City of Woodland

300 First Street
Woodland, CA 95695

Meeting Agenda - Final

Tuesday, January 21, 2014

6:00 PM

Council Chambers

City Council

JOINT REGULAR CITY COUNCIL/WOODLAND FINANCE AUTHORITY
JANUARY 21, 2014
6:00 P.M.

A. CALL TO ORDER

B. ROLL CALL

C. PLEDGE OF ALLEGIANCE

D. COMMUNICATIONS-PUBLIC COMMENT

This is 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

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.

14-020 SUBJECT: Long Range Calendar

Recommendation for Action: Staff recommends that the City Council receive the Long Range Calendar for informational purposes only.

Attachments: Council Long Range Calendar

14-021 SUBJECT: City Council Meeting Schedule for 2014

Recommendation for Action: Staff recommends that the City Council consider approving a formal meeting schedule for the upcoming legislative year.

Attachments: Proposed Council Schedule for 2014

F. COMMITTEE REPORTS

1. 14-012 SUBJECT: Commission on Aging Meeting Minutes: September 12, 2013 and November 11, 2013

Recommendation for Action

Staff recommends that the City Council receive the Commission on Aging Meeting Minutes for September 12, 2013 and November 11, 2013.

Background

Commission on Aging meeting minutes for September 12, 2013 and November 11, 2013 were approved at the January 9, 2014 Commission meeting and are attached for information only (there were no meetings in October or December 2013).

Conclusion

Staff recommends that the City Council receive the Commission on Aging Meeting Minutes for September 12, 2013 and November 11, 2013.

Prepared by: Christine Engel, Community Services Director

Attachments: Sep 12, 2013 Minutes
Nov 11, 2013 Minutes

G. PRESENTATIONS

2. 14-016 SUBJECT: Woodland Groundwater Update and Water Conservation Campaign

Recommendation for Action: Staff recommends that the City Council receive an informational presentation on the current status of groundwater levels in Woodland. No specific Council action is required at this time.

H. CONSENT CALENDAR

3. 14-015

SUBJECT: General Plan Informational Update - Schedule and Budget

Recommendation for Action: This item is provided as an informational update regarding the revised schedule, modified scope of work, and budget for the General Plan Update Project.

Attachments: Preliminary Draft Scope of Work for the General Plan Update

Preliminary Process and Schedule for the General Plan Update

I. REPORTS OF THE CITY MANAGER

4. 14-017

SUBJECT: 2014 Community Service Awards Nominating Committee Report

Recommendation for Action:

Staff recommends that the City Council approve the nominating committee's recommended recipients selected to receive the 2014 Community Service Award and determine which Council Members will present the awards to the selected award recipients.

5. 14-014

SUBJECT: Support a request to CalPERS Health Benefits Committee to move employees residing in Yolo County from Bay Area Region Health Premium Rates to Sacramento Area Region Health Premium Rates.

Recommendation for Action: Staff recommends that the City Council support a request to CalPERS Health Benefits Committee to move employees residing in Yolo County from Bay Area Region Health Premium Rates to Sacramento Area Region Health Premium rates.

Attachments: CalPERS Health Rates for 2014

6. 14-010

SUBJECT: Review of Fiscal Year 2014-15 Community Development Block Grant Estimated Funding and Preliminary Comments on CDBG Funding Priorities

Recommendation for Action: Staff recommends that the City Council take the following actions: 1) Receive a briefing from staff on the FY 2014-15 Community Development Block Grant (CDBG) estimated funding; and 2) Provide staff with preliminary comments on CDBG funding priorities for FY 2014-15.

Attachments: FY 2013-14 Funding Spreadsheet 6Jan14

7. [14-018](14-018)

SUBJECT: Floodsafe Yolo/Cache Creek Feasibility Study, CIP 09-15; Approve Contract Amendment No. 1

Recommendation for Action: Staff recommends that the City Council authorize the City Manager to execute Amendment #1 to the consultant services agreement with MBK Engineers (MBK) for the Floodsafe Yolo/Cache Creek Feasibility Study, CIP 09-15, for an additional amount up to $132,000.

8. [14-019](14-019)

SUBJECT: Approval of Second Amendment to the Installment Purchase Agreement between the City of Woodland and the Woodland-Davis Clean Water Agency

Recommendation for Action: Staff recommends that the City Council approve the attached resolution authorizing the City Manager to execute the Second Amendment to the Installment Purchase Agreement between the City of Woodland and the Woodland-Davis Clean Water Agency.

Attachments: Reso_Second Amendment to Installment Purchase

WOODLAND-DAVIS CLEAN WATER AGENCY

9. [14-008](14-008)

SUBJECT: Approve Resolution to Lease City Property for the Construction of the Woodland-Davis Clean Water Agency (WDCWA) Project Facilities

Recommendation for Action: Staff recommends that the City Council adopt Resolution No. ____ to lease City Property to the Woodland-Davis Clean Water Agency for the construction of facilities for the Davis Woodland Water Supply Project (DWWSP).

Attachments: Drying Bed Ground Lease - City of Woodland - WDCWA

Resolution Approving Drying Beds Lease

J. ADJOURN

I declare under penalty of perjury that the foregoing Agenda for the Joint Regular City Council/Woodland Finance Authority Regular Meeting of the City of Woodland scheduled for January 21, 2014 was posted on January 17, 2014 in the outside display case at City Hall, 300 First Street, Woodland, CA, and was available to the public during normal business hours.

____

Ana B. Gonzalez, 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.

300 First Street
Woodland, CA 95695

Legislation Details (With Text)

File #:	14-020 **Version:** 2	**Name:**	
Type:	Report of the City Manager	**Status:**	Agenda Ready
File created:	1/16/2014	**In control:**	City Council
On agenda:	1/21/2014	**Final action:**	
Title:	SUBJECT: Long Range Calendar Recommendation for Action: Staff recommends that the City Council receive the Long Range Calendar for informational purposes only.		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	Council Long Range Calendar		

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: January 21, 2014

SUBJECT: Long Range Calendar

Recommendation for Action: Staff recommends that the City Council receive the Long Range Calendar for informational purposes only.

Staff Contact

Ana Gonzalez, City Clerk - (530) 661-5806, ana.gonzalez@cityofwoodland.org

Background

This calendar is being provided for planning purposes only and is intended to keep the Council apprised of upcoming agenda items and better plan for upcoming Council items.

Paul Navazio, City Manager

Attachment

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COUNCIL LONG RANGE CALENDAR
Items subject to removal and/or rescheduling

Tuesday, January 28, 2014	Reports due 1/14	Study Session (TENTATIVE)

Study Session – Street Maintenance Program; Transportation Funding and Priorities
Moved to February 4th

Tuesday, February 4, 2014	Reports due 1/21	Regular Meeting

Study Session – 4PM to 5:30PM

Closed Session – 5:30PM – 6:00PM

Regular Meeting – 6:-00PM

Consent
CDD Quarterly Status Report – Regular
Final Acceptance and Notice of Completion for Water Meter Project, phase 3, CIP 12-09
Final Acceptance and Notice of Completion for Safe Routes to School, CIP 13-06

Regular Calendar
Renewal of Letter of Credit for City's Water Utility
PD Chiller - Consent
1st Reading of Water Conservation Ordinance

Tuesday, February 18, 2014	Reports due 2/4	Regular Meeting

Public Hearing
IEOZ Zone Change

Commission on Aging Annual Report
Resolution Accepting the Mitigated Negative Declaration, Environmental Document for the Aeration Project
Final Acceptance and NOC for Parks Irrigation Rehabilitation Project, Ph 4 Freeman Park, CIP 10-01.
Authorize City Manager to Enter into Purchase and Sale Agreements for ROW Acquisitions, CIP 11-14 & CIP 12-05, Local Pipelines
FY2013/14 Mid-year Budget Update
2nd Reading of Water Conservation Ordinance - Consent

FUTURE AGENDA ITEMS FOR:

MARCH

11^{th} – General Plan – CC confirmation of final preferred alt
FY 14/15 Budget Workshop

FUTURE AGENDA ITEMS – DATE TO BE DETERMINED:
Amend Home Occupation Ordinance to Comply with CA Homemade Food Act – Public Hearing
Ashley Gate Rehab CIP 14-12 Award Contract – Consent
New water conservation ordinance
County food waste composting proposal

FUTURE STUDY SESSIONS (TBD):
City Council Goals/Progress Report
Lower Cache Creek Flood Control Feasibility Study
Climate Action Plan
Update Economic Development Strategic Plan

Updated 1/16/14

300 First Street
Woodland, CA 95695

Legislation Details (With Text)

File #:	14-021 Version: 2	Name:	
Type:	Report of the City Manager	Status:	Agenda Ready
File created:	1/16/2014	In control:	City Council
On agenda:	1/21/2014	Final action:	
Title:	SUBJECT: City Council Meeting Schedule for 2014 Recommendation for Action: Staff recommends that the City Council consider approving a formal meeting schedule for the upcoming legislative year.		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	Proposed Council Schedule for 2014		

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: January 21, 1014
SUBJECT: City Council Meeting Schedule for 2014

Recommendation for Action: Staff recommends that the City Council consider approving a formal meeting schedule for the upcoming legislative year.

Staff Contact

Ana Gonzalez, City Clerk - 530-661-5806, ana.gonzalez@cityofwoodland.org

Background

Over the course of the calendar year the dates established by the City Code occasionally conflict with Holidays, winter and summer recess, and other dates such as local or general elections.

The purpose of establishing specific meeting dates at this time is to avoid the need to adjust meeting dates as conflicts arise and will allow City Council and staff to plan in advance for workflow, vacations and other activities so as to minimize conflicts with the City Council meeting schedule.

Discussion

Attached, for your consideration, is a proposed City Council Meeting schedule for 2014. The schedule takes into consideration Election Day which falls on June 3 rd and the need to schedule a Council Reorganization with the upcoming Council elections.

June 3, 2014 - Cancel Regular Meeting - Election Day

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July 1, 2014 - Regular Meeting
July 8, 2014 - Special Meeting for Council Reorganization
July 15, 2014 - Regular Meeting

July 16 - August 18, 2014 - SUMMER RECESS

August 19, 2014 - Regular Meeting

Prepared by: Ana Gonzalez, City Clerk

Paul Navazio, City Manager
Attachment

City Council Meeting Schedule
2014 **PROPOSED**

1/7/2014	1st	Regular		
1/14/2014	2nd			
1/21/2014	3rd	Regular		
1/28/2014	4th	Study Session		
2/4/2014	1st	Regular		
2/11/2014	2nd			
2/18/2014	3rd	Regular		
2/25/2014	4th	Study Session		
3/4/2014	1st	Regular		
3/11/2014	2nd			
3/18/2014	3rd	Regular		
3/25/2014	4th	Study Session		
4/1/2014	1st	Regular		
4/8/2014	2nd			
4/15/2014	3rd	Regular		
4/22/2014	4th	Study Session		
5/6/2014	1st	Regular		
5/13/2014	2nd			
5/20/2014	3rd	Regular		
5/27/2014	4th	Study Session		
6/3/2014	1st	Regular	CANCEL	ELECTION DAY
6/10/2014	2nd			
6/17/2014	3rd	Regular		
6/24/2014	4th	Study Session		
7/1/2014	1st	Regular		COUNCIL REORG
7/8/2014	2nd			
7/15/2014	3rd	Regular		
7/22/2014	4th	Study Session	RECESS	
7/29/2014	5th			
8/5/2014	1st	Regular		
8/12/2014	2nd			
8/19/2014	3rd	Regular		
8/26/2014	4th	Study Session		
9/2/2014	1st	Regular		
9/9/2014	2nd			
9/16/2014	3rd	Regular		
9/23/2014	4th	Study Session		
10/7/2014	1st	Regular		
10/14/2014	2nd			
10/21/2014	3rd	Regular		
10/28/2014	4th	Study Session		
11/4/2014	1st	Regular		
11/11/2014	2nd			
11/18/2014	3rd	Regular		
11/25/2014	4th	Study Session		
12/2/2014	1st	Regular		
12/9/2014	2nd			
12/16/2014	3rd	Regular		
12/23/2014	4th	Study Session		
1/6/2015	1st	Regular		
1/13/2015	2nd			
1/20/2015	3rd	Regular		
1/27/2015	4th	Study Session		

Legislation Details (With Text)

File #:	14-012	Version: 1	Name:		
Type:	Minutes		Status:	Agenda Ready	
File created:	1/10/2014		In control:	City Council	
On agenda:	1/21/2014		Final action:		
Title:	SUBJECT: Commission on Aging Meeting Minutes: September 12, 2013 and November 11, 2013				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	Sep 12, 2013 Minutes Nov 11, 2013 Minutes				

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: January 21, 2014

SUBJECT: Commission on Aging Meeting Minutes: September 12, 2013 and November 11, 2013

Recommendation for Action

Staff recommends that the City Council receive the Commission on Aging Meeting Minutes for September 12, 2013 and November 11, 2013.

Background

Commission on Aging meeting minutes for September 12, 2013 and November 11, 2013 were approved at the January 9, 2014 Commission meeting and are attached for information only (there were no meetings in October or December 2013).

Conclusion

Staff recommends that the City Council receive the Commission on Aging Meeting Minutes for September 12, 2013 and November 11, 2013.

Prepared by: Christine Engel, Community Services Director

Paul Navazio, City Manager

Meeting Minutes for September 12, 2013 and November 11, 2013

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Regular Meeting Minutes

September 12, 2013

Call to Order

Meeting convened at 3:06 p.m. at the Community & Senior Center, 2001 East Street, Woodland, California; Chair Garman presiding.

Roll Call

Commissioners Present:	Garman, Overholt, Wright, and Talkington
Absent:	Campbell
Staff:	Engel, Tringali, Haynie and Bain

Pledge of Allegiance

Communications-Public Comment (None)

Communication-Commission/Staff Statements and Requests

The Parks & Recreation Department will be called Community Services Department, officially on October 1, 2013. Dan Sokolow, Senior Planner has joined the department along with the programs he manages, Affordable Housing, CDBG Entitlement Program. One of the goals is community outreach and getting the community engaged.

Minutes

Commissioner Wright made the motion to accept the minutes as written; Commissioner Talkington seconded the motion. Motion carried 4/0.

Report of the Staff

<u>Teens Helping Seniors</u>

Tringali reported that 13 teens participated in the program serving 37 seniors on 47 separate jobs, serving 207 hours of community service. Wesley Mannering, Special Activity Coordinator was an asset to the program. Teens went on an end of summer trip, with the tips the seniors donated, to Santa Cruz Boardwalk. For approximately half of the teens this was their first time seeing the ocean. Tringali received a thank you letter from Gloria Delgado praising Mannering and the teens. Mannering and Tringali attended the SCI meeting to report on Teens Helping Seniors. SCI have agreed to fund the program again next year.

<u>Senior Center Report</u>

Flu Shot Clinic scheduled for Thursday, October 17, 2013, 10-1 p.m. SCI will assist with payment for any seniors unable to pay the $10 fee. Donna Penn is a new member of SCI Board, Penn runs the thrift store for SCI. SCI currently has a full board and will meet 12 months per year now. Volunteer Appreciation Dinner will be held in August, this will better space the events for seniors. Affordable Adventures trip program is doing well, Jan Bello is in charge. The article in the current Senior Gram featuring the artists who use the Senior Center was written by Paula Crum. Bain is currently looking for a scrapbook instructor to host class once or twice a month. Bain would is also interested in hosting an intergenerational support group at the Senior Center. Commissioner Wright is looking for a current events person.

Facility Update

Engel reported that all the curb stoppers had been painted with the white reflective glass paint.

Speaker Series

HICAP moved to September 25, 2013 at 10 a.m. Discussed a two part series concerning relieving stress, social, physical and emotional support for the holidays. Possible names and discussed for the workshop were “Beating Holiday Blues” or “How Not To Be Lonely”.

Apartment List

Commissioner Wright will update pages 1-3, Commissioner Talkington pages 4-6, Commissioner Garman pages 7-9, and Commissioner Campbell pages 10-12. Commissioners will send updates to staff when complete, updated apartment list will be published January 2014.

Business Items for Next Meeting
Speaker Series

Next Meeting Date October 10, 2013

Adjourn

Commissioner Overholt made the motion to adjourn the meeting at 4:15 p.m., Commissioner Talkington seconded the motion, and motion carried 4-0.

Respectfully submitted,

Cathy Haynie, Administrative Secretary
Parks & Recreation Department

Commission on Aging

Woodland Community & Senior Center, 2001 East Street, Woodland, CA 95776

Regular Meeting Minutes

November 11, 2013, 2013

Call to Order

Meeting convened at 3:10 p.m. at the Community & Senior Center, 2001 East Street, Woodland, California; Chair Garman presiding.

Roll Call

Commissioners Present:	Garman, Campbell, Wright,
Absent:	Overholt, Talkington
Staff:	Engel, Haynie and Bain

Pledge of Allegiance

Communications-Public Comment

Nick Pohl, President of Senior Center Inc. reported on the accomplishments of Senior Center Inc.

Minutes

Haynie did not include the September 12, 2013 minutes in the packet. Haynie will include them in the next meeting packet.

Report of the Staff

Senior Center Report

Engel discussed the Annual Council Report from COA and the need to have the report on the Council Agenda in January/February. This will give the COA two opportunities before Council each year, January, Annual Report and May for Proclamation of May as Senior Citizen Month. Commissioner Garman will have draft Annual Council Report for the January COA meeting. Engel informed the Commission that Bain had been promoted to Program Manager effective November 1, 2013. Bain invited the Commission to the Senior Thanksgiving Dinner on November 21, 2013 and the Holiday Brunch on December 19, 2013.

Facility Update

Engel reported the City Solar Project would go to Council in December or January. The project includes solar panels at the Community & Senior Center, Police Station, Library, Municipal Service Center and the Waste Water Treatment Plant.

Resource Fair

Bain suggests that there be one point person for the Resource Fair and will take on these duties. Save The Date invites will be sent out in February. Commissioners Wright and Talkington will supply Bain with the vendor list and letter to vendors.

Speaker Series

Add to next agenda Health Speaker in the spring.

Apartment List
Commissioners will supply staff with the update information for the Apartment List in December and Staff will have the Updated Apartment List available at the January COA meeting.

Business Items for Next Meeting
Review Draft Council Annual Report
Rough Draft of Vendor Letter and Vendor List
Apartment List
Speaker Series
Senior Link Resource Guide

Next Meeting Date January 9, 2014

Adjourn

Commissioner Wright made the motion to adjourn the meeting at 3:50 p.m., Commissioner Campbell seconded the motion, and motion carried 3-0.

Respectfully submitted,

Cathy Haynie, Administrative Secretary
Parks & Recreation Department

Legislation Details (With Text)

File #:	14-016	Version: 1	Name:		
Type:	Presentation		Status:	Agenda Ready	
File created:	1/15/2014		In control:	City Council	
On agenda:	1/21/2014		Final action:		

Title: SUBJECT: Woodland Groundwater Update and Water Conservation Campaign

Recommendation for Action: Staff recommends that the City Council receive an informational presentation on the current status of groundwater levels in Woodland. No specific Council action is required at this time.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: January 21, 2014

SUBJECT: Woodland Groundwater Update and Water Conservation Campaign

Recommendation for Action: Staff recommends that the City Council receive an informational presentation on the current status of groundwater levels in Woodland. No specific Council action is required at this time.

Staff Contact

Greg Meyer, Public Works Director - 530-661-5953, greg.meyer@cityofwoodland.org

Discussion

Staff will present information on current groundwater levels in Woodland, in context of historical trends as well as in relation to our ability to meet anticipated water demands for this year. We will also discuss the plans and processes for water conservation in response to the current drought in our area. This will include the outline of a public education and voluntary water use reduction campaign to begin by the end of the month.

The presentation will include and update on plans to bring forward an update to the City's Water Conservation Ordinance in order to provide additional tools for the city to manage anticipated water shortages.

Prepared by: Greg Meyer, Public Works Director

Paul Navazio, City Manager

Legislation Details (With Text)

File #:	14-015 Version: 1	Name:	General Plan Informational update - Schedule & Budget
Type:	Consent Item(s)	Status:	Agenda Ready
File created:	1/14/2014	In control:	City Council
On agenda:	1/21/2014	Final action:	
Title:	SUBJECT: General Plan Informational Update - Schedule and Budget Recommendation for Action: This item is provided as an informational update regarding the revised schedule, modified scope of work, and budget for the General Plan Update Project.		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	Preliminary Draft Scope of Work for the General Plan Update Preliminary Process and Schedule for the General Plan Update		

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: January 21, 2014

SUBJECT: General Plan Informational Update - Schedule and Budget

Recommendation for Action: This item is provided as an informational update regarding the revised schedule, modified scope of work, and budget for the General Plan Update Project.

Staff Contact

Cindy Norris, Principal Planner - 530-661-5911, cindy.norris@cityofwoodland.org

Fiscal Impact

The total budget currently authorized for the General Plan Update is $1.1 million. Funding was approved in the Capital Budget in FY12 and FY13 in the amounts of $917,000 and $183,000, respectively. Funding is provided from Fund 510, General City Development Impact Fees and the remainder from Fund 501, Capital General Fund. Furthermore, $70,000 has been authorized in FY13 for the Zoning Ordinance update, with an additional $30,000 anticipated for FY14. The total of the two projects through FY14 is $1.2 Million.

As a result of work performed over the past year, total funds encumbered and/or expensed is $1,007,486. Of that amount, funds expended to date for contracts, materials, and staff time is $503,812. A total of $503,675 remains encumbered through contracts but unexpended. There is a remaining available balance of unencumbered funds of $92,514.

Based on input from the community and the critical nature of the General Plan as the community's long term growth plan, it has been necessary to expand the scope of work to beyond what was originally anticipated. An estimated increase of $272,000 to $332,000 is projected to cover costs associated with the revised scope and process. Additional budget allocation is not required at this time as sufficient funds remain within the original budget for the General Plan Update through the current fiscal year. However, the supplemental funding needed to complete the process will be incorporated into the proposed budget for FY 14/15. Any amendments to the original consultant contracts will be brought back to City Council for approval.

Background

The City Council at their Mid-Year Budget Session on February 21, 2012 and through additional actions such as approving project consultant services has continued to affirm that a General Plan Update is appropriate and necessary in order to fully align the document with current regulatory and policy based requirements and to ensure that it accurately reflects the community's values with regard to growth and priorities.

On October 5, 2012 the City of Woodland released a Request for Proposals for a qualified consultant team to prepare an update to the General Plan. At that time the update was characterized as being fairly specific to include revisions to Land Use, Housing, Circulation and Transportation, Public Facilities and Services, Environmental Resources, Health and Safety, and Economic Development. Additional aspects to be included are preparation of a Climate Action Plan and sustainability policies, as well as preparation of an Environmental Impact Report for the General Plan and the Climate Action Plan.

Following initiation of the project in February 2013, the General Plan team prepared materials and held various public meetings as part of the outreach and community visioning. The team prepared key background reports based on significant research and analysis including the Economic and Fiscal Background Report, Community Vision and Guiding Principles and the Opportunities, Challenges, Issues and Options Report. A joint workshop with the Planning Commission and City Council was held on June 11, 2013. At that time additional direction was provided to staff concerning background analysis and land use considerations. At the following City Council meetings on October 15, 2013 and again on November 19, 2013, additional direction was provided to staff regarding growth options, phasing, and land use analysis with an emphasis on community input as part of the process. This report provides an update on the schedule, work scope and budget necessary to support the November 19, 2013 recommendations.

Discussion

Following the November 19, 2013 City Council meeting, the General Plan team has been evaluating the work schedule and necessary products required to complete the remainder the General Plan Update. Direction has been provided with regard to study options for growth rates and possible phasing of development. The revised process presents a modification from what was initially proposed. Staff and the consultant team have developed a preliminary revised scope of work. A strike out/red line version is included for review, (**Attachment "A"** Modified Scope). A key component of the revised scope of work involves the critical path element of developing the Preferred Land Use Alternative (Task 4 of the Scope of Work).

Schedule

The General Plan project is moving into an crucial phase of evaluation and analysis which will set the stage for the development and drafting of the General Plan document, policies and environmental review. Determining the final preferred land use map is an essential task, as this map represents the path for future growth and development over the next 22 years. The Preferred Land Use Map will identify land use designations, development densities and intensities, and mix of uses for every parcel within the Urban Limit Line boundary. Evaluation of the land use concept will occur through a process that involves significant public input at venues

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such as a community workshop, the Steering Committee, and the Planning Commission. Final determination of the preferred plan will be made by the City Council.

A key component to making the final determination will be the comparison of the land use strategies through the evaluation, or “testing”, of the physical, transportation, fiscal and infrastructure impacts of each option, (phasing associated with build-out or intensification of major areas of the city - e.g. Downtown and infill, Master Plan Remainder Area, city’s eastern 900 acres, Northwest area etc…). This analysis will help the community and decision makers understand the implications of various growth strategies, as well as directly inform policy language for the Draft General Plan.

It is anticipated that the evaluation and determination of a preliminary preferred land use map and identification of possible initial alternatives will occur by February. The consultant team, including several sub-contactors, will then prepare and conduct the “testing” and analysis of the identified alternatives. This is anticipated to occur in the March, to be followed by a public review process to refine the alternatives and arrive at a preferred plan. It is anticipated that the resulting preferred land use map and scenarios will be brought to the City Council for review and final determination in late April/May. Attached is a summary of the currently anticipated process and preliminary schedule, (**Attachment “B”),** which provides an illustrative flow chart highlighting key tasks remaining for the General Plan update as well as possible outreach and meetings.

Budget

Staff has worked with the consultant team in the evaluation and refinement of the necessary work tasks to achieve an update that addresses the many and complex issues currently facing the city. It has become clear that the update is more comprehensive than originally anticipated. To fully address the issues, it has been necessary to modify the scopes of work for the Consultant team. Final scope and associated budget adjustments are still being refined, but it is projected that an additional $272,000 to $332,000 will be required to complete the update depending on the consultant effort needed. As there is approximately $92,000 remaining unencumbered funds that could be applied, the estimated increase to the budget will be $180,000 to $230,000. Staff will have a firmer number as refinement of the scope of work is completed.

Amendments to contracts will be brought to City Council for approval as needed and the additional budget allocation will be incorporated into the 2014/15 budget. Staff will also be evaluating different General Plan cost recovery options to help off-set the City’s cost of preparing the General Plan Update. These options will be presented to Council for consideration concurrent with the budget process.

Conclusion

This item is provided as an informational update regarding the schedule, modified scope of work, and budget for the General Plan Update Project.

Prepared by: Cindy Norris, Principal Planner

Reviewed by: Ken Hiatt, Community Development Director

Paul Navazio, City Manager

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Attachment A - Preliminary Draft Scope of Work for the General Plan Update
Attachment B - Preliminary Process and Schedule for the General Plan Update

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Exhibit A: Scope of Work

Our work plan is efficient, comprehensive, and tailored to Woodland's needs. The task-by-task descriptions that follow present our proposed approach to data collection, analysis, policy formulation, and preparation of the documents, and incorporate all of the work items in the RFP. Community participation is incorporated in each task. Initials in parentheses following the sub-section heading identify the lead firm for each sub-task:

- D&B: Dyett & Bhatia, Urban and Regional Planners
- BAE: BAE Urban Economics, Economists
- AECOM: Environmental planning and housing
- F&P: Fehr and Peers, Transportation Planners (under separate contract to the City)

Scope of Work

TASK 0: DOCUMENT STYLES AND WORKSHOP TOOLKITS

A. **Document Style Guide and Templates (D&B)**. Prior to commencement or layout of the key documents—General Plan, Housing Element, CAP, and EIR—we will prepare templates and graphic styles to ensure a consistent look and feel. These will be provided to staff for review prior to finalization.

B. **Workshop Toolkits.** The scope of work below includes community workshops at two stages—visioning and alternatives—and an open house following preparation of the Public Review Draft of the General Plan. For the two sets of community workshop, D&B will conduct facilitator training preceding the workshops, where GPSC members and staff, who would also help with small group facilitation, would become familiar with the materials, workshop process, and outcome expectations. Following each set of workshops, a tool-kit consisting of electronic copies of workshop materials (such as handouts, visualization exercises, etc.), PowerPoint presentations, and boards/wall drawings from the workshops will be provided to City staff so that the workshop may be duplicated with small groups by staff and members of the Steering Committee. D&B will also provide a simple form/template so that input received can be consistently recorded.

Meetings	*Products*
Facilitator training preceding workshops (described) in subsequent tasks)	Draft and final templates/style sheets for General Plan, Housing Element, CAP, and EIR

TASK 1: PROJECT INITIATION

A. **Kick-off meeting with City Staff (D&B; Team).** The consultants will meet with members of the City Planning Department staff for initial introduction and organizational meeting and review milestones and outreach activities. The kickoff meeting will be followed by a site tour. The City will also provide the consultant team with documents (hard copy and electronic copy); for datasets such as GIS, D&B will establish an FTP folder on its server for City to staff to upload files.

B. **Detailed Public Participation Program (D&B).** A detailed public participation program will be developed with City staff, using the components identified in Section 1.2 of this proposal. This program will include the components and timing/potential meeting or activity dates.

C. **Kickoff Meeting with the General Plan Steering Committee (D&B; Team).** Staff and consultants will meet with the GPSC to 1) introduce them to the Plan process; and 2) identify initial priorities, issues, and controversies.

D. **Project Website Material (D&B).** We will help the City to design a project webpage as part of the City's website. The Work Program, Public Participation Program, upcoming participation opportunities, and other material will be provided to staff to announce on the City's project website. The website will incorporate a comment box feature to enable community members to send in their comments and ideas, as well as quick poll feature at selected stages.

Meetings	*Products*
Kickoff with Staff GPSC #1	Final Public Participation Program Website Materials

TASK 2: ISSUES ASSESSMENT & OUTREACH

A. **Stakeholders Interviews (D&B).** Representatives of public agencies, community members, business leaders, developers, environmental advocates, City Council, and other stakeholders will be interviewed to identify their issues of concern and get feedback about specific issues identified. Our budget provides for 14 such meetings (with one to three participants at each meeting) over a two-day period. D&B will provide staff an example draft invitation for the meetings, which staff can edit and adapt and forward to stakeholders. A report summarizing stakeholder findings will be provided.

B. **Kick-off workshop with City Council and the Planning Commission (D&B; Team).** Staff and consultants will meet with members of the City Council and the Planning Commission (preferably in a joint workshop) to discuss their ideas, aspirations, and priorities relating to economic development, land use, and other priorities for the project.

