300 First Street
Woodland, CA 95695

City of Woodland

Meeting Agenda

City Council

Tuesday, March 4, 2014 | **5:00 PM** | **Council Chambers**

CITY COUNCIL
CLOSED SESSION AGENDA
MARCH 4, 2014
5:00 P.M.

A. CALL TO ORDER

B. CLOSED SESSION

B.1 CONFERENCE WITH LABOR NEGOTIATORS, Pursuant to Government Code Section 54957.6
Agency Designated Representatives: Paul Navazio, Sheila McShane, Kimberly McKinney and Dania Torres Wong
Employee Organization(s): Mid-Management Association and Woodland City Employee's Association

B.2 CONFERENCE WITH LEGAL COUNSEL - Existing Litigation (Subdivision (a) of Section 54956.9)
Name of case: California Clean Energy Committee vs. City of Woodland, 3rd District Court of Appeal
Case No. C072033

JOINT REGULAR CITY COUNCIL/WOODLAND FINANCE AUTHORITY/SUCCESSOR AGENCY
MARCH 4, 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.

14-075 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

F. COMMITTEE REPORTS

1. 14-071 SUBJECT: Commission on Aging Meeting Minutes for January 9, 2014

Recommendation for Action: Staff recommends that the City Council receive the January 9, 2014 Commission on Aging minutes that were approved on February 13, 2014.

Attachments: 10914 Minutes

2. 14-072 SUBJECT: Parks & Recreation Commission Meeting Minutes for January 27, 2014

Recommendation for Action: Staff recommends that the City Council receive the Parks & Recreation Commission meeting minutes for January 27, 2014 that were approved on February 24, 2014.

Attachments: 12714 PRC minutes

G. MINUTES

3. 14-081 SUBJECT: Council Meeting Minutes

Recommendation for Action: Staff recommends that the City Council adopt the minutes of the Joint Regular City Council/Woodland Finance Authority meeting of February 4, 2014 and the Joint Regular City Council/Woodland Finance Authority/Successor Agency meeting of February 18, 2014 as presented.

Attachments: 02_04_14_DRAFT_Meeting_Minutes_for_approval

02_18_14_DRAFT_Meeting_Minutes_for_approval

H. PRESENTATIONS

4. 14-025 SUBJECT: Proclamation in Support of Arbor Day 2014

Recommendation for Action: Staff recommends that the City Council approve the proclamation proclaiming March 8th, 2014 as Arbor Day in the City of Woodland.

Attachments: Arbor Day Proclamation

Flyer 2014

5. 14-084 SUBJECT: Proclamation Recognizing March as the Month of the Young Professional

Recommendation for Action: Staff recommends that the City Council adopt a proclamation recognizing March as the Month of the Young Professional.

Attachments: Month of the Young Professional Proclamation

I. CONSENT CALENDAR

6. 14-068 SUBJECT: Fiscal Year 2013/14 Revised Budget

Recommendation for Action: Staff recommends that the City Council adopt Resolution No. _____ authorizing amendments to the Fiscal Year 2013-2014 Annual Budget of $6,822,061 which includes the budgets for the Capital Improvement Program, the Woodland Finance Authority and the Successor Agency of the former Redevelopment Agency.

Attachments: Budget Resolution

Attachment 1 Appropriations by Fund

J. PUBLIC HEARINGS

7. 14-069 SUBJECT: Appeal of the Planning Commission Denial of the Golden State Reclamation Conditional Use Permit

Recommendation for Action: Staff recommends that the City Council: 1) Hold a public hearing; and 2) Approve Resolution No _____ Affirming the Planning Commission’s September 19, 2013, Findings for Denial, which are contained in the Planning Commission Staff Report dated September 19, 2013 and in the Staff reports dated July 18 and September 5, 2013, and thus affirm the Commission’s denial for the Project (See Attachment “1” - City Council Resolution).

Attachments: Attachment 1 - Resolution of Denial

Attachment 2 - Notice of Appeal

Attachment 3 - PC Staff Report from 09192013

Attachment 4 - PGP Comments

K. REPORTS OF THE CITY MANAGER

8. 14-076 SUBJECT: Not To Exceed $38,000,000* Woodland Finance Authority Water Revenue Commercial Paper Notes
*Subject to Change

Recommendation for Action: Staff recommends that the City Council approve Resolution No. ____ approving the form of and authorizing execution and delivery of the Letter of Credit Reimbursement Agreement and the Amendment to the Installment Purchase Contract; approving the form of the Third Supplemental Trust Agreement, the amendment to Issuing and Paying Agent Agreement, and the Reoffering Memorandum and the distribution thereof; and approving other actions related to the Woodland Finance Authority Commercial Paper Notes.

Staff further recommends that the Board of the Woodland Finance Authority approve Resolution No. ____ approving the form of and authorizing the execution and delivery of the Letter of Credit Reimbursement Agreement, the Amendment to the Installment Purchase Contract, and the Amendment to Issuing and Paying Agent Agreement; approving the form of the Reoffering Memorandum and the distribution thereof; and approving other actions related to the Woodland Finance Authority Water Revenue Commercial Paper Notes.

Attachments:
1- City of Woodland Resolution - Alternate Letter of Credit_Commercial Paper
2- Woodland Finance Authority Resolution - Alternate Letter of Credit_Commerc
3- Woodland LC Reimbursement Agreement
4- Woodland CP Amendment to Installment Purchase Contract 2014
5- Woodland CP Amendment to Issuing and Paying Agency Agreement 2014
6- Reoffering Memorandum
7- Third Supplemental Trust Agreement - 2014 to 2011 Woodland Water Revenu
8- California Judicial Reference Agreement

L. ADJOURN

I declare under penalty of perjury that the foregoing Agenda for the Joint Regular City Council/Woodland Finance Authority/Successor Agency Regular Meeting of the City of Woodland scheduled for March 4, 2014 was posted on February 28, 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.

Legislation Details (With Text)

File #:	14-075 **Version:** 1	**Name:**	
Type:	Report of the City Manager	**Status:**	Agenda Ready
File created:	2/25/2014	**In control:**	City Council
On agenda:	3/4/2014	**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: March 4, 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.

Prepared by: Ana Gonzalez, City Clerk

Paul Navazio, City Manager

Attachment

COUNCIL LONG RANGE CALENDAR

Items subject to removal and/or rescheduling

Tuesday, March 18, 2014	Reports due 3/4	Regular Meeting

Presentations

American Red Cross Month
Recognize Lucinda Talkington for serving on Commission on Aging

Consent

Authorize CM to Enter into Purchase and Sale Agreements for ROW Acquisitions, CIP 11-14 & CIP 12-05, Local Pipelines
Approve Plans and Specs; Authorize Bid Advertisement for Water Transmission Main East (CIP 11-14) and the Community Center/Sports Park Frontage (CIP 11-15)
Final Acceptance and NOC for Water Meter Project Phase 3, CIP 12-09
Salary Ordinance/Salary Schedule

Public Hearing

IEOZ Zoning Amendment

Regular

Tuesday, March 25, 2014	Reports due 3/11	Tentative Study Session

Budget Workshop

Tuesday, April 1, 2014	Reports due 3/18	Regular Meeting

Minutes

City Council Minutes for March 4th and 18th

Consent
Final Acceptance and NOC for Safe Routes to School, CIP 13-06
2nd Reading of Water Conservation Ordinance

Regular
1st Reading of Water Conservation Ordinance
Update on Climate Action Plan / GHG Reduction Targets

FUTURE AGENDA ITEMS FOR:

APRIL
Amend Home Occupation Ord. to Comply with CA Homemade Food Act – Public Hearing – April/May
Preliminary CDBG Funding Recommendations
Council Direction on Preferred General Plan Land Use Scenario
Updated Master-Tax Sharing Agreement with Yolo County
MSE Spending Plan

