. Commercial Paper Fund; Payment of Notes; Reimbursement.

(a) Establishment of Fund and Accounts. The Issuing and Paying Agent shall establish, maintain and hold in trust for the benefit of the Noteowners and the Credit Bank a separate fund designated as the "Commercial Paper Fund." Within the Commercial Paper Fund, the Issuing and Paying Agent shall establish the Letter of Credit Account, the Reimbursement Account, and the Revenue Account.

(b) Draws on Letter of Credit to Pay Debt Service. In order to provide for the payment of Notes at their date of maturity, the Issuing and Paying Agent shall, without seeking additional indemnity from any party, draw on the Letter of Credit in an amount equal to the aggregate amount required to pay the principal of and interest on Notes maturing on such date by presenting to the Credit Bank a draft and a certificate in substantially the forms set forth in such Letter of Credit. On or before 11:30 a.m. on the date of maturity of any Note, the Issuing and Paying Agent shall draw on the Letter of Credit. The Issuing and Paying Agent shall deposit the proceeds of any draw in the Letter of Credit Account. The Issuing and Paying Agent shall apply such proceeds for the payment of principal of and interest on maturing Notes.

(c) Proceeds of New Money Notes. The proceeds of the sale of any Notes that are issued for the purpose of financing the CP Project shall be deposited in the CP Project Fund and applied to the payment of the costs of the CP Project.

(d) Proceeds of Renewal Notes. The proceeds of the sale of any Notes (or other obligations) that are issued for the purpose of refinancing, renewing or refunding Notes (net of any proceeds thereof designated by the Authority to be used to pay costs of issuance, which shall be deposited in the CP Project Fund) shall be deposited in the Reimbursement Account and applied to the payment of the principal of the Reimbursement Obligations (or in the Revenue Account to the extent the Credit Bank does not honor a draw on the Letter of Credit).

(e) Payments from Revenues. So long as the Trustee is U.S. Bank National Association, the Trustee will provide the Authority access to the Securities Processing Automated Note System ("SPANS"), which allows online access to the Authority to view Note activity. The SPANS system allows the Authority to view the amount of Notes outstanding, maturities, issuances, interest amounts and allows the Authority to customize reports as the Authority may need, and the Trustee shall provide such reports to the Credit Bank. On the same day upon which any principal of and interest on Notes is due and payable, the Authority shall arrange for the payment by the City through the Trustee of (i) the interest on all Notes due and payable on such day for reimbursement of the Credit Bank for amounts drawn under the Letter of Credit or (ii) the principal of and interest on all Notes due and payable on such day for direct payment by the Authority to the extent the amount required to pay such principal or interest exceeds the proceeds of draws available for such purpose and the proceeds of Notes available in the Revenue Fund to make such payment. The Issuing and Paying Agent shall deposit the amounts paid in the Revenue Account. The Issuing and Paying Agent shall apply such amounts for the payment of principal of and interest on maturing Notes.

(f) Communications from Credit Bank. The Issuing and Paying Agent shall accept, and shall be deemed to have knowledge of the contents of, all notices, advices and confirmations furnished by the Credit Bank to the Issuing and Paying Agent pursuant to the Indenture, this Agreement, and the Reimbursement Agreement (including confirmations of outstanding principal of Reimbursement Obligations and any No-Issuance Instructions and revocations thereof), and shall be deemed to have knowledge of the contents of all other notices, advices and confirmations furnished by the Credit Bank pursuant to the Reimbursement Agreement and actually received by the Issuing and Paying Agent.

(g) Issuing and Paying Agent Not Liable. The Issuing and Paying Agent shall not be obligated to use its own funds to pay the principal of or interest on Notes.

(h) No Set-Off. The Issuing and Paying Agent hereby waives all rights of set-off or banker's lien that it may have under applicable law against the sums on deposit in the Commercial Paper Fund or otherwise obtained pursuant to this Agreement as a result of any indebtedness due to the Issuing and Paying Agent by any of the parties hereto in any capacity and for whatever reason.

(i) Investment. The Issuing and Paying Agent shall hold the moneys in the Commercial Paper Fund uninvested.

12. Method of Payment of Principal and Interest.

Payment of the principal of and interest on Notes evidenced by a Master Note may be made by the Issuing and Paying Agent by wire transfer to DTC pursuant to and in accordance with the Certificate Agreement and the Letter of Representations and the Master Note without the necessity of presentation and surrender of the Master Note. The Issuing and Paying Agent shall pay any other matured Notes upon presentation to the Issuing and Paying Agent for payment by the Owner thereof at the first office of the Issuing and Paying Agent specified in Section 14(a), or at such other address as the Issuing and Paying Agent may designate in writing from time to time by notice to the Authority and the Dealer.

13. Termination.

(a) This Agreement may be terminated at any time by the Authority, with or without cause, by giving not less than ten days advance written notice to the other party hereto (with a copy to each Dealer), or by the Issuing and Paying Agent by giving 60 days advance written notice to the other party hereto (with a copy to each Dealer); provided, however, that no such termination shall become effective unless and until a successor is appointed and shall have accepted the duties and obligations of Issuing and Paying Agent under the Indenture. If no successor has been appointed within 60 days as aforesaid, the Issuing and Paying Agent shall have the right to petition a court of competent jurisdiction for the appointment of a successor issuing and paying agent, and the Issuing and Paying Agent shall be reimbursed by the Authority for any and all expenses in connection with any such petition and appointment.

On the effective date of such termination, the Issuing and Paying Agent shall deliver to the successor Issuing and Paying Agent, if any, at the direction of the Authority, and otherwise to the Authority, all canceled or unissued Notes then held by the Issuing and Paying Agent for disposition in accordance with the Indenture.

(b) If all of the Notes shall no longer be Outstanding, and if all Reimbursement Obligations and all other sums payable under the Reimbursement Agreement shall have been paid in full, and if the Authority shall have advised the Issuing and Paying Agent that no additional Notes are to be issued, executed or delivered under the Indenture, all balances and funds remaining in the Commercial Paper Fund shall be transferred by the Issuing and Paying Agent to such other funds and/or accounts as the Authority may direct.

14. Miscellaneous.

(a) Notices. All notices required or permitted (except to the extent otherwise expressly provided for herein), and other documents required to be furnished, under the terms and provisions hereof shall be sent by first-class mail (postage prepaid), e-mail, telex, telecopy or other written electronic means or delivered to the addresses and the persons specified below:

If to the Authority:

Woodland Finance Authority
c/o City of Woodland
300 First Street
Woodland, California 95695
Attention: Treasurer/Controller

If to the Issuing and Paying Agent concerning the daily issuance and redemption of Notes:

U.S. Bank National Association
100 Wall Street, 16th Floor
New York, NY 10005
Attn: Corporate Trust Operations
Telephone No.: (212)361-6140
Telecopy No.: (212)509-4529

If to the Issuing and Paying Agent (other than concerning the daily issuance and redemption of Notes):

U.S. Bank National Association
100 Wall Street, 16th Floor
New York, NY 10005
Attn: Corporate Trust Operations
Telephone No.: (212)361-2892
Telecopy No.: (212)509-3384
E-mail:

If to the Dealer:

Citigroup Global Markets Inc.
Public Finance Division
390 Greenwich Street, 2nd floor
New York, New York 10013
Attention: Manager, Short-Term Finance Group
Telecopy No.: (212) 723-8939

If to the Credit Bank:

Union Bank, N.A.
445 South Figueroa Street
G08-268
Los Angeles, CA 90071
Attention:
Telecopy No.:

or, if to any of the foregoing, to it at such other address as the same may designate from time to time by notice duly given to the other persons designated above. Each of the foregoing will advise the other persons designated above from time to time of its telex, telecopy (if different from those set forth above) or telephone numbers (if any) and of the names and persons (together with their respective telephone numbers) to whom notices by telephone call hereunder shall be directed.