C. **Community-wide Survey (D&B).** To ensure broad-based community input, we will conduct a mail-in survey sent to all households in the city. The survey will be postage prepaid for easy return. D&B will also be responsible for printing, postage, and mailing of the survey, with mailing list and return postage permit to be provided by the City (if the City were to do the printing and mailing, D&B costs can be reduced by $8,500). D&B will get hard copies (or PDFs) of the completed surveys from the City, and will be responsible for coding and analysis. The survey will be bilingual (English and Spanish).

D. **Community Workshops #1 and #2 (D&B; Team).** Two engaging, interactive workshops will be held to further assist the team in "scoping" issues and understanding community perspectives specific to economic development, land use planning, and mobility. The formats for the two workshops will be similar, but one workshop will be held on a weekday evening and the second on a weekend morning to enable broad participation. The meetings will be designed as community events, to facilitate the participation of a wide diversity of residents, business people, and other key stakeholders. A report will summarize the workshop results.

E. **GPSC Meeting #2 (D&B).** Survey and workshop results will be discussed to help focus the opportunities, challenges, and issues that will be explored in the technical analysis during Task 3.

Meetings	*Products*
Stakeholder (16) Planning Commission/City Council #1 Community Workshops #1 and #2 GPSC #2	Stakeholder Meetings Report Community Survey and Report Community Workshops Report

TASK 3: OPPORTUNITIES AND CHALLENGES

A. **Economic Background Report (BAE).** BAE will prepare an Economic Background Report. This will include the following:

Economic and demographic background – compile and analyze basic data on local economic and demographic conditions and trends

Fiscal background – compile and analyze City budget data concerning City revenues and public service expenditures

Growth projections – present and discuss the most recent residential and employment growth projects for Woodland, produced by SACOG.

Market opportunities during General Plan horizon – BAE will synthesize information from above, to identify the type and magnitude of market opportunities for Woodland over the course of the General Plan time horizon and to identify opportunities to improve local fiscal and economic sustainability.

B. **Tribal Outreach (AECOM).** Pursuant to SB 2, we will provide support for the City's notification of the Native American Heritage Commission of the planning process and assist the City in contacting tribes active in the planning area. The D&B team-members will be available for participation in up to two meeting with tribal representatives.

C. **Opportunities, Challenges, Issues, and Options Report (D&B).** Existing conditions, trends, and opportunities will be analyzed to identify planning implications. Topics will include:

Land Use and Development Potential (D&B). Identify land use pattern and trends; recent development activity; vacant and underutilized land.

Environmental Resources and Constraints (D&B, AECOM). Prepare maps depicting resources and constraints pertaining to a variety of factors, including biological resources, geology and seismicity, flooding, and hazardous materials.

Circulation (F&P). D&B will coordinate with Fehr & Peers to analyze and describe the existing operating conditions for all modes.

Issues and Options (D&B). The above information will be synthesized in maps (for example, vacant and underutilized sites overlaid with environmental and other constraints), followed by a series of key policy issues and options that will be addressed in the subsequent tasks.

D. **GPSC Meeting #3 and Planning Commission/City Council Meeting #2 (D&B; Team).** GPSC (one meeting) and Decision-Makers (one joint meeting) will weigh in on the results of the issues and options analysis and provide direction for land use alternatives.

~~D.~~E. **Updated Opportunities, Challenges, Issues and Options Report (D&B).** Additional comments by City Council members and others following the City Council study session that have been provided to staff will be incorporated in the final updated report.

Meetings	*Products*
GPSC #3 Joint Planning Commission/City Council #2 Tribal Consultation Meetings (up to two)	Economic Background Report Opportunities, Challenges, Issues & Options Report

TASK 4: DEVELOPMENT STRATEGY

A. **Preliminary Development Strategy ~~Alternative Plans~~(D&B).** D&B will prepare ~~three land use alternatives~~a preliminary development strategy in coordination with City staff for community and decision-maker discussion and input. The strategy ~~The alternatives~~ will reflect findings from the issues, opportunities, and constraints determined in Task 3; incorporate feedback from community members and decision makers; meet the regional housing needs assessment target; and ~~offer real choices~~present a realistic path for future growth and development. It will include three components:

A phasing diagram, showing growth sequencing;

A future land use map, with potential variations or alternatives for key areas (such as key corridors, Master Plan Remainder Area, eastern area);

Logical combinations (potentially three) of phasing and land uses based on "triggers" or growth milestones, to enable testing of potential strategy outcomes.

B. ~~The alternatives will be refined based on feedback from City staff~~**Property Owner Meetings (Staff).** City staff will meet with property owners whose land would be most affected by the development strategy—primarily owners of large undeveloped parcels in growth areas. Meetings may be with individuals or small groups. While these meetings do not guarantee that all property owners' desires will be reflected on the final map, feedback from property owners will help to refine the preliminary plan by identifying particular interests and/or "deal breakers" for further consideration.

~~E.~~C. **GPSC Meeting #3 (D&B).** We will present the preliminary development strategy (including phasing diagram, and key land use options) to the GPSC, and share the results of meetings with property owners. GPSC members will discuss options and refine the plan further.

D. **Revised Draft Development Strategy (D&B).** D&B will synthesize the input from the first round of meetings (subtasks B and C) and prepare a Revised Draft Preferred Plan for testing (see subtask F).

~~F.~~E. **Fiscal Model Development (BAE).** BAE will prepare a summary level Fiscal Impact Model for the City of Woodland that will help the City maintain its long-term fiscal health during the planning horizon of the Updated General Plan. The fiscal model will show the revenue-cost relationship both of existing development and of the anticipated future development under three different land use scenarios.

In addition, the fiscal model will estimate the impact of service level changes proposed in the General Plan Update. The fiscal model will analyze the City's fiscal position at the end of the General Plan planning horizon. The fiscal analysis study will provide specific analysis regarding:

Revenue generating land uses including evaluating freeway oriented development potential.

Service level policy options.

Issues related to the long-term infrastructure maintenance needs.

Sensitivity analysis for the effects of key modeling assumptions (e.g., land use values, absorption potential of different land uses, changes in service levels such as changes from current service levels to those targeted in Appendix D of the current General Plan, etc.) on the projected fiscal outcomes. A fiscal impact report and presentation materials will be included in the public presentation process to assist policy makers, staff, and the public in determining which development alternatives and service delivery policies are most effective in preserving the fiscal health of the City.

F. ~~**Alternatives Evaluation**~~**Testing of Development Strategy (Team).** We will test the physical, transportation, fiscal, and infrastructure impacts of development strategies (phasing associated with buildout or intensification of major areas of the city — e.g. Downtown and infill, Master Plan Remainder Area, eastern 900 acres, etc.). Rather than being a tool used to make "either/or" decisions between discrete options, this analysis will help the community and decision-makers understand the implications of growth, as well as directly inform policy formulation.

~~Quantify alternatives' impacts. Relative merits and disadvantages of the alternatives will be assessed. Topics~~Major growth and intensification areas will be tested ~~will include~~ along the following metrics:

Land Use, Population, and Employment (D&B):

- ~~. Comparative impacts in terms of p~~Population and households~~,~~
- Housing type mix
- Employment mix
- ~~j~~Jobs/housing balance~~, and other factors of concern will be prepared in narrative and tabular form~~.

Economics and Fiscal Implications (BAE). See 4-~~B~~D.

- Revenue generation
- General Fund's ability to meet desired service levels

Transportation (F&P). ~~D&B will work with Fehr & Peers to provide transportation assessments of the alternatives (see Assumptions section).~~

- Vehicle volumes and V/C ratio on existing roadways (same segments and intersections as identified in F&P's contract scope of work)
- ~~; n~~Need for additional roadways/key improvements
- Trip generation, VMT, and VMT per capita

Wet Utility Infrastructure – water, sewer conveyance, wastewater treatment plant, stormwater (Staff, or additional subconsultant (proposal forthcoming)).

- Impact of development on capacity of existing systems
- Major new infrastructure needed to support new development
- Planning-level cost estimations

G. **Prepare ~~Final Alternative Plans Report~~Results of Development Strategy Testing (D&B).** The report will synthesize the results of testing in the different issue areas and present ~~depict the revised land use alternatives and~~ findings from the evaluation analysis for presentation to the public.

~~*Meetings*~~	~~*Products*~~
~~N/A~~	~~Alternatives Report~~ ~~Fiscal Model and output~~

~~TASK 5: PREFERRED PLAN & KEY GOALS~~

H. **Citywide Workshops ~~#3 and #4~~ on Development Strategy (D&B; ~~Team~~Staff).** D&B will ~~L~~lead ~~two~~one citywide community workshop on a ~~s—~~weekday evening ~~and weekend~~

~~morning—~~ to explain and discuss ~~and compare the alternative plans~~the Draft Development Strategy and the results of the testing. Community members will be asked to provide their feedback on the plan overall, policy choices, and remaining land use decisions.~~, and review ideas related to economic development, transportation/complete streets, commercial development and housing. This format will also allow the GPSC to gauge public reaction before decisions are made.~~ D&B will also prepare a "workshop toolkit" (see Task 0) that City staff may use to conduct subsequent workshops for smaller groups or neighborhoods. Results from the workshops will be summarized in a short report.

I. **Development Strategy Refinement with GPSC (GPSC Meeting #4~~ and #5~~) (D&B).** ~~A Preferred Land Use Plan and key goals for the Land Use and Economic Development elements will be developed over two meetings with the GPSC.~~ Shortly following the community workshop, the GPSC will meet again to process the feedback from the community and make recommendations to the decision-makers.

J. **~~City Council/~~Planning Commission ~~Briefing on Alternatives~~Working Session on Preferred Development Strategy (D&B; Team if needed).** Following the GPSC meeting, we will conduct a Study Session with the Planning Commission. The goal will be to resolve any outstanding issues, clarify recommended policy direction with respect to growth phasing, and arrive at a recommendation for City Council.

~~J.~~K. **Individual Meetings (Staff).** Prior to the City Council meeting on the recommended Development Strategy, City staff will hold individual meetings once more with key property owners and City Council members to brief these stakeholders on the recommended plan, hear their input, and make any final adjustments before the public presentation. ~~Decision-makers will be briefed on the alternatives, their impacts, and community reaction to them, so that they can weigh in or provide specific direction to the GPSC.~~

~~K. **Preferred Alternative Selection and Goals Development with GPSC (#4 and #5) (D&B).** A Preferred Land Use Plan and key goals for the Land Use and Economic Development elements will be developed over two meetings with the GPSC.~~

~~L.~~ **~~Preferred Plan and Key Goals~~City Council Meeting on Preferred Development Strategy (D&B; Team if needed).** ~~D&B will synthesize the results of the GPSC and ongoing analysis into a brief report that contains the draft Preferred Plan and key goals and policies.~~The recommended Preferred Plan, phasing, and major policy direction will be presented to the City Council for their review, discussion, and approval. D&B will then prepare the final Preferred Plan that will form the basis of the General Plan land use diagram and policy document.

~~M.~~L. ~~**Assessment of Existing Specific Plans (D&B).** With the Preferred Plan finalized, we will assess the goals, policies, and land uses of Woodland's various specific plans for consistency with the new preferred citywide land use plan and community vision. Recommended changes to the specific plans will be incorporated as General Plan policies (Task 6).~~

Meetings	*Products*
Initial property owners meetings (staff) GPSC #3 and #4~~ and #5~~ Community Workshop #3~~ and #4~~	Preliminary Development Strategy Fiscal Model and output Testing and results (from individual participants)

Additional community meetings (staff) Final property owners and City Council member meetings (staff) ~~City Council/~~Planning Commission ~~#3~~ Working Session City Council meeting	Testing Results Report Revised Draft Development Strategy Community Workshops Summary Report ~~Preferred Plan and Key General Plan Goals~~Final Development Strategy

TASK 5: DRAFT GENERAL PLAN

A. **General Plan Outline (D&B).** An outline of the General Plan will be prepared, identifying each element and preliminary list of maps and figures.

B. **Existing Policy Review (D&B).** The City will provide to D&B digital copy of the current General Plan. D&B will arrange existing policies in a matrix that staff can check to direct whether they should be kept, discarded, or revised. This task is primarily a staff effort, with D&B providing assistance as needed on policy questions, and will be especially critical for existing program-driven elements—such as Historic Preservation—that are not expected to change significantly.

C. **Assessment of Existing Specific Plans (D&B).** With the Preferred Plan finalized, we will assess the goals, policies, and land uses of Woodland's various specific plans for consistency with the new preferred citywide land use plan and community vision. Recommended changes to the specific plans will be incorporated as General Plan policies.

~~C.~~D. **Administrative Draft General Plan (D&B).** An Administrative Draft General Plan will be prepared for staff review. This will include the elements listed below, and may include other existing elements (e.g. Historic Preservation) carried forward from the previous plan with minor updating as needed. The final list of elements in the plan will be determined in the outline (Task 6-A). An element listed below may be separated into two elements, or two elements combined; such rearrangement will not result in additional scope/budget, provided new scope components are not introduced (e.g. Community Design or Public Health elements).

Land Use and Development Strategy (D&B). The Element will include information on land use; density and intensity standards; buildout population and development; areas requiring master planning; infill opportunity sites and revitalization strategies. ~~The City's existing General Plan land use categories will be evaluated and modified as necessary, potentially to include new mixed use designations to allow for increased flexibility.~~The General Plan will be comprehensively updated, including new land use classifications, and policies for infill and expansion areas. This element will address the pace, location, and timing of development, including issues pertaining to the Urban Limit Line (ULL). Growth and development phasing, "triggers" and planning requirements for different phases will be outlined.

Community Design (D&B). A separate Community Design Element will be prepared or will be integrated with the Land Use Element. This will explore the core topics of urban design and community character at the citywide, neighborhood/district, and corridor scales. In addition to an assessment of the city's overall urban form (districts, corridors, landmarks and focal points, and so forth) and recommendations for overall design expectations, areas of focus will preliminarily include:

- The northeast industrial area

– Corridors such as the various distinct segments of Main Street, East Street, and Kentucky Avenue

– Gateways such as from Highway 113 and Interstate 5

– County Fair Mall

Drawings, illustrations, and photographs will be prepared to illustrate concepts. The objective will be to provide general design vision for the city overall and, more specifically, for its distinct areas and corridors, while still providing for adequate flexibility and the development of more detailed design standards as part of zoning and other regulations.

Economic Development (D&B, with BAE input and review). The Element will be updated to incorporate findings from the economic and issues and options analysis, including implications of the city's employment mix, commute patterns, and jobs-housing balance, and the City's vision for future economic development including ways to capitalize on the city's history, culture, and arts scene.

Circulation (F&P). Fehr & Peers will provide a complete draft of the Circulation Element, including maps and diagrams, needed improvements, and policies, which will focus on improving access and connectivity in and between neighborhoods, serving all modes through Complete Streets, enabling safe and efficient goods movement, and reconsideration of LOS standards. D&B will review the F&P draft and provide comments, edit the updated draft as necessary for style and consistency, and layout the document in format consistent with the other elements; F&P will provide the final artwork for maps, and graphics in template consistent with that provided by D&B.

Conservation and Sustainability (AECOM). Using the City's current Environmental Resources Element as a base, policies will be crafted to reduce or avoid adverse environmental impacts on open space and natural resources. We will update setting information to address changed conditions regarding habitat, air quality, climate change (mitigation and adaptation), agricultural land preservation, and water resources. The Conservation and Sustainability Element will define components of sustainability that are important to the community, explain the relationship of this Element to other General Plan Elements and to the Climate Action Plan (Task ~~8~~7), and include policies, programs, and objectives for achieving communitywide sustainability based on that definition. Policies relevant to sustainability goals that are located in other elements throughout the Plan will be highlighted.

Health and Safety (D&B). Information will be updated to ensure internal General Plan consistency. New maps such as existing and future noise contours and flood hazard areas will be prepared. This element will meet the State requirements for the Noise and Safety elements. It will also include health and safety policies as they pertain to flood risks, and the City's preferred flood mitigation strategy.

Public Facilities (D&B). The element will be updated to reflect needed infrastructure improvements to support new growth, revised service standards for public safety and other city services, and new stormwater regulations. Phasing strategy will be outlined.

Recreational, Educational, and Community Services (D&B). The element will be updated to reflect new facilities, services, and policies needed to support new growth anticipated under the Plan.

Historic Preservation (D&B). Policies in the element will be largely be carried forward, but reviewed and updated as needed to maintain consistency with the new Land Use and Community Design Element and other components of the General Plan that may relate to historic preservation.

Implementation (D&B). Implementation measures corresponding to General Plan policies (or groups of policies) with roles and responsibilities, implementation timeline or schedule, and possible funding strategies will be identified.

Relevant appendices to the current General Plan will also be updated as needed.

E. **GPSC Meetings #~~6~~ 5 and #~~7~~ 6 (D&B; Team).** Some policy issues must necessarily be considered and resolved during the preparation of the General Plan. The GPSC will convene to deliberate on these, which may require at least two meetings.

~~D.~~F. **Planning Commission and/or City Council Study Sessions (Optional) (D&B).** If desired, the City Council and/or Planning Commission may convene study sessions to review new and revised policies as the draft General Plan is being prepared.

~~E.~~G. **Legal Review Checklist (D&B).** Following preparation of the Administrative Draft General Plan, D&B will provide to City staff a matrix of General Plan legal standards (State law and case law) by element, showing where legal requirements are addressed. If deficiencies are identified, these will be ameliorated. The Plan will also be evaluated to ensure internal (within each element) and external (between elements) consistency of its elements. It is anticipated that the General Plan will be legally adequate and reflective of current industry practice.

~~F.~~H. **Public Review Draft General Plan (D&B).** Following city comments, D&B will revise the Administrative Draft Plan and produce the Public Review Draft.

Meetings	*Products*
GPSC #~~6~~ 5 and #~~7~~6 CC/PC Study Sessions on Draft Policies (optional)	General Plan Outline Existing Policy Matrix Administrative Draft General Plan Public Review Draft General Plan Legal Review Checklist

TASK ~~7~~6: HOUSING ELEMENT

A. **Administrative Draft Housing Element (AECOM).** An Administrative Draft Housing Element will be prepared for staff review. This will include all State requirements; focus areas for Woodland include:

Housing Needs Assessment. AECOM will review the existing Housing Element and identify information that requires updating with readily available information. We will identify current demographic trends, housing characteristics, and the presence of special needs groups. This information will be used to identify and determine the extent of housing need.

Constraints and Resources. We will update the detailed constraints analysis included in the City's existing Housing Element, as necessary, based on changes since 2009. Based on our familiarity with the City, we will identify any constraints to housing development related to infrastructure availability and environmental conditions.

Sites Inventory (with D&B). Given the low level of new housing construction since 2008, we assume that the prior period's vacant land inventory, in combination with entitled, unbuilt land and land suitable for redevelopment, will accommodate the future planning period's allocation, with the possible exception of sites zoned to meet the new "default" density of 30 dwelling units per acre.

Housing Plan. AECOM will evaluate the existing Housing Element to determine the need to modify existing programs, introduce new programs, and eliminate obsolete programs. Because of the recent state law changes affecting redevelopment, we will need to adjust programs which currently depend on redevelopment funding, either removing these programs or exploring alternative funding sources. We will describe the role of energy conservation in reducing long-term housing costs and relate to the proposed Climate Action Plan, if available in time.

B. **Housing Forum (AECOM).** State housing law requires that communities specifically reach out to groups most affected by housing supply and cost, such as the disabled, elderly, large households, and homeless. We would participate in a housing forum of stakeholders, including affordable and market-rate developers and social service providers.

C. **Prepare and Present Preliminary Draft Housing Element, Planning Commission Meeting #4, City Council Meeting #4 (AECOM).** After responding to City staff comments, the public review draft will be presented for review by the Planning Commission and City Council before it is modified (as needed) and sent to HCD. The Planning Commission and City Council meetings should be held close succession or concurrently, to ensure meeting the State deadlines.

D. **Send Housing Element to HCD, Respond to Comments (AECOM).** Incorporate changes based on decision-maker direction so the Draft Housing Element can be submitted to HCD for review. AECOM will coordinate with HCD to gain certification, recognizing that it may take two rounds of review to obtain certification. AECOM will revise the Housing Element to respond to HCD comments and prepare a final draft for adopted hearings.

E. **Adoption Hearings and Adopted Housing Element (AECOM, D&B).** A hearing draft Housing Element will be prepared and presented to the City Council (one hearing assumed) for adoption following HCD certification. The element will then be revised as necessary following adoption.

F. **Updated Housing Sites Inventory and Element Consistency Review (AECOM, D&B).** Task ~~7~~ 6 is likely to be completed well before Task ~~6~~5, given the State's Housing Element deadlines. If as a result of the updated Land Use Element in Task ~~6~~ 5 additional housing sites become available, housing sites inventory in the Housing Element will also be updated as part of Task 6-F, unless such modification will trigger a new HCD Housing Element review (we will confirm with HCD staff). At this time, the Housing Element will also be reviewed for consistency with the rest of the completed General Plan, and any issues identified with staff.

Meetings	*Products*

Planning Commission #4 City Council #4 (prior to HCD review) and #5 (adoption hearing) Housing Forum	Administrative Draft Housing Element (HE) Public Review Draft HE HCD Draft HE Hearing Draft HE Adopted HE Updated Sites Inventory (if required)

TASK ~~8~~7: CLIMATE ACTION PLAN

A. **Administrative Draft CAP (AECOM).** An Administrative Draft CAP will be prepared for staff review. We will use the work prepared by the UC Davis Sustainable Design Academy as foundation for the technical components of the CAP and the community and stakeholder outreach completed to date to identify the most appropriate measures for GHG reductions and we will assume that the Academy's work, including greenhouse gas (GHG) inventory, will need little or no revision for use in the CAP. Much of the CAP material will already have been prepared and will be provided by the City, and for these sections, AECOM will assist in enhancing the presentation with graphics and formatting as needed. The CAP will be organized as follows:

Climate Change and the City of Woodland. Outline the City's rationale and motivation for addressing climate change and developing and implementing the CAP. Provide a brief overview of the science behind climate change, describe the potential impacts climate change may create in Woodland, and outline state policies to reduce emissions. The City will provide the text for this section.

Baseline Emissions Inventory and Forecast. Present a summary of the baseline municipal and communitywide emissions inventories and projections of 2020 and 2035 GHG emissions, and describe the reductions necessary to achieve the designated reduction targets. The City will provide the text for the baseline and 2020 emissions inventories. Using the UCD Design Academy's methods, AECOM will project 2035 GHG emissions, summarize the results in this section, and provide the backup calculations in an appendix.

Emissions Reduction Measures. Describe the measures necessary to reduce emissions in City government and the community and achieve reduction targets. Document GHG reduction potential, include implementation actions and timelines, describe costs and financing mechanisms, and assign responsibility. The City will provide descriptions of the measures to achieve 2020 targets, and AECOM will work with the City to describe measures to meet 2035 targets. As part of this scope of work, the previously developed 2020 measures may need to be adjusted to coordinate with General Plan policies and meet requirements for adequacy under CEQA.

Benchmarks and Next Steps. Identify benchmarks, monitoring procedures, and other steps needed to achieve reduction goals and implement adaptation strategies. Present a recommended method for monitoring emissions and verifying results of the CAP through inventory updates, implementation actions and associated performance metrics. Address how the CAP meets standards for a plan for the reduction of GHG emissions pursuant to CEQA

Guidelines Section 15183.5, as well as how the CAP enables future projects to take advantage of CEQA streamlining benefits.

B. **GPSC Meeting #7 (or Sustainability Committee meeting) (AECOM).** AECOM will review the Administrative Draft CAP with the GPSC or the Sustainability Committee prior to releasing the public review draft.

~~B.~~C. **Public Review Draft CAP (AECOM).** After responding to City staff and GPSC/Sustainability Committee comments, the public review Draft CAP will be prepared.

~~C.~~D. **Planning Commission/Public Meeting #5 (AECOM).** The Planning Commission and members of the public will have the opportunity to review and comment on the Draft CAP at a working session. The Draft will be revised as necessary following public input.

Meetings	*Products*
Planning Commission #5/CAP working session	Administrative Draft CAP Public Review Draft CAP

TASK ~~9~~8: DRAFT & FINAL EIR

A. **Notice of Preparation and Scoping Meeting (D&B).** D&B will prepare a Notice of Preparation (NOP) for the Draft EIR and hold a scoping meeting. To be efficient, we recommending holding this meeting immediately preceding a GPSC or Planning Commission meeting scoped above.

B. **Thresholds/ Significance Criteria (AECOM; Team).** Review existing City criteria, and revise/recommend new criteria/thresholds as appropriate. CEQA Appendix G, the City's current General Plan Appendix D, and recent EIRs completed for projects in Woodland will be considered in formulating the thresholds. These will be documented in a memorandum.

C. **Environmental Setting (AECOM).** The Opportunities and Challenges Report prepared in Task 3 will serve as the starting point for the environmental setting in the Draft EIR. Additional data will be gathered from available sources as needed.

D. **Impact Analysis (AECOM).** The impact analysis will assess how policies and Plan buildout will affect the environment, identify significant impacts, and recommend measures to mitigate those impacts. The impact analysis will be comprehensive in scope, covering all CEQA requirements. Significance criteria will be identified for each impact topic, based upon thresholds of significance established in Task ~~9B~~8B.

E. **Prepare Administrative Draft Program EIR (AECOM, team).** The Administrative Draft Program EIR will include all relevant CEQA-required sections. Specific topic areas to be addressed in the EIR will include Land Use, Parks and Open Space, Public Facilities and Utilities, Safety and Hazardous Materials, Aesthetics, and Agriculture (D&B); Transportation (Fehr & Peers); Biological Resources, Air Quality, GHG/Climate Change, Noise, Seismic and Geologic Hazards, Hydrology/Flooding and Water Quality, Cultural Resources, and Mineral Resources (AECOM).

The Administrative Draft will also include an executive summary, project description, analysis of up to three Alternatives, including the No Project Alternative, CEQA-required conclusions (cumulative impacts, significant and irreversible impacts, etc.), and all technical appendices.

F. **Draft EIR (AECOM).** Following staff review of the screencheck Draft EIR, prepare Public Review Draft EIR.

G. **Final EIR (Team).** Following the 45-day public review period, we will prepare responses to comments, which together with the Comments (and the Draft EIR, incorporated by reference) will constitute the Final EIR. An administrative draft Final EIR will be prepared for staff review. We will review staff comments on the administrative draft and prepare a screencheck draft for staff review. Following staff okay of the screencheck we will prepare the Public Review Final EIR.

Meetings	*Products*
Scoping Meeting	Notice of Preparation Significance Thresholds Memorandum Administrative Draft EIR Public Review Draft EIR Administrative draft FEIR Final EIR Response to Comments

TASK ~~10~~9: HEARINGS & ADOPTED GENERAL PLAN

A. **Workshop #5/Open House (D&B).** We will present salient features of the General Plan and Housing Element to the community in an open house format directly preceding the first hearing. After a presentation, members will be invited to ask questions and offer comments. We will also present information about the Draft EIR, the public comment period, and the adoption process.

B. **Public Hearings (D&B).** We will participate and be present as needed at four meetings total of the Planning Commission and the City Council.

C. **Adopted General Plan (D&B).** Following adoption by the City Council, we will revise the Draft Plan, to incorporate specific text and diagram changes made by the City Council as part of adoption. After a final screen check review by City staff, a final production version of the Adopted Plan will be provided to the City for distribution.

TASK 10: COORDINATION AND MANAGEMENT

A. **Staff Coordination Meetings (D&B).** Because of greater level of land use changes/development strategy than had been previously anticipated, additional meetings and coordination with City staff is needed. This scope provides for six additional in-person meetings (in Woodland) as well as phone meetings.

B. **Team Coordination (D&B).** Working with City staff and Project Manager, D&B will directly coordinate the efforts of the Fehr and Peers and infrastructure consultants, including strategizing on performance metrics, coordinating data (such as land use information by traffic analysis zones), and evaluation results, for development strategy, General Plan, and the EIR. Additionally, D&B will prepare an overall project flow diagram, and prepare and maintain a detailed project schedule in Microsoft Project or similar software, showing work efforts, review times, products, and meetings.

Meetings	*Products*
Workshop/Open House #5 Planning Commission Hearings (2) City Council Hearings (2)	Adopted General Plan

Scope of Work Assumptions

The Scope of Work is based on the following assumptions:

- **GIS Data.** The City will provide base GIS data, including but not limited to: parcels/Assessor's data; existing General Plan and zoning designations; roads and other transportation infrastructure; utility infrastructure (water, wastewater, stormwater); public facilities; and existing land use, if available.
- **Transportation Data and Analysis.** Dyett & Bhatia understands that the City has retained Fehr & Peers to provide transportation consulting services under a separate contract. D&B assumes that Fehr & Peers will provide complete sections of reports and General Plan, including needed transportation data, maps, and analysis for the following components of the scope of work:
  - Existing Conditions/Background Research (current traffic counts, segment level of service, current conditions for all modes: pedestrians, bicycles, goods movement, rail, air, etc.)
  - Quantitative Alternatives Analysis for General Plan, using the modified SACMET model to generate daily and p.m. peak hour traffic volume forecasts. For this and for all modeling analysis, D&B will provide land use data to F&P by TAZ, either in GIS shapefile or spreadsheet format. These forecasts will be used to generate the following performance measures for each alternative:
    - Total Daily Vehicle miles of travel (VMT)
    - Total Daily Vehicle hours of travel (VHT)
    - Total Daily Vehicle hours of delay (VHD) or Lane miles of congested facilities
    - PM Peak Hour LOS for up to five intersections

    The VMT forecasts will be based on the origin-destination method such that all trips entering and leaving TAZs in Woodland are tracked. The VMT will be disaggregated by speed bin for use in GHG forecasting. The alternatives analysis results will be summarized in a technical memorandum.
  - General Plan (finalized traffic modeling of preferred land use plan, list of improvements, circulation element policy review, multimodal/complete streets recommendations)

- Draft EIR (complete EIR transportation section, transportation analysis of alternatives, and provision of VMT and other needed data to environmental consultant for completion of Air Quality, Noise, and Greenhouse Gas sections of the document. The EIR will quantitatively analyze the following:
  - Existing Conditions
  - No Project (existing General Plan)
  - Preferred Plan (Proposed Project)
  - Preferred Plan with Existing General Plan LOS Threshold
- Final EIR (response to comments on transportation section)

- **Fiscal Impact Analysis**. The budget for the fiscal impact modeling portions of the work scope is based on the assumption that the City will separately commission BAE to conduct fiscal analysis work in conjunction with establishing an updated City of Woodland/Yolo County master revenue sharing agreement. It is assumed that, as part of the master revenue sharing agreement work, BAE will conduct analysis of the City's General Fund cost and revenue structure that will contribute to the development of the fiscal impact model for General Plan Alternatives.