MAY
Contract award - Solar Projects (TerraVerde RFP)
Presentation – FY 2014/15 Proposed Budget

JUNE
Adoption of FY 2014/15 Budget
FUTURE AGENDA ITEMS – DATE TO BE DETERMINED:
County food waste composting proposal
Tow Ordinance
Fire Alarm Ordinance
Salary Ordinance/Salary Schedule

FUTURE STUDY SESSIONS (TBD):
Lower Cache Creek Flood Control Feasibility Study
Update Economic Development Strategic Plan

Updated 2/28/14

Legislation Details (With Text)

File #:	14-071 Version: 1	Name:	
Type:	Report of the City Manager	Status:	Agenda Ready
File created:	2/25/2014	In control:	City Council
On agenda:	3/4/2014	Final action:	
Title:	SUBJECT: Commission on Aging Meeting Minutes for January 9, 2014 Recommendation for Action: Staff recommends that the City Council receive the January 9, 2014 Commission on Aging minutes that were approved on February 13, 2014.		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	10914 Minutes		

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: March 4, 2014

SUBJECT: Commission on Aging Meeting Minutes for January 9, 2014

Recommendation for Action: Staff recommends that the City Council receive the January 9, 2014 Commission on Aging minutes that were approved on February 13, 2014.

Staff Contact

Kris Bain, Community Services Program Manager, 661-2002, krista.bain@cityofwoodland.org

Conclusion

Staff recommends the City Council receive the January 9, 2014 Commission on Aging minutes that were approved on February 13, 2014.

Prepared by: Kris Bain, Community Services Program Manager

Paul Navazio, City Manager

Enclosure: January 9, 2014 Meeting Minutes

Commission on Aging

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

Regular Meeting Minutes

January 9, 2014

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, Overholt, Talkington
Absent:	
Staff:	Engel, Haynie and Bain

Pledge of Allegiance

Communications-Public Comment (none)

Minutes

Commissioner Overholt made the motion to accept the minutes of September 12, 2013 as written, Commissioner Talkington seconded the motion. 4/0 (*Commissioners not present at meeting did not vote*)

Commissioner Campbell made the motion to accept the minutes of November 11, 2013 as written, Commissioner Wright seconded the motion. 4/0 (*Commissioners not present at meeting did not vote*)

Regular Calendar

Annual Report to Council

The COA Annual Report presentation is on the February 18, 2014 Council Agenda. Commissioner Overholt will update the presentation and staff will supply her with pictures of programs and the resource fair. Presentation will need to be turned in by February 4, 2014 to be put on the agenda.

Senior Resource Fair 2014

Bain reported that she met with Kelly Hutchison and Mike Andrews from the YMCA. The goal this year is to make the Resource Fair and the Y's May event into "one big event". Bain asked for input from Commissioners on the draft flyer for the Senior Resource Fair. SCI has been approached by Bain for funding for the Resource Fair and Bain is working with Cambridge College, Starbucks and Target to supply volunteers for the event.

Apartment List

Commissioner Garman will supply staff with his updated information.

Speaker Series

Commissioners discussed the timing for the next Speaker Series event and decided the next speaker would be in October/November. The subject would be Health, Physical and Emotional well being.

Resignation
Commissioner Talkington informed the Commission and Staff that she was resigning her seat on the COA.

Senior Parking
Commissioner Campbell requested that staff include in minutes each time Commissioner Campbell comments on the need for additional handicap parking at the Community & Senior Center. Campbell stated that the front grass area of the Center would be a great place for handicap parking.

Report of the Staff

Facility Update
Bain reported that grouting by the meeting rooms is completed. Security locks were being installed on parts of the facility. Commissioner Campbell stated that the entry doors to the center were too heavy for seniors to open and asked staff to address his concerns.

Senior Center Report
Bain asked the Commission if they had any questions about her staff report. Commission Garman asked about the new scrapbooking class. Bain responded that the class is offered twice a month from 10-12 p.m. first class is on January 10, 2014.

Business Items for Next Meeting
Review Draft Council Annual Report
Apartment List
2014 Workplan

Next Meeting Date February 13, 2014

Adjourn

Commissioner Talkington made the motion to adjourn the meeting at 4:25 p.m., Commissioner Campbell seconded the motion, and motion carried 4-0. Commissioner Overholt left at 4:00 p.m.

Respectfully submitted,

Cathy Haynie, Administrative Secretary
Parks & Recreation Department

Legislation Details (With Text)

File #:	14-072	Version: 1	Name:	
Type:	Minutes		Status:	Agenda Ready
File created:	2/25/2014		In control:	City Council
On agenda:	3/4/2014		Final action:	

Title: SUBJECT: Parks & Recreation Commission Meeting Minutes for January 27, 2014

Recommendation for Action: Staff recommends that the City Council receive the Parks & Recreation Commission meeting minutes for January 27, 2014 that were approved on February 24, 2014.

Sponsors:

Indexes:

Code sections:

Attachments: 12714 PRC minutes

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: March 4, 2014

SUBJECT: Parks & Recreation Commission Meeting Minutes for January 27, 2014

Recommendation for Action: Staff recommends that the City Council receive the Parks & Recreation Commission meeting minutes for January 27, 2014 that were approved on February 24, 2014.

Staff Contact

Christine Engel, Community Services Director - 530 661-2008 christine.engel@cityofwoodland.org

Conclusion

Staff recommends that the City Council receive the Parks & Recreation Commission meeting minutes for January 27, 2014 that were approved on February 24, 2014.

Prepared by: Christine Engel, Community Services Director

Paul Navazio, City Manager

Enclosure: Parks & Recreation Commission Meeting Minutes for January 27, 2014

Parks & Recreation Commission Minutes

Monday, January 27, 2014

City Hall – 300 First Street – 2nd Floor Council Chambers

Open Session

The Parks & Recreation Commission meeting was called to order by Chair Jesse Salinas at 6:30 p.m. on Monday, January 27, 2014 at the Woodland City Hall Council Chambers.

Roll Call

Commission Members Present:	Chair Jesse Salinas Vice Chair Enrique Fernandez Commissioner Ruben Morales Jr. Commissioner Joe Romero Commissioner Jon-Paul Valcarenghi Commissioner Carla White-Snyder
Commission Member Absent:	Commissioner Nathan Stephens
Staff Present:	Community Services Director Christine Engel PW Deputy Director Rob Sanders CS Administrative Secretary Cathy Haynie

Pledge of Allegiance

Public Comment

Maria Contreras Tebbutt, from the Woodland Bike Campaign explained to the Commission the Cycle de Mayo Bike Ride event which has two start locations, Woodland High School and Davis High School. The goal is to have 500 riders for this 25 mile event. Riders will leave from one of the two start points and meet at Plainfield Station. Event is scheduled for May 3, 2014 and begins at 8 a.m., fees are Adults $25, Students $10 and Children under 12 are Free. Contact Maria at funmaria@sbcglobal.net for more information about Cycle de Mayo Bike Ride.

Communication-Commission/Staff Statements and Requests

Commissioner Valcarenghi stated that he had the opportunity to look at other agencies use of solar panels. Commissioner Valcarenghi said it was a great look and nice shade. Engel responded that the RFP for the project would be released soon.

Commissioner Fernandez stated that he will be meeting with Kelly Rathburn and Dave Wilkinson from the Tree Foundation on February 7, 2014.

Commissioner White-Snyder attended the WRF Board meeting last week. The WRF is looking for additional members. Next meeting is on March 26th at 5:30 p.m. at the Community & Senior Center.

Committee Reports

Develop Framework for Work Plan Subcommittee-Fernandez/Morales

Commissioner Fernandez reported that he and Commissioner Morales were unable to meet and will report at the next Commission Meeting.