(b) Notices to Owners. The Issuing and Paying Agent will, on behalf of the Authority, give to the Noteowners all notices required to be given to the Owners, and in the manner required, by the Indenture, or will enable the Authority to do so directly.

(c) Fees and Costs. The Authority will pay the Issuing and Paying Agent a fee for its services hereunder, and will reimburse it for out-of-pocket expenses incurred in providing such services, including but not limited to reasonable counsel fees, in such amounts and at such times as shall be agreed upon from time to time by the Authority and the Issuing and Paying Agent. Draws on the Letter of Credit shall not be used for any such payment or reimbursement.

(d) Indemnity. To the extent permitted by law, and without any representation with respect to permissibility under existing law, the Authority will indemnify the Issuing and Paying Agent, its officers, employees and agents, and hold the Issuing and Paying Agent and, when acting as such, its officers, employees and agents harmless from any and all liability, loss, damage, costs and expenses of any nature (including reasonable counsel fees and expenses) arising out of or in connection with the performance of the Issuing and Paying Agent or its officers, employees or agents under this Agreement, except for costs, expenses, fees and liabilities arising out of the negligence or willful misconduct of the Issuing and Paying Agent or its officers, employees or agents. The Authority agrees that neither the Issuing and Paying Agent nor any of its officers, employees and agents, when acting as such, shall be liable for any action or omission to act, taken or made pursuant to this Agreement, except for actions or omissions constituting negligence or willful misconduct. This indemnity includes, but is not limited to, any action taken or omitted in good faith within the scope of this Agreement upon instructions, if authorized herein, received from, or believed by the Issuing and Paying Agent in good faith to have been given by, an Authority Representative, a Dealer Representative, or a Credit Bank Representative. The obligations of the Authority hereunder shall survive the termination of this Agreement and the payment in full of all Notes.

(e) Issuing and Paying Agent May Own Notes. The Issuing and Paying Agent, in its individual or other capacity, may become the owner or pledgee of Notes and may deal with the Authority with the same rights it would have if it were not the Issuing and Paying Agent.

(f) No Implied Duties. The duties and obligations of the Issuing and Paying Agent shall be determined solely by the express provisions of this Agreement and the Certificate Agreement and the Letter of Representations, and the Issuing and Paying Agent shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Agreement and the Certificate Agreement and the Letter of Representations, and no covenants implied.

(g) Amendment and Waiver. No provision of this Agreement shall be amended or waived unless such amendment is authorized or permitted by the Indenture and unless such amendment or waiver is approved in writing by the Authority and by the Issuing and Paying Agent, and any such amendment or waiver shall be effective only in the specific instance and for the specific purpose given; provided, however, that as to any amendments to or waivers under this Agreement that are not inconsistent with the Indenture, such approvals shall not be unreasonably withheld or delayed; and provided further, however, that this subsection (g) shall not apply to the ability of any party hereto to terminate this Agreement in accordance with the provisions of Section 13(a) hereof as then in effect. Without limiting the generality of the foregoing, the parties agree to amend this Agreement to the extent necessary to give effect to a change of Depository. The Issuing and Paying Agent shall not be required to enter into any amendment hereof that adversely affects its rights hereunder.

(h) Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Issuing and Paying Agent shall not assign any of its obligations hereunder without the prior written consent of the Authority, which consent shall not be unreasonably withheld or delayed.

(i) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York; provided, however, that the obligations of the Authority under this Agreement shall be governed by and construed in accordance with the laws of the State of California.

(j) Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

(k) Account Documentation Requirements. To help the government fight funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens a new account.

For a non-individual person, such as a business entity, a charity, a trust or other legal entity, the Issuing and Paying Agent will ask for documentation to verify its information and existence as a legal entity. The Issuing and Paying Agent may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized, all as of the day and year first above written.

WOODLAND FINANCE AUTHORITY

By____
Mark Deven, Administrator

U.S. BANK NATIONAL ASSOCIATION

By____
Authorized Officer

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: May 3, 2011

SUBJECT: Declaration of a Local Emergency and Ratification of Emergency Procurement Authority - Branigan Avenue Sink-Hole

Report in Brief

A large sink-hole was discovered at Branigan Avenue and Morris Court caused by a broken sewer pipe. The problem was large enough and growing fast enough for the Public Works Director to assert that it was an imminent threat to the public and declared that it required an emergency response. This declaration was affirmed by the City Manager and emergency repairs were initiated using both City crews and contractor assistance.

Staff recommends that the City Council adopt Resolution No. _____ proclaiming the existence of emergency conditions and ratifying implementation of the emergency procurement authority in association with the Branigan Avenue sinkhole as described herein.

Background

On Saturday, April 16 a small hole was noticed in the eastbound lane of Branigan Avenue at the corner of Morris Circle. City on-call personnel were called and the traffic was routed into the bike lane and the area coned off. Because of its small size, it was determined to wait until Monday for a full crew to investigate and deal with the problem. The site was again inspected on Sunday, April 17 and it was noted that a cavity was forming beneath the pavement and the hole was getting larger. The Monday April 18 inspection of the area revealed that a huge cavity had opened up beneath the asphalt roadway and by then the road was closed until further investigations could take place.

Crews began an immediate response to the scene and shortly thereafter, the Public Works Director declared the site to be an imminent danger to the public which required an immediate response above and beyond the capabilities of the City resources. The Director called the City Manager for confirmation of the emergency declaration, and when received, emergency repairs were commenced.

The cause of the sink-hole turned out to be a broken sewer main line that was 17 feet deep at the point of the break. The major contributing factor was the groundwater level was 4 to 5 feet above the break in the line. This essentially opened up a direct drain for the surrounding groundwater straight into the sewer system. As the water flowed into the pipe, it pulled the sand/silt/clay soil with it. As the soil washed away, the subsequent void grew under the street. Fortunately, the roadway collapsed while the traffic was routed away from the area.

As part of the emergency response, procurement of 'time and materials' contract was entered into with Flowline Construction to assist City crews in the excavation and attempted repairs of the line. Additional contracts will be necessary by the time the situation is under control.

As part of the investigation a second break has been discovered downstream of the sink-hole that will require immediate repair to prevent an additional incident 200 feet down the street. Both repairs will be made at the same time to consolidate, expedite, and resolve the problems in the most cost effective and expeditious manner possible. At the conclusion of the emergency phase, the surrounding area will be inspected to see if there are additional breaks that need to be addressed.

Discussion

The City's Purchasing Policy and Guidelines, Section 1.4, allows for the City Manager to immediately take all necessary actions directly related to an emergency and in compliance with the City's Purchasing Policies and Guidelines, but must discontinue such action immediately if he or she fails to receive the City Council's approval at the next public meeting after the occurrence of the emergency. This policy allows the City to perform emergency response without the need for regular competitive bidding, either formal or informal, but only so long as necessary.