- **Climate Action Plan Peer Review.** AECOM will peer-review up to 100 measures contained in the 30 bundles in the UC Davis Climate Action Plan Technical Report. The measures to be reviewed shall be selected in consultation with City staff. The review will be conducted at a point in the process where some certainty has been established regarding which measures are most likely to be included in the City's CAP, in order to maximize efficiency and effectiveness of the peer review.

- **Infrastructure Data and Analysis.** The City will provide existing conditions data and mapping pertaining to public infrastructure and utilities (water, sewer/wastewater, storm drainage), as well as provide capacity estimations and determine system improvements needed to support the preferred land use plan.

- **Housing Element.** We assume City staff will provide the information needed to evaluate accomplishments in the current Housing Element and it is not necessary for us to independently verify this information. (We will provide the City with a tool and instructions on gathering information needed to document progress toward achieving quantified objectives in the Housing Element and information that will support our analysis and evaluation of programs that should be maintained, revised, or eliminated.) We will rely on the Housing Needs Assessment database prepared by SACOG for those sections of the Housing Element addressed by that database and assume this will be acceptable to HCD. Information required for any changes to the Housing Element land inventory will be provided as part of the technical background work on the Land Use Element. The City will provide updated information on housing conditions that meets HCD's guidelines. We will strive to achieve HCD certification on the first review, but recognize and assume two rounds of review will be needed. We assume that revisions to existing housing programs and introduction of any new program will primarily address changes in state law and local conditions since adoption of the current Housing Element.

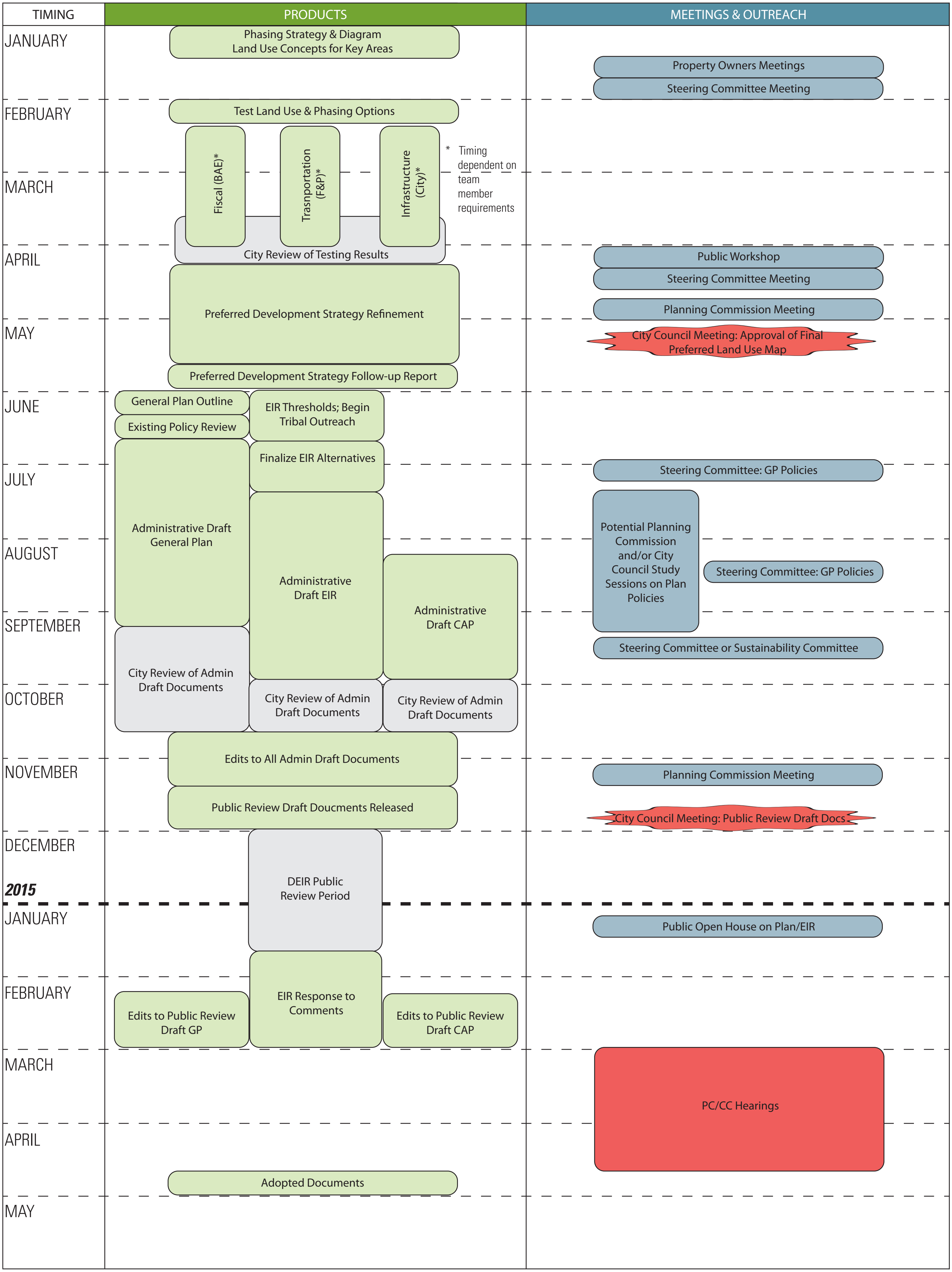
- **Air Quality and Climate Change (including odors).** Construction emissions will be estimated based on general assumptions regarding the amount of land to be disturbed/graded, types of equipment to be used, and the number of construction employees. Long-term (operational) regional air pollutant emissions, including stationary and mobile source emissions, will be assessed based on data from the traffic analysis prepared by Fehr & Peers. We do not anticipate the need for dispersion analysis or health risk assessments.
- **Hydrologic Modeling.** This scope of services does not include hydrological modeling related to climate change or modeling of future climate conditions.
- **Screencheck Public Review Draft EIR.** The City will provide one consolidated set of written comments and the Administrative Draft EIR (ADEIR) and, if necessary, on the Screencheck Public Review Draft EIR.
- **Responses to Comments/FEIR.** Since it is not possible to predict in advance the level of effort required to respond to comments that have not been written, based on our experience, this proposal provides for up to 60 hours of technical staff time for AECOM's contribution to the FEIR and up to 30 hours of technical staff time for D&B's contribution to the FEIR.
- **EIR Filing, Circulation and Notice.** The City will be responsible for submitting all environmental documentation (NOP, NOC, Draft EIR, etc.) to the State Clearinghouse and appropriate agencies, and ensuring that the documents are circulated as required. The City will also be responsible for all EIR filing fees. If requested, D&B can provide these services on a time and materials basis.
- **Meeting Notification.** The City shall be responsible for noticing for all public workshops, meetings, and hearings.
- **Coordination with Stakeholders and Decision-Makers.** The City will be liaison between the project and the Planning Commission, City Council and other decision-makers. The City will also be responsible for selecting and assembling the General Plan Steering Committee and other stakeholder meetings. D&B will be responsible for preparing agenda for Steering Committee meetings.
- **Survey/Newsletter Mailing and Return Postage.** D&B shall be responsible for the cost of community survey and/or newsletter printing, mailing and return postage. The City shall provide a mailing list and return postage permit. If the City were to do the printing and mailing, D&B costs can be reduced by $8,500.
- **Interpretation at Community Workshops.** If Spanish interpretation or translation is required at community workshops, the City shall be responsible for providing

interpretation hardware (e.g. headsets for simultaneous translation) and staff trained in interpretation and translation as needed. D&B may also provide one additional Spanish-speaking planner if required. PowerPoint presentations will not be translated on-screen; rather, simultaneous interpretation of the presentation should be provided by City staff.

- **Printing and Electronic Documents.** We will provide printed and electronic (CD) copies in the amount and format specified by the City for all interim and final documents, listed below. See budget proposal for details.
  - Administrative Draft General Plan (GP): 20 hard copies, 10 CDs
  - Public Review Draft GP: 30 hard copies, 30 CDs
  - Hearing Draft GP: 30 hard copies, 30 CDs
  - Final GP: 50 hard copies, 50 CDs
  - Administrative Draft EIR: 20 hard copies, 10 CDs
  - Public Review Draft EIR: 30 hard copies, 30 CDs
  - Final EIR (Response to Comments): 50 hard copies, 50 CDs

WOODLAND GENERAL PLAN UPDATE SCHEDULE

Preliminary



300 First Street
Woodland, CA 95695

Legislation Details (With Text)

File #:	14-017 Version: 1	Name:	
Type:	Report of the City Manager	Status:	Agenda Ready
File created:	1/15/2014	In control:	City Council
On agenda:	1/21/2014	Final action:	
Title:	SUBJECT: 2014 Community Service Awards Nominating Committee Report Recommendation for Action: Staff recommends that the City Council approve the nominating committee's recommended recipients selected to receive the 2014 Community Service Award and determine which Council Members will present the awards to the selected award recipients.		
Sponsors:			
Indexes:			
Code sections:			
Attachments:			

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: January 21, 2014
SUBJECT: 2014 Community Service Awards Nominating Committee Report

Recommendation for Action:
Staff recommends that the City Council approve the nominating committee's recommended recipients selected to receive the 2014 Community Service Award and determine which Council Members will present the awards to the selected award recipients.
Staff Contact:

Jennifer Robinson, Secretary to the City Manager -
(530) 661-5800, jennifer.robinson@cityofwoodland.org

Background
It is customary that the City Council selects the recipients of the annual Community Service Awards, and presents the awards at the event. It is anticipated that the nominating committee will present its slate of nominees for consideration at the Council meeting of January 21st.

The 2014 Community Service Award Nominating Committee which consists of Candice Burgess, Steve Harris, Theresa Lee, Art Pimentel, Dotty Pritchard, Gary Traynham and Mayor Davies is meeting on Friday, January 17, 2014 to review the nominees and complete the selection process for the 2014 Community Service Awards. The evening of the City Council meeting Council will receive an update regarding the committee's recommendation for citizens to receive the 2014 Community Service Awards.

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Discussion

At the 2014 Community Service Award Nomination Committee Meeting on January 17, members will review all nominations received this year and also nominees that were submitted last year but not selected. The Committee will make a selection of citizens to receive the award based on their significant contributions to the community in accordance with the award's criteria, which is:

- Community leadership
- Demonstrated, selfless service to the community
- Dependability in completing assignments/projects
- Interest in varied activities

Council Members will each select one recipient to present the Community Service Award to at a dinner the evening of Wednesday, February 19, 2014 at the Community & Senior Center.

City Council approval of the selected nominees on January 21 will enable staff to complete the arrangements for the event which will recognize the recipients for their contributions to the Woodland community.

Conclusion

Staff recommends that the City Council approve the nominating committees recommended recipients selected to receive the 2014 Community Service Award and determine which Council Members will present the awards to the selected award recipients.

Prepared by: Jennifer Robinson, Secretary to the City Manager

Reviewed by: Ana Gonzalez, City Clerk

Paul Navazio, City Manager

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Legislation Details (With Text)

File #:	14-014 Version: 1	Name:	
Type:	Report of the City Manager	Status:	Agenda Ready
File created:	1/14/2014	In control:	City Council
On agenda:	1/21/2014	Final action:	

Title: SUBJECT: Support a request to CalPERS Health Benefits Committee to move employees residing in Yolo County from Bay Area Region Health Premium Rates to Sacramento Area Region Health Premium Rates.

Recommendation for Action: Staff recommends that the City Council support a request to CalPERS Health Benefits Committee to move employees residing in Yolo County from Bay Area Region Health Premium Rates to Sacramento Area Region Health Premium rates.

Sponsors:

Indexes:

Code sections:

Attachments: CalPERS Health Rates for 2014

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: January 21, 2014

SUBJECT: Support a request to CalPERS Health Benefits Committee to move employees residing in Yolo County from Bay Area Region Health Premium Rates to Sacramento Area Region Health Premium Rates.

Recommendation for Action: Staff recommends that the City Council support a request to CalPERS Health Benefits Committee to move employees residing in Yolo County from Bay Area Region Health Premium Rates to Sacramento Area Region Health Premium rates.

Staff Contact

Sheila McShane, Human Resources Manager, 530-661-5807

Fiscal Impact

There is no direct fiscal impact however; if Yolo County was considered as part of Sacramento Area Region Health Premiums Rates, the City would have seen a savings of $318,098 in calendar year 2013 and a savings of $190,985 in calendar year 2012 for active employees. The City has over 270 retired employees, many of which live in Yolo County and are charged the higher rate. The savings to the City for retiree health care would be even more, if the City paid the Sacramento Region Rates.

Background

CalPERS provides medical benefits to the City of Woodland active and retired employees. According to CalPERS rules, employee's home address dictates which plans that employees are eligible to enroll. In 2010

CalPERS split the areas into regions designating Yolo County as part of the Bay Area Region, rather than the Sacramento Area Region. This change affected approximately 111 active employees in the City of Woodland.

Discussion

Six Yolo County agencies, which include City of Davis, City of Winters, County of Yolo, City of West Sacramento, Yolo Solano Air Quality Management District and the City of Woodland, are affected by the 2010 CalPERS shift into regions. CalPERS did not have regional rates prior to 2010; CalPERS had the same rates for the entire state. In 2010, CalPERS developed regions and placed Yolo County in a Bay Area Region Rate. These Rates have typically been higher than the Sacramento Area Region Rates. This has resulted in additional costs to the City to provide medical benefits to our active and retired employees. Additionally, the City has implemented cost sharing of the CalPERS Health rates, which means a portion of the increased cost is shared by both active and retired employees.

Many employees who live in Yolo County utilize some of the same physicians, hospitals, and services as employees who live in Sacramento except that, the employee, retiree and the City has a higher premium to pay for the same services.

The six Yolo County agencies have collaborated on requesting that CalPERS reconsider the Yolo County designation as a Bay Area Region and place it in the Sacramento Area Region.

CalPERS can look to the Covered California Program which has placed Yolo County residents under the Sacramento Region as further support that Yolo County should be in the Sacramento Region.

Conclusion

Staff recommends that the City Council support a request to CalPERS Health Benefits Committee to move employees residing in Yolo County from Bay Area Region Health Premium Rates to Sacramento Area Region Health Premium rates.

Prepared by: Sheila McShane
Human Resources Manager

Paul Navazio
City Manager

Attachment: CALPERS Health Rates for 2014

CalPERS 2014 Health Premiums - Regional

Contracting Agencies Only

June PHBC Proposed Risk Adjusted Premiums - HMOs' Only

Basic	2013			2014			Percent
	Single	2-Party	Family	Single	2-Party	Family	Change (+/-)
Basic Premium Rates - Bay Area							
Alameda, Amador, Contra Costa, Marin, Napa, Nevada, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, Sutter, Yolo, and Yuba							
Anthem HMO Select				$657.33	$1,314.66	$1,709.06	n/a
Anthem HMO Traditional				728.41	1,456.82	1,893.87	n/a
Blue Shield Access+	$784.63	$1,569.26	$2,040.04	836.59	1,673.18	2,175.13	6.62%
Blue Shield NetValue	670.21	1,340.42	1,742.55	704.01	1,408.02	1,830.43	5.04%
Kaiser CA	668.63	1,337.26	1,738.44	742.72	1,485.44	1,931.07	11.08%
UnitedHealthcare				764.24	1,528.48	1,987.02	n/a
Basic Premium Rates - Sacramento							
El Dorado, Placer, and Sacramento							
Anthem HMO Select				$750.27	$1,500.54	$1,950.70	n/a
Anthem HMO Traditional				840.43	1,680.86	2,185.12	n/a
Blue Shield Access+	$702.75	$1,405.50	$1,827.15	734.87	1,469.74	1,910.66	4.57%
Blue Shield NetValue	606.11	1,212.22	1,575.89	618.39	1,236.78	1,607.81	2.03%
Kaiser CA	613.42	1,226.84	1,594.89	681.59	1,363.18	1,772.13	11.11%
UnitedHealthcare				643.34	1,286.68	1,672.68	n/a
Basic Premium Rates - Los Angeles Area							
Los Angeles, San Bernardino, and Ventura							
Anthem HMO Select				$475.86	$951.72	$1,237.24	n/a
Anthem HMO Traditional				549.76	1,099.52	1,429.38	n/a
Blue Shield Access+	$530.75	$1,061.50	$1,379.95	469.91	939.82	1,221.77	-11.46%
Blue Shield NetValue	453.35	906.70	1,178.71	395.50	791.00	1,028.30	-12.76%
Health Net Salud y Más				425.44	850.88	1,106.14	n/a
Health Net SmartCare				542.71	1,085.42	1,411.05	n/a
Kaiser CA	502.40	1,004.80	1,306.24	541.79	1,083.58	1,408.65	7.84%
UnitedHealthcare				487.76	975.52	1,268.18	n/a
Basic Premium Rates - Other Southern California							
Fresno, Imperial, Inyo, Kern, Kings, Madera, Riverside, Orange, San Diego, San Luis Obispo, Santa Barbara, and Tulare							
Anthem HMO Select				$536.99	$1,073.98	$1,396.17	n/a
Anthem HMO Traditional				592.20	1,184.40	1,539.72	n/a
Blue Shield Access+	$643.93	$1,287.86	$1,674.22	543.21	1,086.42	1,412.35	-15.64%
Blue Shield NetValue	550.03	1,100.06	1,430.08	457.17	914.34	1,188.64	-16.88%
Health Net Salud y Más				489.82	979.64	1,273.53	n/a
Health Net SmartCare				568.51	1,137.02	1,478.13	n/a
Kaiser CA	558.95	1,117.90	1,453.27	602.79	1,205.58	1,567.25	7.84%
Sharp				538.59	1,077.18	1,400.33	n/a
UnitedHealthcare				521.01	1,042.02	1,354.63	n/a

CalPERS 2014 Health Premiums - Regional
Contracting Agencies Only
June PHBC Proposed Risk Adjusted Premiums - HMOs' Only

Basic	2013			2014			Percent Change (+/-)
	Single	2-Party	Family	Single	2-Party	Family	
Basic Premium Rates - Other Northern California							
Alpine, Butte, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Plumas, San Benito, Shasta, Sierra, Siskiyou, Stanislaus, Tehama, Trinity, and Tuolumne							
Anthem HMO Select				$706.20	$1,412.40	$1,836.12	n/a
Anthem HMO Traditional				767.36	1,534.72	1,995.14	n/a
Blue Shield Access+	$777.53	$1,555.06	$2,021.58	729.76	1,459.52	1,897.38	-6.14%
Blue Shield NetValue	664.15	1,328.30	1,726.79	614.13	1,228.26	1,596.74	-7.53%
Kaiser CA	671.68	1,343.36	1,746.37	745.30	1,490.60	1,937.78	10.96%
UnitedHealthcare				659.06	1,318.12	1,713.56	n/a
Basic Premium Rates - Out of State							
Kaiser/Out of State	$876.46	$1,752.92	$2,278.80	$917.20	$1,834.40	$2,384.72	4.65%

Medicare	2013			2014			Percent Change (+/-)
	Single	2-Party	Family	Single	2-Party	Family	
Medicare Premium Rates - All Regions							
Anthem HMO Select				$341.12	$682.24	$1,023.36	n/a
Anthem HMO Traditional				341.12	682.24	1,023.36	n/a
Blue Shield Access+	$261.32	$522.64	$783.96	298.21	596.42	894.63	14.12%
Blue Shield NetValue	261.32	522.64	783.96	298.21	596.42	894.63	14.12%
Health Net Salud y Más				261.24	522.48	783.72	n/a
Health Net SmartCare				261.24	522.48	783.72	n/a
Kaiser CA	288.37	576.74	865.11	294.97	589.94	884.91	2.29%
Kaiser/Out of State	371.89	743.78	1,115.67	388.65	777.30	1,165.95	4.51%
Sharp				306.51	613.02	919.53	n/a
UnitedHealthcare				193.33	386.66	579.99	n/a

CalPERS 2014 Health Premiums - Regional
Contracting Agencies Only
June PHBC Proposed Risk Adjusted Premiums - PPOs Only

Basic	2013			2014			Percent Change (+/-)
	Single	2-Party	Family	Single	2-Party	Family	
Basic Premium Rates - Bay Area							
Alameda, Amador, Contra Costa, Marin, Napa, Nevada, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, Sutter, Yolo, and Yuba							
PERS Choice	$667.03	$1,334.06	$1,734.28	$690.77	$1,381.54	$1,796.00	3.56%
PERS Select	487.20	974.40	1,266.72	661.52	1,323.04	1,719.95	35.78%
PERSCare	1,083.11	2,166.22	2,816.09	720.04	1,440.08	1,872.10	-33.52%
Basic Premium Rates - Sacramento							
El Dorado, Placer, and Sacramento							
PERS Choice	$620.49	$1,240.98	$1,613.27	$665.99	$1,331.98	$1,731.57	7.33%
PERS Select	453.21	906.42	1,178.35	637.85	1,275.70	1,658.41	40.74%
PERSCare	1,007.54	2,015.08	2,619.60	694.26	1,388.52	1,805.08	-31.09%
Basic Premium Rates - Los Angeles Area							
Los Angeles, San Bernardino, and Ventura							
PERS Choice	$587.46	$1,174.92	$1,527.40	$599.19	$1,198.38	$1,557.89	2.00%
PERS Select	429.08	858.16	1,115.61	573.83	1,147.66	1,491.96	33.73%
PERSCare	953.90	1,907.80	2,480.14	624.59	1,249.18	1,623.93	-34.52%
Basic Premium Rates - Other Southern California							
Fresno, Imperial, Inyo, Kern, Kings, Madera, Riverside, Orange, San Diego, San Luis Obispo, Santa Barbara, and Tulare							
PERS Choice	$611.30	$1,222.60	$1,589.38	$612.25	$1,224.50	$1,591.85	0.16%
PERS Select	446.49	892.98	1,160.87	586.32	1,172.64	1,524.43	31.32%
PERSCare	992.61	1,985.22	2,580.79	638.22	1,276.44	1,659.37	-35.70%

Basic Premium Rates - Other Northern California							
Alpine, Butte, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Plumas, San Benito, Shasta, Sierra, Siskiyou, Stanislaus, Tehama, Trinity, and Tuolumne							
PERS Choice	$649.78	$1,299.56	$1,689.43	$641.08	$1,282.16	$1,666.81	-1.34%
PERS Select	474.61	949.22	1,233.99	613.99	1,227.98	1,596.37	29.37%
PERSCare	1,055.10	2,110.20	2,743.26	668.27	1,336.54	1,737.50	-36.66%
Basic Premium Rates - Out of State							
PERS Choice	$754.21	$1,508.42	$1,960.95	$706.40	$1,412.80	$1,836.64	-6.34%
PERSCare	1,224.67	2,449.34	3,184.14	736.32	1,472.64	1,914.43	-39.88%

Medicare	2013			2014			Percent Change (+/-)
	Single	2-Party	Family	Single	2-Party	Family	
Medicare Premium Rates - All Regions							
PERS Choice	$325.74	$651.48	$977.22	$307.23	$614.46	$921.69	-5.68%
PERS Select	325.74	651.48	977.22	307.23	614.46	921.69	-5.68%
PERSCare	370.43	740.86	1,111.29	327.36	654.72	982.08	-11.63%

Legislation Details (With Text)

File #:	14-010	Version: 1	Name:	
Type:	Report of the City Manager		Status:	Agenda Ready
File created:	1/6/2014		In control:	City Council
On agenda:	1/21/2014		Final action:	

Title: SUBJECT: Review of Fiscal Year 2014-15 Community Development Block Grant Estimated Funding and Preliminary Comments on CDBG Funding Priorities

Recommendation for Action: Staff recommends that the City Council take the following actions: 1) Receive a briefing from staff on the FY 2014-15 Community Development Block Grant (CDBG) estimated funding; and 2) Provide staff with preliminary comments on CDBG funding priorities for FY 2014-15.

Sponsors:

Indexes:

Code sections:

Attachments: FY 2013-14 Funding Spreadsheet 6Jan14

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: January 21, 2014

SUBJECT: Review of Fiscal Year 2014-15 Community Development Block Grant Estimated Funding and Preliminary Comments on CDBG Funding Priorities

Recommendation for Action : Staff recommends that the City Council take the following actions: 1) Receive a briefing from staff on the FY 2014-15 Community Development Block Grant (CDBG) estimated funding; and 2) Provide staff with preliminary comments on CDBG funding priorities for FY 2014-15.

Staff Contact

Dan Sokolow, Senior Planner (530) 661-5927, dan.sokolow@cityofwoodland.org

Background

As a CDBG entitlement recipient, the City receives an annual CDBG funding allocation. For FY 2013-14, the City's allocation is $464,500. Staff will use an estimate of $464,500 for the FY 2014-15 CDBG process and an additional amount of approximately $50,000 available through the repayment of CDBG housing loans (program income). The program income is available for expenditure on projects. The City's allocation may be more or less than $464,500 as Congress has not yet completed the appropriations process for the Department of Housing and Urban Development's FY 2014 appropriation.

CDBG regulations allow the City to expend up to 15 percent of its allocation on public service activities (programs) and up to 20 percent on administration of the CDBG program. The City has used the remaining 65 percent to fund construction activities (projects). City policy reserves a minimum of 40 percent of all public service funds for food and shelter programs. The City has made an effort to award a minimum of $6,000 per eligible public service program. Public service grants are used to provide services to lower-income residents of Woodland (including seniors and children), provide food and shelter to homeless residents, prevent homelessness, and offer other public services eligible under HUD guidelines. Because of a legal settlement, the City is required to annually provide Legal Services of Northern California with CDBG funding of $10,000 for fair housing services.

Each year the City receives CDBG funding requests that exceed the amount of funds available. For FY 2013-14, the City received 12 public service applications in the total amount of $142,844 and funded 8 applications with the $69,675 available funding. For projects, applicants submitted 9 applications requesting $800,457 in funds and the City funded 6 projects with the $301,925 available funding.

Discussion

The City Council on December 17, 2013 approved changes to the annual CDBG review process. One of the changes facilitates early input from the City Council. Tonight is the first opportunity for the City Council to provide its input on CDBG funding. A second occasion is scheduled to occur at the April 1, 2014 City Council meeting which takes place after the CDBG review panel has made its funding recommendations. Final City Council action on the funding of CDBG programs and projects will occur when the City Council considers the CDBG Annual Action Plan in May 2014.

Conclusion

Staff recommends that the City Council take the following actions: 1) Receive a briefing from staff on the FY 2014-15 Community Development Block Grant (CDBG) estimated funding; and 2) Provide staff with preliminary comments on CDBG funding priorities for FY 2014-15.

Prepared by: Dan Sokolow
Senior Planner

Reviewed by: Christine Engel
CSD Director

Paul Navazio
City Manager

Attachment: Summary of CDBG-Funding Programs and Projects for FY 2013-14

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CDBG Recommended Allocation FY2013-2014

TOTAL CDBG FUNDS FY 13-14	$464,500.00
Public Services (15%)	**$69,675.00**
Food/Shelter (At least 40% of Public Services)	$27,870.00
Fair Housing (required FY 13-14)	$10,000.00
Other Public Services	$31,805.00
Public Infrastructure (65%)	**$301,925.00**
Administration (20%)	**$92,900.00**

NOTES: The City of Woodland's Strength Through Education Program was discontinued and funding for the program was transferred to the City of Woodland's Summertime Fun Club Camperships through CDBG Action Plan Amendment #1.

PUBLIC INFRASTRUCTURE (65%)

Applicant	Project Title	$ Amount Requested	$ Recommended Allocation	Council approved $	Project Accounting/coding
Yolo Family Service Agency	HVAC System Replacement	$20,000.00	$20,000.00	$23,993.00	
Yolo Community Care Continuum	Farmhouse Renovation	$68,000.00	$0.00	$0.00	
City of Woodland	ADA Accessibility Project	$264,922.00	$110,000.00	$136,955.00	
City of Woodland	Series Street Light	$25,000.00	$25,000.00	$25,000.00	
Friends of the Mission	Walter's House Improvement Project	$22,160.00	$22,160.00	$26,584.00	
Yolo County Housing	Site Preparation for New Yolo Education, Recreation and Boxing Club Facility	$154,900.00	$62,515.00	$74,997.00	
St. John's Retirement Village	Abestos Removal	$145,000.00	$0.00	$0.00	
GRID Alternatives - North Valley	Woodland - Solar Affordable Housing Project	$24,000.00	$12,000.00	$14,396.00	
Yolo County Arts Council dba YoloArts	The Art Exchange	$76,475.00	$0.00	$0.00	
TOTAL		**$800,457.00**	**$251,675.00**	**$301,925.00**	

PUBLIC SERVICES (15%)

Applicant	Project Title	$ Amount Requested	$ Recommended Allocation	Council approved $	Project Accounting/coding
City of Woodland **(See Notes)**	Strength Through Education Program	$9,000.00	$6,000.00	$0.00	
Yolo Family Service Agency	Low Income Counseling	$8,000.00	$0.00	$0.00	
Yolo Community Care Continuum	New Dimensions Supported Housing	$15,000.00	$6,500.00	$8,068.00	
Yolo Wayfarer Center - DBA Fourth and Hope	Emergency Shelter Services (ESS)	$15,000.00	$9,000.00	$11,171.00	
People Resources, Inc./Elderly Nutrition Program	Home Delivered Meals to Low Income Seniors	$15,000.00	$8,000.00	$9,929.00	
CommuniCare Health Centers	Primary Health Care for Uninsured Youth and Adults	$10,000.00	$6,000.00	$7,447.00	
North California Children's Therapy Center	Project Hope for Children	$15,000.00	$0.00	$0.00	
Yolo County CASA	Yolo County CASA - Americorps Partnership	$6,000.00	$0.00	$0.00	
City of Woodland	Utility Assistance Program	$15,000.00	$6,000.00	$7,447.00	
Legal Services of Northern California	Fair Housing Services	$10,000.00	$10,000.00	$10,000.00	
Planned Parenthood Mar Monte (PPMM)	Teen Success	$18,844.00	$6,579.00	$8,166.00	
City of Woodland **(See Notes)**	Summertime Fun Club Camperships	$6,000.00	$0.00	$7,447.00	
TOTAL		**$142,844.00**	**$58,079.00**	**$69,675.00**	

300 First Street
Woodland, CA 95695

Legislation Details (With Text)

File #:	14-018 Version: 1	Name:	Floodsafe Yolo/Cache Creek Feasibility Study Contract Amendment
Type:	Report of the City Manager	Status:	Agenda Ready
File created:	1/15/2014	In control:	City Council
On agenda:	1/21/2014	Final action:	
Title:	SUBJECT: Floodsafe Yolo/Cache Creek Feasibility Study, CIP 09-15; Approve Contract Amendment No. 1 Recommendation for Action: Staff recommends that the City Council authorize the City Manager to execute Amendment #1 to the consultant services agreement with MBK Engineers (MBK) for the Floodsafe Yolo/Cache Creek Feasibility Study, CIP 09-15, for an additional amount up to $132,000.		
Sponsors:			
Indexes:			
Code sections:			
Attachments:			

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: January 21, 2014

SUBJECT: Floodsafe Yolo/Cache Creek Feasibility Study, CIP 09-15; Approve Contract Amendment No. 1

Recommendation for Action: Staff recommends that the City Council authorize the City Manager to execute Amendment #1 to the consultant services agreement with MBK Engineers (MBK) for the Floodsafe Yolo/Cache Creek Feasibility Study, CIP 09-15, for an additional amount up to $132,000.