Definitions and Makeup of Subcommittee-Fernandez/Salinas/Valcarenghi

Commissioner Valcarenghi reported that the purpose of this subcommittee was to asses the purpose and relevance of the current subcommittees and liaison positions. Creating subcommittees that facilitate involvement of the commission and the public. Commissioner Valcarenghi will discuss the Budget and Finance Committee; Commissioner Fernandez will discuss the Community Service Subcommittee and the Program & Department Evaluation Subcommittee. Each subcommittee was assigned a purpose which is intended to define the subcommittee and its duties.

- Budget and Finance Subcommittee's purpose is to foster participation of the commission and the general public regarding the department's allocation of program funds. To examine revenue options for existing or future programs.

- Program & Department Evaluation Subcommittee's purpose is to seek community input on department programs. Assess and evaluate the potential for new programs.

- Community Service Subcommittee's purpose is to facilitate and encourage community outreach and engagement by developing volunteer projects and garnering public involvement. This subcommittee will also be tasked with recognizing significant volunteer contributions in the community.

The Commission will receive reports from the various subcommittees with recommendation.

Engel stated that the current committees and subcommittees were created to cover issue of the times, construction of the Community & Senior Center, Sports Park and Jack Slaven Park are examples that needed the Commission involvement. Subcommittee needs to consider the Workplan as it relates to the development of new subcommittees. Framework for both needs to be in accordance with the City Code and City Council's goals. Engel said that the award the Commission is discussing would need a different title directly relating to the Parks & Recreation Commission and not take away from the value and significance of the City Council's annual Community Service Award. Commissioner Salinas stated that there was still committees/subcommittee that needed to be addressed.

Consent Calendar (Items)

Adopt the Minutes of the Commission Meeting of November 25, 2013

March 8, 2014 Arbor Day

Action: Fernandez Moved/ Morales Jr. Seconded:

Motion carried by the following roll call vote:

Ayes: Salinas, Fernandez, Valcarenghi, White-Snyder, Romero, Morales Jr.

Noes:

Other Business

Work Plan

Recognition of Youth Sports Organizations

Commissioner Fernandez would like the Commission to recognize the Pioneer Junior Patriots Junior Pee Wee team for winning the 2013 Sacramento Youth Football Metro Division IV Title. Commissioner White-Snyder suggested that the Commission create guidelines for future awards. Commission will work on guidelines for the next meeting.

4th of July Bike Parade Planning Committee

Engel said that it is time to start planning the Bike parade. She stated that volunteers are needed for planning the event and the day of the event. Commissioner Morales Jr. and Commissioner Romero volunteered for the planning committee; Commissioners White-Snyder, Salinas and Fernandez volunteered to help as needed.

Reports of the Staff

Measure V Extension Update

Engel informed the Commission that Council was moving forward with the Measure V extension that if passed will be for eight years. Planning efforts are under way and City staff is not involved in that process. If the measure passes the department would be able to expand programs aimed at teens.

Community Services Report
Date for the grand opening of the Charles Brooks Swim Center is Friday, February 7th at 10 a.m. Commissioner Valcarenghi asked if it was possible to volunteer for the ReXpo. Staff will send an email to Commission and get availability for the event. The next Movies on Main Street is scheduled for April 25th. Commissioner Salinas would like the Committee involved with surveys to have one ready to the ReXpo event. Commissioner Salinas asked about contract recreation new classes that were listed and questioned how staff came up with the new classes. Engel responded these classes were geared toward the "tween group" and had been successful at other jurisdictions. Commissioner Morales Jr. asked about the Sports Park and charging gate fees, if there were any issues with the other user groups. Sanders responded that he was going to address some of these issues in his report. Commissioner Salinas stated that the remaining budget for Administration looked pretty low. Commissioner Valcarenghi asked about the revenue reported about the Sports Park. Engel explained that the revenue reported was to help off set the Department's budget.
Action: Received

Parks Report
Sanders reported that the fence around the Sports Park has been completed. Commissioner Salinas said that he drove by the Sports Park after reading Sanders report, it looks great. Sanders updated the Commission on the Clark Field project, staff met with user groups keeping them informed of the delays. The aim for reopening Clark Field is in April 2014. The Charles Brooks Swim Center project is near completion with additional diving boards on order. The fence on the east side will be replaced with chained link fencing; in addition the fascia on the building is being replaced and painted. Commissioner Morales Jr. asked about the restriction of sunflower seeds at the Sports Park. Sanders responded that the seeds get into the turf and displace the rubber granules which in turn cause damage to the turf. Commissioner Salinas asked if Sanders could show progress on completing work orders. Sanders will supply a graph to the Commission in his report. Commissioner Valcarenghi asked how he could volunteer for Arbor Day. Sander said that everyone is invited to participate.
Action: Received

Adjourn 7:46 p.m.
Action: Morales Jr. Moved/ Romero Seconded:
Motion carried by the following roll call vote:
Ayes: Salinas, Fernandez, Morales Jr., Valcarenghi, White-Snyder, Romero
Noes:

300 First Street
Woodland, CA 95695

Legislation Details (With Text)

File #:	14-081	Version: 1	Name:		
Type:	Minutes		Status:	Agenda Ready	
File created:	2/27/2014		In control:	City Council	
On agenda:	3/4/2014		Final action:		

Title: SUBJECT: Council Meeting Minutes

Recommendation for Action: Staff recommends that the City Council adopt the minutes of the Joint Regular City Council/Woodland Finance Authority meeting of February 4, 2014 and the Joint Regular City Council/Woodland Finance Authority/Successor Agency meeting of February 18, 2014 as presented.

Sponsors:

Indexes:

Code sections:

Attachments: 02_04_14_DRAFT_Meeting_Minutes_for_approval
02_18_14_DRAFT_Meeting_Minutes_for_approval

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL/SUCCESSOR AGENCY TO THE FORMER WOODLAND REDEVELOPMENT AGENCY

DATE: March 4, 2014

SUBJECT: Council Meeting Minutes

Recommendation for Action: Staff recommends that the City Council adopt the minutes of the Joint Regular City Council/Woodland Finance Authority meeting of February 4, 2014 and the Joint Regular City Council/Woodland Finance Authority/Successor Agency meeting of February 18, 2014 as presented.

Staff Contact

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

Prepared by: Ana Gonzalez, City Clerk

Reviewed by: Paul Navazio, City Manager

Paul Navazio, City Manager

Attachment: February 4, 2014 and February 18, 2014 City Council Minutes

City of Woodland

300 First Street
Woodland, CA 95695

Meeting Minutes - DRAFT - For Approval

Tuesday, February 4, 2014

4:00 PM

Council Chambers

<u>City Council</u>

SPECIAL MEETING
4:00 PM

A. CALL TO ORDER

B. PLEDGE OF ALLEGIANCE

Led by Council Member Bill Marble.

C. ROLL CALL

Present: 5 - Mayor Marlin Davies, Vice Mayor Tom Stallard, Council Member William Marble, Council Member Jim Hilliard and Council Member Sean Denny

D. COMMUNICATIONS-PUBLIC COMMENT

E. PRESENTATION

1. 14-023 SUBJECT: Transportation Infrastructure Division - Roadway Maintenance Program Update

Recommendation: Staff recommends that the City Council hold a study session on the City's Roadway Maintenance Program.

Meeting went into Recess

Meeting Reconvened

Received presentation on the City's Roadway Maintenance Program presented by Katie Wurzel and Brent Meyer.

F. CLOSED SESSION

F.1 CONFERENCE WITH REAL PROPERTY NEGOTIATIORS

Property: Yolo County Assessor's Parcel Number 005-224-007 (707 Main Street)
Agency Negotiators: City Manager Paul Navazio, community development Director Ken Hiatt and City Attorney Kara Ueda
Negotiating Parties: Democrat Investors, LLC; Woodland Opera House
Under Negotiation: Price and terms of payment

F.2 PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: City Manager

JOINT REGULAR CITY COUNCIL / WOODLAND FINANCE AUTHORITY
FEBRUARY 4, 2014
6:00 P.M.