The Public Works Director determined, and was confirmed by the City Manager, that the sink-hole met the definition of an emergency as it relates to City policy:

> "EMERGENCY" Means a sudden unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services and which requires an order be placed with the nearest available source of supply.

Based on the above findings, the City entered into 'time and materials' contracts to help resolve the immediate threat and will be procuring help to fully conclude the issues over the next week or so. In order to affirm the City Manager's actions, Council needs to formally ratify the local emergency declaration, and affirm the emergency procedures and expenditures as needed to reduce the impending threat to the public. Resolution No. ___ is presented in order to provide the Council with the means to formally proclaim the existence of emergency conditions and ratify implementation of emergency procurement authority.

Council approval of the resolution to proclaim emergency conditions will provide staff with the authority to proactively address and remedy the threat to public health and safety. In the event that the repair of the sinkhole takes additional time, the City Manager will bring similar resolutions to proclaim continuing emergency conditions back before each regularly scheduled Council meeting until the emergency is resolved. This requirement will provide the Council with the means to monitor progress and assess the continuing need for the declaration.

Fiscal Impact

All expenses incurred in these repairs will be funded out of the Sewer Fund. There will be no impact to the General Fund.

Alternative Courses of Action

1. Adopt Resolution No. _____ proclaiming the existence of emergency conditions and ratifying implementation of the emergency procurement authority in association with the Branigan Avenue sinkhole as described herein.

2. Do not adopt Resolution No. ____ and direct the City Manager to resolve the threat to public health and safety using the normal Purchasing Policy and Guidelines to finish the project.

Recommendation for Action

Staff recommends that City Council approve Alternative No.1.

Prepared by: Greg Meyer
Director of Public Works

Reviewed by: Tim Lloyd
O&M Superintendent

Reviewed by: Doug Baxter
Principal Civil Engineer

____

Mark G. Deven
City Manager

Attachments: Resolution

RESOLUTION NO. ________

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND PROCLAIMING THE EXISTENCE OF EMERGENCY CONDITIONS AND RATIFYING IMPLEMENTATION OF THE EMERGENCY PROCUREMENT AUTHORITY

WHEREAS, On April 16, 2011, a small sink-hole was discovered in the eastbound lane of Branigan Avenue, near the intersection of Morris Circle; and

WHEREAS, over the next two days the sink-hole continued to grow, collapsed the asphalt street surface, and grew to a 12'X12'X10' deep pit; and

WHEREAS, inspections revealed the cause of the sink-hole to be a break in a sewer main line located beneath the sink-hole; and

WHEREAS, ongoing investigations revealed a separate break in the sewer main line approximately 200 feet downstream, which will require immediate repair to prevent an additional incident; and

WHEREAS, the development of the sink-hole constituted an "emergency" within the meaning given that term by Public Utilities Code sections 22035 and 22050, section 8-2 of the City's Emergency Services Ordinance and the City's Purchasing Policy and Guidelines; and

WHEREAS, the City Manager, acting in his capacity as Director of Emergency Services and after evaluating the situation, determined that emergency conditions exist with respect to the sink-hole and directed City staff to prepare a request to the City Council to ratify the determination of the existence of emergency conditions in order to contain the event and reduce the potential threat to the community; and

WHEREAS, based on the emergency, the City Manager suspended all normal purchasing and contracting procedures in order to procure all necessary labor, equipment and materials necessary to prevent and/or mitigate the loss or impairment of essential public service, as outlined in Section 1-4, titled Emergency Procurement Authority, of the City's Purchasing Policies and Guidelines and Public Contract Code sections 22035 and 22050; and

WHEREAS, Public Contract Code section 22050 and the City Purchasing Policies and Guidelines requires that the City Council receive a report on the emergency and work performed at its next regularly scheduled meeting following the emergency and at every regularly scheduled meeting thereafter until the emergency has been terminated; and

WHEREAS, at such meetings, the City Council shall determine, by a four-fifths vote, that there is a need to continue the action without the benefit of formal or informal competitive bidding; and

WHEREAS, based on the report received and the findings presented;

NOW THEREFORE BE IT RESOLVED, that the City Council of the City of Woodland proclaims the existence of emergency conditions with respect to the breaks in the sewer line and the related sink-holes, and that the emergency conditions do not give the City enough time to achieve repairs through the issuance of a notice inviting bids for repair work.

BE IT FURTHER RESOLVED, that the City Council of the City of Woodland ratifies implementation of the Emergency Procurement Authority and directs the City Manager to continue to proactively address and remedy the threat to public health and safety presented by the sewer line breaks and sink-holes by contracting for the repair of the damage as expeditiously as possible, bringing the emergency action and underlying issues back before each regularly scheduled Council meeting until the emergency is resolved.

PASSED AND ADOPTED this 3rd day of May 2011, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

SIGNED: ________________________________
Artemio Pimentel, Mayor
City of Woodland

ATTEST: ________________________________
Ana Gonzalez, City Clerk
City of Woodland

City of Woodland

REPORT TO REDEVELOPMENT AGENCY BOARD

AGENDA ITEM

TO: THE REDEVELOPMENT AGENCY BOARD

DATE: May 3, 2011

SUBJECT: Owner Participation Agreement for the Jackson Building and Relocation Agreement for Hoblit Dealership

Report in Brief

The Redevelopment Agency staff is implementing projects consistent with the Redevelopment 2010-2014 Implementation Plan. The projects were discussed in concept at the meeting of April 5, 2011. During that meeting, the Agency Board approved allocation of funds for the Jackson Building interior rehabilitation loan and the Hoblit Chrysler/Dodge/Jeep Relocation and asked staff to return to the Board for review of the terms of the financing. The terms are set forth in the Owner Participation Agreements for each project that are attached to this report

Following the April 5 meeting, staff determined that a small additional project associated with the Woodland Historic Train Depot would merit Board consideration for the allocation of funds. This project came to staff's attention during the recent CDBG application process.

Staff recommends that the Redevelopment Agency Board adopt Resolution No. _____ approving execution of the Owner Participation Agreement for the Jackson Building and Relocation Agreement with Hoblit Chrysler/Dodge/Jeep based on the business terms described herein and authorize staff to evaluate the Historic Train Depot request as described herein.

Background

On April 5, 2011, Redevelopment Agency staff brought forward a strategy on how to encumber and spend the nearly $6 million of Redevelopment Tax Increment Bond proceeds available. Staff presented the Board with different projects that could utilize the funding and received direction on which projects to proceed. Approximately $490,000 was allocated at that meeting for two projects. A total of $290,000 was allocated for a façade grant and interior rehabilitation loan for the Jackson Building and $200,000 was allocated for the relocation of the Hoblit Chrysler/Dodge/Jeep dealership. The Board requested that staff bring these items back with more details on the terms of the financing. Staff was also instructed to investigate other projects and return to the Board with funding recommendations for encumbrance of the remaining funds.