Staff Contact

Tim Busch, Principal Utilities Civil Engineer, 530-661-5963, tim.busch@cityofwoodland.org

Fiscal Impact

MBK's base contract involved a review of the City's flood protection efforts, evaluate financial viability and possibilities for leveraging State and Federal fund sources, and develop a strategic plan for flood control. The original contract was for $45,000. Approval of amendment #1 for Project 09-15 will bring the total not to exceed cost for the Lower Cache Creek Feasibility Study (LCCFS) program management services to $177,000.

This project is included in the Capital Budget approved by Council with $1,400,000 with funding being advanced from the sewer enterprise fund with a future repayment from the storm drain enterprise fund as approved by Council on January 17, 2012. MBK's work is expected to be considered an In-Kind Contribution by the USACE (Corps) and Department of Water Resources (DWR) and creditable to the City's share. In addition, as part of the long-term financing plan for the project, the team will pursue cost-sharing - including project management services - with public agency and private property stakeholders with an interest in partnering on a flood solution for Lower Cache Creek.

There is no anticipated General Fund impact.

Background

In November of 2013, the City engaged MBK Engineers, under contract authority of the City Manager, to assume Program Management responsibilities for the Lower Cache Creek Feasibility Study. This Contract Amendment is now being presented to Council for the following reasons:

- This amendment provides for continuing program management services to develop the feasibility study. Program management activities include coordination with project partners including the Corps and DWR, providing technical advice to the City, and directing the work of project consultants in coordination with City Staff.

- The scope of work includes coordination with the DWR and Corps to rescope the Corps feasibility study (aka the 3x3x3 process) and process in-kind credit submittals.

- The scope of work includes developing and coordinating a scope of work and budget for a joint City/DWR feasibility study, pursuing preliminary evaluation of the benefits and costs to the City. The scope also includes preliminary evaluation for participation in a regional flood control project.

- The scope of work includes preparation of a public outreach program to relay information developed as part of the feasibility study and will be used in discussions with all stakeholders. These stakeholders are State and Federal agencies, local government agencies, residents, businesses, and community organizations.

Discussion

MBK has competed the strategic plan and found that the City has three options for pursuing a flood risk reduction project which involve participating as a joint non-Federal sponsor with DWR in a USACE feasibility study, participating in a cooperative feasibility urban flood risk management study with DWR, and/or participate as one of many local sponsors with DWR in a regional flood risk management study.

MBK will provide program management and technical assistance to the City in pursuing the three options in the near term in a strategic manner to minimize the City's financial commitments, optimize potential crediting of in-kind contributions, and maintain flexibility to pursue whichever option produces the highest probability of success. MBK will also direct the team of consultants in preparation of the feasibility study in coordination with City Staff if a joint City/DWR option is selected as the preferred project.

Conclusion

Staff recommends that the City Council authorize the City Manager to execute Amendment #1 to the consultant services agreement with MBK Engineers (MBK) for the Floodsafe Yolo/Cache Creek Feasibility Study, CIP 09-15, for an additional amount up to $132,000.00.

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Prepared by: Tim Busch, Principal Utilities Civil Engineer

Reviewed by: Brent Meyer, City Engineer

Ken Hiatt, Community Development Director

Paul Navazio, City Manager

Legislation Details (With Text)

File #:	14-019 Version: 1	Name:	
Type:	Report of the City Manager	Status:	Agenda Ready
File created:	1/15/2014	In control:	City Council
On agenda:	1/21/2014	Final action:	

Title: SUBJECT: Approval of Second Amendment to the Installment Purchase Agreement between the City of Woodland and the Woodland-Davis Clean Water Agency

Recommendation for Action: Staff recommends that the City Council approve the attached resolution authorizing the City Manager to execute the Second Amendment to the Installment Purchase Agreement between the City of Woodland and the Woodland-Davis Clean Water Agency.

Sponsors:

Indexes:

Code sections:

Attachments: Reso_Second Amendment to Installment Purchase
WOODLAND-DAVIS CLEAN WATER AGENCY

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: January 21, 2014

SUBJECT: Approval of Second Amendment to the Installment Purchase Agreement between the City of Woodland and the Woodland-Davis Clean Water Agency

Recommendation for Action: Staff recommends that the City Council approve the attached resolution authorizing the City Manager to execute the Second Amendment to the Installment Purchase Agreement between the City of Woodland and the Woodland-Davis Clean Water Agency.

Staff Contact:

Paul Navazio, City Manager - (530) 661-5800, paul.navazio@cityofwoodland.org

Fiscal Impact:

Staff does not anticipate any fiscal impact of approving the recommended second amendment to the City's Installment Purchase Agreement with the Woodland-Davis Clean Water Agency. Given the current structure of the revenue stream, it is extremely unlikely that the City would issue bonds or other debt to prepay the City's obligation under the terms of the prepayment provision contained in the Agreement.

In consideration of Woodland's share of permanent rights to 10,000 acre-feet of summer water, the Installment Purchase Agreement obligates the cities of Woodland and Davis to make 24 annual payments (from 2016 through 2039), with the annual price starting at $2.6 million and increasing by 2% (compounded) per year. This total stream of payments equates to $79,096,000. The City of Woodland's portion of these payments is $42,632,744. The City has since approved an ordinance establishing water rates needed to ensure sufficient revenue to support the required payments. After 2039, payments by the City would cease and the Agency would own the water rights free and clear.

Background:

The Woodland Davis Clean Water Agency (Agency) has been negotiating with representatives of Reclamation District 2035 (RD 2035), Conaway Preservation Group (CPG), and the Cities of Davis and Woodland on a series of amendments, clarifications, and supplements to existing agreements relating to the purchase and acquisition of water rights and real property interests and a joint river intake/diversion facility for the Davis-Woodland Water Supply Project (Project).

The parties appear to have reached agreement on several significant points related to a) the design and construction of the Joint Intake Facility, b) operation of the Joint Intake Facility, c) access to water from the existing intake facility, d) added protection from risk that pending litigation may pose to the standing of the settlement contract for the 10,000 acre-feet of summer water purchased from CPG by the Agency, and e) the first right by the Agency to purchase additional water supply from CPG. (*A copy of the Agency staff report summarizing the modifications to each of these agreements is included, for reference, as an attachment to this report).*

Among the items discussed as part of these negotiations, and in consideration of the added benefits to the Agency and its member cities, CPG has requested an amendment to the prepayment provisions contained in the Installment Purchase Agreements entered into by the cities of Woodland and Davis with the Agency for payment for the beneficial use of the 10,000 acre-feet of summer water procured by the Agency on the cities' behalf.

Discussion:

In December 2010, the City of Woodland entered into an Installment Purchase Agreement with the Woodland-Davis Clean Water Agency establishing Woodland's obligation to pay for its share of the Agency's water, pursuant to the Agency's Water Agreement, and all portions of the Project's beneficial use. In addition, the Installment Purchase Agreement provides that the City permits the Agency to assign and transfer its rights under the Installment Purchase Agreement to CPG, including the Agency's right to exercise remedies to enforce the receipt of all installment payments. In other words, CPG could seek payment from the two cities in the event that the Agency defaults on payments.

The underlying Water Agreement between the Agency and CPG commits the Agency (via the two member cities) to annual payments for 24 years, from 2016 through 2039, for the permanent rights to 10,000 acre-feet of senior water rights. The 2016 payment would be $2,600,000. The annual amount would increase 2% each year after 2016. The total of all payments would be $79,096,000. Davis would be responsible for 46.1% of these payments, a total of $36,463,256, and Woodland would be responsible for 53.9% of these payments, a total of $42,632,744. The Agency's payment obligation is secured by Installment Purchase Agreements between the Agency and the cities for the benefit of CPG (one Agreement for the Davis share of the obligation and one for the Woodland share).

Upon the conclusion of the 24-year payment period, the Agency would own the water rights free and clear with no further payment obligation.

Agency Water Agreement Secured by Installment Purchase Agreement Approved by Cities

Under the approved Water Agreement, the Agency is obligated to make annual payments to CPG. Under the Amended and Restated Agency Joint Powers Agreement, the Agency's only source of revenue is funding contributions from the two member cities. As additional security to ensure the annual water payments, the cities of Woodland and Davis each approved Installment Purchase Agreements to memorialize that commitment. The following are the principal deal points in the Installment Purchase Agreements:

1. The Agency sells to the City, and the City purchases a portion (Davis - 46.1%; Woodland - 53.9%) of the beneficial use of the water rights acquired from CPG.
2. The City agreed to make annual installment payments to the Agency from the water enterprise revenues in the amounts of the City's share of the annual payments under the Water Agreement. The City's obligation to pay is be a special and limited obligation of the City Water Enterprise Fund and revenue. The Agency has assigned to CPG the right to receive the installment payments from the City. As an assignee, CPG can enforce the installment payment obligation directly against the City in the event the Agency defaults due to the City's failure to provide the required funding to the Agency.
3. The installment payment obligation is secured by a pledge of City Water Enterprise revenue. The City has set its water rates and charges in an amount sufficient to pay the installment payments and other water enterprise obligations, subject to compliance with Proposition 218.
4. The agreement allows the City to later issue bonds or other debt payable from water enterprise revenue subject to certain limitations. City bond counsel has drafted this provision to ensure that the payment obligation to CPG does not adversely affect the ability of the Agency and cities to issue Project-related debt (e.g., construction bonds) in the future.
5. The agreement includes a provision whereby the City could, at its discretion, prepay the obligation either a) upon notification from CPG of its intent to monetize payments to be received by the City pursuant to the installment purchase agreement, or b) at any time in the future, pursuant to the Prepayment Price, as defined in the agreement.

In consideration of the entirety of items sought by the Agency in its recent negotiations to supplement and clarify numerous provisions contained in the package of agreements between the Agency, CPG and RD2035, CPG has requested that the cities amend the prepayment provisions contained in their respective Installment Purchase Agreements so as to retain the initial right to prepay (upon notice of CPG's intent to monetize), but remove the right to prepay the revenue stream at anytime "in the future."

Staff is recommending that the City Council approve a resolution authoring the proposed second amendment to the Installment Purchase Agreement between the City and the Agency. This recommendation stems from the fact that it is extremely unlikely that the City would issue bonds or other debt to prepay the City's obligation under the terms of the prepayment provision contained in the Agreement. An earlier amendment to the Agreement provided that this obligation of the city's water utility fund (secured by approved water rates) will be subordinate to any debt obligation entered into by the City to fund design and construction of the regional or local capital facilities. This provides significant benefits to the City and its ratepayers in terms of the overall financing structure being developed to meet the capital and operating requirements of the City's water utility.

The following reflects the proposed amendment to the Installment Purchase Agreement:

In Section 309(a), the following provisions are amended and restated in their entirety as follows (additions are underlined; deletions are strikethrough):

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(a) CPG shall provide written notice to Agency and Woodland of its intent to Monetize payments to be received pursuant to the Water Agreement and the Promissory Note for Woodland Share.

If after receipt of the notice of CPG's intent to effect a Monetization, Woodland has an interest in ~~issuing bonds, notes, certificates of participation or other obligations in order to prepay and defease~~ prepaying and defeasing payments hereunder, then Woodland shall provide written notice to CPG within 30 days of its receipt of notice from CPG and shall ~~negotiate the terms and timing of such prepayment with Holder~~ have the right to prepay and defease the payments hereunder within 90-days of CPG's original notice at a price equal to the Prepayment Price (as defined below) . ~~CPG shall have the right to either accept or reject the terms of Woodland's prepayment proposal in CPG's sole and absolute discretion. If CPG and~~ If Woodland does not pay the Prepayment Price by the end of such 90 day period ~~agree to terms of prepayment~~ , or Woodland shall fail to provide notice of its interest to prepay within 30 days of the receipt of its notice from CPG, then CPG shall be free to proceed to effect any Monetization in its sole discretion without need of further review or approval by Woodland and Woodland shall no longer have the right to prepay and defease payments hereunder.

~~Notwithstanding any Monetization of the Promissory Note for the Woodland Share, should Woodland not prepay and defease its obligations through the process described above, Woodland may still prepay its obligations in the future, in full and not in part, at a price equal to the Prepayment Price (as defined below) on any business day not less than 30 days from the date Woodland delivers notice of such prepayment to CPG.~~

A. The "Prepayment Price" shall mean a price equal to the sum of:

(1) An amount calculated by CPG equal to the present value (as calculated by paragraph (B) below) of each remaining payment listed in Exhibit A to the Installment Purchase Agreement

plus

(2) accrued interest as of the date of prepayment.

B. For purposes of calculating the Prepayment Price, the present value of the remaining interest and principal payments referred to in (1) above as shown in Exhibit A of the Installment Purchase Agreement shall be determined by discounting the amount of each such interest and principal payment from the date that each such payment would have been payable but for the prepayment to the date fixed for prepayment on a semiannual basis (assuming a 360-day year consisting of twelve (12) 30-day months) at a discount rate equal to the Revenue Index most recently published in The Bond Buyer (or, in the case of an Alternative Revenue Index, most recently published by its source of publication) preceding the date of prepayment; ~~provided however that if the CPG notifies Woodland or Agency that CPG has effected a Monetization prior to prepayment, and the Revenue Index most recently published prior to the date of such Monetization is lower than the Revenue Index most recently published prior to the time of prepayment, the discount rate used to calculate the Prepayment Price shall be equal to the Revenue Index most recently published prior to the date of such Monetization.~~

Conclusion:

Staff is recommending that the City Council approve the attached resolution authoring the City Manager to execute the proposed Second Amendment to the Installment Purchase Agreement between the City and the Woodland-Davis Clean Water Agency, and to take such further actions as may be necessary to the delivery and performance of the Agreement.

Reviewed by: Kara Ueda, City Attorney

Paul Navazio, City Manager

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Attachments:

1) Resolution Authorizing Amendments to the Installment Purchase Agreement between the City of Woodland and the Woodland-Davis Clean Water Agency
    a. Second Amendment to the Installment Purchase Agreement (Woodland)
    b. Second Amendment to the Promissory Note (Woodland)

2) Report to the Board of the Woodland-Davis Clean Water Agency (January 16, 2013) related to consideration of package of agreements, including Joint Intake Agreement(s), and Water Agreement

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RESOLUTION NO. ________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND APPROVING THE SECOND AMENDMENT TO THE INSTALLMENT PURCHASE AGREEMENT BETWEEN THE CITY OF WOODLAND AND THE WOODLAND-DAVIS CLEAN WATER AGENCY RELATED TO PAYMENT FOR BENEFICIAL USE OF THE SURFACE WATER AND THE WATER SUPPLY PROJECT AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SECOND AMENDMENT ON BEHALF OF THE CITY AND TO TAKE SUCH FURTHER ACTIONS AS ARE NECESSARY TO THE DELIVERY AND PERFORMANCE OF THE AGREEMENT

WHEREAS, the Woodland-Davis Clean Water Agency ("Agency") is pursuing its Davis-Woodland Water Supply Project ("Project"), which necessitates the acquisition of Project-related land, rights-of-way and water rights; and

WHEREAS, Project water will be diverted from the Sacramento River, which necessitates a river intake, diversion, and fish screen facility; and

WHEREAS, in December 2010, the Agency entered into agreements with Tri-City Water and Farm, LLC, Conaway Preservation Group, LLC, Reclamation District 2035, and the Cities of Woodland and Davis on a package of agreements relating to the purchase and acquisition of water rights, land, and easements and the joint development of a river intake, diversion, and fish screen facility for the Project; and

WHEREAS, the Installment Purchase Agreement between the Agency and the City provides for the payment of the City of Woodland's pro rata share of the costs of the Water Agreement by the City; and

WHEREAS, the Agency Board of Directors considered and approved (1) the Joint Intake Operations Agreement with RD 2035, (2) the First Addendum to the Sacramento River Joint Intake and Diversion Agreement with Reclamation District 2035, and (3) the Addendum and Clarification to the Water Agreement with Conaway Preservation Group; and

WHEREAS, as part of the negotiated package of agreements, and as referenced in the Addendum and Clarification to the Water Agreement with Conaway Preservation Group, Conway Preservation Group has requested amending the pre-payment provisions contained in the 2010 Installment Purchase Agreement between the Agency and the cities of Woodland and Davis; and

WHEREAS, final execution of the Agency's Amended Water Agreement is contingent upon the cities of Woodland and Davis ratifying the requested second amendment to the prepayment provision of the Installment Purchase Agreement; and

WHEREAS, the City Council finds it is in the interest of the City of Woodland, its water utility customers, and ratepayers to accept and approve the requested second amendment to the City of Woodland's Installment Purchase Agreement with the Agency.

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

1. The City Council hereby approves the Second Amendment to the Installment Purchase Agreement in the form attached hereto as Exhibit A and incorporated herein. The City Manager is hereby authorized and directed to sign the Second Amendment to the Agreement for and on behalf of the City, together with any minor corrections or clarifications deemed necessary or advisable upon consultation with, and concurrence by, the City Attorney.

2. The City Council hereby authorizes the delivery and performance of the Second Amendment to the Installment Purchase Agreement in accordance with its terms. The City Manager is further authorized and directed to take such actions as are necessary by the City of Woodland to the execution, delivery, and performance of the Second Amendment to the Installment Purchase Agreement.

PASSED AND ADOPTED by the City Council of the City of Woodland on the 21st day of January, 2014 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

____
Marlin “Skip” Davies, Mayor

ATTEST:

____
Ana B. Gonzalez, City Clerk

APPROVED AS TO FORM:

____
Kara K. Ueda, City Attorney

SECOND AMENDMENT TO INSTALLMENT PURCHASE AGREEMENT (WOODLAND)

THIS SECOND AMENDMENT TO INSTALLMENT PURCHASE AGREEMENT (WOODLAND) (this "**Second Amendment**") is made as of ____________ ___, 2014, by and between WOODLAND-DAVIS CLEAN WATER AGENCY, a joint powers authority ("**Agency**"), and CITY OF WOODLAND, a general law city ("**Woodland**"), who agree as follows:

1. Background.

1.1. Woodland Agreement. Woodland and Agency have entered into the Installment Purchase Agreement dated December 21, 2010 as amended by the First Amendment thereto dated _______________, 2011 (as amended, the "**Woodland Agreement**"), which is on file in the Agency office. Capitalized terms not defined in this Second Amendment shall have the meaning given to them in the Woodland Agreement.

1.2. Water Agreement. Agency and Conaway Preservation Group, LLC ("**CPG**") have negotiated an Addendum and Clarification to the Water Agreement which, among other things, would grant the Agency a first right to purchase additional water from CPG. The Addendum and Clarification will not become effective unless and until Woodland agrees to limit its right to prepay the Promissory Note for the Woodland Share.

1.3. Purpose. The parties now desire to amend the Woodland Agreement to limit Woodland's right to prepay and defease the payments under the Woodland Agreement and Promissory Note for Woodland Share to the 90 day period immediately following Woodland's receipt of CPG's notice of intent to Monetize such payments.

2. Amendments. Agency and Woodland hereby amend the Woodland Agreement as follows:

2.1. In Section 309(a), the following provisions are amended and restated in their entirety as follows:

> (a) CPG shall provide written notice to Agency and Woodland of its intent to Monetize payments to be received pursuant to the Water Agreement and the Promissory Note for Woodland Share.
>
> If after receipt of the notice of CPG's intent to effect a Monetization, Woodland has an interest in prepaying and defeasing payments hereunder, then Woodland shall provide written notice to CPG within 30 days of its receipt of notice from CPG and shall have the right to prepay and defease the payments hereunder within 90-days of CPG's original notice at a price equal to the Prepayment Price (as defined below). If Woodland does not pay the Prepayment Price by the end of such 90 day period, or Woodland shall fail to provide notice of its interest to prepay within 30 days of the receipt of its notice from CPG, then CPG shall be free to proceed to effect any Monetization in its sole discretion without need of further review or approval

by Woodland and Woodland shall no longer have the right to prepay and defease payments hereunder.

A. The "Prepayment Price" shall mean a price equal to the sum of:

(1) An amount calculated by CPG equal to the present value (as calculated by paragraph (B) below) of each remaining payment listed in Exhibit A to the Installment Purchase Agreement

plus

(2) accrued interest as of the date of prepayment.

B. For purposes of calculating the Prepayment Price, the present value of the remaining interest and principal payments referred to in (1) above as shown in Exhibit A of the Installment Purchase Agreement shall be determined by discounting the amount of each such interest and principal payment from the date that each such payment would have been payable but for the prepayment to the date fixed for prepayment on a semiannual basis (assuming a 360-day year consisting of twelve (12) 30-day months) at a discount rate equal to the Revenue Index most recently published in The Bond Buyer (or, in the case of an Alternative Revenue Index, most recently published by its source of publication) preceding the date of prepayment;

C. The "Revenue Index" shall mean the Bond Buyer Revenue Bond Index published by The Bond Buyer; provided, that if the Bond Buyer Revenue Bond Index shall no longer be published, then the "Revenue Index" shall mean a comparable index reasonably selected by CPG that uses a representative sample of revenue bonds most closely approximating the Bond Buyer Revenue Bond Index (such other index being referred to herein as the "**Alternative Revenue Index**").

2.2. Replacement Note. The original Promissory Note and First Amendment and Allonge to Promissory Note previously executed by Woodland (collectedly, the "**Amended Promissory Note**") shall be returned to Woodland and the amendments to the executed Promissory Note contained in the First Amendment and this Second Amendment shall be consolidated into a new Promissory Note (the "**Replacement Promissory Note**") in the form and content attached hereto, and the Replacement Promissory Note shall be delivered at the Closing under the Water Agreement instead of the executed Amended Promissory Note.

3. No Effect on Other Provisions. Except for the amendments in Section 2, the remaining provisions of the Woodland Agreement shall be unaffected and remain in full force and effect.

4. Counterparts. This Second Amendment may be executed in counterparts, each of which shall constitute an original, but which together, shall constitute a single document.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

WOODLAND-DAVIS CLEAN WATER AGENCY	**CITY OF WOODLAND**
Dated: ____________, 2014	Dated: ____________, 2014
____________________________ General Manager	____________________________ Mayor
Attest:	Attest:
____________________________ Secretary	____________________________ City Clerk

SECOND AMENDMENT TO PROMISSORY NOTE
(CONAWAY RANCH WATER PURCHASE – CITY OF WOODLAND)

THIS SECOND AMENDMENT TO PROMISSORY NOTE (this "**Second Amendment** is made as of ____________ ___, 2014, by and between WOODLAND-DAVIS CLEAN WATER AGENCY, a joint powers authority ("**Agency**" or "**Maker**"), and CONAWAY PRESERVATION GROUP, LLC, a California limited liability company ("**CPG**" or "**Holder**"), who agree as follows:

1. <u>Background</u>.

1.1. <u>Promissory Note</u>. Agency entered into but not yet delivered the Promissory Note (Conaway Ranch Water Purchase – City of Woodland), as Maker, in the amount of $18,587,479.55 and the First Amendment and Allonge to Promissory Note (the "**First Amendment**"), for the benefit of CPG, as Holder (as amended, the "**Amended Promissory Note**").

1.2. <u>Purpose</u>. The parties now desire to further amend the Amended Promissory Note to modify the prepayment provisions contained therein, to consolidate the amendments to the executed Promissory Note contained in the First Amendment and this Second Amendment into a new Promissory Note (the "**Replacement Promissory Note**") and to deliver the Replacement Promissory Note instead of the executed Amended Promissory Note.

2. <u>Amendments</u>. Agency and CPG hereby amend the Amended Promissory Note as follows:

2.1. Section 2 of the Amended Promissory Note is amended and restated in its entirety as follows:

> 2. <u>Prepayment</u>. Holder shall provide notice to Maker of its intent to effect any Monetization (as defined below) of this Note. If after receipt of the notice of Holder's intent to effect a Monetization, Maker has an interest in prepaying and defeasing the payments hereunder, then Maker shall provide notice to Holder within 30 days of its receipt of notice from Holder and shall prepay this Note within 90-days of Holder's original notice at a price equal to the Prepayment Price (as defined below). -If Maker does not prepay the Prepayment Price within such 90 day period, or Maker shall fail to provide notice of its interest to prepay within 30 days of the receipt of its notice from Holder, then Holder shall be free to proceed to effect any Monetization in its sole discretion without need of further review or approval by Maker and Maker shall no longer have the right to prepay and defease payments hereunder. As used in this Section 2, the term "Monetization" shall mean the sale, assignment, pledge or transfer by the Holder to any other entity or person of all or any portion of this Note or the Note Payments as part of a sale, transfer, exchange or financing transaction.
>
> As used in this Section 2, the following terms shall be defined as follows:

A. The “Prepayment Price” shall mean a price equal to the sum of:

1. An amount calculated by the Holder equal to the present value (as discounted by paragraph (B) below) of each remaining payment under Exhibit A of the Installment Purchase Agreement

plus

2. accrued interest as of the date of prepayment.

B. For purposes of calculating the Prepayment Price, the present value of the remaining interest and principal payments referred to in (1) above as shown in Exhibit A of the Installment Purchase Agreement shall be determined by discounting the amount of each such interest and principal payment from the date that each such payment would have been payable but for the prepayment to the date fixed for prepayment on a semiannual basis (assuming a 360-day year consisting of twelve (12) 30-day months) at a discount rate equal to the Revenue Index most recently published in The Bond Buyer (or, in the case of an Alternative Revenue Index, most recently published by its source of publication) preceding the date of prepayment.

C. The “Revenue Index” shall mean the Bond Buyer Revenue Bond Index published by The Bond Buyer; provided, that if the Bond Buyer Revenue Bond Index shall not longer be published, then the “Revenue Index” shall mean a comparable index reasonably selected by the Holder that uses a representative sample of revenue bonds most closely approximating the Bond Buyer Revenue Bond Index (such other index being referred to herein as the “**Alternative Revenue Index**”).

3. No Effect on Other Provisions. Except for the amendments in Section 2, the remaining provisions of the Amended Promissory Note shall be unaffected and remain in full force and effect.

4. Replacement Promissory Note. The Replacement Promissory Note shall be in the form attached hereto as **Exhibit 1** and incorporated herein and will be delivered in place of the existing Amended Promissory Note which was previously executed but not delivered.

5. Counterparts. This Second Amendment may be executed in counterparts, each of which shall constitute an original, but which together, shall constitute a single document.

WOODLAND-DAVIS CLEAN WATER AGENCY

CONAWAY PRESERVATION GROUP, LLC
a California limited liability company

BY: Tri-City Water and Farm, LLC

Dated: ____________, 2014

____
General Manager

Attest:

____
Secretary

a Delaware limited liability company
Member

BY: AKT Investors, Inc.
a California corporation
Manager

By: ______________________________
Kyriakos Tsakopoulos
President and CEO

Dated: ____________, 2014

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DATE: November 21, 2013

TO: Board of Directors, Woodland-Davis Clean Water Agency

FROM: Dennis M. Diemer, General Manager

SUBJECT: Consider approval of WDCWA-RD 2035 Joint Intake Operations Agreement

RECOMMENDATION

Move to approve the WDCWA-RD 2035 Joint Intake Operations Agreement in substantially the form as presented at this meeting and authorize the General Manager to approve and sign the final agreement together with any minor additions or changes deemed necessary or advisable by the General Manager in consultation with the Agency General Counsel.

BACKGROUND AND DISCUSSION

In 2010, the Agency and Reclamation District 2035 approved the Sacramento River Joint Intake and Diversion Agreement. In the Intake Agreement, the parties agreed to jointly pursue the development, funding, construction, operation and maintenance of a water supply intake and fish screen facility. Since then, the Agency and RD 2035 have cooperated and made substantial progress on the funding and design of the intake. RD 2035 plans to commence construction in 2014.

In the joint intake design, the design documents split the improvements into three parts: Agency separate facilities to be operated by the Agency (e.g., Agency pumps, motors, piping and valves); RD 2035 separate facilities to be operated by RD 2035 (e.g., RD 2035 pumps, motors, piping and valves); and, common facilities that will jointly serve and benefit both parties (e.g., intake structure, fish screens, pump station building).

Intake Agreement section 9.1.1 addresses the responsibility for operation and maintenance of the common facilities: “Prior to commencement of the Operation Phase, the Management Committee shall determine how to Operate the Common Facilities (i.e., whether by Agency, by RD 2035 or by or pursuant to some other entity or method) and designate a Party, company or other entity to Operate the Common Facilities (the ‘Operator’).” Pursuant to section 9.1.1, the Management Committee has determined that the common facilities operator should be the Agency, which would operate, maintain, repair and replace the common facilities pursuant to a separate operations agreement. Agency and RD 2035 staffs then proceeded to negotiate, develop and prepare the attached Joint Intake Operations Agreement that now is being recommended to the Board. Even though the agreement would not become operative until the commencement of operations in 2016, the Agency would like to confirm and memorialize the understanding with RD 2035 at this time while there is consensus and in order to definitively inform CH2M HILL about the scope of its intake operations obligations.[1]

The proposed agreement includes the following important elements:

- The agreement designates the Agency as common facilities operator and obligates it to operate, maintain, repair and replace the common facilities in accordance with the terms of the operations agreement and the 2010 Intake Agreement. The Agency would begin providing these services in 2016 upon completion of the intake and the other related regional water project facilities. The Agency would perform these services by and through the Service Contract with CH2M HILL for the duration of that contract.

- The agreement requires the Agency to appoint an individual as chief operator. As currently planned, the operator would be the CH2M HILL employee designated as facility operator.

- The agreement requires the Agency to prepare an annual common facilities operations budget. It allocates costs according to agreed-upon percentages and obligates RD 2035 to pay its share of the operating costs as detailed in section 5.