G. CALL TO ORDER

H. PLEDGE OF ALLEGIANCE

Led by Community Development Director Ken Hiatt.

I. COMMUNICATIONS-PUBLIC COMMENT

Daniel Morgan

J. COMMUNICATIONS-COUNCIL/STAFF STATEMENTS AND REQUESTS

Verbal updates provided by Council Members/Staff.

14-035 SUBJECT: Long Range Calendar

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

K. MINUTES

On a motion by Vice Mayor Stallard, seconded by Council Member Denny and carried uninammously, Consent Calendar Items No. 3 and 4 were approved.

Ayes: 5 - Mayor Davies, Vice Mayor Stallard, Council Member Marble, Council Member Hilliard and Council Member Denny

2. **14-026** SUBJECT: Council Meeting Minutes

Recommendation for Action: Staff recommends that the City Council adopt the minutes of the Joint Regular City Council/Woodland Finance Authority meetings of January 7, 2014 and January 21, 2014 as presented.

L. CONSENT CALENDAR

A motion was made by Vice Mayor Stallard, seconded by Council Member Marble, that the be approved. The motion carried by the following vote:

Ayes: 5 - Mayor Davies, Vice Mayor Stallard, Council Member Marble, Council Member Hilliard and Council Member Denny

3. **14-013** SUBJECT: Community Development Department's Quarterly Status Report

Recommendation for Action: Staff recommends that the City Council receive the Community Development Department's Quarterly Status report.

4. **14-036** SUBJECT: Water Meter Project, Phase 3, CIP 12-09; Approve Reallocation of Project Funding

Recommendation for Action: Staff recommends that the City Council approve the reallocation of $120,000 of water enterprise funds from the Water System Leak Detection, Maintenance & Repairs Project (CIP #09-23) to the Water Meter Project Phase 3 Project (CIP #12-09).

M. REPORTS OF THE CITY MANAGER

5. **14-022** SUBJECT: First reading of ordinance amending Municipal Code Section 23C-7-10, adding Sections 23C-7-10.1 and 23C-7-10.2 and deleting and replacing Article 23C-11 related to water conservation

Recommendation for Action: Staff recommends that the City Council waive first reading and read by title only Ordinance No. _____, “An Ordinance of the City Council of the City of Woodland, California Amending Section 23C-7-10, Adding Sections 23C-7-10.1 and 23C-7-10.2 and Deleting and Replacing Article 23C-11 of the Woodland Municipal Code Related to Water Conservation.”

bring back to Council March 4, 2014

Speakers: Christine Casey, Chair of Water Utility Advisory Committee (WUAC), Clara Tafoya, Cindi Fisk, Christine Rico, Cathy Klein and Douglas Reed. This item was not approved. A red-line revised ordinance was presented to Council. Council has requested that this item come back for the first meeting in March. At that time, this ordinance will be a first reading of the ordinance. Council has also requested that the Water Utility Advisory Committee (WUAC) have an opportunity to review and approve prior to Council approving.

6. **14-034** SUBJECT: $34,220,000* Woodland Finance Authority Wastewater Revenue Bonds (Junior Lien), Series 2014
*Subject to Change

Recommendation for Action: Staff recommends that the City Council approve Resolution No. _____ Approving the Issuance by the Woodland Finance Authority of Wastewater Revenue Refunding Bonds; Approving the Forms of and Authorizing Execution and Delivery of an Installment Purchase Contract, a First Supplemental Installment Purchase Contract, a Bond Purchase Contract, and a Continuing Disclosure Certificate; and Authorizing Related Actions and Matters.
Staff further recommends that the Board of the Woodland Finance Authority approve Resolution No. _____ Approving the Forms of and Authorizing Execution and Delivery of the Installment Purchase Contract, the First Supplemental Installment Purchase Contract, the Trust Agreement, the First Supplemental Trust Agreement, the Escrow Agreement, and the Bond Purchase Contract; Authorizing the Issuance of Bonds; Approving the Form of the Official Statement and the Distribution Thereof, and Approving Other Actions Related to the Woodland Finance Authority Wastewater Revenue Refunding Bonds (Junior Lien), Series 2014.

On a motion by Vice Mayor Stallard, seconded by Council Member Hilliard and carried unanimously, Council approved Resolution No. 6200. On a motion by Vice Mayor Stallard, seconded by Council Member Hilliard and carried unanimously, Council approved Finance Authority Resolution No. 14-01.

N. ADJOURN

Meeting adjourned at 6:45pm.

Respectfully submitted,

Ana B. Gonzalez, City Clerk

City of Woodland

300 First Street
Woodland, CA 95695

Meeting Minutes - DRAFT - For Approval

Tuesday, February 18, 2014

6:00 PM

Council Chambers

City Council

CITY COUNCIL
CLOSED SESSION AGENDA
FEBRUARY 18, 2014
5:00 P.M.

A. CALL TO ORDER

B. CLOSED SESSION

B.1 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant Government Code subsection 54956.9(d)
Number of potential cases: 1

B.2 CONFERENCE WITH LABOR NEGOTIATORS, Pursuant to Government Code Section 54957.6

Agency Designated Representatives: Paul Navazio, Sheila McShane, Kimberly McKinney and Dania Torres Wong
Employee Organization(s): Mid-Management

JOINT REGULAR CITY COUNCIL/WOODLAND FINANCE AUTHORITY/SUCCESSOR AGENCY
FEBRUARY 18, 2013
6:00 P.M.

A. CALL TO ORDER

B. ROLL CALL

Present: 5 - Mayor Marlin Davies, Vice Mayor Tom Stallard, Council Member William Marble, Council Member Jim Hilliard and Council Member Sean Denny

C. PLEDGE OF ALLEGIANCE

D. COMMUNICATIONS-PUBLIC COMMENT

Lynette Irlmeier, Executive Director of Empower Yolo formerly Sexual Assault and Domestic Violence Center

E. COMMUNICATIONS-COUNCIL/STAFF STATEMENTS AND REQUESTS

Verbal updates provided by Council Members/Staff.

14-062 SUBJECT: Long Range Calendar

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

City Manager Paul Navazio updated Council on the status of the Water Conservation Ordinance scheduled to come back to Council on March 4th.

The Water Utility Advisory Committee (WUAC) met and had a very productive meeting and scheduled a follow-up meeting for the last week in February. In order to make sure that the Ordinance fully incorporates any comments and recommendations, this item will not be ready for Council until the March 18th meeting.

F. COMMITTEE REPORTS

1. 14-046 SUBJECT: Parks & Recreation Commission Meeting Minutes for November 25, 2013

Recommendation for Action: Staff recommends that the City Council receive the November 25, 2013 Parks & Recreation Commission Minutes that were approved on January 27, 2014.

On a motion by Vice Mayor Stallard, seconded by Council Member Hilliard and carried unanimously, the Parks & Recreation Commission Meeting Minutes for November 25, 2013 were accepted.

G. PRESENTATIONS

On a motion by Vice Mayor Stallard, seconded by Council Member Hilliard and carried unanimously, the presentations were accepted.

2. 14-061 SUBJECT: Proclamation declaring February 23, 2014 as Rotary Founder’s Day and February 27, 2014 as Woodland Rotary Service Day

Recommendation for Action: Staff recommends that the City Council declare February 23, 2014 as Rotary Founder’s Day and February 27, 2014 as Woodland Rotary Service Day.

3. 14-060 SUBJECT: Commission on Aging Annual Update

Recommendation for Action: Staff recommends that the City Council receive the Commission on Aging Annual Update including a summary of 2013 accomplishments and proposed accomplishments for 2014.