Discussion

Summary of Jackson Building and Hoblit Agreements

Jackson Building - The owners of the Jackson Building (426 First Street) requested Agency assistance in the renovation of the exterior of the building and upgrading the interior to house new tenants. Morrison Restaurant previously occupied much of the space; however, this business closed its operation and vacated the premises in October of last year. The work on this building is being divided into two parts. The exterior work will be under the Agency's Exterior Rehabilitation Program. This program provides a dollar for dollar match on exterior work, up to $30,000 per storefront. At completion of construction, the Agency purchases a maintenance easement that requires the owner to maintain the exterior for three years after completion. This project is eligible for three storefront facades or up to $90,000 (a project total of $180,000), however, based on the cost estimates provided by the owners, the actual amount necessary to complete the work is approximately $90,000, so the Agency contribution would be approximately $45,000. Under the façade program there is no requirement for repayment unless the owner fails to maintain the façade. Funds were allocated in this "over-the-counter" program in 2008 and the "Maintenance Easement Agreement" needs no further review by the Board.

The owners confirmed that they have been in contact with three potential tenants to occupy and reopen a restaurant on the first floor of the building and after serious evaluation have chosen Dave Shaffer and Christy Hayes as the restaurant operators. In addition, there are offices on the second floor that need to be rehabilitated as well before they can be rented. The interior work includes new paint, new carpeting, lights, and window coverings. The terms of the loan will be at the Applicable Federal Rate (AFR), an interest rate set by the Federal government, for five years. Currently the owners are requesting $245,000 for the loan amount. This is an amount derived from the architectural design plans that have been prepared by the owner's architect and the construction bids that have been received. Staff has done the underwriting analysis to ensure that there is sufficient cash flow for repayment of the loan and sufficient collateral in case of default. The Agency Counsel in the process of finalizing the Owner Participation Agreement.

Hoblit Chrysler/Dodge/Jeep Relocation – To allow development of the new downtown multiplex, the existing auto dealer at Fifth and Main Street needs to be relocated. The multiplex has been identified as high priority project for the Agency. However, it is important to assist the car dealership in relocating within the City. Loss of the dealership would result in a significant loss of revenue. In the last 10 years, Hoblit has been responsible for several million in sales tax revenue for the City. The owner has worked closely with City and Agency staff to help find a new location for his dealership. The preferred site is on the north side of Interstate 5 between the new gym and Mazda warehouse.

Due to the fact that redevelopment actions spurred development of the theater, the Hoblit dealership is eligible for relocation assistance. These relocation funds will help to start the process for the construction of the new dealership facilities. In accordance with the terms of the Relocation Agreement, the funds do not need to be repaid unless the owner fails to relocate and establish the business at the selected site. Under those conditions, the owner would be required to repay the full relocation amount with all accrued interest. The interest rate will be based on the AFR at the time of the default. Currently, staff is recommending that there be a period of 18 months allowed for relocation to occur, with the ability to extend the deadline by twelve months if staff has seen significant progress towards the construction of the new location. Staff has determined that there is sufficient collateral and repayment ability to pay back the loan if a default occurs. The Agency Counsel is in the process of finalizing the Relocation Agreement.

Woodland Historic Train Depot

The Sacramento Valley Historical Railways (SVHR) organization recently requested Community Development Block Grant (CDBG) funding to complete the renovation of the Historic Woodland Train Depot located at Sixth Street and Lincoln Avenue. The SVHR has been working for many years since the building was moved in 1992, to save and restore this important historic community building for public use as a community center, railroad history museum, and event venue. This organization has generated over $80,000 in grant funds and donations and provided countless hours of volunteer labor. Once finished, the Depot will promote local historical tourism and attract visitors to the downtown.

Though the CDBG project selection committee thought this was an excellent proposal, due to the limited amount of CDBG funds and the competitiveness of all the proposals submitted, staff was not able to recommend using CDBG funds. Staff and the SVHR are collaborating to identify other funds that may be appropriate.

Staff believes redevelopment funds could be used because the project meets the redevelopment objectives of restoring existing historical assets and adding additional venues for the downtown entertainment district. The organization is asking for $50,000 in redevelopment funds. This will fund the installation of water and sewer services to the building and construction of a handicapped accessible bathroom. The organization will raise the additional funds and provide the volunteer labor necessary to complete the few remaining items needed (finishing the sewer line connection, finishing the interior of the restrooms, and installing an handicapped accessible pathway) so the doors can be opened to the public.

Status of Other Projects Discussed on April 5

The staff and developers have made progress on some of the other projects discussed in the redevelopment investment strategy approved by the Board on April 5, 2010. Here is the status of some of the projects:

Farmer's Market - The Board indicated that it supported funding improvements at Freeman Park to support the Woodland Farmer's Market. Facilities for a Farmer's Market would likely include installation of a permanent structure for displaying produce and other sale items, improved utilities, upgraded restrooms, expanded parking, public art and other amenities.

The first step is securing a design professional who has the experience with farmers' markets and/or public space planning to prepare the preliminary design and cost estimates. The architect would be selected through a Request for Qualifications process. The project, though still being refined, would include a visioning process to consider community input, identification of physical space needs for the present as well to accommodate future growth, consideration of public art, preparation of preliminary drawings and cost estimates, and preparation of final plans and construction specifications.

When the RFQ as generally described above is finalized, staff will release it to a short list of five to six firms and, since it is a qualifications–based selection, a firm could be chosen within four to six weeks. The Farmer's Market managers and City staff responsible for the operation and maintenance of Freeman Park would be involved in the selection process.

Porter Building - The building owner is actively getting construction bids for the work on the upper floors. The key items are the transformer installation and trenching, reconnecting the elevator, and installing the subpanels and electrical wiring for the upper floors. It is expected that staff will finish evaluating the information and bring back the OPA for approval to the Board on May 17.

BlackPine Holdings Restaurants - Staff is expecting that additional project information will be received soon. The developer has reviewed plans with the Community Development Department and is evaluating the construction costs involved. The financial package will be reviewed by staff to determine existence of sufficient collateral and ability to repay the loan.

State Theater/Woodland Opera House - The Woodland Opera House is in discussions with the State Theater building owner regarding moving the Children's Performing Arts Center to the State Theater building. The Opera House is preparing to engage McCandless Architects to prepare preliminary plans for rehabilitation of the building to accommodate the new use. The Agency will fund the cost to engage Mr. McCandless.

Additional actions associated with these projects will be presented on May 17, June 7 and June 21 as the necessary agreements and related documents are finalized.

Fiscal Impact

The Jackson Building and the Hoblit Chrysler/Dodge/Jeep Relocation were already approved for a total of $490,000 from Redevelopment Bond funds during the April 5th meeting. Actions by the Board at this meeting will allow the OPAs to be executed.

There is no impact on the General Fund.

Public Contact

Posting of the Redevelopment Agency Board Agenda.

Alternative Courses of Action

1. Adopt Resolution No. _____ approving execution of the Owner Participation Agreements for the Jackson Building and Hoblit Chrysler/Dodge/Jeep Relocation and authorizing staff to evaluate the Historic Train Depot request as described herein.

2. Do not approve the Owner Participation Agreements and provide alternate direction to staff.

Recommendation for Action

Staff recommends that the Redevelopment Agency Board approve Alternative No. 1.