- The agreement allows for the Agency to use the lower-priced Western Area Power Administration power, subject to certain terms and conditions as detailed in section 6.

- The term of the agreement would continue indefinitely unless terminated as provided by the agreement.

Each party would remain responsible for the operation, maintenance, repair and replacement of its separate facilities and associated costs.

FISCAL IMPACT

Approval of the agreement would establish a mechanism for the Agency to assume the responsibility for the operation, maintenance, repair and replacement of the common facilities, obligate the Agency to pay those operating costs, and obligate RD 2035 to pay to the Agency its fair and equitable share of the operating costs. The common facilities operating costs will be included in Agency budgets beginning with the 2016-17 fiscal year.

[1] A near final draft of the Joint Intake Operations Agreement was included as part of the CH2M HILL Service Contract. This final agreement does not vary significantly from the draft that was incorporated as part of the Service Contract.

WDCWA-RD 2035 JOINT INTAKE OPERATIONS AGREEMENT

This Agreement, dated for reference purposes as of ___________, 2014, is made by and between the Woodland-Davis Clean Water Agency, a joint powers authority ("Agency"), and Reclamation District 2035, a reclamation district ("RD 2035"), who agree as follows:

1. DEFINITIONS. For purposes of this Agreement, the words and phrases below shall have the following meanings:

1.1. "Agreement" means this WDCWA-RD 2035 Joint Intake Operations Agreement.

1.2. "Approvals" mean the permits, licenses, entitlements and approvals that are required under federal, state and/or local laws and regulations to construct and Operate the Project, including, but not limited to, conducting required studies, compliance with the federal and state Endangered Species Acts, preparation and processing of environmental documentation under the National Environmental Policy Act and California Environmental Quality Act, compliance with water quality laws, preparation and processing of permit and license applications, and related consultation and negotiations with involved regulatory agencies and their staffs. Approval does not include any permit, license, entitlement or approval of a Party's water rights, water right permit(s) and license(s), or water supply contract(s).

1.3. "Common Facilities" have been refined since the date of the Intake Agreement. "Common Facilities" now mean the common Project facilities as described in the RD 2035/WDCWA Joint Intake and Fish Screen Project Cost Allocation Table attached as Exhibit A.

1.4. "Capital Costs" mean the costs of Final Engineering, Construction Work, financing, land and rights-of-way acquisition, Permitting (including costs of environmental compliance, mitigation costs or filing fees related to Permitting) and the funding of a reasonable construction reserve relating to the repair, replacement, modification and improvement of the Common Facilities.

1.5. "Combined Operating Costs" mean the Site Operating Costs, Fixed Operating Costs and Variable Operating Costs.

1.6. "Construction Work" means the procurement of material, parts and equipment, conducting construction, construction management and related field services including project management activities, contractor management, design assistance during construction, as-built-drawings, and startup testing, and including Construction Work relating to Common Facilities repair, replacement and modification undertaken pursuant to this Agreement.

1.7. "Final Engineering" means engineering, design and related services and activities that are necessary or appropriate to develop and prepare final design plans, specifications, drawings, and bidding and construction documents for the construction and installation of the Project.

1.8. "Fixed Operating Costs" mean the costs to Operate the Common Facilities (excluding the Site Operating Costs) that are incurred irrespective of the amount of Project Water conveyed through the Project, including, but not limited to, employee salaries and expenses (if the Agency employs an individual or individuals to perform Operation services), consultant and service provider costs, administration, overhead, insurance, Capital Costs, and debt service costs.

1.9. "Force Majeure" means a strike, lockout, failure or refusal of any person or entity (other than a Party) to comply with an agreement to obtain or ship material or equipment, industrial disturbance, act of a public enemy, war, blockade, insurrection, riot, epidemic, civil disturbance, explosion, sabotage, threat of physical harm or damage resulting in the evacuation or shutdown of Project facilities, landslide, lightning, earthquake, volcanic eruption, fire, flood, washout, other natural disaster, restraint by court order or government agency (other than a Party) having jurisdiction over the Project, and any other cause not within the control of the Party claiming Force Majeure and which, by the exercise of due diligence, the Party is unable to prevent or overcome.

1.10. "Intake Agreement" means the Sacramento River Joint Intake and Diversion Agreement between the Parties dated December 21, 2010, as the same may be amended from time to time by the Parties.

1.11. "Management Committee" means the Management Committee established by the Intake Agreement.

1.12. "Operate" means operate, maintain, manage, monitor, upgrade, repair, replace, modify and improve and "Operation" means operation, maintenance, management of, monitoring of, upgrade, repair, replacement, modification and improvement.

1.13. "Operations and Maintenance Manual" means the manual referred to in section 3.4, as the same may be amended from time to time by the Management Committee.

1.14. "Operative Date" means the Agreement operative date as described in section 3.1.2.

1.15. "Operator" means the Agency and "Chief Operator" means the individual appointed as such pursuant to section 4.2.

1.16. "Parties" mean the Agency and RD 2035. "Party" means either one of the Parties.

1.17. "Permitting" means all reasonable, necessary and appropriate activities and documents to apply for, process and acquire the Approvals.

1.18. "Policy Committee" means the Policy Committee established by the Intake Agreement.

1.19. "Project" means a facility for the joint diversion and intake of water from the Sacramento River as described in the Intake Agreement and as further shown and described in the Project Design.

1.20. "Project Design" means the Reclamation District 2035/Woodland-Davis Clean Water Agency Joint Intake and Fish Screen Project Proof Set Specifications dated October

2012 prepared by MWH Americas, Inc. and on file with each of the Parties, as the same will be further revised and finalized pursuant to the Intake Agreement.

1.21. "Project Water" means water that is diverted and pumped through the Project facilities.

1.22. "Screen Requirements" mean the Project fish screen design, construction and Operation related requirements, conditions and criteria set forth in the following documents: Protest Dismissal Agreement between the California Department of Fish and Game, City of Davis, City of Woodland and University of California, Davis dated November 4, 2009; Agency Water Right Permit No. 20281; Agency Water Right License Nos. 904A and 5487A; Mitigation Monitoring and Reporting Plan of the 2007 Final EIR; Department of the Army section 404 and section 10 permit for the Project; and, California Department of Fish and Wildlife streambed alteration agreement for the Project.

1.23. "Separate Facilities" have been refined since the date of the Intake Agreement. "Separate Facilities" now mean each Party's separate Project facilities as described in Exhibit A.

1.24. "Site Operating Costs" mean Common Facilities-related Operation costs for security, parking, fencing, gates and landscape facilities and services.

1.25. "Variable Operating Costs" mean those Common Facilities-related Operation costs that vary based on the volume of Project Water actually conveyed through the Project and including, but not necessarily limited to, the costs of electricity and chemicals.

1.26. "WAPA" means the Western Area Power Administration.

1.27. "Water Supply Project" means the Agency water supply project described in section 2.2.

2. RECITALS. This Agreement is made with reference to the following background recitals and conditions.

2.1. RD 2035 diverts water from the Sacramento River and delivers it to landowners within its service area for irrigation and other purposes. RD 2035 owns and operates an intake facility on the river. The intake does not have a fish screen. RD 2035 desires to construct a new screened intake facility.

2.2. The Agency was created in 2009 to undertake and implement the Water Supply Project to divert water from the Sacramento River, transmit the water for treatment to a new water treatment facility, and deliver treated surface water to the Cities of Davis and Woodland and University of California, Davis for use in their respective service areas. Agency needs a river intake facility for its Water Supply Project.

2.3. In the Intake Agreement, the Parties have agreed to jointly pursue the development, funding, construction, operation and maintenance of a water supply intake and fish screen facility.

2.4. Intake Agreement section 9.1.1 addresses the responsibility for Operation of the Common Facilities. It provides that "Prior to commencement of the Operation Phase, the Management Committee shall determine how to Operate the Common Facilities (i.e., whether by Agency, by RD 2035 or by or pursuant to some other entity or method) and designate a Party, company or other entity to Operate the Common Facilities (the 'Operator')." Pursuant to section 9.1.1, the Management Committee has met and determined that the Operator will be the Agency, which will Operate the Common Facilities on and subject to the terms of this Agreement and the Intake Agreement.

2.5. The Project facilities (including the Common Facilities) are shown and described in the Project Design. The Final Engineering of the Project shall be based on and consistent with the Project Design, unless otherwise modified pursuant to the Intake Agreement.

2.6. Each Party remains responsible for the Operation and Operation costs of its Separate Facilities.

3. GENERAL.

3.1. Operative Date.

3.1.1. At the time of approving this Agreement, the Parties anticipate that the construction of the Project will be completed before construction of the Water Supply Project, but it is not certain. If construction of the Project is completed before construction of the Water Supply Project, then RD 2035 will Operate the Project for an interim period of time until this Agreement becomes operative as described in section 3.1.2. If construction of the Project is completed after construction of the Water Supply Project, then the Agency will Operate the Project upon completion of Project construction.

3.1.2. This Agreement confirms and implements the Agency as Operator pursuant to Intake Agreement section 9.1.1. This Agreement shall become operative (the "Operative Date") and Agency shall commence Operation of the Common Facilities upon the later of the following: commencement of the Operation Phase under the terms of the Intake Agreement (as evidenced by Management Committee approval pursuant to Intake Agreement section 8.4); or, upon the Acceptance Date or Provisional Acceptance Date (as those terms are defined in the Service Contract For The Design, Construction and Operation of the Woodland-Davis Regional Water Treatment Facility and Related Facilities between the Agency and its contractor), which commences the operation of the Water Supply Project. If the Intake Agreement is terminated pursuant to its terms prior to the Operative Date, then this Agreement also shall terminate concurrent with the termination of the Intake Agreement.

3.2. Term. This Agreement shall be ongoing and continue in effect indefinitely unless (a) terminated by mutual written consent approved by the governing board of each Party and executed by both Parties, or (b) the Intake Agreement is terminated pursuant to the terms of the Intake Agreement, in which case this Agreement will terminate concurrent with the termination of the Intake Agreement. If this Agreement is terminated, then prior to the effective date of the termination, the Management Committee or Policy Committee shall determine how to Operate the Common Facilities (i.e., whether by Agency, by RD 2035 or by or pursuant to some other entity or method) and designate a Party, company or other entity to serve as Common Facilities Operator.

3.3. Intake Agreement Applicable. The Intake Agreement applies to the transactions, duties and obligations under this Agreement, except as otherwise expressly provided in this Agreement. In particular, the Project management and dispute resolution provisions of Intake Agreement section 4 shall apply to the resolution of disputes under this Agreement. Nothing in this Agreement shall alter the Management Committee or Policy Committee responsibility and authority as set forth in the Intake Agreement. If there are any irreconcilable differences between the Intake Agreement and this Agreement, this Agreement shall govern.

3.4. Operations and Maintenance Manual. The Management Committee will adopt an Operations and Maintenance Manual pursuant to the Intake Agreement prior to the Operative Date. The Management Committee periodically shall review and reevaluate the Operations and Maintenance Manual and, when appropriate, amend it from time to time.

3.5. Separate Facilities. Each Party remains responsible for the Operation and Operation costs of its Separate Facilities (including its water intake pumps) pursuant to the Intake Agreement and managing, protecting and ensuring compliance with its water rights. Each Party has the right to Operate its Separate Facilities in accordance with the terms of the Intake Agreement without interference from the other Party. Neither Party assumes any responsibility or liability for Operating the other Party's Separate Facilities, delivering Project Water to the other Party, or managing, protecting or ensuring compliance with the other Party's water rights.

3.5.1. If Agency contracts with an independent contractor to Operate the Common Facilities, then (a) Agency may include within the scope of that contract the Operation of Agency's Separate Facilities on such terms as may be agreed to by Agency and the contractor, and (b) RD 2035 may contract with that contractor to Operate RD 2035's Separate Facilities on such terms as may be agreed to by RD 2035 and the contractor.

4. COMMON FACILITIES OPERATION

4.1. Operation. Upon the Operative Date, the Agency through its employees and/or independent contractor(s) shall be responsible for the proper and efficient Operation of the Common Facilities in accordance and compliance with this Agreement, the Operations and Maintenance Manual, the Screen Requirements, and applicable federal and state laws and regulations.

4.2. Chief Operator. Prior to the Operative Date, Agency shall appoint an individual as Chief Operator. The Chief Operator may be an employee of Agency or an individual in a firm retained under contract with Agency. The Chief Operator shall be responsible for the proper and efficient management and administration of the Common Facilities Operation. The Chief Operator shall meet regularly with the Management Committee and keep the committee informed about the status of Operations. The Chief Operator shall serve at the pleasure of Agency; however, prior to selecting or changing the Chief Operator, Agency shall consult with RD 2035 and the Management Committee. If RD 2035 objects to a particular Chief Operator, it may present its objection to the Management Committee for resolution of the objection pursuant to Intake Agreement section 4.

4.3. Budget. The Agency shall Operate the Common Facilities on a July 1 to June 30 fiscal year. Prior to the Operative Date, and thereafter prior to the commencement of each fiscal year, the Agency, in coordination with and with the approval of the Management Committee, shall adopt a budget with a projection of Fixed Operating Costs (including any planned or anticipated Capital Costs), Site Operating Costs, and Variable Operating Costs (if any) for the Operation of the Common Facilities for the ensuing fiscal year (or, in the case of the first budget, for the balance of that fiscal year). The budget also shall include funding for repair, replacement, preventative maintenance and a reserve and contingency fund. If RD 2035 objects to a budget for Common Facilities Operation, then it may refer the disagreement to the Management Committee for resolution pursuant to Intake Agreement section 4. If for any reason the Agency is unable to timely approve an annual budget, then the prior year's annual budget (plus a cost of living adjustment for expenditures to reflect the prior year's change in the Consumer Price Index for All Urban Consumers for the west urban area as reported by the U.S. Bureau of Labor Statistics) will continue in effect until superseded by a new budget approved pursuant to this section and the former budget will provide appropriation authority for ongoing Agency expenditures consistent with that budget, as adjusted.

4.3.1. The Agency shall strive to Operate the Common Facilities consistent with and within the limits of the approved budget. Prior to incurring any unbudgeted expenditure, the Agency shall obtain the consent of the Management Committee; except, however, that prior Management Committee consent shall not be required in the event of an Agency response to an emergency involving the Common Facilities. In the event of such an emergency, the Agency shall report to the Management Committee at its earliest practicable opportunity with an explanation about the nature of the emergency and related unbudgeted expenditures.

4.4. Permits. The Agency shall keep, maintain, apply for, renew and comply with all federal, state and local permits, licenses and entitlements that now or in the future apply to or may be necessary or appropriate for the Operation of the Common Facilities (including, but not limited to, the Screen Requirements, State Lands Commission lease, applicable mitigation monitoring and reporting plans, and Endangered Species Act compliance-related terms and conditions). Agency's costs to comply with this obligation will be considered a Fixed Operating Cost.

4.5. Temporary Reduction. The Agency may temporarily discontinue intake Operation or reduce the amount or rate of flow of Project Water furnished to the Parties for the purposes of inspection, maintenance, repair, or replacement of any Common Facilities as may be necessary or appropriate, subject to approval of the Management Committee, except such approval will not be required for an emergency. The Agency will give RD 2035 notice in advance of any temporary discontinuance or reduction, except in case of emergency.

5. FUNDING AND ALLOCATION OF COMMON FACILITIES OPERATION COSTS.

5.1. Cost Allocation Principles; Davis and Woodland Participating. Agency's costs of Operation of the Common Facilities shall be allocated among the Parties in accordance with the following cost allocation principles:

5.1.1. For Site Operating Costs: Each Party will pay 50% of the costs.

5.1.2. For Fixed Operating Costs: Agency will pay 20% of the costs and RD 2035 will pay 80% of the costs.

5.1.3. For Variable Operating Costs: Each Party will pay a share of the monthly costs based on the Party's proportionate share of the actual volume of water pumped through the Project facilities during the month.

5.1.4. If the Common Facilities fish screen is damaged or destroyed and Agency undertakes an expedited repair or replacement project to accommodate Agency's or RD 2035's demand for prompt repair or replacement of the fish screen, and if, as determined by an engineer selected by the Management Committee, the costs of such an expeditious repair or replacement project exceed the costs that would have been incurred by Agency in undertaking a non-expedited repair or replacement project, then the excess costs (i.e., those solely attributed to expediting the work as determined by the engineer) shall be paid by the Party demanding the prompt repair or replacement.

5.2. Payment by RD 2035. RD 2035 agrees to pay to Agency its respective share of the Site Operating Costs, Fixed Operating Costs and Variable Operating Costs (collectively the "Combined Operating Costs") in accordance with the cost allocation principles in section 5.1. On an annual basis, based on the budget approved pursuant to section 4.3 and the cost allocation principles in section 5.1, Agency shall determine RD 2035's annual and monthly share of the costs. On a monthly basis, Agency shall prepare and submit to RD 2035 a statement of its share of the budgeted costs for the month. RD 2035 shall pay the statement within 45 days of its receipt, unless there is a dispute regarding a specific item in the statement. In that case, RD 2035 shall present its objection to the specific item to the Management Committee for resolution pursuant to Intake Agreement section 4 and pay Agency any amounts not in dispute. If RD 2035 has not paid the statement within 60 days of receipt, the amount unpaid by RD 2035 shall bear interest at eight percent (8%) per annum from the 60th day to the date payment of the statement is made in full.

5.2.1. If, because of unanticipated costs or unforeseen circumstances, the Agency collects insufficient revenue under section 5.2 to cover higher than budgeted Combined Operating Costs, then the Agency, in coordination with and the approval of the Management Committee, may assess RD 2035 to pay the deficiency based on the cost allocation principles in section 5.1 and RD 2035 shall pay such a statement from Agency within 45 days of its receipt pursuant to section 5.2.

5.3. Take or Pay Obligation. Agency's and RD 2035's obligation to pay its share of the Site Operating Costs and Fixed Operating Costs shall be a take or pay obligation. RD 2035 shall pay its share of such costs whether or not the Project is operating, operable, damaged or destroyed, whether or not its dedicated water capacity is actually available or utilized, whether or not water is available for diversion by the Project, and regardless of the occurrence of any Force Majeure event. The payments of Site Operating Costs and Fixed Operating Costs shall not be subject to reduction whether by setoff, counterclaim, recoupment, or otherwise and shall not be conditioned upon the performance or nonperformance of any agreement or for any other cause or reason whatsoever; except in the case where such action is taken in accordance with Intake Agreement section 4.

5.4. Bookkeeping. Agency shall keep and maintain an accounting of its actual costs (including, but not necessarily limited to, labor, materials, contractors, consultants, vehicle and equipment usage, administrative support, overhead and insurance) to Operate the Common Facilities. Agency shall segregate its actual costs into the three categories of Combined Operating Costs.

5.5. Annual Cost Reconciliation. As soon as practicable following the commencement of a fiscal year, but no later than 90 days after commencement of the fiscal year, Agency shall determine the actual Combined Operating Costs for the prior fiscal year and reconcile those actual costs against the budget, RD 2035 payments and each Party's actual volume of water pumped through the Project facilities for the prior year. The amount so reconciled (whether costs exceeded or were less than the RD 2035 payments for the year) shall be credited or debited into the calculation of the projected Combined Operating Costs and RD 2035 payment schedule for the next fiscal year budget.

5.6. Bookkeeping Records. Agency shall keep and maintain strict accountability of all Common Facilities Operation-related funds, receipts and expenses, and shall keep and maintain appropriate records and accounts of all funds, receipts and expenses under this Agreement in accordance with accounting and bookkeeping practices established by, or consistent with, those utilized by the Controller of the State of California for like public entities. Agency shall allow RD 2035 and its employees, accountants, attorneys or agents to review, inspect, copy and audit any such records and accounts, including source documents. In accordance with Government Code section 8546.7, the Parties acknowledge that this Agreement and the Parties' expenditures under this Agreement are subject to examination and audit by the State Auditor.

5.7. Fines and Penalties. In the event that there is a Project-related failure or alleged failure to comply with applicable law, regulation, order, permit, license, entitlement or related condition that results in the imposition or levy of any fine, assessment, imposition, penalty or other charge by a government agency or court (collectively "Fine"), the obligation of a Party to pay the Fine shall be determined in accordance with the indemnity provisions of this Agreement and the Intake Agreement. If the Fine payment obligation cannot be fairly allocated to one of the Parties with application of the indemnity provisions, then the Fine payment shall be considered a Fixed Operating Cost and allocated as such. If there is disagreement concerning the Party responsible for the Fine, then a Party may refer the disagreement to the Management Committee for resolution pursuant to Intake Agreement section 4. Nothing in this section shall preclude a Party from contesting any Fine so long as the non-responsible Party shall have no liability as a result of the failure of the contesting Party to pay the Fine during the period of contest.

6. WAPA POWER.

6.1. General. The Parties acknowledge that (a) RD 2035 receives electric power to operate the existing intake from WAPA through an existing WAPA metered service connection, (b) RD 2035 plans to use the WAPA power for operation of the RD 2035 Separate Facilities and Common Facilities, and (c) the Agency desires to share in the use of the WAPA power through (downstream of) the RD 2035 service connection for operation of the Agency Separate Facilities. RD 2035 agrees to facilitate and allow for Agency use of WAPA power through the RD 2035 service connection on and subject to the terms and conditions of this Agreement.

6.2. Request for Allocation. RD 2035 agrees to submit to WAPA a request to allow WAPA power (through the RD 2035 meter) to be utilized for the Agency Separate Facilities. RD 2035 would remain the WAPA customer. RD 2035 agrees to submit and diligently process the request pursuant to WAPA procedures and policies. If WAPA approves the request, then the Project design will incorporate electric distribution facilities to enable the RD 2035 Separate Facilities, Agency Separate Facilities and Common Facilities to all be powered from WAPA electricity. The design also will include three meters or sub-meters, one each for the Common Facilities and two sets of Separate Facilities.

6.3. Cost Allocation and Pricing. If WAPA approves the request and WAPA power is connected to the RD 2035 Separate Facilities, Agency Separate Facilities and Common Facilities, then the following cost allocation and pricing principles would apply:

6.3.1. RD 2035 would remain the primary WAPA customer and it would pay the full WAPA monthly bill for electricity charges (including all administrative, environmental and other fees including on the WAPA bill). RD 2035 then would allocate the WAPA charges (without markup) monthly based on the sub-meter readings as follows: (a) RD 2035 would be responsible for the share of the electricity charges attributable to the electricity delivered to its Separate Facilities; (b) Agency would be responsible for the share attributable to the electricity delivered to its Separate Facilities; and (c) the Parties would be jointly responsible for the share attributable to the electricity delivered to the Common Facilities with the charges allocated as provided by section 5. The WAPA electricity price charged and applied to the Parties in this allocation would be based on section 6.3.2.

6.3.2. WAPA power pricing is variable with two tiers. First, base resource is supplied to RD 2035 pursuant to WAPA allocation policies, which is priced at a base rate determined by WAPA. Second, for power delivered in excess of the base resource, WAPA delivers that power from electricity purchased on the market, which is priced based on the market purchase price. The base price is usually lower than the market purchase price. In addition to the WAPA price for power, WAPA charges its customers for portfolio management, scheduling coordinator, California Independent Systems Operator related fees and costs, and other administrative services (the "Administrative Costs"). In allocating the WAPA charges under section 6.3.1, the following will apply:

6.3.2.1. Power Pricing to RD 2035: RD 2035 will have first right to base rate pricing. RD 2035 will pay at the base price for electricity delivered to RD 2035 in the month up to the base resource amount. If RD 2035 uses in excess of the base resource amount in the month, RD 2035 will pay for the excess at the market purchase price. Electricity delivered to RD 2035 is the electricity delivered to the RD 2035 Separate Facilities plus RD 2035's share (calculated pursuant to section 5.1.3) of the electricity delivered to the Common Facilities.

6.3.2.2. Power Pricing to Agency: If RD 2035 uses less than the base resource amount in the month, then Agency will pay at the base price for electricity delivered to Agency in the month up to base resource amount unused by RD 2035 and thereafter at the market purchase price. If RD 2035 uses in excess of the base resource amount in the month, Agency will pay at the market purchase price. Electricity delivered to Agency is the electricity delivered to the Agency Separate Facilities plus Agency's share (calculated pursuant to section 5.1.3) of the electricity delivered to the Common Facilities.

6.3.2.3. Administrative Costs: Administrative Costs that are fixed costs that do not vary based on the quantity of electricity demanded or utilized (e.g., current WAPA charges for portfolio management and scheduling coordinator services) will be split

50%/50% between RD 2035 and Agency. Other Administrative Costs that vary based on the quantity of electricity demanded or utilized will be allocated based on each Party's proportionate share of total electricity consumed during the month (or other time period for allocation of variable Administrative Costs that may be approved by the Management Committee).

6.3.3. Agency agrees to pay to its respective share of the WAPA charges in accordance with the cost allocation and pricing principles in this section 6.3. On a monthly basis (or other time period for allocation of WAPA charges that may be approved by the Management Committee), RD 2035 shall prepare and submit to Agency a statement of its share of the WAPA costs for the month (or other approved period) as calculated pursuant to this section. Agency shall pay the statement within 30 days of its receipt. If Agency has not paid the statement within the 30-day period, the amount unpaid by Agency shall bear interest at eight percent (8%) per annum from such 30th day to the date payment of the statement is made in full.

6.3.4. In the event a Party desires to install a power distribution system upgrade for its Separate Facilities and if that upgrade results in an increase in any charges payable to WAPA (whether one-time or ongoing), then the Party installing the upgrade will be responsible for the increased WAPA charges. In the event the Parties desire to install a power distribution system upgrade for the Common Facilities, then any increased WAPA charges will be allocated as provided by section 5.

6.4. Requirement to Disconnect. If Agency is granted permission by WAPA to allow WAPA power (through the RD 2035 meter) to be utilized for the Agency Separate Facilities, and subsequently that permission is revoked by WAPA, or if WAPA declares its intention to revoke RD 2035's WAPA power contract because of the use of WAPA power by Agency, then Agency agrees to cease using WAPA power and connect at its own expense to another power source.

7. INDEMNIFICATION AND INSURANCE

7.1. Indemnity. The indemnity provision in the Intake Agreement (Intake Agreement section 13) shall apply to liability, losses, claims, damages, expenses, and costs (including attorney, expert witness and consultant fees, and litigation costs) arising out of or in connection with the performance or failure to perform under this Agreement.

7.2. Insurance. Agency shall procure and maintain for the duration of this Agreement the types and limits of insurance or self-insurance as required by Intake Agreement section 13.3. If Agency contracts with an independent contractor to Operate the Common Facilities, then Agency shall require the contractor to (a) provide a broad-form commercial general liability insurance policy in the amount of at least $10 million per occurrence that is acceptable to both Parties, and (b) name both Parties as additional insureds under the policy.

8. GENERAL PROVISIONS

8.1. Force Majeure. Agency shall be excused from its obligations under this Agreement in the event that it is rendered unable, wholly or in part, by Force Majeure to carryout its obligations under this Agreement. Upon the occurrence of an event of Force Majeure, Agency shall give notice and full particulars of the Force Majeure in writing to RD 2035. Agency's performance shall be suspended only during the continuance of the Force Majeure condition. Upon the occurrence of any event of Force Majeure that may render Agency unable to carry out its obligations under the Agreement, to the extent reasonably practical, Agency shall use its best efforts to promptly implement a plan to ensure the continued ability to perform its obligations and promptly bring to an end the Force Majeure condition.

8.2. Integration. This Agreement constitutes the sole, final, complete, exclusive and integrated expression and statement of the terms of this contract among the Parties concerning the subject matter addressed herein, and supersedes all prior negotiations, representations or agreements, either oral or written, that may be related to the subject matter of this Agreement, except for the Intake Agreement and those other documents that are expressly referenced in this Agreement.

8.3. Construction and Interpretation. The Parties agree and acknowledge that this Agreement has been arrived at through negotiation, and that each Party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting Party shall not apply in construing or interpreting this Agreement. If there are any irreconcilable differences between the Intake Agreement and this Agreement, this Agreement will govern.

8.4. Waiver. The waiver at any time by any Party of its rights with respect to a default or other matter arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or matter.

8.5. Severability. The invalidity, illegality or unenforceability of any provision of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

8.6. Successors and Assigns.

8.6.1. The Agency may assign this Agreement (and all of the Agency's rights, obligations and interests in the Agreement) to the City of Woodland by giving written notice of assignment to RD 2035. Agency assignment of this Agreement requires approval by the Board of Directors of Agency.

8.6.2. Subject to section 8.6.1 and except as otherwise provided by law, the rights and duties of the Parties under this Agreement shall not be sold, transferred, assigned or delegated without the prior written consent of both Parties. Any attempt to sell, transfer, assign or delegate such rights or duties in contravention of this Agreement shall be null and void. Any approved sale, transfer, assignment or delegation shall be consistent with applicable law and may be approved subject to such additional reasonable conditions of approval imposed by the Parties.

8.7. No Third Party Beneficiaries. This Agreement shall not be construed to create any third party beneficiaries. This Agreement is for the sole benefit of the Parties, and their permitted successors, transferees and assignees, and no other person or entity shall be entitled to rely upon or receive any benefit from this Agreement or any of its terms.

8.8. Amendment. This Agreement may be modified or amended only by a subsequent written agreement approved by the governing board of each Party and executed by both Parties.

8.9. Governing Law. Except as otherwise required by law, this Agreement shall be interpreted, governed by, and construed under the laws of the State of California. The County of Yolo shall be venue for any state court litigation and the Eastern District of California shall be venue for any federal court litigation concerning the enforcement or construction of this Agreement; provided, however, that, for state litigation, each Party retains its rights under Code of Civil Procedure section 394 to change venue or to assign an out-of-county judge.

8.10. Notice. Any notice, demand, invoice or other communication required or permitted to be given under this Agreement shall be in writing and either served personally or sent by prepaid, first class U.S. mail and addressed as follows:

Agency:	RD 2035:
General Manager Woodland-Davis Clean Water Agency 1717 Fifth Street Davis, CA 95616	Board of Directors Reclamation District 2035 45332 County Road 25 Woodland, CA 95776

Any Party may change its address by notifying the other Party in writing of the change of address.