H. CONSENT CALENDAR

Vice Mayor Stallard requested feedback on Item No. 7 and wanted to know if there was a warranty included in the Police Department Chiller.

On a motion by Vice Mayor Stallard, seconded by Council Member Hilliard and carried unanimously, Consent Calendar Items 4 through 9 were approved.

4. 14-057

SUBJECT: Public Safety Department (Police and Fire) Quarterly Status report for the period of October 2013 through December 2013

Recommendation for Action: Staff recommends that the City Council accept the Public Safety Department Quarterly Status Report for October 2013 through December 2013.

This Consent Item(s) was approved on the Consent Agenda.

5. 14-065

SUBJECT: Approve Amendments to Council Committee Responsibilities

Recommendation for Action: Staff recommends that the City Council approve amendments to the Council Committee Assignments for the Yolo Solano Air Quality Management District.

This Consent Item(s) was approved on the Consent Agenda.

6. 14-011

SUBJECT: Final Acceptance and Notice of Completion for Parks Irrigation Rehabilitation Project, Phase 4, Freeman Park, CIP 10-01 and Approve Reallocation of Project Funding from the Parks Irrigation Project (CIP #10-01) to the Brooks Swim Center Project (CIP #12-18).

Recommendation for Action: Staff recommends City Council 1) accept the Parks Irrigation Rehabilitation Project, Phase 4, Freeman Park, CIP 10-01 as complete and authorize the City Clerk to file a Notice of Completion and 2) approve reallocation of $100,000 of Measure E funds from the Parks Irrigation Project (CIP #10-01) to the Brooks Swim Center Project (CIP #12-18).

This Consent Item(s) was approved on the Consent Agenda.

7. 13-323 SUBJECT: Police Department Chiller Replacement

Recommendation for Action: Staff recommends that the City Council:
1) reject the Cooper Oates Air Conditioning bid as non-responsive due to insufficient information on financing and project scheduling and;
2) authorize the City Manager to enter into a contract with the lowest responsive bidder, American Chiller Services, Inc. for the replacement of the Police Department's water-cooled chiller with a new air-cooled chiller at a cost of $159,904; and
3) authorize procurement via a 5-year vendor-provided payment plan, at an annual interest rate of 3.11%.

This Consent Item(s) was approved on the Consent Agenda.

8. 14-064 SUBJECT: Modifications to City Manager's Employment Agreement

Recommendation for Action: Staff recommends that the City Council approve the modifications to the City Manager's Employment Agreement as indicated.

This Consent Item(s) was approved on the Consent Agenda.

9. 14-066 SUBJECT: Consideration of Ballot Arguments

Recommendation for Action: Staff recommends that the City Council authorize the Council subcommittee, comprised of Vice Mayor Stallard and Council Member Hilliard, to draft ballot argument language for the quarter cent sales tax measure and to further authorize all Council Members to sign the ballot arguments that need to be filed with the City Clerk no later than 5:00PM on March 7, 2014.

This Consent Item(s) was approved on the Consent Agenda.

I. REPORTS OF THE CITY MANAGER

10. 14-049

SUBJECT: Approval of Non-Binding Notice of Application Approval (NOAA) for State Revolving Loan (SRF) to Fund the Construction of the Woodland-Davis Clean Water Agency (WDCWA) Project Facilities

Recommendation for Action: Staff recommends that the City Council:
1) authorize the City Manager to sign the California Department of Public Health's (CDPH) Notice of Application Approval (NOAA),
2) authorize the WDCWA to sign their NOAA for Woodland's share of the regional project, and
3) continue the process to seek low interest SRF funding from CDPH and the State Water Resource Control Board (SWRCB) to fund the Davis-Woodland Water Supply Project (DWWSP).

On a motion by Council Member Marble, seconded by Council Member Hilliard and carried unanimously, this item was approved

11. 14-029

SUBJECT: Authorize the Aeration Retrofit Project CIP #12-02 for bidding, and approve resolutions required for the application of State Revolving Fund financing of the Aeration Project, Water Pollution Control Facility Improvements, and Pipeline Rehabilitation throughout the City of Woodland.

Recommendation for Action: Staff recommends that the City Council approve the Aeration Project Retrofit, CIP #12-02 design and bid package and authorize for bid advertisement. In addition, staff recommends that the City Council approve the following seven resolutions in support of the Project and State Revolving Fund (SRF) financing requirements.

1. Resolution No. for approval of the Mitigated Negative Declaration (MND) for improvements at the Water Pollution Control Facility (WPCF) and sewer pipeline rehabilitation projects throughout the City of Woodland for the next five years,
2. Resolution No. for sole sourcing various components of the Aeration Project,
3. Resolution No. for sole sourcing WPCF screen replacement equipment at the headworks.
4. Resolution No. for specifying Tesco as the subcontractor for work associated with providing and installing PLCs, programming, systems integration, wiring terminations at PLCs, SCADA integration etc.
5. Resolution No. for the City Manager to be (the “Authorized Representative”) or designee to sign and file, for and on behalf of the City of Woodland, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the City of Woodland 2014 WPCF Improvements and various sewer pipeline rehabilitation projects (the “Project”),
6. Resolution No. for Reimbursement of the SRF Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds,
7. Resolution No. for the City of Woodland to dedicate and pledge Sewer Enterprise funds (Fund 220) to payment of any and all Clean Water State Revolving Fund Program financing for the improvements at the WPCF and sewer pipeline rehabilitation projects throughout the City of Woodland.

On a motion by Vice Mayor Stallard, seconded by Council Member Denny and carried unanimously, Resolution No. 6202 was approved.

On a motion by Vice Mayor Stallard, seconded by Council Member Hilliard and carried unanimously, Resolution No. 6203 was approved.

On a motion by Council Member Marble, seconded by Vice Mayor Stallard and carried unanimously, Resolution No. 6204 was approved.

On a motion by Council Member Denny, seconded by Council Member Marble and carried unanimously, Resolution No. 6205 was approved.

On a motion by Council Member Hilliard, seconded by Council Member Marble and carried unanimously, Resolution No. 6206 was approved

On a motion by Council Member Marble, seconded by Vice Mayor Stallard and carried unanimously, Resolution No. 6207 was approved.

On a motion by Council Member Denny, seconded by Council Member Hilliard and carried unanimously, Resolution No. 6208 was approved.

On a motion by Vice Mayor Stallard, seconded by Council Member Marble and carried unanimously, Council authorized the Aeration Retrofit Project CIP #12-02 for bidding and approved Resolution No. 6202 through 6208 each as an individual motion.

12. 14-055 SUBJECT: FY2013/14 Mid-Year Budget Update

Recommendation for Action: Information purposes only; no action required.

Council received this informational item.

13. 14-037 SUBJECT: Agreement to Expend Unspent Bond Proceeds

Recommendation for Action:

1. As Successor Agency to the Former Woodland Redevelopment (Successor Agency), adopt attached Successor Agency resolution and approve agreement between the City of Woodland (City) and the Successor Agency to expend unspent bond proceeds.
2. As City Council, adopt attached City Council resolution and approve agreement between the City and the Successor Agency to expend unspent bond proceeds.

On a motion by Vice Mayor Stallard, seconded by Council Member Marble and carried unanimously, Council approved Resolution No. 14-02-SA as stated in Item No. 1 of this report.

On a motion by Council Member Marble, seconded by Council Member Denny and carried unanimously, Council approved the amendments to Resolution No. 6209 as stated in Item No. 2 and adding Successor Agency to Section 2. as indicated by City Attorney Kara Ueda.

J. SUCCESSOR AGENCY REGULAR REPORTS

SUBJECT: Agreement to Expend Unspent Bond Proceeds (concurrent with item no. 13 above)

14. **14-067** SUBJECT: Consideration of Resolution No. ___ approving a proposed administrative budget for the period of July 1, 2014 through December 31, 2014, pursuant to Health and Safety Code Section 34177 (j)

Recommendation for Action:

Staff recommends that the Successor Agency adopt Resolution No. ___ approving and adopting the proposed Administrative Budget pursuant to Health and Safety Code Section 34177 (j).