Prepared by: Jamie McLeod
Redevelopment/Housing
Analyst II

Reviewed by: Cynthia Shallit
Redevelopment Manager

____
Mark G. Deven
Executive Director

Attachment: Agency Resolution No. _____

AGENCY RESOLUTION NO. ________

RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND APPROVING THE EXECUTION OF THE OWNER PARTICIPATION AGREEMENT FOR THE JACKSON BUILDING INTERIOR RENOVATION AND RELOCATION AGREEMENT FOR THE HOBLIT DEALERSHIP RELOCATION AND DIRECTION TO EVALUATE THE WOODLAND HISTORIC TRAIN DEPOT PROJECT

WHEREAS, the Redevelopment Agency of the City of Woodland ("Agency") is carrying out the Redevelopment Plan ("Redevelopment Plan") for the Woodland Redevelopment Project ("Redevelopment Project"); and

WHEREAS, pursuant to Health and Safety Code Section 33490, the Agency has adopted a Five-Year Implementation Plan for the Redevelopment Project setting out the Agency's goals and objectives for implementation of the Redevelopment Plan for period 2010 to 2014; and

WHEREAS, in light of the current economic climate and current circumstances, the Agency desires to reaffirm certain redevelopment projects and activities as high priorities and approve a strategy for investing tax increments funds in those high priority projects;

WHEREAS, the Board approved an investment strategy at its meeting of April 5, 2011.

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. In furtherance of the investment strategy approved by the Board, the Agency hereby authorizes the Executive Director to execute the Owner Participation Agreement for the Jackson Building interior renovation and the Relocation Agreement for the Hoblit Chrysler/Jeep/Dodge dealership relocation upon completion by Agency Counsel based on the business terms described in the staff report and any related documents.

Section 2. The Agency further authorizes and directs the Executive Director and Agency staff to evaluate the Historic Woodland Train Depot project for redevelopment funding to further the Agency's high priority goals for the Project Area.

PASSED AND ADOPTED at the meeting of the Redevelopment Agency of the City of Woodland, duly held on May 3, 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____

Artemio Pimentel, Chairperson

ATTEST:

____

Agency Secretary

City of Woodland

REPORT TO REDEVELOPMENT AGENCY BOARD

AGENDA ITEM

TO: THE REDEVELOPMENT AGENCY BOARD

DATE: May 3, 2011

SUBJECT: Casa Del Sol Subordination Request

Report in Brief

The Casa Del Sol Mobile Home Project will be completed if the $2.8 million HOME loan from the State Department of Housing and Community Development (HCD) is secured by the developer, Community Housing Opportunities Corporation (CHOC). In order to secure the HOME loan, CHOC needs the Redevelopment Agency to subordinate its loans in the amount $2 million to the HOME loan. Previously the Agency Board had agreed to subordinate up to $13.5 million of senior debt. The proposed action would increase the subordination amount to $15.5 million in order to secure the HOME loan which will be used to purchase and install thirty new coaches to accommodate low income housing.

Staff recommends that the Redevelopment Agency Board adopt Resolution No. ____ authorizing the Executive Director to execute the necessary documents, including the Fourth Amendment to the Participation Agreement, the Fifth Amendment to the Affordable Housing Covenants and the HOME subordination agreements.

Background

Since the mid-1990's, the Redevelopment Project Area Implementation Plan and the East Street Corridor Specific Plan have identified troubled mobile home parks as needing rehabilitation. The Dana and Woodland mobile home parks in particular were identified as good candidates for rehabilitation as affordable housing catalyst sites to begin the redevelopment and upgrading of East Street.

With this in mind, the Agency contacted CHOC to seek its assistance to improve the mobile home parks. In December 2000, the Agency and CHOC entered into a Participation Agreement providing for the acquisition and rehabilitation of these parks. Since that time, the Agency, the City and CHOC have been working together to obtain funding from various sources and the approvals necessary to undertake and complete rehabilitation of the site.

The total project cost is now at $18.3 million dollars with funding from fourteen different sources. CHOC has been successful in identifying all the financing needed. In the last two years, CHOC has used the available funding to complete construction on the park including new infrastructure, re-lotting of the pads, a new community center and tot lot and the creation of thirty new mobile home pads. The final phase of the project is the purchase of thirty new coaches that CHOC will rent to low and very-low income households. The $2.8 million financing for these coaches will come from the HOME loan program that CHOC has secured from the California Department of Housing and Community Development (HCD). CHOC has already agreed to purchase these coaches from Skyline Homes, a local manufacturer of modular homes.

Specifically, the Agency/CHOC Participation Agreement and the Affordable Housing Covenants originally allowed Agency financing to be subordinated only to maximum of $2.5 million, which was later increased to $6 million and then to $13.5 million in 2007. Staff is requesting Board approval to allow subordination of up to $15.5 million of senior debt. The Agency has two loans that would have to subordinate to the HOME loan. One of the loans does fall within the Board allowed subordination amount, however the other loan does not. The amount of subordination allowable needs to be increased one final time to close the HOME loan and complete the project.

The relative positions of the loans to finance the project are summarized in Attachment II- Lien Positions of all Debt and Encumbrances. Attachment II also shows that currently the Agency loans are in 6th and 8th positions; if the subordination is approved, it would put the Agency loans in the 7th and 9th positions.

The recommended action does not increase the dollar amount the Agency has at risk beyond the original loans. There are no changes to the scope of work for the project. The same number of affordable units will still be provided. All of the housing units will be affordable to families earning less than the median income for households found in Yolo County:

- 94 units will be affordable to very low income households (at 50% of median income)
- 39 will be affordable to low income households (earning 80% of median income)
- 23 units for moderate-income households (at or below 100% of median income).

Discussion

The recommendation to approve this subordination request involved consideration of several issues.

Risk to the Agency

The Agency's financial assistance to CHOC is in the form of two loans:

- $1,000,000 HELP loan
- $1,000,000 HUD 108 loan

The Agency's loans have both been disbursed and were spent on the work that has already been completed. It is important to close the HOME loan as the new coaches generate needed cash flow that make the project solvent. Since the new coaches will be owned by CHOC and rented to tenants, more revenue is generated than from the other pads where the coaches are owned by the residents and they pay only pad rent to CHOC. For example, on a new pad with a coach owned by CHOC, the rent is $681 or $732 per month, if just the pad was to be rented, it would only generate $305 or $335 per month. If the Agency's loans are not subordinated, then CHOC would not receive the HCD HOME funds; these are the funds that would be used to purchase thirty new coaches. The new coaches would generate the higher rent. Lower rents generated from rental of the pads only would actually increase the chance of default on the Agency's loans because of the lower operating income generated by the project.

In addition, CHOC's purchase of the thirty new coaches is from a manufacturer in Woodland. This expenditure will be a needed boost for the local economy.

Subordinating the Agency Loans will not put the Agency in a worse financial position. The HELP loan that would be in the 9th position must be repaid by the Agency to HCD in full by 2013. Staff is looking at ways to refinance or repay this loan so that the obligation can be met by CHOC. The option currently being considered is a HUD Section 108 loan. This loan could be used to repay the HELP loan and would be guaranteed by the City's CDBG entitlement funds for construction. For a 10-year Section 108 loan, the payments are approximately $125,000-$130,000 per year. CHOC has informed staff that the additional revenue from rental of the new coaches will allow the organization to make payments on the Section 108 loan. CHOC has also stated that they would be willing to enter into a new loan agreement to formalize their commitment to repay the Section 108 loan.