WOODLAND-DAVIS CLEAN WATER AGENCY	**RECLAMATION DISTRICT 2035**
______________________ Dennis M. Diemer General Manager	______________________ Chair
	Attest: ______________________ Secretary
Approved as to form: ______________________ Richard P. Shanahan General Counsel	Approved as to form: ______________________ General Counsel

ADDENDUM AND CLARIFICATION TO WATER AGREEMENT

THIS ADDENDUM TO WATER AGREEMENT ("**Addendum**") is made as of ___________ ____, 2014, by and between the Woodland-Davis Clean Water Agency, a joint powers authority ("**Agency**"), and Conaway Preservation Group, a California limited liability company ("**CPG**"), who agree as follows:

1. Recitals. This Addendum is made with reference to the following background recitals:

1.1. The City of Davis ("Davis") and Agency have entered into the Installment Purchase Agreement dated December 21, 2010 and the First Amendment thereto dated as of February 7, 2012 (as amended, the "**Davis Agreement**"), which is on file in the Agency office. The City of Woodland ("Woodland") and Agency have entered into the Installment Purchase Agreement dated December 21, 2010 and the First Amendment thereto dated as of February 7, 2012 (as amended, the "**Woodland Agreement**"), which is on file in the Agency office. CPG and Agency have entered into the Water Agreement dated December 21, 2010 and the First Amendment thereto dated as of February 7, 2012 (as amended, the "**Water Agreement**"), which is on file in the Agency office. Agency has also entered into the Promissory Note (Conaway Ranch Water Purchase – City of Davis) and the Promissory Note (Conaway Ranch Water Purchase – City of Woodland), as Maker, for the benefit of CPG, as Holder (collectively, "**Promissory Notes**").

1.2. SWRCB has issued all Water Right Licenses required by the Water Agreement.

1.3. The proposed CPG Amended Sacramento River Settlement Contract and the proposed Agency Sacramento River Settlement Contract have been finalized and delivered by the Bureau of Reclamation ("Reclamation") to CPG and the Agency, respectively. CPG has executed and returned the CPG Amended Sacramento River Settlement Contract to Reclamation, and Agency's Board is approving the Agency Sacramento River Settlement Contract concurrently with its approval of this Addendum.

1.4. Litigation has been ongoing with respect to whether proper Endangered Species Act ("ESA") compliance accompanied the execution, in 2005, of all Sacramento River Settlement Contracts. In *Natural Resources Defense Council, et al. v. Salazar*, Eastern District of California, Case No. 1:05-CV-01207, the District Court concluded that the ESA had been complied with during the execution of these contracts (Natural Resources Defense Council v. Kempthorne, 627 F. Supp. 2d 1212 (E. D. Cal. 2009), and on appeal a 3-judge panel of the Ninth Circuit affirmed the District Court's decision (Natural Resources Defense Council v. Salazar, 686 F.3d 1092 (9th Cir. 2012)). The matter, however, was reheard on September 19, 2013 by the Ninth Circuit en banc. The court has not yet issued its en banc decision and it is uncertain whether or how an adverse ruling by the Ninth Circuit would affect the Sacramento River Settlement Contracts. The Ninth Circuit Court of Appeals en banc review of the matters that might affect both Sacramento River Settlement Contracts may not be completed before the close of escrow under the Water Agreement.

1.5. The Agency contractor on the Agency water treatment plant and pipelines project likely will substantially complete its construction work prior to completion of construction of the new water intake project being jointly developed by the Agency and Reclamation District 2035, a reclamation district ("RD 2035"). Upon substantial completion of the treatment plant and raw water supply pipeline, the Agency contractor will require a raw water supply for testing, commissioning, startup and interim use purposes. Agency desires that CPG provide CPG raw water to Agency, without charging for such water, for such testing purposes and that RD 2035 use its existing intake facility to divert Agency raw water for Agency's interim use purposes.

1.6. The purposes of this Addendum to the Water Agreement are: (a) to clarify and re-affirm the manner in which CPG and the Agency will address a potential adverse ruling in *Natural Resources Defense Council, et al. v. Salazar*, Ninth Circuit, Case No. 09-17661; (b) to provide for the Agency's use of CPG's raw water, at no cost to Agency, for purposes of testing the water treatment plant and pipelines project and for CPG's consent to the use of the RD 2035 intake facility and "Temporary Water Facilities" (as hereinafter defined) for interim use of the water; and (c) to provide for CPG's agreement not to oppose the proposed sludge drying beds; and (d) to limit the time period within which the Promissory Notes may be prepaid in exchange for CPG providing the Agency with a first right to purchase water that CPG elects to sell during any given year.

2. Confirmation and Clarification of Section 5.4 of the Water Agreement

2.1 Pursuant to the provisions of Water Agreement Section 5.4.2 and this Addendum, Agency agrees that the provisions of Section 3.2 have been fully met. Agency further agrees that, together with this Addendum, the proposed Agency Sacramento River Settlement Contract delivered by Reclamation to the Agency will, upon execution by both parties, satisfy the requirements of Section 3.1, and that Agency shall promptly execute and then return the proposed Agency Sacramento River Settlement Contract to Reclamation following its approval by the Agency Board and Agency and CPG approval of this Addendum. Following the Agency's execution of the proposed Agency Sacramento River Settlement Contract:

(a) Agency shall promptly notify the Escrow Officer in writing that the requirements of Sections 3.1, and 3.2 have been met;

(b) CPG shall promptly deliver the Grant Deed described in Water Agreement Section 3.7 to Agency, Agency shall promptly adopt a resolution accepting this deed and deliver to Escrow Holder the executed Grant Deed and Resolution accepting the Grant Deed; and

(c) As soon as reasonably possible following Reclamation's execution and delivery of the executed contract to the Agency, and the delivery of the Grant Deed and Resolution of Acceptance to Escrow Holder, Escrow shall close.

2.2. In the event that the Ninth Circuit Court of Appeals final decision in *Natural Resources Defense Council, et al. v. Salazar*, Case No. 09-17661 rules that the Sacramento River Settlement Contracts are invalid or if they are ruled to be invalid upon a remand, if any, then:

(a) CPG will fully defend the Agency and CPG's Sacramento River Settlement

Contracts, at CPG's sole cost, in the Ninth Circuit, on certiorari to the United States Supreme Court and in any remand to the District Court; and

(b) if and to the extent, as a direct result of the above referenced litigation, there is a modification to the Agency Sacramento River Settlement Contract or the imposition of a requirement applicable to the Agency in a biological opinion prepared as a result of an ESA consultation regarding the execution of the 2005 CPG Sacramento River Settlement Contract that causes a reduction in the 10,000 acre feet of water currently provided for in the Agency Sacramento River Settlement Contract:

(1) CPG shall, in addition to honoring the priorities provided for in the various CPG-Agency licenses referred to in Recital 1.2 above, transfer or assign Base Supply or Project Water under the CPG Amended Sacramento River Settlement Contract to Agency, at no cost to Agency, in an amount equal to the reduction in the quantity of water available to Agency under the Agency Sacramento River Settlement Contract that is caused by the modification;

(2) The total amount of water that the Agency will be entitled to receive under the Agency Sacramento River Settlement Contract and through assignments or transfers from CPG will be subject to the shortage provisions in article 5(a) of the 2005 CPG Sacramento River Settlement Contract. For example:

(A) If, in a year that is not a Critical Year, as defined in the 2005 CPG Settlement Contract, the amount of water Agency is entitled to receive under the modified Agency Sacramento River Settlement Contract is reduced from 10,000 acre-feet to 9,000, CPG will transfer or assign to Agency 1,000 acre feet from its Sacramento River Settlement Contract.

(B) If, in a Critical Year, as defined in the 2005 CPG Settlement Contract, the amount the Agency is entitled to receive is reduced from 7,500 to 7,000 acre-feet, CPG will transfer or assign to Agency 500 acre-feet from its Sacramento River Settlement Contract.

(3) Any such transfer or assignment shall contain sufficient monthly amounts so that the Agency’s total diversions and use may equal the monthly amounts specified in section 3.1 of the Water Agreement (but subject to month-to-month re-scheduling in the Agency’s discretion).

(4) In the event CPG is required to provide replacement water pursuant to Agency pursuant to this Section 2.2(b), the decision as to whether that water will be provided by transfer or by assignment shall be in the sole discretion of CPG.

(5) Before Agency agrees to any change in amounts of Base Supply in any modified Agency Sacramento River Settlement Contract, Agency will advise CPG of the proposed change and confer with CPG regarding the proposed change. If Agency and CPG are not able to reach agreement on how Agency should proceed, Agency will have the discretion to take reasonable and appropriate actions regarding the proposed change.

(6) The foregoing provisions of this Section 2.2(b) assume that CPG will have a Sacramento River Settlement Contract in place if the litigation has the outcome hypothesized above. Notwithstanding such assumptions, nothing in this Section 2.2(b) shall obligate CPG to execute a replacement Sacramento River Settlement Contract, and CPG's obligation to replace water shall be limited by the total amount of Base Supply and Project Water available to CPG under its then existing Sacramento River Settlement Contract, if any.

2.3. The agreements and covenants in section 2.2 are and will be covenants running with CPG Water Right Licenses 904B, 905 and 5487B and the lands owned by CPG that are in the authorized place of use in the 2005 CPG Sacramento River Settlement Contract (or the CPG Amended Sacramento River Settlement Contract when it is executed) and will bind successors and assigns of those Water Right Licenses and lands. Contemporaneously with the approval and execution of this Addendum, CPG and Agency will execute and acknowledge for recordation in the Official Records of Yolo County, at the Closing under the Water Agreement, a memorandum of agreement in the form of Exhibit A.

3. 2016 Interim Use of CPG Water Supply, and Agency Water Supply. If, in 2016, the Agency contractor has substantially completed the treatment plant and raw water supply pipeline prior to operational completion of the new intake project, then so long as the same does not interfere with farming operations on Conaway Ranch, CPG agrees to allow the Agency and its contractor: (a) to take and use a portion of CPG's raw water supply (the "**Test Water**"), after its diversion through the existing RD 2035 intake on the Sacramento River for testing, commissioning and startup purposes; and (b) following startup, acceptance, and approval of the Agency water treatment plant and pipelines, to continue use of the "Temporary Water Facilities" (as hereinafter defined) for interim use and delivery of Agency's water, following its diversion through the existing RD 2035 intake on the Sacramento River, conveyance to the new treatment plant, and deliveries to the Cities of Davis and Woodland and the University of California, Davis until the earlier of Intake Project completion or October 31, 2016. The diversion and use of Test Water (which will be delivered to CPG after use for testing at the Agency water treatment plant) will be under CPG's water rights. The post-startup diversion and use of water (which will be delivered to the Cities of Davis and Woodland and the University of California, Davis) ("**Agency Water**") will be under the Agency's water rights and Agency will assume and bear the responsibility for and costs of obtaining any necessary State Water Resources Control Board and other regulatory approvals for these diversions and uses. Such use of Test Water and Agency Water (collectively, for the sake of convenience, the "**Interim Water**") shall be on the terms and conditions set forth in this Section 3.

3.1. Agency shall not be obligated to pay CPG for any Test Water. The Agency's obligations to pay for Agency Water will be limited to the Agency's obligations in the Water Agreement and this addendum will not create any new payment obligations. Agency shall pay RD 2035 the costs of pumping the Interim Water from the Sacramento River.

3.2. The Agency will pump the Interim Water from the existing RD 2035/Conaway Ranch irrigation system pond located just southwest (across Road 117) from the existing intake through temporary water pipeline and pumping facilities to be installed by the Agency contractor. The Agency temporary pipeline will connect to a "tee" to be installed at the northeastern end of the railroad undercrossing to facilitate the temporary pumping operation by the Agency contractor. The Test Water will be pumped into the new raw water supply pipeline, run through the treatment plant for testing, commissioning and startup purposes, and then returned to the Conaway Ranch irrigation system (and accepted by RD 2035 and CPG) at the High Line Canal in the northwest corner of the ranch. The Agency Water will be pumped and conveyed through the same facilities to the treatment plant, and then delivered to the Cities of Davis and Woodland and the University of California, Davis. The final locations and design of the temporary facilities (the "**Temporary Water Facilities**") are subject to CPG's prior written approval, which shall not be unreasonably withheld. Design and construction shall also be subject to the provisions of that certain Implementation Agreement (the "**Implementation Agreement**") dated, for reference purposes only, as of August 22, 2013, entered into by and between Agency, CPG and RD 2035.

3.3. The use of Interim Water will begin no sooner than March 1, 2016 and extend until no later than October 31, 2016; the use of Test Water will not be continuous over this period, but will generally include a total of approximately 30 days of pumping over this period of time (the test schedule will include some continuous days of pumping and some intermittent pumping days dependent upon the success of the treatment plant testing and the need for any adjustments to plant facilities) at a rate of 30.5 million gallons per day (MGD); the rates of diversion into the Agency raw water supply pipeline from the RD 2035 irrigation supply pond will not exceed 47 cubic feet per second (30.5 MGD); and the total amount of Test Water pumped shall not exceed 3,000 acre-feet. Following startup, acceptance, and approval of the Agency water treatment plant and pipelines, the rates of diversion of Agency Water into the Agency raw water supply pipeline from the RD 2035 irrigation supply pond may be continuous but will not exceed 47 cubic feet per second (30.5 MGD).

3.4. Agency shall provide CPG's Ranch Manager and RD 2035's Water Master written notice of Agency's desire to use Interim Water no fewer than thirty (30) days in advance of the date Agency's use of Interim Water would begin. Agency's use of Interim Water during the months of July, August and September (the "**Critical Water Period**") is subject to the approval of CPG, which approval will not be unreasonably withheld. CPG will respond to Agency's request following receipt of input from RD 2035's Water Master, and will promptly respond to and through RD 2035's Water Master with CPG's response. Agency will be responsible for paying the costs to mitigate any adverse impacts on Conaway Ranch operations caused by Agency's use of RD 2035's facilities to pump Agency Water, including without limitation, CPG's costs resulting from any additional pumping of groundwater to meet CPG's needs during periods where RD 2035 is pumping Agency Water that is necessary because of Agency's taking and use of Agency Water.

3.5. Agency represents and warrants to CPG that all Test Water discharged into the High Line Canal will be suitable for irrigation purposes and will be of the same purity as the Test Water taken from the existing RD 2035/CPG pond.

3.6. CPG agrees to cooperate with Agency and its contractor in all reasonable respects on the permitting, licensing and environmental review requirements that may apply to Agency's temporary use of the Interim Water and RD 2035 facilities under this section 3. Agency shall be solely responsible, however, at Agency's sole cost and expense, for obtaining all such permits, licenses, and environmental approvals, for complying with all requirements and conditions imposed thereon and for obtaining RD 2035's approval and cooperation with respect to use of intake and irrigation system facilities that are owned or otherwise under the control of RD 2035 in connection with the interim use of Interim Water under this Section 3.

4. Indemnification. Agency shall indemnify, defend, protect, and hold harmless CPG and its members, officers, employees and agents, from and against any and all liability, losses, claims, damages, expenses, and costs (including attorney, expert witness and consultant fees, and litigation costs) of every nature arising out of or in connection with arising directly or indirectly from: (a) Agency's breach of its representations, warranties, obligations and covenants under Section 3 and/or Section 4; (b) negligent or intentional misconduct in or on the High Line Canals and/or other portions of Conaway Ranch, including operations, acts or omissions by Agency, and Agency's employees, affiliates, contractors, subcontractors, agents or invitees; and (c) violation of any law, rule or regulation by Agency, and Agency's employees, affiliates, contractors, subcontractors, agents or invitees (including, without limitation, those relating to hazardous materials and the environment).

5. First Right to Purchase; Prepayment.

5.1. First Right to Purchase. From the date of the Close of Escrow under the Water Agreement until the final payments have become due under the Promissory Notes, the Agency shall have the first right to purchase from CPG water for municipal and industrial uses within the City of Davis, City of Woodland, and/or University of California, Davis (the "**First Right to Purchase**") if, as and when CPG makes a determination to sell water not then needed for Conaway Ranch purposes for use on real property which is not owned by one or more persons and/or entities who are related to CPG or to the direct and indirect beneficial interest holders in CPG (each related person and entity being called a "**Related Party**" and each other person and entity being called an "**Unrelated Party**"), all upon the terms and conditions set forth in this Section 6.1:

5.1.1. Term Sheet. If CPG desires to transfer water for use on property owned by an Unrelated Party, then prior to transferring such water or entering into an agreement with an Unrelated Party to transfer such water, CPG shall provide Agency with a written term sheet (the "**Term Sheet**") specifying the amount of water to be transferred (the "**Transfer Water**"), and the price and other terms and conditions of the proposed transfer.

5.1.3. Exercise. Agency shall have the irrevocable right to exercise its First Right to Purchase for a period of 10 business days (the "**Exercise Period**") following Agency's receipt of the Term Sheet. The parties may, by written agreement, extend the Exercise Period, but neither party shall be obligated to do so.

A. Exercise Notice; Failure to Exercise. Exercise shall be by written notice of exercise ("**Exercise Notice**"), delivered to CPG within the Exercise Period. If CPG has not received the Exercise Notice by the end of the Exercise Period, the First Right to Purchase the Transfer Water described in the Term Sheet shall expire and be of no further force and effect.

B. Negotiation of Purchase Contract. If CPG receives the Exercise Notice within the Exercise Period, CPG and Agency shall negotiate the remaining terms of the purchase contract (the "**Purchase Contract**") within the following 10 business day period (the "**Contract Period**"). The parties may, by written agreement, extend the Contract Period, but neither party shall be obligated to do so.

C. Execution of Purchase Contract; Failure to Execute. If CPG and Agency do not execute and deliver the Purchase Contract by the end of the Contract Period, the First Right to Purchase the Transfer Water described in the Term Sheet shall expire and be of no further force and effect.

5.1.4. Limitation on Use. Water purchased pursuant to the First Right to Purchase shall be used only for municipal and industrial uses within the City of Davis, the City of Woodland, and/or University of California, Davis, or areas adjacent to the City of Davis, the City of Woodland, or University of California, Davis.

5.2. Amendment to Prepayment Terms of Promissory Notes, Davis Agreement and Woodland Agreement. The parties hereby amend the Water Agreement to provide that Exhibits B, C, D-1 and E-1 (the forms of Promissory Notes, Davis Agreement and Woodland Agreement forms) to the Water Agreement are hereby amended in the manner set forth in the Amendment forms applicable to the Davis Agreement, Woodland Agreement and the Promissory Notes, respectively, copies of which are attached to this Addendum.

5.2.1. Documents Delivered at Closing. For the sake of clarity, the Davis Agreement, Woodland Agreement, and Promissory Notes delivered at the Closing under the Water Agreement shall each be amended and restated by incorporating the amendments applicable to such documents, respectively, contained in the First Amendments described in Section 1.1 above and those described in the Second Amendments attached to this Addendum, and the documents delivered at the Closing under the Water Agreement shall be the amended and restated Davis Agreement, Woodland Agreement, and Promissory Notes.

5.2.2. Condition Precedent. Agency and CPG recognize and acknowledge that, in order for the amendments described in this Section 5.2 to be effective, the City of Woodland must approve the amendments to the Woodland Agreement and Woodland Promissory Note and the City of Davis must approve the amendments to the Davis Agreement and the Davis Promissory Note. The following are express conditions precedent in favor of CPG and the Agency to the effectiveness of this Addendum: (a) that no later than January 31, 2014, the Woodland City Council formally approve the amendments to the Woodland Agreement and Woodland Promissory Note attached to this Addendum; and (b) that no later than January 31, 2014, the Davis City Council formally approve the amendments to the Davis Agreement and Davis Promissory Note attached to this Addendum

6. Reaffirmation of Terms and Conditions. Except as expressly modified by this Addendum, the Agency and CPG hereby reaffirm all of the terms and conditions of the Water Agreement, as amended. If there is an irreconcilable conflict between the Water Agreement and this Addendum, this Addendum will govern.

7. Definitions. Except for terms that are specifically defined in this Addendum, all other terms shall have the meaning and definitions as set forth in the Water Agreement.

8. Counterparts. This Addendum may be executed in counterparts, each of which shall constitute an original, but which together, shall constitute a single document.

WOODLAND-DAVIS CLEAN WATER AGENCY

Dated: ____________, 2014

____
General Manager

CONAWAY PRESERVATION GROUP, LLC, a California limited liability company

BY: Tri-City Water and Farm, LLC
a Delaware limited liability company
Its sole Member

BY: AKT Investors, Inc.
a California corporation
Manager

By:__________________________
Kyriakos Tsakopoulos
President and CEO

Dated: ____________, 2014

Legislation Details (With Text)

File #:	14-008 Version: 1	Name:	Lease Agreement for Drying Beds (DWWSP)
Type:	Report of the City Manager	Status:	Agenda Ready
File created:	12/30/2013	In control:	City Council
On agenda:	1/21/2014	Final action:	
Title:	SUBJECT: Approve Resolution to Lease City Property for the Construction of the Woodland-Davis Clean Water Agency (WDCWA) Project Facilities Recommendation for Action: Staff recommends that the City Council adopt Resolution No. ____ to lease City Property to the Woodland-Davis Clean Water Agency for the construction of facilities for the Davis Woodland Water Supply Project (DWWSP).		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	Drying Bed Ground Lease - City of Woodland - WDCWA Resolution Approving Drying Beds Lease		

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: January 21, 2014

SUBJECT: Approve Resolution to Lease City Property for the Construction of the Woodland-Davis Clean Water Agency (WDCWA) Project Facilities

Recommendation for Action: Staff recommends that the City Council adopt Resolution No. ____ to lease City Property to the Woodland-Davis Clean Water Agency for the construction of facilities for the Davis Woodland Water Supply Project (DWWSP).

Staff Contact

Douglas Baxter, Project Manager, 530-661-5975, doug.baxter@cityofwoodland.org

Council Goal

- Support the Woodland-Davis Woodland Clean Water Agency to further the surface water project.
- Maintain and enhance infrastructure through reduced costs, greater efficiencies, and partnerships.
- Develop plans and funding strategies to address the long term needs of the community in planning for infrastructure.

Fiscal Impact

This proposed action is being recommended in order to reduce the DWWSP's construction cost by $1.4M and also reduce the Project's operating cost over the next 20 years by a total of $5.5M in Net Present Value costs. The lease provides annual payments to the City of Woodland in the initial amount of $6,000 with the payment increasing each year by the greater of 4% per year or CPI-All Urban Consumers (San Francisco Bay). This action by the City Council authorizes the use of one half of the area previously approved by Council for the use of the WDCWA. This requested action item would provide more land than the land recently sold to the WDCWA.

Overall, the Project Facilities will stay within the project's budget. The project budget is within the approved water rate structure. The rate structure provided for inflation adjustments consistent with the multi-year project budget's cost estimate.

Report in Brief

The City of Woodland is part of the WDCWA. The procurement process to build the Davis- Woodland Water Supply Project (DWWSP) identified a means of substantially reducing its projects cost by using solids drying beds rather than a mechanical dewatering process. Additional land is needed to implement these savings and this lease provides for the needed land to implement these savings.

Background

Effective September 15, 2009, the Cities of Davis and Woodland approved the Davis-Woodland Water Supply Project Authority Joint Powers Agreement, which created the WDCWA. A revision to this Agreement was approved by the Davis and Woodland City Councils on February 26, 2013. On July 30, 2013 the WDCWA received a proposal to do the work for a new surface water supply. After a detailed evaluation, that proposal was approved by Woodland-Davis Clean Water Agency on October 10, 2013.

The Council initially approved the use and sale of City property located approximately one half mile east of the current water treatment facility location (see attachment) to be used for the treatment facilities. The treatment plant site was relocated to the current site to reduce the cost for finish water pipelines and access roads. Collectively, the new location saved the City of Woodland about $4M in reduced construction costs. During the recent procurement process, the Design-Build-Operate (DBO) proposer indicated that additional project savings could be achieved in the approximate amount of $1.4M during the construction phase, and $5.5M during the 20 years operational phase if more land could be provided. It is important to note that the operational savings are primarily related to electrical power costs. This action collectively reduces the project's costs, minimizing operational and rate payer's costs, and reducing environmental impacts.

On September 17, 2013 the City Council authorized the use of City Property to implement the savings noted above. It should be noted that if the land were to be repurposed at a later date, the WDCWA would need to find an alternate site or other treatment process at a cost up to $3M.

Discussion

Over the course of several years of project development, the size of the DWWSP and its related cost have been both reduced. Currently, the reduced capacity of the initial water treatment plant will be 30 million gallons per day assuring that Woodland's share will be 18 million gallons per day.

Staff from both Cities have worked to reduce the DWWSP's cost, including initial costs and operating costs. The original bench mark design which proposers had before them to submit their proposals incorporated a

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mechanical process to remove the silts, fine sands and other solids from the raw river water during the treatment process. These solids have to be eventually removed from the water treatment site to a landfill. Reducing the volume of the solids and the water within the solids is important to reduce hauling and disposal costs. Either a costly and energy intensive mechanical dewatering means is used, or the solids have to be placed in drying beds for evaporation to reduce the water. The solids drying beds is the method that is now being proposed to substantially reduce initial costs and future operating costs, however this approach requires more land area. To advance this cost savings method of solids handling the WDCWA needs to enter into a lease with the City of Woodland to make this additional property available for the construction of two more solids drying beds.

Several alternatives to the recommended action were looked at, but did not achieve similar savings for solids handling, nor did they minimize overall costs to the City of Woodland. In general, the options were:

1. The use of some of the land currently used by the wastewater treatment process. This option was $1M more expensive than the proposed action, potentially could adversely reduce the wastewater treatment plant's emergency backup capacity, and potentially could create more regulatory conflicts and/or operational cost for both treatment facilities. Unlike the proposed action and other options, this option also would not allow the water drained from these drying beds from being returned to the processing headwork to be treated and reused, i.e. part of our river water would have to become wastewater without utilization.

2. Use the originally perceived mechanical dewatering system, but this does not reduce the project's costs. This approach would be $1.4M more expensive and also increase the WDCWA's operating cost over the next 20 years by a total of $5.5M more than the proposed action.

3. We looked at several different configurations of cutting and filling of earthwork to create an area for solids drying beds. These options looked at ways to avoid impacting or utilizing the recommended action site. Each of these options were significantly more expensive than the proposed action, created operational problems for the stormwater pond, and had substantial costs involved to reestablish the lost stormwater volume caused by these alternatives.

Some of the highlights of the lease are:

1. The lease is with the WDCWA and it is solely for the use of cost effective treatment of water provided by the Davis-Woodland Surface Water Project. The lease provides land to build two solids drying beds to reduce capital and operating costs for water treatment.
2. The lease will use 21.58 acres of the 40 acres of the site that was originally planned to be used for the water treatment plant site. The remaining acreage is unaffected by this lease and continues to be available for other use. The leased land for water treatment solids drying beds is covered by CEQA work already done by the WDCWA.
3. The lease term is through end of 2031 (18 years). After 2031, the lease has an automatic renewal provision unless either party provides a request to terminate. The duration of the lease term is a balance of having it:
    a. Long enough for the WDCWA’s operational savings to be able offset their initial capital investment, and
    b. Short enough for the City of Woodland to ultimately be able to utilize the leased land within a reasonable time frame.
4. The lease includes an option for early termination by mutual consent.
5. After 2029, the City may issue an early termination of the lease if there is a FEMA flood solution by then.

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6. Rent for the leased property is $6,000 per year. About half of the amount is for typical rental costs for land and the other half is for estimate City of Woodland's administrative costs of the lease over its term. Lease includes an annual adjustment of CPI or 4% increase, whichever is greater.
7. At the end of the lease term the WDCWA is responsible for paying for the relocation of their solids drying and handling facilities.
8. The lease precludes tenant from causing odors, noise, unsightliness, air particulates of other nuisances.
9. WDCWA's savings from this lease will help reduce the costs to the Cities of Woodland and Davis water rate payers.

The Surface Water Project facilities are still scheduled to be completed by September of 2016.

<u>Commission/Committee Recommendation</u>

The Water Utility Advisory Committee has been supportive of the Davis Woodland Water Supply Project provided that it is implemented in the most cost-effective manner possible and the project is not unduly delayed. This approval provides for the project to continue to move forward in a timely and cost effective manner.

<u>Conclusion</u>

Staff recommends that the City Council adopt Resolution No. to lease City Property to the Woodland-Davis Clean Water Agency for the construction of facilities for the Davis Woodland Water Supply Project (DWWSP).

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Prepared by: Douglas Baxter, Project Manager

Reviewed by: Brent Meyer, City Engineer

Ken Hiatt, Community Development Director

Paul Navazio, City Manager

Attachment: Lease Agreement
Resolution to Allow WDCWA to Utilize City Property

GROUND LEASE

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GROUND LEASE

THIS GROUND LEASE (this "**Lease**") is made as of the ___ day of ___________, 2014, by and between CITY OF WOODLAND ("**Landlord**") and WOODLAND-DAVIS CLEAN WATER AGENCY, a joint powers authority ("**Tenant**").

A. Landlord is the owner of record of 320 acres of land situated in the City of Woodland, Yolo County, California, shown on **Exhibit A**, of which 21.58 acres is to be leased to Tenant, more particularly described in **Exhibit A-1** and also shown on **Exhibit A** (the "**Property**").

B. Landlord wishes to lease the Property to Tenant, together with all rights, privileges, and easements appurtenant to the Property, and to convey title to all roads, parking lots, structures, and other improvements thereon to Tenant. The Property, such appurtenant rights, privileges and easements and such improvements are collectively referred to as the "**Premises**."

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

Section 1. Lease of Premises

Landlord hereby leases, transfers and demises to Tenant, and Tenant hereby leases and takes from Landlord, the Premises for the terms and upon the agreements, covenants and conditions set forth in this Lease. Landlord agrees to take any action if required to create a legal parcel for the Premises, including recording any necessary access easements to ensure legal access to the Premises over the Property.

Section 2. Term

The term of this Lease shall be approximately 18 years (the "Term") commencing on January 1, 2014 (the "**Commencement Date**"), and, unless sooner terminated or extended as herein provided, shall terminate on December 31, 2031. The Lease Term shall be extended automatically on an annual basis, unless either party gives notice to the other party at least three years in advance of the expiration date (i.e., Notice must be given before January 1, 2029, to terminate effective December 31, 2031), up to the maximum term allowed by law.

Section 3. Minimum Rent

Tenant shall pay to Landlord as rental for the use and occupancy of the Premises, at the times and in the manner hereinafter provided, the following sums of money:

(a) <u>Minimum Rent</u>. Tenant shall pay to Landlord annual minimum rent (the "**Minimum Rent**") in the following amounts:

(i) During the Lease Year (as hereinafter defined) commencing on the Commencement Date, the annual Minimum Rent shall be $6,000. The Minimum Rent shall increase annually on the Commencement Date anniversary by the greater of 4% per year or CPI-All Urban Consumers (San Francisco Bay).