On a motion by Council Member Marble, seconded by Council Member Denny and carried unanimously, Council approved Resolution No. 14-03-SA.

15. **14-038** SUBJECT: Consideration of approval of Recognized Obligation Payment Schedule for the period of July 2014 through December 2014, pursuant to Health and Safety Cody Section 34177

Recommendation for Action:
It is recommended that the Successor Agency adopt Resolution No. ___ approving and adopting the Recognized Obligation Payment Schedule ("ROPS") covering the period of July 1, 2014 through December 31, 2014.

On a motion by Council Member Hilliard, seconded by Council Member Denny and carried unanimously, Council approved Resolution No. 14-04-SA.

K. ADJOURN

Meeting adjourned at 7:32pm.

Respectfully submitted,

Ana B. Gonzalez, City Clerk

Legislation Details (With Text)

File #:	14-025	Version: 1	Name:		
Type:	Presentation		Status:	Agenda Ready	
File created:	1/22/2014		In control:	City Council	
On agenda:	3/4/2014		Final action:		
Title:	SUBJECT:	Proclamation in Support of Arbor Day 2014			

Recommendation for Action: Staff recommends that the City Council approve the proclamation proclaiming March 8th, 2014 as Arbor Day in the City of Woodland.

Sponsors:

Indexes:

Code sections:

Attachments: Arbor Day Proclamation
Flyer 2014

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: March 4, 2014
SUBJECT: Proclamation in Support of Arbor Day 2014

Recommendation for Action: Staff recommends that the City Council approve the proclamation proclaiming March 8th, 2014 as Arbor Day in the City of Woodland.

Staff Contact

Rob Sanders, Public Works Deputy Director - 530-661-5959, rob.sanders@cityofwoodland.org

Report in Brief

Each year the City of Woodland celebrates Arbor Day in order to recognize the community benefits of trees and the community's heritage as "The City of Trees".

Staff is recommending that the City Council approve the attached proclamation proclaiming March 8th, 2014 as Arbor Day in the City of Woodland.

Fiscal Impact

None

Background

Arbor Day is a nationally-celebrated observance that encourages tree planting and care. The observance and celebration of Arbor Day is one of the requirements of Woodland's designation as a "Tree City USA."

Founded by J. Sterling Morton in Nebraska in 1872, National Arbor Day is usually celebrated each year on the last Friday in April, but this date varies depending on the climate of the state in which it is being held.

The observance of Arbor Day not only shows the City of Woodland's commitment to its urban forest, but will also increase awareness of the importance of trees in urban areas and provide educational opportunities to promote and improve the practice of urban tree planting and care.

As part of the day's activities, the Urban Forestry Group (UFG), Woodland Tree Foundation (WTF) and other volunteers will be planting approximately 100 trees along the west side of CR 102 between Gibson and Farmers Central Roads. The existing trees have suffered over the years due to poor soil conditions and vandalism. Staff will be removing dead and distressed trees, as well as amending the soil prior to replacement.

Discussion

Support of this proclamation reflects the City's continuing commitment to our urban forest and the quality of life that these assets provide the community.

Commission/Committee Recommendation

This proclamation was unanimously supported by the Parks and Recreation Commission on their January 27th, 2014 regular meeting.

Conclusion

Staff recommends that the City Council approve the proclamation proclaiming March 8th, 2014 as Arbor Day in the City of Woodland.

Prepared by: Rob Sanders, PW Deputy Director

Reviewed by: Greg Meyer, PW Director

Paul Navazio, City Manager

Attachments: Proclamation
Arbor Day Flyer

City of Woodland

PROCLAMATION - ARBOR DAY 2014

WHEREAS, in 1872 J. Sterling Morton proposed that a special day be set aside for the planting of trees; and,

WHEREAS, this holiday, Arbor Day, was first observed with the planting of more than a million trees in Nebraska; and,

WHEREAS, 2014 is the 142st anniversary of the holiday, and Arbor Day is now observed throughout the nation and the world; and,

WHEREAS, trees can reduce the erosion of our precious topsoil by wind and water, cut heating and cooling costs, moderate the temperature, clean the air, produce life-giving oxygen, and provide habitat for wildlife; and,

WHEREAS, trees are a renewable resource, giving us paper, wood for our homes, and fuel for our fires and beautifying our community; and,

WHEREAS, trees, wherever they are planted, are a source of joy and spiritual renewal.

NOW, THEREFORE, the City Council of the City of Woodland does hereby proclaim Saturday, March 8, 2014 as Arbor Day in the City of Woodland, and urges all citizens to celebrate and support efforts to protect our trees and woodlands, to plant trees to gladden the heart and promote the well-being of this and future generations.

PASSED AND ADOPTED this 4th day of March, 2014.

____
Marlin H. "Skip" Davies, Mayor

Tom Stallard, Vice-Mayor

Sean Denny, Council Member

William Marble, Council Member

Jim Hilliard, Council Member

Arbor Day 2014

City of Woodland residents are invited to join in celebrating Arbor Day. Volunteers will be planting approximately 100 trees along the west side of CR 102 between Gibson and Farmers Central Roads. So bring your shovels & gloves and join in on celebration. Proper tree planting techniques will be taught. Fun for the whole family!

Meet us Saturday, March 8th, 9:00am at
The parking area on the south/east corner of CR 102 & Farmers Central Road.

Arbor Day 2014

Residentes de la Cuidad de Woodland están invitados a reunirse para celebrar el Día del Árbol. Voluntarios plantarán aproximadamente 100 árboles a lo largo del lado oeste de la carretera del condado 102 entre Gibson y Farmers central road. Así que traigan sus palas y guantes y unance a la celebración. Se enseñarán técnicas apropiadas de plantación de árboles. Diversión para toda la familia.

Nos vemos el sábado, 8 de Marzo a las 9:00am en el estacionamiento localisado al sur este de la carretera del condado 102 y Farmers Central Road.

Patrónizado por la Ciudad de Woodland y el Woodland Tree Foundation

Legislation Details (With Text)

File #:	14-084	Version: 1	Name:	
Type:	Presentation		Status:	Agenda Ready
File created:	2/27/2014		In control:	City Council
On agenda:	3/4/2014		Final action:	

Title: SUBJECT: Proclamation Recognizing March as the Month of the Young Professional

Recommendation for Action: Staff recommends that the City Council adopt a proclamation recognizing March as the Month of the Young Professional.

Sponsors:

Indexes:

Code sections:

Attachments: Month of the Young Professional Proclamation

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: March 4, 2014

SUBJECT: Proclamation Recognizing March as the Month of the Young Professional

Recommendation for Action: Staff recommends that the City Council adopt a proclamation recognizing March as the Month of the Young Professional.

Staff Contact

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

Background

The City Council has received a request from Phil Tretheway, Creative Director, Position Interactive Inc. and co-chair of the upcoming EMERGE Summit and a founding member of Metro EDGE to proclaim March as the Month of the Young Professional.

The young professional program of the Sacramento Metro Chamber Northern California thrives with the support of its vibrant young professional community. Together they are showing the world this region is the destination for young professionals to live, work and play.

Nearly a third of the region's population is between the age of 21 and 40. They are entrepreneurs, employees, leaders, volunteers, voters, and are carrying the torch for the future of our region's economic viability. Engaging in conversations that determine how our community will be shaped, is the very soul of our leadership. In an effort to ignite this passion and spark collaboration in our places of employment, neighborhoods, classrooms, and in our communities, this coalition of young professionals will convene the state's first young professional summit in Downtown Sacramento on March 21, 2014.