Fiscal Impact

Signing the subordination agreements does not increase the Agency's financial obligations to this project. However, as mentioned herein, the failure to subordinate would not allow CHOC to secure the $2.8 million HCD HOME loan. Without the HOME loan, CHOC would collect lower rents which would restrict the cash flow for the project and make it difficult for CHOC to fund repayment of the HELP loan which will likely be refinanced through the HUD Section 108 program. If CHOC cannot make the Section 108 payments, the obligation would fall to the City's annual CDBG entitlement allocation for construction. Staff has analyzed the cash flow for the project with and without the additional thirty coaches. The addition of the thirty coaches would allow CHOC to make loan payments on a refinanced Section 108 loan.

Public Contact

Posting of the Redevelopment Agency Board agenda.

Alternative Courses of Action

1. Adopt Resolution No. ____ authorizing the Executive Director to execute the necessary documents, including the Fourth Amendment to the Participation Agreement, the Fifth Amendment to the Affordable Housing Covenants and the HOME subordination agreements.

2. Do not approve the amendments and subordination requests.

Recommendation for Action

Staff recommends that the Redevelopment Agency Board approve Alternative No. 1.

Prepared by: Jamie McLeod
Redevelopment/Housing
Analyst II

Reviewed by: Cynthia Shallit
Redevelopment Manager

____
Mark G. Deven
Executive Director

Attachment(s): Resolution
Lien Listing

AGENCY RESOLUTION NO. __________

RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND APPROVING AN INCREASE IN THE AMOUNT OF SENIOR DEBT FINANCING ALLOWED UNDER THE PARTICIPATION AGREEMENT FOR THE CASA DEL SOL PROJECT

WHEREAS, the Redevelopment Agency of the City of Woodland (the "Agency") is vested with the responsibility to carry out the Redevelopment Plan (the "Redevelopment Plan") for the Woodland Redevelopment Project (the "Redevelopment Project"); and

WHEREAS, in implementation of the Redevelopment Plan, in December 2000, the Agency entered into that certain Participation Agreement with Community Housing Opportunities Corporation, a California nonprofit public benefit corporation ("CHOC"), (the "Participation Agreement"), providing for the rehabilitation of two improved parcels of real property (collectively, the "Site"), located within the City, improved with and then known as the Dana and Woodland Mobile Home Parks, and currently known and referred to as Casa Del Sol, for purposes of providing affordable housing opportunities within the City (the "Housing Project"); and

WHEREAS, pursuant to the Participation Agreement, CHOC (as the Participant) has acquired the Site and agreed to rehabilitate the Site to provide mobile home spaces, and has also agreed to use its best efforts to secure financing and purchase up to thirty (30) new single-wide and double-wide mobile homes to be located on individual mobile home spaces and rented to Eligible Households, all as more particularly set forth and defined in the Participation Agreement; and

WHEREAS, under the Participation Agreement, the Agency agreed to subordinate its loans and its affordable housing covenants to financing obtained by CHOC up to a maximum of $2,500,000; and

WHEREAS, as a result of the lengthy planning and approvals processes and modifications that have resulted in the rehabilitation plans for the Housing Project, the amount of financing required to complete the Project is greater than originally anticipated; and

WHEREAS, in order to accommodate the additional financing required for the Housing Project, CHOC has requested an increase in the amount of senior debt financing allowed under the Participation Agreement to $15.5 million;

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND DOES HEREBY RESOLVE AS FOLLOWS:

<u>Section 1</u>. The Agency hereby approves an increase in the amount of senior debt financing of up to $15.5 million to which the terms and conditions of the Agency's Affordable Housing Covenants, provided for under the Participation Agreement, may be subordinated. In approving such increase, the Agency hereby finds and determines that the improvements to be funded by any such additional debt financing will be of benefit to the Housing Project, the

immediate neighborhood in which the Housing Project is located, and the entire Redevelopment Project Area.

Section 2. The Executive Director is authorized to take such actions and execute such documents as may be necessary to carry out the purposes of this Resolution.

APPROVED AND ADOPTED this _______ day of __________________, 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Chairman

ATTEST:

____
Secretary

Attachment II Lien Order

Current Loan Structure		
Lien Position	**Lender**	**Amount**
1	California Bank and Trust	$3,200,000
2	HCD MPROP	$2,100,000
3	RCAC AWHHP	$1,000,000
4	RCAC Ford Foundation	$300,000
5	RCAC Joe Serna Farmworker	$3,639,415
	Subtotal Senior Loans	**$10,239,415**
6	***City of Woodland CDBG 108***	***$1,000,000***
7	Federal Home Loan Bank AHP	$1,000,000
8	***Woodland HELP Loan***	***$1,000,000***
9	Woodland RDA Loan	$150,000
10	Deferred Developer Fee	$1,200,000
11	City of Woodland CDBG Grant	$145,000
12	Interim NOI	$134,612
13	CHOC Guarantee	$578,796
	Subtotal Junior Loans	**$5,208,408**
	Total	**$15,447,823**

Recommended Loan Structure		
Lien Position	**Lender**	**Amount**
1	California Bank and Trust	$3,200,000
2	HCD MPROP	$2,100,000
3	RCAC AWHHP	$1,000,000
4	HCD HOME	$2,791,139
5	RCAC Ford Foundation	$300,000
6	RCAC Joe Serna Farmworker	$3,639,415
	Subtotal Senior	**$13,030,554**
7	***City of Woodland CDBG 108***	***$1,000,000***
8	Federal Home Loan Bank AHP	$1,000,000
9	***Woodland HELP Loan***	***$1,000,000***
10	Woodland RDA Loan	$150,000
11	Deferred Developer Fee	$1,200,000
12	City of Woodland CDBG Grant	$145,000
13	Interim NOI	$134,612
14	CHOC Guarantee	$578,796
	Subtotal Junior Loans	**$5,208,408**
	Total	**$18,238,962**

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: May 3, 2011

SUBJECT: Introduction of an Ordinance to Extend the Development Impact Fee Deferral Program

Report in Brief

On December 16, 2008, The City of Woodland adopted an Urgency Ordinance adding section 6B-110 to the City of Woodland Municipal Code allowing for the deferral of certain impact fees for market-rate residential and non-residential projects. The construction of new residential and non-residential development continues to be hindered by the downturn in the economic and financial market, making it difficult if not impossible for several developers within the City to obtain financing to cover the initial costs of development. Recently, several developers have expressed interest in the Development Impact Fee Deferral Program; however, the current ordinance is set to sunset on June 30, 2011. The ordinance allowing for a fee deferral program can only be extended by City Council action.

Staff recommends that the City Council waive first reading and read by title only Ordinance No. ____ amending Woodland Municipal Code section 6B-110 to extend the City's temporary development impact fee deferral program for an additional two years as described herein.

Background

The City met with Spring Lake developers/homebuilders throughout the 2007 and 2008 to address issues associated with residential development and the impact that current market conditions had on new construction. Additionally, during that two-year span, some commercial developers also expressed that they were experiencing financial constraints due to the current state of the U.S. economy. Consequently, several developers/homebuilders requested that the City of Woodland implement a fee deferral program to provide some relief with the cost of new construction.