(ii) Within 30 days of invoice by Landlord and after execution of this Lease, Tenant shall pay to Landlord legal costs incurred by Landlord to prepare this Agreement.

(b) Payment. Minimum Rent shall be computed and paid on an annual basis, with subsequent annual adjustments as described above in Section 3(a). Tenant shall pay to Landlord, the entire annual rent in one payment due and payable at the commencement of this Agreement and thereafter on each annual anniversary date from the date of execution of this Agreement.

(c) Location for Payment. All Minimum Rent (and all other moneys and charges payable by Tenant to Landlord hereunder) shall be paid by Tenant to Landlord in lawful money of the United States of America at Landlord's address for notices hereunder, or to such other person or at such other place as Landlord may from time to time designate by notice in writing to Tenant.

(d) Lease Year. As used herein the term "**Lease Year**" shall mean each successive twelve calendar month period during the Term, with the first Lease Year commencing on the Commencement Date; provided, however, that the last Lease Year shall be the fractional year that ends upon the date of the expiration of the Term.

Section 4. Taxes and Assessment

(a) Tenant covenants and agrees to pay and discharge, during the entire Term, before delinquency, all taxes, assessments, water charges, sewer charges, utility rates and fees, levies or other charges, general, special, ordinary, extraordinary and otherwise, of every kind and character which are or may during the Term be levied, charged, assessed or imposed upon or against the Premises or any buildings or improvements which are now or hereafter located thereon, or against any of Tenant's personal property now or hereafter located thereon, or which may be levied, charged, assessed or imposed upon or against the leasehold estate created hereby, if any. In addition, Tenant shall pay any tax assessed exclusively on rental income of Landlord to the extent such income is allocable to this Lease, if and only if such tax is assessed by State or local authorities upon the elimination and in lieu of taxation based on the ownership of real property. At the commencement and at the end of the Term, such taxes, assessments and other charges to be paid by Tenant shall be prorated on the basis of the fiscal year of the taxing authority in question so that, at the commencement and at the end of the Term, as to any such taxes, assessments and other charges levied or assessed for a fiscal year preceding the commencement or extending beyond the end of the Term, Tenant will pay only such proportion of such taxes, assessments and other charges as the portion of such fiscal year following the commencement and preceding the end of the Term bears to the entire fiscal year.

(b) Notwithstanding anything herein to the contrary, Tenant shall not be required to pay any franchise, capital levy, or transfer tax of Landlord, or any net income tax measured by the income of Landlord from all sources, or any tax which may, at any time during the Term, be required to be paid on any gift, or demise, deed, mortgage, descent or other alienation of any part or all of the estate of Landlord in and to the Premises or any buildings or improvements which are now or hereafter located thereon, except as hereinafter provided. If Tenant shall be required by law to pay, and pursuant thereto does pay, any tax, assessment or charge specified in this subsection (b), Landlord shall, immediately upon request, reimburse Tenant for any such payments. If such immediate reimbursements are not forthcoming, Tenant shall receive a credit against the rental payment next due hereunder for the full amount of such delinquent reimbursements. Any documentary transfer tax assessed upon the creation of a leasehold interest in the Premises under this Lease shall be paid by Tenant.

(c) Revenue & Taxation Code Section 107.6. Possessory Interest Tax. Tenant recognizes and understands that this Lease may create a possessory interest subject to property taxes and that, if a possessory interest is created, Tenant shall, in accordance with Section 4(a) hereof, be responsible for payment of property taxes levied against such possessory interest.

Section 5. Subordination of Mortgage Interest

Notwithstanding the foregoing, Landlord shall be free to convey, transfer or assign the Premises or any portion of its interest in the Premises in the event that such conveyance, transfer or assignment is made to any mortgagee of Landlord's fee estate in the Premises, provided that the lien of any fee mortgage or other security instrument shall expressly remain subordinate to Tenant's leasehold interest herein created.

Section 6. Quiet Enjoyment

Landlord covenants that upon payment by Tenant of the rent herein reserved and upon performance and observance by Tenant of all of the agreements, covenants and conditions herein contained on the part of Tenant to be performed and observed, Tenant shall peaceably hold and quietly enjoy the Premises during the entire Term without hindrance, molestation or interruption by Landlord or by anyone lawfully or equitably claiming by, through or under Landlord.

Section 7. Use

(a) Premises. Tenant and its water project design-build–operate contractor shall have the right to use the Premises for any lawful purpose; provided, however, in no event shall the Premises be used for any purpose or use (nor shall any activity be carried on upon the Premises) which in any manner causes, creates or results in a public or private nuisance, including, but not limited to, odors, noise, unsightliness or air particulates. Tenant's use shall be for the drying and storage of solids resulting from the water treatment facility.

(b) Road Use. Tenant shall have the non-exclusive right to use the road across Landlord's adjoining parcel (APN 027-390-007) to access the Property (**the "Road"**). Further, Tenant shall have the non-exclusive right to construct and use a road and the easement area across Conaway Preservation Group's property, including associated modifications to the canal as appropriate to safely design and construct the road and maintain the capacity and use of the canal, to the extent permitted by and subject to the rights, terms and conditions contained in the Grant Deed (conveying an easement) recorded in Yolo County Records Book 753, Page 537 on April 10, 1964 ("**CPG Access Easement**"). The Road and CPG Access Easement are shown on the attached **Exhibit A-2**. The Road is not a public road. The Road may not be blocked and must be shared by Tenant with Landlord and its licensees, tenants and contractors of adjoining properties. Tenant's use shall be for employees, contractors and its agents. Landlord shall maintain such Road in good and operable condition at its expense appropriate for Tenant's use.

(c) Pipeline Installation. Subject its terms and within the area of the CPG Access Easement, Tenant may place above-ground and underground pipelines and associated electrical conduits across and adjacent to the Road in a location approved by Landlord and on the CPG Access Easement so long as (i) the use of the Road is unaffected; (ii) such pipelines and electrical conduits are used only to transport treatment plant process wastewater for drying purposes to and from the Premises, (iii) at Landlord's option, such pipeline and conduit are removed at Lease expiration or earlier termination as provided under this Lease, and (iv) the Road and CPG Access Easement are restored at Tenant's sole cost. Should Tenant's use across the CPG Access Easement be denied for any reason, Landlord and Tenant shall cooperate with each other and any other necessary parties to restore access, or to obtain alternate access through Road 103 or other means.

Section 8. Title to Buildings and Improvements/Surrender Obligations

(a) Title to all buildings, structures and improvements that now, or may from time to time constitute a part of the Premises, shall be and remain in Tenant until the termination of this Lease. Upon the termination of this Lease, title to all such property, buildings, structures and improvements shall pass to and vest in Landlord without cost or charge to it. Furniture, fixtures and equipment and other personal property owned by Tenant shall not vest in Landlord and may be removed by Tenant at the expiration of the Lease.

(b) At Landlord's option, Tenant, on termination of this Lease, shall execute and deliver any and all assignments, quitclaim deeds and other documents which in Landlord's sole judgment may be necessary or appropriate to transfer, to evidence or to vest in Landlord clear title to any of the property described in the foregoing subsection (a) located on the Premises at the time of such termination.

(c) Tenant, in addition, shall deliver to Landlord on termination of this Lease originals or certified copies of any plans, reports, contracts or other items relating to the ownership or operation of the Premises.

(d) On Lease expiration or its earlier termination as provided in this Lease, Tenant must remove any solids from the raw water treatment process in compliance with all laws. Further, any fixtures or personal property must be removed. Fencing shall remain in place.

Section 9. Permits, Licenses, Etc.

Landlord will from time to time during the Term execute and deliver all applications for permits, licenses or other authorizations relating to the Premises required by any municipal, county, state, or Federal authorities, or required in connection with the construction, reconstruction, repair or alteration of any buildings or improvements now or hereafter constituting a part of the Premises. Landlord will from time to time during the Term execute, acknowledge and deliver any and all instruments required to grant rights-of-way and easements in favor of municipal and other governmental authorities or public utility companies incident to the installation of water lines, fire hydrants, sewers, electricity, telephone, gas, steam, and other facilities and utilities reasonably required for the use and occupancy of the Premises. Tenant shall reimburse Landlord for any sum paid by Landlord in respect of the matters specified in this Section 9, including reasonable attorney fees.

Section 10. Repairs, Governmental Regulations and Waste

(a) Tenant shall, during the Term, at its own cost and expense and without any cost or expense to Landlord:

(i) Keep and maintain all buildings and improvements now or hereafter located on the Property (subject to Tenant's right to demolish) and all appurtenances thereto in good and neat order and repair and shall allow no nuisances to exist or be maintained therein. Tenant shall likewise keep and maintain the grounds, sidewalks, roads and parking, and landscaped areas in good and neat order and repair. Landlord shall not be obligated to make any repairs, replacements or renewals of any kind, nature or description whatsoever to the Premises or any buildings or improvements now or hereafter located thereon, and Tenant hereby expressly waives all right to make repairs at Landlord's expense under sections 1941 and 1942 of the California Civil Code, or any amendments thereof; and

(ii) Comply with and abide by all federal, state, county, municipal and other governmental statutes, ordinances, laws and regulations affecting the Premises, all buildings and improvements now or hereafter located thereon, or any activity or condition on or in the Premises.

(b) Tenant agrees that it will not commit or permit waste upon the Premises other than to the extent necessary for the removal of any improvements upon the Premises or for the purpose of constructing and erecting thereon other improvements in accordance with the rights set forth in Section 11, below.

Section 11. Improvements, Changes, Alterations, Demolition and Replacement

(a) Tenant shall have the right at any time and from time to time during the Term to make such improvements to the Premises and such changes and alterations, structural or otherwise, to any buildings, improvements, fixtures and equipment now or hereafter located on the Property, including demolition of any or all buildings and improvements now or hereafter located on the Property and replacement thereof, as Tenant shall deem necessary or desirable subject to Landlord's right of approval of such improvements.

(b) Following the Commencement Date, Tenant and its contractor shall proceed with due diligence and dispatch to design and construct on the Premises drying bed and sewer treatment facilities as shown on **Exhibit B**.

(c) Any demolition activity and all improvements, changes and alterations (other than changes or alterations of movable trade fixtures and equipment or improvements, changes or alterations involving costs less than Seventy-Five Thousand Dollars ($75,000) pursuant to subsection(a) above) shall be undertaken in all cases subject to the following additional conditions which Tenant covenants to observe and perform:

(i) No improvement, change or alteration, and no demolition and replacements shall be undertaken until Tenant shall have procured and paid for, so far as the same may be required from time to time, all municipal and other governmental permits and authorizations of the various municipal departments and governmental subdivisions having jurisdiction, and Landlord agrees to join in the application for such permits or authorizations whenever such action is necessary.

(ii) All work done in connection with any improvement, change, alteration or demolition and replacement shall be done promptly and in a good and workmanlike manner and in compliance with all laws, ordinances, orders, rules, regulations and requirements of all Federal, state and municipal governments and the appropriate departments, commissions, boards and officers thereof. All such work shall be at the sole cost and expense of Tenant.

(iii) In addition to the insurance coverage referred to in Section 16 below, Workers' Compensation Insurance covering all persons employed in connection with the work and with respect to whom death or injury claims could be asserted against Landlord, Tenant or the Premises, and a general liability policy coverage, naming Landlord with limits of not less than Two Million Dollars ($2,000,000), shall be maintained by Tenant or Tenant's contractor, at Tenant's sole cost and expense, at all times when any work is in process in connection with any improvement, change, alteration or demolition and replacement. All such insurance shall be obtained and kept in force as otherwise provided in Section 16 below. Tenant insurance required in this Lease may be provided through self-insurance with the Yolo County Public Agency Risk Management Insurance Authority.

(d) In the event Tenant determines to demolish and replace the improvements hereafter located on the Property for any reason other than casualty, eminent domain, governmental regulation or similar independent cause, the Minimum Rent shall not abate for such construction period.

Section 12. Damage or Destruction

No loss or damage by fire or other cause required to be insured against hereunder resulting in either partial or total destruction of any building, structure, or other improvement on the Property, shall operate to terminate this Lease, or to relieve or discharge Tenant from the payment of rents or amounts payable as rent as they become due and payable, or from the performance and observance of any of the agreements, covenants and conditions herein contained on the part of Tenant to be performed and observed. Tenant hereby waives the provisions of subsection 2 of section 1932 and subsection 4 of section 1933 of the California Civil Code, as amended from time to time.

Section 13. Assignment and Subletting

Subject to the provisions of Section 14 and Section 15(h) hereof, and approval of Landlord, Tenant may assign or sublease this Lease, or any interest therein, at any time provided that, (i) no default exists in the performance or observance of any agreement, covenant or condition of this Lease on the part of Tenant to be performed or observed as of the date of such assignment, (ii) the assignment shall be in writing, duly executed and acknowledged by Tenant and the assignee, in form satisfactory to Landlord, providing that the assignee assumes and agrees to perform and observe all the agreements, covenants and conditions of this Lease on the part of Tenant to be performed and observed, and (iii) an executed original of such assignment shall be delivered to Landlord.

Section 14. Mortgage of Leasehold

Tenant shall have the right to encumber the leasehold estate created by this Lease by a mortgage, deed of trust bond, or other security instrument, including, without limitation, an assignment of the rents, issues and profits from the Premises, (the "**Leasehold Mortgage**") to secure repayment of any loan to Tenant, and associated obligations, from any lender (a "**Lender**"). Any such encumbrance shall be subordinate to Landlord's interest in this Lease.

Section 15. Protection of Lender

During the continuance of any Leasehold Mortgage and until such time as the lien of any Leasehold Mortgage has been extinguished:

(a) Landlord shall not accept any surrender of this Lease, nor shall Landlord consent to any amendment or modification of this Lease, without the prior written consent of any Lender.

(b) Notwithstanding any default by Tenant in the performance or observance of any agreement, covenant or condition of this Lease on the part of Tenant to be performed or observed, Landlord shall have no right to terminate this Lease or interfere with the occupancy, use, and enjoyment of the Premises unless (i) an event of default shall have occurred and is continuing, (ii) Landlord shall have given any Lender written notice of such event of default, and (iii) the Lender(s) shall have failed to remedy such default, acquire Tenant's leasehold estate created hereby, or commence foreclosure or other appropriate proceedings, all as set forth in, and within the time specified by, this Section 15.

(c) Any Lender shall have the right, but not the obligation, at any time prior to termination of this Lease and without payment of any penalty, to pay all of the rents due hereunder, to effect any insurance, to pay any taxes and assessments, to make any repairs and improvements, to do any other act or thing required of Tenant hereunder, and to do any act or thing which may be necessary and proper to be done in the performance and observance of the agreements, covenants and conditions hereof to prevent termination of this Lease. All payments so made and all things so done and performed by a Lender shall be as effective to prevent a termination of this Lease as the same would have been if made, done and performed by Tenant instead of by a Lender.

(d) Should any event of default under this Lease occur, any Lender shall have 60 days after receipt of written notice from Landlord setting forth the nature of such event of default, within which to remedy the default; provided that in the case of a default which cannot with due diligence be cured within such 60-day period, the Lender(s) shall have the additional time reasonably necessary to accomplish the cure, provided that (i) such Lender has commenced the curing within such 60 days and (ii) thereafter diligently prosecutes the cure to completion. If the default is such that possession of the Premises may be reasonably necessary to remedy the default, the Lender(s) shall have a reasonable additional time after the expiration of such 60-day period within which to remedy such default, provided that (i) the Lender(s) shall have fully cured any default in the payment of any monetary obligations of Tenant under this Lease within such 60-day period and shall continue to pay currently such monetary obligations as and when the same are due and (ii) the Lender(s) shall have acquired Tenant's leasehold estate or commenced foreclosure or other appropriate proceedings seeking such acquisition within such period, or prior thereto, and is diligently prosecuting any such proceedings.

(e) Any event of default under this Lease which is not susceptible to remedy by a Lender shall be deemed to be remedied if (i) within 60 days after receiving written notice from Landlord setting forth the nature of such event of default, or prior thereto, a Lender shall have acquired Tenant's leasehold estate created hereby or shall have commenced foreclosure or other appropriate proceedings seeking such acquisition, (ii) a Lender shall diligently prosecute any such proceedings to completion, and (iii) a Lender shall have fully cured any default in the payment and performance of any monetary or other obligations of Tenant hereunder which do not require possession of the Premises within such 60-day period and shall thereafter continue faithfully to perform all such monetary obligations which do not require possession of the Premises, and (iv) after gaining possession of the Premises, a Lender shall perform all other obligations of Tenant hereunder as and when the same are due.

(f) If a Lender is prohibited by any process or injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Tenant from commencing or prosecuting foreclosure or other appropriate proceedings, the times specified in subsections (d) and (e) above for commencing or prosecuting such foreclosure or other proceedings shall be extended for the period of such prohibition; provided that Lender shall have fully cured any default in the payment of any monetary obligations of Tenant under this Lease and shall continue to pay currently such monetary obligations as and when the same fall due.

(g) Landlord shall mail by certified or registered post, return receipt requested, or personally deliver to any Lender, a duplicate copy of any and all notices in writing which Landlord may from time to time give to or serve upon Tenant pursuant to the provisions of this Lease, and such copy shall be mailed or delivered to any Lender at, or as near as possible to, the same time such notices are given or served by Landlord. No notice by Landlord to Tenant hereunder shall be deemed to have been given unless and until a copy thereof shall have been so mailed or delivered to any Lender. Upon the execution of any Leasehold Mortgage, Landlord shall be informed in writing of the vesting of the security interest evidenced by the Leasehold Mortgage and of the address to which all notices to the Lender are to be sent. Notwithstanding any other provision of this Section 15, any Lender shall be deemed to have waived any right to receive notice pursuant to this Section unless and until Landlord has received such information.

(h) Foreclosure of the Leasehold Mortgage, or any sale thereunder, whether by judicial proceedings or by virtue of any power contained in the leasehold mortgage, or any assignment or conveyance of the leasehold estate created by this Lease from Tenant to a Lender or other purchaser through, or in lieu of, foreclosure or other appropriate proceedings of a similar nature shall not constitute a breach of any provision of or a default under this Lease. Upon such foreclosure, sale or conveyance Landlord shall recognize the Lender, or any other foreclosure sale purchaser, as Tenant hereunder. In the event a Lender becomes Tenant under this Lease, such Lender shall be liable for the obligations of Tenant under this Lease only for the period of time that such Lender remains Tenant. Such Lender shall have the right to assign this Lease at any time after becoming Tenant without any restriction otherwise imposed on Tenant hereunder and shall be fully released from liability under the Lease from and after the date of such assignment.

(i) Should Landlord terminate this Lease by reason of any default by Tenant hereunder, Landlord shall, upon written request by a Lender given within 30 days after such termination, immediately execute and deliver a new lease of the Premises to such Lender, or its nominee, purchaser, assignee or transferee, for the remainder of the Term with the same agreements, covenants and conditions (except for any requirements which have been fulfilled by Tenant prior to termination) as are contained herein and with priority equal to that hereof; provided, however, that such Lender shall promptly cure any defaults of Tenant susceptible to cure by such Lender and that such Lender's right to possession of the Premises under the new lease shall commence only upon Tenant's vacating of the Premises. Upon execution and delivery of such new lease, Landlord, at the expense of the new tenant, which expenses shall be paid by the new Tenant as they are incurred, shall take such action as shall be necessary to cancel and discharge this Lease and to remove Tenant named herein from the Premises.

(j) Landlord and Tenant will cooperate in including in this Lease by suitable amendment from time to time any provision which may reasonably be necessary to implement the provisions of this Section 15; provided, however, that such amendment shall not in any way affect the Term hereby demised nor affect adversely in any material respect any rights of Landlord under this Lease.

Section 16. Fire and Extended Coverage and Liability Insurance

(a) During the period of the construction of any building improvements upon the Property, if any, Tenant or its contractor shall at Tenant’s sole expense obtain and keep in force builder's risk insurance, insuring Tenant, Landlord, Lender, and such other parties as Tenant may designate as an additional insured hereunder, against all risks of physical loss and/or damage from any cause (exclusive of earthquake and subject to usual policy exclusions) to all buildings, structures, materials and real property to be improved, located on or forming a part of the Premises under improvement.

(b) If Tenant builds any improvements on the Property, Tenant shall, at its sole expense, obtain and keep in force during the Term, after substantial completion of any improvements upon the Premises fire and extended coverage insurance (excluding earthquake insurance) naming Landlord, Lender, and such other parties as Tenant may designate, as additional insureds thereunder, in the customary form in Yolo County for buildings and improvements of similar character, on all buildings and improvements located on the Premises, and on all machinery, furniture, fixtures and equipment located therein. The amount of such insurance at all times during the Term shall not be less than 90% of the actual replacement cost of such buildings and improvements, machinery, furniture, fixtures and equipment. The actual replacement cost of such buildings and improvements shall be determined by mutual agreement of Landlord and Tenant at the time the fire and extended coverage insurance is initially taken out and periodically over time as to increases in value, and in the event the parties cannot agree as to such actual replacement cost, such disagreement shall be submitted to arbitration in the manner provided by Section 30 hereof.

(c) Tenant shall, at its sole expense, obtain and keep in force during the Term general liability insurance with limits of not less than $2 million for injury to or death of any number of persons in one occurrence, and not less than $1 million for damage to property, insuring against any and all liability of Landlord and Tenant including, without limitation, coverage for contractual liability, broad form property damage, host liquor law liability, personal injury, and non-owned automobile liability, with respect to the Premises or arising out of the maintenance, use or occupancy thereof, and insurance on all boilers and other pressure vessels, whether fired or unfired, located in, on, or about the Premises, without exclusion for explosion, collapse and underground damage, in an amount not less than $1 million. All of such insurance shall insure the performance by Tenant of the indemnity agreement as to liability for injury to or death of persons and damage to property set forth in Section 18(b) hereof. All of such insurance shall be noncontributing with any insurance which may be carried by Landlord and shall contain a provision that Landlord, although named as an insured, shall nevertheless be entitled to recover under the policy for any loss, injury or damage to Landlord, its agents and employees, or the property of such persons.

(d) Tenant agrees that each such policy of fire and extended coverage insurance and all other policies of insurance on the Premises obtained by Tenant, whether required by the provisions of this Lease or not, shall be made expressly subject to the provisions of Section 18(a) and all Tenant's insurers hereunder shall waive any right of subrogation against Landlord to the extent such insurers permit.

(e) All insurance provided for in this Section 16 and Section 11(c)(iii), and all renewals thereof, shall be issued by companies rated at least A-VIII by Best's Insurance Reports (Property Liability) or approved by Landlord. All insurance policies shall be subject to approval by Landlord as to form and substance and shall expressly provide that such policies, except for the boiler insurance specified in subsection (c) above, shall not be cancelled or altered without 30 days' prior written notice to Landlord. The limits and coverage of all such insurance shall be adjusted by agreement of Landlord and Tenant during every fifth Lease Year during the Term in conformity with the then prevailing custom of insuring property similar to the Premises in Yolo County, and any disagreement regarding such adjustment shall be settled by arbitration in the manner provided in Section 30 hereof. Upon the issuance thereof, each insurance policy or a duplicate or certificate thereof shall be delivered to Landlord.

(f) All amounts that shall be received under any insurance policy specified in subsections (a) and (b) above shall be first applied to the payment of the cost of repair, reconstruction or replacement of any buildings or improvements, or furniture, fixtures, equipment and machinery, that is damaged or destroyed. Any amount remaining from the proceeds of any such insurance funds, after the repairing, reconstructing and replacing of any buildings or improvements, or furniture, fixtures, equipment and machinery, as herein required, shall be immediately paid to and be the sole property of Tenant; provided that, if any governmental law or regulation governing land use prohibits the restoration or reconstruction of the buildings or improvements damaged or destroyed to their pre-casualty state, any excess insurance proceeds over restoration or reconstruction costs that are the consequence of such prohibition shall be allocated pursuant to the priorities set forth in Section 19(a)(i) and (ii) below. If said insurance proceeds shall be insufficient in amount to cover the cost of repairing, reconstructing or replacing any buildings or improvements, or furniture, fixtures, equipment and machinery, as herein required, Tenant shall promptly pay any deficiency.

Section 17. Mechanics' and Other Liens

(a) Tenant shall promptly discharge or remove by bond or otherwise prior to foreclosure thereof, any and all mechanics', materialmen's and other liens for work or labor done, services performed, materials, appliances, teams or power contributed, used or furnished to be used in or about the Premises for or in connection with any operations of Tenant, any alterations, improvements, repairs or additions which Tenant may make or permit or cause to be made, or any work or construction by, for or permitted by Tenant on or about the Premises, and to save and hold Landlord and all of the Premises and all buildings and improvements thereon free and harmless of and from any and all such liens and claims of liens and suits or other proceedings pertaining thereto. Tenant covenants and agrees to give Landlord written notice not less than 20 days in advance of the commencement of any construction, alteration, addition, improvement or repair costing in excess of $25,000 in order that Landlord may post appropriate notices of Landlord's non-responsibility.

(b) Tenant shall have the right to contest the amount or validity of any lien of the nature set forth in Section 17 hereof or the amount or validity of any tax, assessment, charge, or other item to be paid by Tenant under Section 4 hereof by giving Landlord written notice of Tenant's intention to do so within 20 days after the recording of such lien or at least 10 days prior to the delinquency of such tax, assessment, charge, or other item, as the case may be. In any such case, Tenant shall not be in default hereunder, and Landlord shall not satisfy and discharge such lien nor pay such tax, assessment, charge or other item, as the case may be, until 10 days after the final determination of the amount or validity thereof, within which time Tenant shall satisfy and discharge such lien or pay such tax, assessment, charge or other item to the extent held valid and all penalties, interest, and costs in connection therewith; provided, however, that the satisfaction and discharge of any such lien shall not, in any case, be delayed until execution is had upon any judgment rendered thereon, nor shall the payment of any such tax, assessment, charge or other item, together with penalties interest, and costs, in any case be delayed until sale is made or threatened to be made of the whole or any part of the Premises on account thereof, and any such delay shall be a default of Tenant hereunder.

Section 18. Indemnity

(a) Tenant shall indemnify, defend, hold, and save Landlord free and harmless of, from and against any and all claims, liability, loss, or damage whatsoever on account of any such loss, injury, death or damage occasioned by any cause other than Landlord's intentional or negligent acts or omissions. Tenant hereby waives all claims against Landlord for damages to the buildings and improvements now or hereafter located on the Property and to the property of

Tenant in, upon or about the Premises, and for injuries to persons or property in, on or about the Premises, from any cause arising at any time, except for any such claims arising from negligent or intentional acts or omissions committed by Landlord. Tenant's indemnity obligation set forth in this Section shall survive the termination or expiration of this Lease with respect to any claims or liabilities arising out of injury or damage to person or property which occurs during the Term. The indemnity obligations of Tenant under this Section 18 are not intended to, and shall not, (i) restrict or modify Tenant's insurance and other obligations under this Lease; (ii) be restricted, limited or modified by Tenant's compliance with its insurance and other obligations under this Lease or (iii) supersede any inconsistent agreement of the parties set forth in any other provision of this Lease.

(b) Landlord shall indemnify, defend, hold and save Tenant free and harmless of, from and against any and all claims, liability, loss, or damage whatsoever on account of any such loss, injury, death or damage occasioned by any cause other than Tenant's intentional or negligent acts or omissions. Landlord hereby waives all claims against Tenant for damages to the buildings and improvements now or hereafter located on the Property and to the property of Landlord in, upon or about the Premises, and for injuries to persons or property in, on or about the Premises, from any cause arising at any time, except for any such claims arising from negligent or intentional acts or omissions committed by Tenant. Landlord's indemnity obligation set forth in this Section shall survive the termination or expiration of this Lease with respect to any claims or liabilities arising out of injury or damage to person or property which occurs during the Term. The indemnity obligations of Landlord under this Section 18 are not intended to, and shall not, (i) restrict or modify Landlord's insurance and other obligations under this Lease; (ii) be restricted, limited or modified by Landlord's compliance with its insurance and other obligations under this Lease or (iii) supersede any inconsistent agreement of the parties set forth in any other provision of this Lease.

Section 19. Eminent Domain

(a) If the whole of the Premises should be taken by any public or quasi-public authority under the power or threat of eminent domain during the Term, or if a substantial portion of the Premises or the Road should be taken so as to materially impair the use of the Premises contemplated by Tenant, and thereby frustrate Tenant's purpose in entering into this Lease, then, in either of such events, this Lease shall terminate at the time of such taking. In such event, of the compensation and damages payable for or on account of the Property, exclusive of the buildings and improvements thereon, Tenant and Lender, as their interests may appear, shall receive a sum equal to the worth at the time of the compensation award of the amount by which the fair rental value of the Premises exceeds the rental payable pursuant to the terms of this Lease for the balance of the Term; the balance of such compensation and damages shall be payable to and be the sole property of Landlord. All compensation and damages payable for or on account of the buildings and improvements located on the Property and constituting a part of the Premises shall be divided among Landlord, Tenant, and Lender as follows:

(i) All compensation and damages payable for or on account of buildings and improvements having a remaining useful life less than the remaining Term as of the date of such taking shall be payable to and be the sole property of Tenant and Lender, as their interests may appear; and

(ii) A proportionate share of all compensation and damages payable for or on account of buildings and improvements having a remaining useful life greater than the remaining Term as of the date of such taking, determined by the ratio that the then remaining Term bears to the then remaining useful life of such buildings and improvements, shall be payable to and be the sole property of Tenant and Lender, as their interests may appear, and the remaining share thereof shall be payable to and be the sole property of Landlord.

(b) If less than the whole of the Premises should be taken by any public or quasi-public authority under the power or threat of eminent domain during the Term and this Lease is not terminated as provided in subsection (a) above, Tenant shall promptly reconstruct and restore the Premises, with respect to the portion of the Premises not so taken, as an integral unit of the same quality and character as existed prior to such taking. The Minimum Rent payable by Tenant following such taking shall be equitably reduced by agreement of Landlord and Tenant in accordance with the reduced economic return to Tenant, if any, which will occur by reason of such taking. The compensation and damages payable for, or on account of, such taking shall be applied to the reconstruction and restoration of the Premises by Tenant pursuant to this subsection (b) by application, first, of any sums payable for or on account of the buildings and improvements situated on the Property, and second, of any sums payable for or on account of the Property exclusive of such buildings and improvements. The remainder, if any, after reconstruction and restoration shall be divided among Landlord, Tenant and Lender in the manner provided in subsection (a) above.