Prepared by: Ana Gonzalez, City Clerk

Reviewed by: Paul Navazio, City Manager

Paul Navazio, City Manager

Attachment

CITY OF WOODLAND

PROCLAMATION

DECLARING

March as the “Month of the Young Professional”

WHEREAS, the Woodland City Council has the responsibility to recognize occasions of outstanding significance; and

WHEREAS, the country’s most robust economies are driven by metro areas infused with flourishing young professionals; and

WHEREAS, the attraction and retention of young professionals is essential to the future competitiveness of the City of Woodland, its businesses and its citizens; and

WHEREAS, young professionals play a significant role in the economic viability of the City of Woodland; and

WHEREAS, young professionals have partnered with business and community leaders to promote and create a viable and livable city for young professionals; and

WHEREAS, young professionals will convene the first young professional summit in the region on March 21, 2014; and

WHEREAS, this young professional summit will provide social, philanthropic, professional and civic development opportunities; and

WHEREAS, the accomplishments of young professionals deserve acknowledgment, affirmation and celebration by the City of Woodland.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Council of the City of Woodland that we do hereby declare the month of March as the “Month of the Young Professional.”

Dated this 4th day of March, 2014

____
Marlin H. “Skip” Davies, Mayor

Tom Stallard, Vice-Mayor

William L. Marble, Council Member

Jim Hilliard, Council Member

Sean Denny, Council Member

City of Woodland

300 First Street
Woodland, CA 95695

Legislation Details (With Text)

File #:	14-068	Version: 1	Name:	
Type:	Resolution		Status:	Agenda Ready
File created:	2/21/2014		In control:	City Council
On agenda:	3/4/2014		Final action:	

Title: SUBJECT: Fiscal Year 2013/14 Revised Budget

Recommendation for Action: Staff recommends that the City Council adopt Resolution No. _____ authorizing amendments to the Fiscal Year 2013-2014 Annual Budget of $6,822,061 which includes the budgets for the Capital Improvement Program, the Woodland Finance Authority and the Successor Agency of the former Redevelopment Agency.

Sponsors:

Indexes:

Code sections:

Attachments: Budget Resolution
Attachment 1 Appropriations by Fund

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: March 4, 2014

SUBJECT: Fiscal Year 2013/14 Revised Budget

Recommendation for Action: Staff recommends that the City Council adopt Resolution No. _____ authorizing amendments to the Fiscal Year 2013-2014 Annual Budget of $6,822,061 which includes the budgets for the Capital Improvement Program, the Woodland Finance Authority and the Successor Agency of the former Redevelopment Agency.

Staff Contact

Evis Morales, Finance Analyst - (530) 661-5923, evis.morales@cityofwoodland.org

Fiscal Impact

The proposed action will appropriate an additional net aggregate of $6,822,061 for expenditure budget adjustments to Enterprise, Special Revenue, and Capital Project funds. The revised appropriation will principally fund Capital Improvement Projects already approved in the City's Capital Improvement Plan and other minor necessary operational expenditure adjustments.

The All Funds budget for FY2013/14 totals $178,592,738, and the General Fund budget is $43,660,732.

Background

On June 18, 2013, the City Council adopted a budget appropriating $171,676,734 in expenditure for City-wide operations and Capital Improvement Projects including expenses related to the Woodland Finance Authority and the Successor Agency of the former Redevelopment Agency.

On October 15, 2013 and on January 7, 2014 the City Council approved two budget appropriations to the General fund; (1) $33,940 for Building Plan Check contract services and (2) $60,000 for Engineering Inspection contract Services, respectively.

On February 18, 2014 staff presented the City Council with an informational budget report that highlighted budget actuals after six (6) months of operations and the City's current fiscal health.

Staff is now requesting that City Council adopt by resolution a revised budget that includes budget adjustments to various City funds. The budget revision also includes additional appropriations to the General Fund already approved by the City Council in previous meetings.

Discussion

During the preparation of the Fiscal Year 2013-2014 Budget, staff presented to the City Council a budget of $171,676,734; however, due to a system error $6.72 million in Capital Improvement Projects were not included. Of these funds, $6.6 million was already approved through the City's Capital Improvement Plan and $114,870 was approved through the Gibson Lighting and Landscaping District Budget. Furthermore, staff is also requesting additional appropriation adjustments totaling $99,692 for other necessary operational expenditures.

The following section summarizes other non-General Fund changes.

Expenditure Adjustments

Water Enterprise Fund: This action authorizes an additional expenditure of $910,649 largely due to Capital Project budget corrections that were not reflected in the original budget and are now reflected in the revised budget shown in Attachment 1, Appropriation by Fund. The correction is due to a system glitch that has now been corrected.

Sewer Enterprise Fund: This action authorizes an additional expenditure of $2,101,500 largely due to Capital Project budget corrections that were not reflected in the original budget and are now reflected in the revised budget shown in Attachment 1, Appropriation by Fund. The correction is due to a system glitch that has now been corrected.

Storm Drain Enterprise Fund: A CCTV truck purchase was incorrectly budgeted in this fund. This action will decrease expenditure appropriations by $250,000 and increase appropriations by $250,000 the sewer enterprise fund. This addition is already reflected in the requested action above.

Solid Waste Recycling Fund: A request by Public Works staff to create a new fund for Environmental Compliance operations necessitates the requested approval of decreasing this fund by $174,854.

Environmental Compliance Fund: This fund is receiving a transfer of $174,854 from the Recycling fund to more effectively track expenditures related to all environmental compliance activities.

Community Development Block Grant Fund: This action authorizes an additional expenditure of $135,000 due to Capital Project budget corrections that were not reflected in the original budget and are now reflected in the revised budget shown in Attachment 1, Appropriation by Fund. The correction is due to a system glitch that has now been corrected.

Transportation Development Fund: This action increases expenditures by $36,500 for work related to unplanned railroad work by Public Works staff.

Spring Lake Lighting and Landscape District Fund: This action increases expenditures by $1,497 due under-budgeting for replacement costs associated with one vehicle.
Gibson Ranch Landscaping and Lighting District Fund: This action authorizes an additional expenditure of $114,870 due to a Capital Project budget correction that was included in the District Budget but not reflected in the original budget. This correction is now reflected in the revised budget shown in Attachment 1, Appropriation by Fund.

Sports Park Operations and Maintenance Community Facilities District Fund: This action increases expenditures by $2,047 due to the replacement cost of a vehicle erroneously coded to the General Fund.

Measure E Fund: This action authorizes an additional expenditure of $350,000 due to Capital Project budget corrections that were not reflected in the original budget and are now reflected in the revised budget shown in Attachment 1, Appropriation by Fund. The correction is due to a system glitch that has now been corrected.

SLIF Street Improvement Fund: This action authorizes an additional expenditure of $3,420,000 due to Capital Project budget corrections that were not reflected in the original budget and are now reflected in the revised budget shown in in Attachment 1, Appropriation by Fund. The correction is due to a system glitch that has now been corrected.

Conclusion

Staff recommends that the City Council adopt Resolution No. _____ authorizing amendments to the Fiscal Year 2013-2014 Annual Budget of $6,822,061 which includes the budgets for the Capital Improvement Program, the Woodland Finance Authority and the Successor Agency of the former Redevelopment Agency.