The construction of new residential and non-residential development has been and continues to be hindered by the downturn in the economic and financial market in recent years, making it difficult if not impossible for several developers within the City to obtain financing to cover the initial costs of development. The reduction of new residential and non-residential developments has left large tracts of land located throughout the City vacant and undeveloped. The inability of developers to construct new development within the City due to the substantial financial commitment for many projects has restricted the City's revenue through the loss of potential building permits, tax revenue and/or sales tax revenue.

Given that most development impact fees are collected by cities at building permit issuance, on August 1, 2008, in response to the downturn in the housing market, the California Legislature adopted AB 2604, which amends Government Code section 66007 effective January 1, 2009 to specifically allow local agencies to defer the collection of development impact fees for residential projects to the close of escrow.

The City of Woodland, like many other cities was asked by representatives from Pulte/ Centex, KB Homes, local developers/builders the Building Industry Association (BIA), and several commercial developers to implement a Development Impact Fee Deferral program to provide a certain level of financial relief and assist them with the cost of new construction.

In response, staff analyzed various Fee Deferral Programs implemented by other cities and counties in the Sacramento region. As a discussion item, the fee deferral concept and a summary of the analysis were presented to the City Council Spring Lake Financial Subcommittee on September 25, 2008. The Council Spring Lake Financial Subcommittee and represented developers/homebuilders felt a fee deferral program would be beneficial to all stakeholders. Staff was requested to continue with a draft ordinance.

Staff proceeded to prepare a draft Ordinance that was approved by City Council on December 16, 2008 and became effective date of January 1, 2009.

Discussion

The City of Woodland's current Building Ordinance Chapter 6, section 6-1-2(f) (ii) states that "Facilities fees shall be paid by each applicant concurrent with the issuance of a building permit." Like the City of Woodland, most cities currently collect these fees at permit issuance; however, many cities have implemented or have revised fee deferral programs to allow developers/homebuilders to pay development impact fees at final inspection, certificate of occupancy, close of escrow, or within a defined period of time.

Ordinance/Program Major Components: Staff reviewed ordinances and programs implemented by the cities of Folsom, Roseville, Elk Grove, and Lincoln. Staff also looked at Sacramento County's standing fee deferral program. In all instances, cities implemented programs that deferred "city controlled" Development Impact Fees. Cities/county introduced new or amended existing ordinances that set parameters for the program. All cities/county had the following major components in common and addressed them in their ordinance or program:

- Length of Deferral (Maximum deferral period): The length of the deferral period is the period from the date of issuance of the building permit in which any Deferred Fees may remain unpaid for any Residential/Non-residential development. The current deferral period allows staff to anticipate development impact fees and budget appropriately as fees are related to capital projects in the MPFP.

  Current Ordinance:
  1. Residential: Allows fee deferral for a maximum of 12 months and includes language that gives staff the discretion to shorten the deferral period from 6-12 months. The deferral period may be extended at the discretion of the City Council prior to the expiration of the Residential Maximum Deferral Period.

  2. Non-residential (Commercial & Industrial): Allows fee deferral for a maximum of 24 months. The deferral period may be extended at the discretion of the City Council prior to the expiration of the Non-Residential Maximum Deferral Period.

- When Fees are Due: Similar to length of deferral, this component of the program specifically triggers when the fees are due. Fees due are triggered by the earlier of a certain action such as a Final Inspection, Close of Escrow, Certificate of Occupancy, a date in a Fee Deferral Agreement, or the expiration of the fee deferral period.

  Current Ordinance:
  1. Residential: Requires that fees be due at final inspection, but no later than the maximum deferral period, whichever comes first.

  2. Non-residential (Commercial & Industrial): Requires that fees be paid at a mutually agreed upon date, per the Fee Deferral Agreement, or at the request for final inspection under a building permit and/or a Certificate of Occupancy, but no later than the maximum deferral period, whichever comes first.

- Fee Amount at the Time of Payment: This component of the program states the rate(s) of fees the “applicant” would pay when fees are due.

  Current Ordinance:
  1. Residential: Requires that fees be paid at the rate(s) when building permits are issued.

  2. Non-residential (Commercial & Industrial): Require that fees be paid at the rate(s) when building permits are issued.

- Length of Ordinance**:** The City’s current ordinance is set to sunset on June 30, 2011 unless extended by City Council.

- <u>Security Against Deferred Fees:</u> Various instruments such as recorded deeds of trust, liens, or final inspection can be used as leverage to ensure the payment of deferred fees.

Current Ordinance:

1. Residential: Records a lien against the property.

2. Non-residential (Commercial & Industrial): Secured by a security instrument mutually agreed upon by both City and Developer.

Discretionary Approval: From a risk assessment standpoint, staff looked into the issue discretionary approval for the program and its ramifications. Typically, a discretionary fee deferral program would trigger prevailing wages because under the California Department of Industrial Relations rules and regulations, it would be considered a loan of public funds. To comply with state law, the City would generally have several options in addressing prevailing wage: either (1) make the program non-discretionary and apply the program across the board allowing any interested party with an eligible project to request and be granted a fee deferral, (2) collect interest on deferred fees for any project with a fee deferral agreement, or (3) require prevailing wage and indemnification from developers/homebuilders.

As mentioned above, effective January 1, 2009 SB 2604 allowed for local agencies to defer fees to the close of escrow. By adopting this piece of legislation, the State eliminated the issue of prevailing wage for residential projects and allows all local agencies to implement discretionary programs. However, this still leaves non-residential projects with the issue of prevailing wage. Based on the City's options and in order to minimize the City's risk, the following sections were implemented:

Current Ordinance:

1. Residential: Implements eligibility criteria and approval discretion for all projects requesting a fee deferral with no interest assessed during the deferral period.

2. Non-residential (Commercial & Industrial): Implements eligibility criteria and approval discretion for all projects requesting a fee deferral; assesses interest on deferred fees equal to the annual rate of interest earned by the City of Woodland on the investment of pooled funds (LAIF rate), computed on the unpaid amount from the date of execution of the Fee Deferral Agreement to the time of payment for each project.

At the time the program was created, the levels of approval described below were not compared with other cities, but rather analyzed from a City of Woodland perspective to ensure an appropriate, efficient, and timely process:

Current Ordinance:

1. Fee Deferral Agreements are approved and executed by the Assistant City Manager or designee if the sum of Deferred Fees is less than one million dollars ($1,000,000).

2. Fee Deferral Agreements are approved by the City Council and executed by the City Manager if the sum of Deferred Fees is equal to or exceeds one million dollars ($1,000,000).

Eligible Fees: Prior to identifying eligible fees, Finance staff closely reviewed all development impact fees to determine what fees could be deferred without having an adverse fiscal impact. Of these fees, the Wastewater, Parks, and Fire fees were not recommended for deferral. All three (3) fee types are tied to debt service that would otherwise have to be paid with the City's General Fund, if deferred.

Staff identified the following Development Impact fees eligible for deferral. Deferral of these fees will not have an adverse fiscal impact on the City.

1. General City
2. Library
3. Police
4. Water (excludes pending Surface Water fee)
5. Roads
6. Administration
7. Storm Drain

Based on existing Council approved fees, deferral of certain development impact fees would provide the following temporary financial relief to developers. Note that "other city" or infill projects do not account for storm drain. The rate for Storm Drain will vary based the proposed location of the project.

- Single Family Development Impact Fees (Spring Lake)
  Current Fees: Total Fees: $20,076; Percent Deferred: 50% or $10,012.