(c) No taking of any leasehold interest in the Premises or any part thereof shall terminate or give Tenant the right to surrender this Lease, nor excuse Tenant from full performance of its covenants for the payment of rent and other charges or any other obligations hereunder capable of performance by Tenant after any such taking, but in such case all compensation and damages payable for or on account of such taking shall be payable to and be the sole property of Tenant and Lender.

(d) Should Landlord and Tenant for any reason disagree (i) as to whether any portion of the Premises taken is so substantial as to impair materially the use of the Premises contemplated by Tenant, (ii) on the division of any compensation or damages paid for or on account of any taking of all or any portion of the Premises, or (iii) on the amount by which the rent payable by Tenant hereunder is to be equitably reduced in the event of a partial taking, then, and in any of such events, the matter shall be determined by arbitration in the manner provided in Section 30 hereof.

Section 20. Landlord's Right of Inspection

Landlord may, at any reasonable time and from time to time during the Term, enter upon the Property for the purpose of inspecting the buildings or improvements now or hereafter located thereon and for such other purposes as may be necessary or proper for the reasonable protection of its interests.

Section 21. Tenant's Defaults and Landlord's Remedies

It shall be an event of default hereunder (each an "**Event of Default**") if (i) default shall be made by Tenant in the punctual payment of any rent or other moneys due hereunder and shall continue for a period of 10 days after written notice thereof to Tenant; (ii) default shall be made by Tenant in the performance or observance of any of the other agreements, covenants or conditions of this Lease on the part of Tenant to be performed and observed and such default shall continue for a period of 30 days after written notice thereof to Tenant, or, in the case of a default which cannot be cured by the payment of money and cannot be cured within 30 days, shall continue for an unreasonable period after such written notice; (iii) Tenant shall abandon the Premises without payment of Rent; (iv) Tenant shall admit in writing its inability to pay its debts generally as they become due, file a petition in bankruptcy, insolvency, reorganization, readjustment of debt, dissolution or liquidation under any law or statute of the federal government or any state government or any subdivision of either now or hereafter in effect, make an assignment for the benefit of its creditors, consent to, or acquiesce in the appointment of a receiver of itself or of the whole or any substantial part of the Premises; (v) a court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver of Tenant or of the whole or any substantial part of the Premises, and such order, judgment or decree shall not be vacated, set aside or stayed within 60 days from the date of entry of such order, judgment or decree, or a stay thereof be thereafter set aside; (vi) a court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against Tenant under any bankruptcy, insolvency, reorganization, readjustment of debt, dissolution or liquidation law or statute of the Federal government or any state government or any subdivision of either now or hereafter in effect, and such order judgment or decree shall not be vacated, set aside or stayed within 60 days from the date of entry of such order, judgment or decree, or a stay thereof be thereafter set aside; or (vii) under the provisions of any other law for the relief or aid of debtors, a court of competent jurisdiction shall assume custody or control of Tenant or of the whole or any substantial part of the Premises, and such custody or control shall not be terminated within 60 days from the date of assumption of such custody or control. Upon the occurrence of any Event of Default by Tenant hereunder, Landlord shall have the following rights and remedies, in addition to all other rights and remedies of Landlord provided hereunder or by law:

(a) The right to terminate this Lease, in which event Tenant shall immediately surrender possession of the Premises, and pay to Landlord all rent and all other amounts payable by Tenant hereunder to the date of such termination;

(b) The remedies described in California Civil Code Section 1951.2, including, without limitation, the right to recover the worth at the time of award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of such rental loss for the same period that Tenant proves could be reasonably avoided, as computed pursuant to subdivision (b) of section 1951.2 of the California Civil Code;

(c) The remedies described in California Civil Code section 1951.4, including, without limitation, the right to collect, by suit or otherwise, each installment of rent or other sums that become due hereunder, or to enforce, by suit or otherwise, performance or observance of any agreement, covenant or condition hereof on the part of Tenant to be performed or observed; or

(d) The right to cause a receiver to be appointed in any action against Tenant to take possession of the Premises or to collect the rents or profits therefrom. Neither appointment of such receiver nor any other action taken by Landlord shall constitute an election on the part of Landlord to terminate this Lease unless written notice of termination is given to Tenant.

Section 22. Nonwaiver

If any action or proceeding is instituted or if any other steps are taken by Landlord or Tenant, and a compromise part payment or settlement thereof shall be made, either before or after judgment, the same shall not constitute or operate as a waiver by Landlord or Tenant of any agreement, covenant or condition of this Lease or of any subsequent breach thereof. No waiver of any default under this Lease shall constitute or operate as a waiver of any subsequent default hereunder, and no delay, failure or omission in exercising or enforcing any right, privilege, or option under this Lease shall constitute a waiver, abandonment or relinquishment thereof or prohibit or prevent any election under or enforcement or exercise of any right, privilege, or option hereunder. No waiver of any provision hereof by Landlord or Tenant shall be deemed to have been made unless and until such waiver shall have been reduced to writing and signed by Landlord or Tenant, as the case may be. The receipt by Landlord of rent with knowledge of any default under this Lease shall not constitute or operate as a waiver of such default. Payment by Tenant or receipt by Landlord of a lesser amount than the stipulated rent or other sums due Landlord shall operate only as a payment on account of such rent or other sums. No endorsement or statement on any check or other remittance or in any communication accompanying or relating to such payment shall operate as a compromise or accord and satisfaction unless the same is approved in writing by Landlord, and Landlord may accept such check, remittance or payment without prejudice to its right to recover the balance of any rent or other sums due by Tenant and pursue any remedy provided under this Lease or by law.

Section 23. No Merger

(a) There shall be no merger of the leasehold estate created by this Lease with any other estate in the Premises, including the fee estate, by reason of the fact that the same person may own or hold the leasehold estate created by this Lease, or an interest in such leasehold estate, and such other estate in the Premises, including the fee estate, or any interest in such other estate; and no merger shall occur unless and until Landlord, Tenant and any lender shall join in a written instrument effecting such merger and shall duly record the same.

(b) No termination of this Lease shall cause a merger of the estates of Landlord and Tenant, unless Landlord so elects and any such termination shall, at the option of Landlord, either work a termination of any sublease in effect or act as an assignment to Landlord of Tenant's interest in any such sublease. Notwithstanding the foregoing, in the event of the termination of this Lease and the execution of a new lease with lender or its nominee pursuant to Section 15(i) above, the termination of this Lease shall neither work a merger of estates nor a termination of any subleases in effect unless Lender so elects.

Section 24. No Partnership

It is expressly understood and agreed that Landlord does not, in any way or for any purpose by executing this Lease, become a partner of Tenant in the conduct of Tenant's business, or otherwise, or a joint venturer or a member of a joint enterprise with Tenant. However, nothing in this provision affects the parties' relationship under the Amended and Restated Woodland-Davis Clean Water Agency Joint Powers Agreement dated February 26, 2013.

Section 25. Covenants Run With Land

(a) The agreements, covenants and conditions in this Lease contained are and shall be deemed to be covenants running with the land and the reversion and shall be binding upon and shall inure to the benefit of Landlord and Tenant and their respective successors and assigns and all subsequent landlords and tenants respectively hereunder.

(b) All references in this Lease to "Tenant" or "Landlord" shall be deemed to refer to and include successors and assigns of Tenant or Landlord, respectively, without specific mention of such successors or assigns.

Section 26. Notices

Except as otherwise provided hereunder; any notice or communication to Landlord, Tenant or Lender shall be in writing and be mailed by certified mail, postage prepaid. Notices or communications shall be addressed to Landlord at the address listed below or such other address or addresses as Landlord shall from time to time designate, or to such agent of Landlord as it may from time to time designate, by notice in writing to Tenant. Notices or communications shall be addressed to Tenant at the address listed below, or such other address or addresses as Tenant shall from time to time designate, or to such agent of Tenant as it may from time to time designate, by notice in writing to Landlord. Notices or communications to Lender shall be addressed to Lender at such address as Lender shall from time to time designate by notice in writing to Landlord. Any notice mailed in the manner above set forth shall be deemed to have been received unless returned to the sender by the post office.

LANDLORD:	City of Woodland Attn: City Manager 300 First Street Woodland, CA 95695 (530) 661-5850
WITH A COPY TO:	Best Best & Krieger LLP Attn: Kara Ueda 500 Capitol Mall, Suite 1700 Sacramento CA 95814 (916) 325-4000

TENANT:	Woodland-Davis Clean Water Agency Attn: General Manager 1717 Fifth Street Davis, CA 95616 (530) 747-8299
WITH A COPY TO:	Richard P. Shanahan Bartkiewicz, Kronick & Shanahan 1011 22nd Street Sacramento, CA 95816 (916) 446-4254

Section 27. Limitation of Landlord's Liability

In the event of any transfer of Landlord's interest in this Lease, the Landlord herein named (and in case of any subsequent transfer, the then transferor) shall be automatically freed and relieved from and after the date of such transfer of all personal liability for the performance of any covenants or obligations on the part of Landlord contained in this Lease thereafter to be performed; provided, however, that any funds in the hands of Landlord or the then transferor at the time of such transfer, in which Tenant has an interest shall be turned over to the transferee and any amount then due and payable to Tenant by Landlord or the then transferor under any provision of this Lease shall be paid to Tenant; and provided, further, that upon any such transfer, the transferee shall expressly assume, subject to the limitations of this Section 27, all of the agreements, covenants and conditions in this Lease to be performed on the part of Landlord, it being intended hereby that the covenants and obligations contained in this Lease on the part of Landlord shall, subject as aforesaid, be binding on each Landlord, its successors and assigns, only during its period of ownership.

Section 28. Estoppel Certificates

Tenant or Landlord, as the case may be, will execute, acknowledge and deliver to the other and/or to any lender, promptly upon request, its certificate certifying (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect, as modified, and stating the modifications), (b) the dates, if any, to which the Minimum Rent, and other monetary obligations have been paid, (c) whether there are then existing any charges, offsets or defenses against the enforcement by Landlord of any agreement, covenant or condition hereof on the part of Tenant to be performed or observed (and, if so, specifying the same), and (d) whether there are then existing any defaults by Tenant in the performance or observance by Tenant of any agreement, covenant or condition hereof on the part of Tenant to be performed or observed and whether any notice has been given to Tenant of any default which has not been cured (and, if so, specifying the same). Any such certificate may be relied upon by a prospective purchaser, mortgagee or trustee under a deed of trust of the Premises or any part thereof.

Section 29. Holding Over

This Lease shall terminate without further notice upon the expiration of the Term, and any holding over by Tenant after the expiration of the Term shall not constitute a renewal hereof or give Tenant any rights hereunder or in or to the Premises, except as otherwise herein provided, it being understood and agreed that this Lease cannot be renewed, extended or in any manner modified except in writing signed by Landlord and Tenant.

Section 30. Arbitration

Whenever, under any provision of this Lease, arbitration is required, then the matter shall be determined by arbitration under the rules of the American Arbitration Association, in Sacramento, with a three-person panel, all three arbitrators to be neutral, as follows:

(a) Landlord and Tenant shall each select one neutral arbitrator from the panel presented by the American Arbitration Association within 20 days of notice of one party to another of the need to commence arbitration. A third arbitrator shall be selected by the first two (2) arbitrators so selected within 10 days of the selection of the second arbitrator. In the event of the failure of either party or of the arbitrators to select an arbitrator or to proceed with the arbitration, the matter shall be submitted to the Superior Court of Sacramento County, in accordance with California law, for appointment of an arbitrator.

(b) To be qualified as an arbitrator hereunder, a person must have a minimum of five (5) years' experience in any one of the following lines of work: accounting, with experience in real estate work, real estate broker, specializing or at least dealing substantially in public works and municipal properties in Yolo, Sacramento or surrounding counties; or law with substantial experience and expertise in real estate and public law.

(c) The arbitrators shall be governed by the provisions of this Lease. In the event of any ambiguity in such provisions or in the event such provisions are silent on a particular issue, the arbitrators shall apply generally accepted accounting principles regularly applied in similar commercial real estate operations.

(d) Arbitration fees payable to the American Arbitration Association and to the arbitrators shall be paid one-half by Landlord and one-half by Tenant.

Section 31. Late Charge

Tenant acknowledges that Tenant's failure to pay any installment of Minimum Rent, or any other amounts due under this Lease as and when due may cause Landlord to incur costs not contemplated by Landlord when entering into this Lease, the exact nature and amount of which would be extremely difficult and impracticable to ascertain. Accordingly, if any installment of Minimum Rent, or any other amount due under the Lease is not received by Landlord as and when due, then, after 30 days written notice to Tenant, Tenant shall pay to Landlord an amount equal to 5% of the past due amount, which the parties agree represents a fair and reasonable estimate of the costs incurred by Landlord as a result of the late payment by Tenant.

Section 32. Approvals

This Lease is subject to approval by the City Council of Landlord and Board of Directors of Tenant and such approval shall be a condition precedent to the effective date of this Lease.

Section 33. Severability

In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Lease, but this Lease shall be construed as if such invalid, illegal, or unenforceable provisions had not been contained herein.

Section 34. Time of the Essence

Time is of the essence of each and all of the agreements, covenants, and conditions of this Lease.

Section 35. Consents

Whenever in this Lease the consent or approval of either Landlord or Tenant is required or permitted, the party requested to give such consent or approval will act promptly and will not unreasonably withhold its consent or approval.

Section 36. Memorandum of Lease

Contemporaneously with the execution of this Lease, Landlord and Tenant will execute and acknowledge for recordation in the Official Records of Yolo County a Memorandum of Lease in the form of **Exhibit C** hereto.

Section 37. Integration

This instrument constitutes the entire agreement between Landlord and Tenant with respect to the subject matter hereof and supersedes all prior offers and negotiations, oral or written. This Lease may not be amended or modified in any respect whatsoever except by an instrument in writing signed by Landlord, Tenant and, if required by any Lender, by Lender.

Section 38. Rent

All monetary obligations of Tenant to Landlord under the Lease, including but not limited to the Minimum Rent, shall be deemed rent.

Section 39. Amendments

This Lease may be modified only in writing and only if signed by the parties at the time of the modification.

Section 40. Governing Law

This Lease shall be governed by and construed in accordance with the laws of the State of California.

Section 41. Early Termination Rights

The Termination date of the lease as specified in Section 2 shall be subject to earlier termination as provided below:

(a) By Tenant. Tenant shall have the continuous option ("**Tenant Termination Option**") to terminate this Lease early subject to 3 years' prior notice to Landlord given after January 1, 2026. The Termination Option shall be for a termination effective as of 3 years after notice is given to Landlord (such effective date is the "**Termination Date**"). The Termination Option shall be exercisable only as follows: Tenant must provide written notice of exercise to Landlord (the "**Termination Exercise Notice**") 3 years prior to the Termination Date. As of the Termination Date, Tenant shall surrender the Premises as if the Lease had expired, pursuant to the terms contained herein and the parties shall have no further duties to each other except those which specifically survive as provided herein. No payment shall be made by Tenant other than Minimum Rent through the Termination Date.

(b) By Landlord. After January 1, 2026, Landlord shall have the continuous option ("**Landlord Termination Option**") to terminate this Lease early subject to the conditions below and subject to 3 years' prior notice to Tenant. The Termination Option shall be for a termination effective as of 3 years after notice is given to Tenant (such effective date is the "**Termination Date**"). The Landlord Termination Option shall be exercisable only as follows: (i) Landlord must provide written notice of exercise to Tenant (the "**Termination Exercise Notice**") 3 years prior to the Termination Date, and (ii) the property within a 1/2 mile radius of the Premises is no longer in a flood plain of 200 years or less; and (iii) City of Woodland's General Plan allows the property on which the Premises is located to be developed and other development requirements are in place to allow development of the Premises. As of the Termination Date, Tenant shall surrender the Premises as if the Lease had expired, pursuant to the terms contained herein and the parties shall have no further duties to each other except those which specifically survive as provided herein.

(c) By Mutual Agreement. Notwithstanding subsections (a) and (b) above, this lease may be terminated at any time if mutually agreed to in writing by both the Tenant and the Landlord. Approval of early termination by Tenant requires the approval of its Board of Directors.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

LANDLORD AND TENANT, by their execution below, indicate their consent to the terms of this Ground Lease.

LANDLORD:	**TENANT:**
CITY OF WOODLAND	WOODLAND-DAVIS CLEAN WATER AGENCY
By:_______________________________	By:_______________________________
Its:_______________________________	Dennis Diemer, General Manager
Date:______________________________	Date:______________________________

EXHIBIT A

SITE MAP

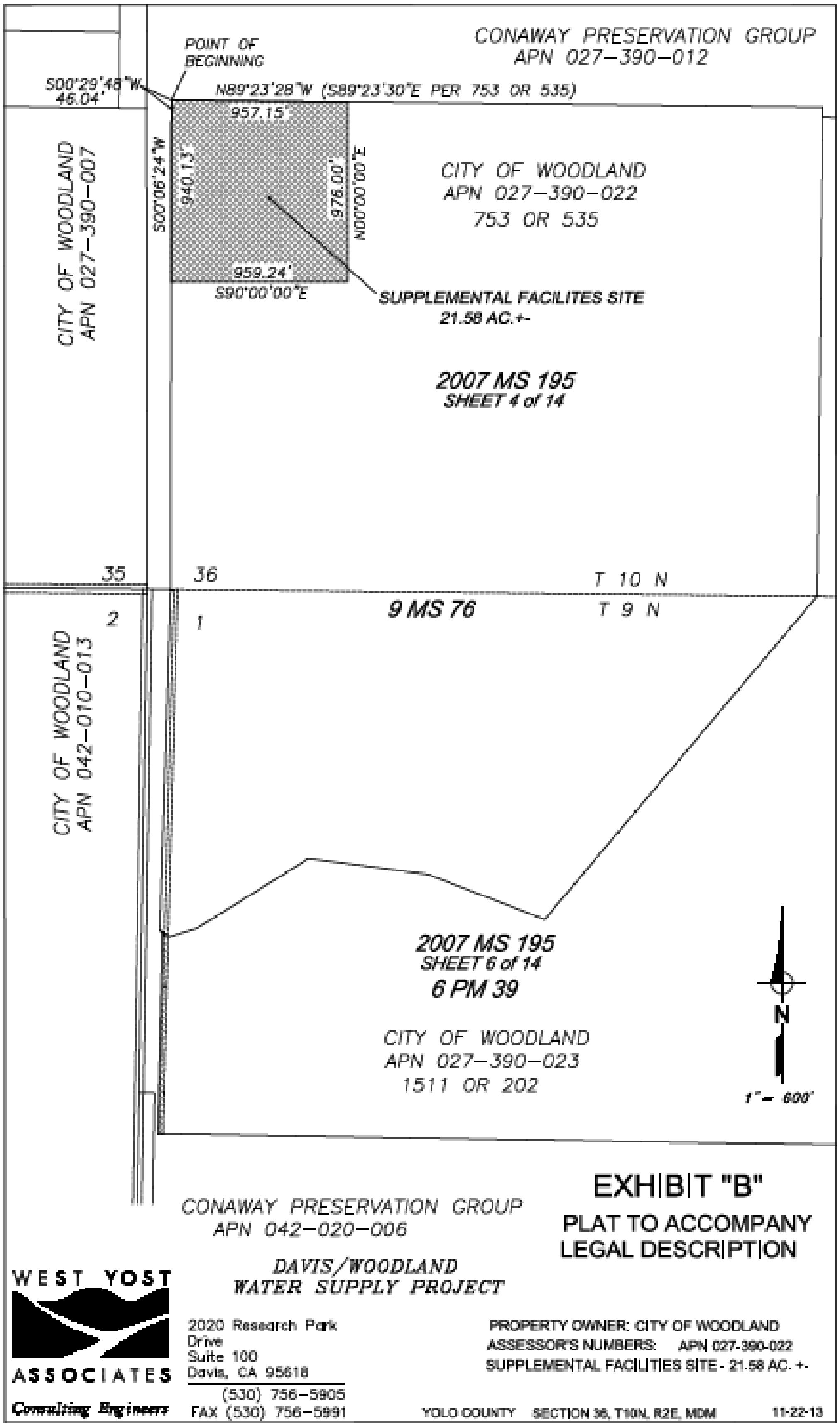

EXHIBIT A-1

LEGAL DESCRIPTION

SUPPLEMENTAL FACILITIES SITE

Property Owner: City of Woodland
Assessor's Parcel Number: 027-390-022
Area of SUPPLEMENTAL FACILITIES SITE: 21.58 Acres more or less

SUPPLEMENTAL FACILITIES SITE

Being all that certain real property situate in the County of Yolo, State of California, and being a portion of the parcel of land described in the deed to CITY OF WOODLAND, dated March 20, 1964 and filed for record at Book 753 at page 535, Official Records of Yolo County and being also shown as the 320 Acre parcel of land on the Record of Survey filed for record in Book 9 of Maps and Surveys at page 76, Official Records of Yolo County, and being also shown on SHEET 4 and SHEET 6 of 14 on the Record of Survey filed for record in Book 2007 of Maps and Surveys at page 195, Official Records of Yolo County and being more particularly described as follows:

Beginning at the northwest corner of the parcel described in said Book 753 at page 535, and running thence from said Point of Beginning along the westerly line of the parcel described in said Book 753 at page 535 the following two courses, South 00°29'48" West, (North 00°28'30" East, per 753 OR 535), 46.04 feet, thence South 00°06'24" West, (North 00°07'12" East, per 753 OR 535), 940.13 feet, thence leaving said westerly line, South 90°00'00" East, 959.24 feet, thence North 00°00'00" East, 976.00 feet to a point in the northerly line of the parcel described in said Book 753 at page 535, thence along said northerly line North 89°23'28" West, (South 89°23'30" East, per 753 OR 535) 957.15 feet to the Point of Beginning.

Containing 21.58 acres more or less

EXHIBIT A-2

ROAD DIAGRAM

EXHIBIT B

SITE MAP

EXHIBIT C

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE, dated this _____ day of _______________, 2014, is between the City of Woodland ("**Landlord**"), whose address is 300 First Street, Woodland, CA 95695, and Woodland-Davis Clean Water Agency ("**Tenant**"), whose address is 1717 Fifth Street, Davis, CA 95616.

Landlord hereby leases to Tenant the demised premises with improvements and appurtenant easements, if any, in Yolo County, State of California, described in **Exhibit A** attached and made a part of this Memorandum of Lease.

1. **Term**. TO HAVE AND TO HOLD for a term commencing on January 1, 2014, and ending December 31, 2031, extending automatically unless either party gives at least 3 years notice of termination, and subject to the maximum term allowed by law. The Term is also subject to early termination rights by either party.

2. **Memorandum**. The rentals to be paid by Tenant and all of the obligations and rights of Landlord and Tenant are set forth in the Ground Lease dated _____________ ___, 2014, executed by the parties. This instrument is merely a Memorandum of the Lease and is subject to all of its terms, conditions and provisions. In the event of any inconsistency between the terms of the Lease and this instrument, the terms of the Lease shall prevail as between the parties. This Memorandum is binding upon and shall inure to the benefit of the heirs, successors, assigns, executors and administrators of the parties.

To indicate their agreement to the above, the parties or their authorized representatives or officers have signed this document.

LANDLORD:	**TENANT:**
CITY OF WOODLAND	WOODLAND-DAVIS CLEAN WATER AGENCY
By:_______________________	By:_______________________
Its:_______________________	Its:_______________________
Date:_____________________	Date:_____________________

STATE OF CALIFORNIA)
COUNTY OF YOLO)

On ____________________, 2014, before me, ______________________________, Notary Public, personally appeared ____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature:_______________________________ (seal)

STATE OF CALIFORNIA)
COUNTY OF YOLO)

On ____________________, 2014, before me, ______________________________, Notary Public, personally appeared ____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature:_________________________________ (seal)

EXHIBIT A

PLAT MAP

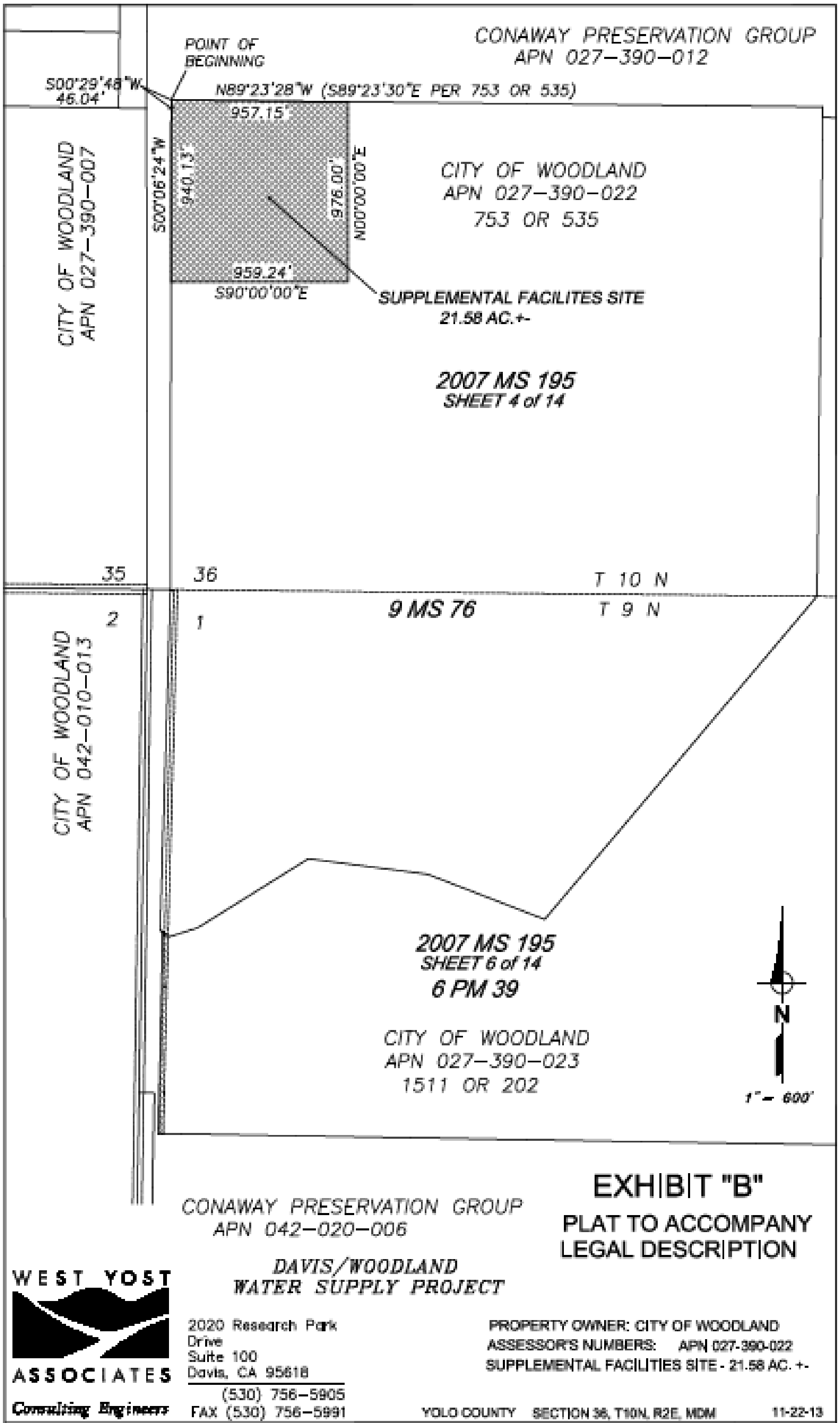

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EXHIBIT A-1

LEGAL DESCRIPTION

SUPPLEMENTAL FACILITIES SITE

Property Owner: City of Woodland
Assessor's Parcel Number: 027-390-022
Area of SUPPLEMENTAL FACILITIES SITE: 21.58 Acres more or less

SUPPLEMENTAL FACILITIES SITE

Being all that certain real property situate in the County of Yolo, State of California, and being a portion of the parcel of land described in the deed to CITY OF WOODLAND, dated March 20, 1964 and filed for record at Book 753 at page 535, Official Records of Yolo County and being also shown as the 320 Acre parcel of land on the Record of Survey filed for record in Book 9 of Maps and Surveys at page 76, Official Records of Yolo County, and being also shown on SHEET 4 and SHEET 6 of 14 on the Record of Survey filed for record in Book 2007 of Maps and Surveys at page 195, Official Records of Yolo County and being more particularly described as follows:

Beginning at the northwest corner of the parcel described in said Book 753 at page 535, and running thence from said Point of Beginning along the westerly line of the parcel described in said Book 753 at page 535 the following two courses, South 00°29'48" West, (North 00°28'30" East, per 753 OR 535), 46.04 feet, thence South 00°06'24" West, (North 00°07'12" East, per 753 OR 535), 940.13 feet, thence leaving said westerly line, South 90°00'00" East, 959.24 feet, thence North 00°00'00" East, 976.00 feet to a point in the northerly line of the parcel described in said Book 753 at page 535, thence along said northerly line North 89°23'28" West, (South 89°23'30" East, per 753 OR 535) 957.15 feet to the Point of Beginning.

Containing 21.58 acres more or less

RESOLUTION NO. ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND APPROVING A GROUND LEASE WITH THE WOODLAND-DAVIS CLEAN WATER AGENCY AND AUTHORIZING THE CITY MANAGER TO SIGN THE AGREEMENT

WHEREAS, the City of Woodland is a member of the Woodland-Davis Clean Water Agency ("WDCWA"), a joint powers authority formed for the purpose of constructing the Davis Woodland Water Supply Project ("Project"); and

WHEREAS, the WDCWA has identified that using solids drying beds rather than using a mechanical dewatering process would provide significant cost savings to the Project; and

WHEREAS, the City owns approximately 22 acres of real property within the City that the WDCWA would like to lease, on a long-term basis, for the purpose of installing such solids drying beds; and

WHEREAS, the ground lease of such property by the WDCWA from the City will result in a savings of approximately $1.4 million to the JPA.

NOW, THEREFORE, BE IT RESOLVED BY THE WOODLAND CITY COUNCIL AS FOLLOWS:

<u>Section 1</u>. The City Council hereby approves the Ground Lease with the Woodland-Davis Clean Water Agency for the purpose of installing drying beds for the Project.

<u>Section 2</u>. If necessary, the City Manager is hereby authorized to further negotiate the Lease Agreement with the JPA so long as the rent does not change and is further authorized to work with the City Attorney to make minor clarifying and conforming changes as necessary.

<u>Section 3</u>. The City Manager is hereby authorized to execute the Lease Agreement.

PASSED AND ADOPTED this 21st day of January 2014 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Marlin "Skip" Davies, Mayor

ATTEST:

____
Ana B. Gonzalez, City Clerk