- Single Family Development Impact Fees (Other City)
  Current Fees: Total Fees: $22,915 (not including Storm Drain); Percent Deferred: 44% or $10,033.

- Downtown Single Family Development Impact Fees (Spring Lake)
  Current Fees: Total Fees: $24,633; Percent Deferred: 45% or $11,199.

- Downtown Single Family Development Impact Fees (Other City)
  Current Fees: Total Fees: $21,545 (not including Storm Drain); Percent Deferred: 40% or $8,663.

- High-Density Single Family (Spring Lake)
  Current Fees: Total Fees: $15,437; Percent Deferred: 46% or $7,145.

- High-Density Single Family (Other City)

Current Fees: Total Fees: $17,802 (not including Storm Drain); Percent Deferred: 40% or $7,163.

- Age-restricted Single Family (Spring Lake)
  Current Fees: $10,260; Percent Deferred: 39% or $3,959.

- Age-restricted Single Family (Other City)
  Current Fees: Total Fees: $11,962 (not including Storm Drain); Percent Deferred: 34% or $4,015.

- Multifamily Development Impact Fees (Spring Lake)
  Current Fees: Total Fees: $15,437; Percent Deferred: 46% or $7,145.

- Multifamily Development Impact Fees (Other City)
  Current Fees: Total Fees: $17,802 (not including Storm Drain); Percent Deferred: 40% or $7,163.

- Age Restricted Multifamily Development Impact Fees (Spring Lake)
  Current Fees: Total Fees: $8,688; Percent Deferred: 30% or $2,564.

- Age Restricted Multifamily Development Impact Fees (Other City)
  Current Fees: Total Fees: $10,391 (not including Storm Drain); Percent Deferred: 25% or $2,642.

- Non-residential Development Impact Fees***:*** All development impact fees are based the square footage of a project. The rate per square foot will vary depending whether the project is retail, service, office, downtown retail, or industrial. The rate for Storm Drain will also vary based proposed location of the project.

Spring Lake Infrastructure Fees (SLIF): Previously, staff also looked at Spring Lake Infrastructure Fees (SLIF) to determine whether or not they were deferrable. Based on Finance staff review, it was determined that most developers/homebuilders were already using fee credits to pay for SLIF fees and therefore deferring these fees would not encourage development. Remaining SLIF fees that developers/homebuilders are required to pay, but are not fee-creditable are the Parks SLIF and Administration SLIF. In considering these fees, it was determined that deferring these fees was not feasible as they are tied to projects and staff salaries.

<u>Fiscal Impact</u>

The fiscal impact to the City would be a potential net loss of interest earnings for each residential lot that is approved. There would be no fiscal impact for non-residential projects as the City would collect interest for each approved project that also takes advantage of the City's fee deferral program.

Public Contact

Posting of the City Council agenda.

Council Committee Recommendation

The City Council Spring Lake Financial Subcommittee previously recommended the original Ordinance that was approved on December 16, 2008.

Alternative Courses of Action

1. Waive first reading and read by title only Ordinance No. ____ amending Woodland Municipal Code section 6B-110 to extend the City's temporary development impact fee deferral program for an additional two years as described herein.

2. Request that staff make changes to the proposed ordinance.

3. Cease further consideration of a proposed development impact fee deferral program and return to collecting fees at building permit issuance.

Recommendation for Action

Staff recommends that the City Council approve Alternative No. 1.

Prepared by: Evis Morales
Management Analyst

Reviewed by: Paul Siegel
Deputy Director
Community Development

____
Mark G. Deven
City Manager

Attachment: Ordinance

ORDINANCE NO. __________

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WOODLAND, CALIFORNIA, AMENDING SECTION 6B-110 OF THE WOODLAND MUNICIPAL CODE RELATING TO THE DEFERRAL OF CERTAIN DEVELOPMENT IMPACT FEES

WHEREAS, the City of Woodland ("City") requires the payment of various development impact fees to help address the impacts of new development; and

WHEREAS, the City recognizes that the payment of fees represents a substantial financial commitment for many projects; and

WHEREAS, the construction of new residential and non-residential development has been severely hindered by the continued economic downturn, making it difficult if not impossible for several developers within the City to obtain financing to cover the initial costs of development; and

WHEREAS, the reduction of new residential and non-residential developments has left large tracts of land located throughout the City vacant and undeveloped; and

WHEREAS, the inability of developers to construct new development within the City due to the substantial financial commitment for many projects has restricted the City's revenue through the loss of potential *ad valorem* tax revenue and/or sales tax revenue; and

WHEREAS, in an effort to spurn development and associated City revenues, the City Council adopted Ordinance No. 1501 permitting developers to defer development impact fees for certain projects; and

WHEREAS, Ordinance No. 1501 will sunset on June 30, 2011 unless extended; and

WHEREAS, the economic difficulties that necessitated the adoption of Ordinance No. 1501 continue to negatively impact projects and are expected to continue to do so in the foreseeable future; and

WHEREAS, to ensure the continued development of residential and non-residential projects and the receipt of accompanying tax revenue, the City Council wishes to extend Ordinance No. 1501 for an additional two years.

NOW, THEREFORE, the City Council of the City of Woodland does hereby ordain as follows:

Section 1. <u>Purpose</u>. The purpose of this Ordinance is to amend Section 6B-110 of the Woodland Municipal Code to extend the City's temporary development impact fee deferral program for an additional two years.

Section 2. Authority. The City Council enacts this Ordinance under the authority granted to cities by Article XI, Section 7 of the California Constitution.

Section 3. CEQA. The adoption of this Ordinance is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3), which provides that CEQA only applies to projects which have the potential for causing a significant effect on the environment. Where it can be determined that the proposed project will not have a significant adverse effect on the environment, the project is not subject to CEQA. This Ordinance would temporarily extend a program to allow for the deferral of certain development impact fees and does not propose nor authorize any action that would have the potential to cause a significant adverse effect on the environment. Furthermore, this Ordinance explicitly requires that a project must have completed all environmental compliance requirements in order to be eligible for the deferral of certain development impact fees. Thus, it can be established with certainty that this Ordinance will not have a significant adverse effect on the environment and is therefore not subject to CEQA. Pursuant to the foregoing, a Notice of Exemption has been prepared and completed in accordance with CEQA.

Section 4. Amendment. Section 6B-110 of the Woodland Municipal Code is amended to read in full as follows:

> **Sec. 6B-110. Expiration**. This chapter shall remain in effect until June 30, 2013, and shall thereafter be automatically repealed and of no further force and effect. The City Council may, at its sole discretion, extend the fee deferral program at any time prior to the expiration date set forth herein.

Section 5. Severability. If any provision of this Ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. This City Council hereby declares that it would have adopted this Ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the Ordinance be enforced.

Section 6. Effective Date and Publication. The City Clerk shall certify to the adoption of this Ordinance, and the City Clerk shall cause this Ordinance to be posted or published as prescribed by law. This Ordinance shall take effect thirty (30) days following its adoption.

PASSED AND ADOPTED this ________ day of ____________, 2011 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Artemio Pimentel
Mayor

ATTEST:

____
Ana B. Gonzalez
City Clerk

APPROVED AS TO FORM:

____
Andrew J. Morris
City Attorney