Prepared by: Evis Morales, Finance Analyst

Reviewed by: Kimberly McKinney, Finance Officer

Paul Navazio, City Manager

Attachment: Budget Resolution
Attachment 1-Appropriations by Fund

RESOLUTION NO: ______________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND APPROVING AMENDMENTS TO THE FISCAL YEAR 2013-2014 ANNUAL BUDGET

WHEREAS, a balanced annual budget for the City of Woodland was prepared for fiscal year 2013-2014 and adopted by the City Council on June 18, 2013; and

WHEREAS, the adopted budget also included the fiscal year 2013-2014 budgets for the Woodland Finance Authority and the Successor Agency to the former Woodland Redevelopment Agency; and

WHEREAS, the budget for Capital Improvement Plan for fiscal year 2013-2014 was also prepared; and

WHEREAS, a revised annual budget has been prepared for fiscal year 2013-2014; and

WHEREAS, all appropriations for the prior fiscal year shall lapse at the end of fiscal year 2013-2014 and any remaining amounts shall be credited against their respective fund balances, except for:

a. Any unexpended but encumbered amounts for specific orders outstanding at the end of the Fiscal Year, and
b. Any appropriations for incomplete capital projects at the end of fiscal year 2013-2014; and

WHEREAS, for these exceptions, such carry-overs may be made without further City Council action,

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WOODLAND HEREBY RESOLVES:

Section 1. The 2013-2014 Annual Revised Budget is hereby amended to include supplemental appropriations totaling $6,916,003 shown in Attachment 1.

Section 2. Appropriations are hereby made at the individual fund level. The City Manager and Finance Officer are authorized to make budgetary transfers within an individual fund, so long as total appropriations for such fund remain unchanged. Interfund loans and/or transfers necessary to support fund level appropriations are hereby approved and authorized. Any changes to total fund level appropriations require further Council action.

Section 4. The City Manager and Finance Officer are hereby authorized to implement this resolution, including issuing the 2013-2014 Revised Budget, together with any non-substantive corrections to the preliminary budget adopted by this Council.

PASSED, APPROVED, AND ADOPTED THIS ______ DAY OF _______________, 2014.

RESOLUTION NO: ______________

STATE OF CALIFORNIA
COUNTY OF YOLO ss.
CITY OF WOODLAND

I, ________________________________, City Clerk of the City of Woodland, County of Yolo, State of California do hereby certify that the foregoing Resolution No. ___________ was regularly adopted by the City Council of said City of Woodland at a regular meeting of said council held on the __________ day of ______________, 2014, by the following vote:

AYES:	Council members:	______________________________
NOES:	Council members:	______________________________
ABSENT:	Council members:	______________________________
ABSTAIN:	Council members:	______________________________

____
Mayor, Marlin H. Davies

Attest:

_____________________________________,
City Clerk, Ana B. Gonzalez

CITY OF WOODLAND
FISCAL YEAR 2013/14
TOTAL APPROPRIATIONS BY FUND

Fund		Original FY 2013/14 Expense/Tfrs Out	Changes	Amended FY 2013/14 Expense/Tfrs Out
010	EQUIP SVCS & REPLACE	3,931,675		3,931,675
011	FACILITIES REPLACEMENT FUND	300,000		300,000
013	BENEFITS FUND	5,824,703		5,824,703
015	INFORMATION SYSTEMS FUND	1,727,662		1,727,662
091	SELF INSURANCE	2,387,434		2,387,434
101	GENERAL FUND	43,566,792	93,940	43,660,732
210	WATER ENTERPRISE FUND	48,472,572	910,649	49,383,221
220	SEWER ENTERPRISE FUND	19,341,363	2,101,500	21,442,863
221	STRM DR ENTERPRISE FUND	1,482,265	(250,000)	1,232,265
222	WASTEWATER PRE-TREATMENT	469,879		469,879
240	CEMETERY	368,010		368,010
250	RECYCLING	464,278	(174,854)	289,424
252	CONST/DEMO DEBRIS RECYCLE	35,893		35,893
253	YOUTH CENTER ENTERPRISE	362,180		362,180
280	TRANSIT SYSTEM	1,436,451		1,436,451
301	LITERACY GRANT	180,522		180,522
320	COMMUNITY DEV. BLOCK GRNT	597,127	135,000	732,127
322	SUPPORT HOUSING PROGR	250,871		250,871
326	HOUSING ASSISTANCE	7,700		7,700
351	TRANSPORTATION GRANT	2,550,000		2,550,000
352	SLESF	121,493		121,493
353	PROPISTION 172	451,381		451,381
354	TRANS DVLP (SB325)	1,488,357	36,500	1,524,857
355	GAS TAX-2106 (SELECT)	1,317,848		1,317,848
357	ASSET FORFEITURE FUND	9,331		9,331
358	HOUSING MONITORING FUND	12,387		12,387
359	FIRE SUPPRESSION DISTRICT	3,500		3,500
365	ENVIRONMENTAL COMPLIANCE	-	174,854	174,854
381	GIBSON RANCH L&L	557,190	114,870	672,060
383	N PARK L&L DISTRICT	27,798		27,798
384	SP ASSESS STRENG PD LAND	18,484		18,484
386	USED OIL RECYCLING GRANT	15,854		15,854
387	WOODLAND WEST L&L	18,075		18,075
389	SPRINGLAKE L&L	710,185	1,497	711,682
391	SPORTS PARK O&M CFD	317,672	2,047	319,719
392	GATEWAY L&L	76,340		76,340
501	CAPITAL PROJECTS	390,314		390,314
506	MEASURE "E"	8,145,227	350,000	8,495,227
508	CAPITAL PROJECT MGMT	870,846		870,846
510	GENERAL CITY DEVELOPMENT	715,570		715,570
522	RECOGNIZED OBLIGATION RETIREMENT FUND	992,955		992,955
540	PARK & RECREATION DVLP	1,860,177		1,860,177
541	PARK IN-LIEU FEES	137,346		137,346
550	POLICE DEVELOPMENT FUND	70,364		70,364
560	FIRE DEVELOPMENT	281,538		281,538
570	LIBRARY DEVELOPMENT FUND	172,587		172,587
580	SURFACE WATER DEVELOPMENT	137,900		137,900
581	STORM DRAIN DEVELOPMENT	213,981		213,981
582	ROAD DEVELOPMENT	1,018,351		1,018,351
583	TREE RESERVE	842		842
584	WATER DEVELOPMENT FUND	69,799		69,799
585	SEWER DEVELOPMENT FUND	1,775,675		1,775,675
593	GIBSON RANCH INFRA-STRUC	168,990		168,990
594	SPRING LAKE CAPITAL	138,271		138,271
601	SPRINGLAKE ADMINISTRATION	70,502		70,502
640	SLIF PARKS & RECREATION	321,528		321,528
681	SLIF STORM DRAIN FUND	550,000		550,000
682	SLIF STREET IMPROVEMENT	3,449,000	3,420,000	6,869,000
815	2002 LEASE REVENUE BOND	1,623,285		1,623,285
830	SOUTHEAST AREA DEBT SERV	1,334,945		1,334,945
840	BEAMER/KENTUCKY ASSESSMT	200,121		200,121
850	EAST MAIN ASSESS DIST 90	1,245,779		1,245,779
870	CFD#2 SPRINGLAKE DEBT SRV	2,424,023		2,424,023

ATTACHMENT 1

CITY OF WOODLAND
FISCAL YEAR 2013/14
TOTAL APPROPRIATIONS BY FUND

Fund		Original FY 2013/14 Expense/Tfrs Out	Changes	Amended FY 2013/14 Expense/Tfrs Out
880	2005 CAPITAL PROJECTS L/R	1,642,161		1,642,161
881	2007 CAPITAL PROJECTS LRB	1,991		1,991
882	2012 LEASE REFUNDING	1,056,513		1,056,513
885	WWTP REVENUE BONDS 2005	1,644,025		1,644,025
917	LIBRARY TRUST FUND	48,857		48,857
	TOTALS	**171,676,735**	**6,916,003**	**178,592,738**

Legislation Details (With Text)

File #:	14-069 Version: 1	Name:	
Type:	Public Hearing Item	Status:	Agenda Ready
File created:	2/21/2014	In control:	City Council
On agenda:	3/4/2014	Final action:	
Title:	SUBJECT: Appeal of the Planning Commission Denial of the Golden State Reclamation Conditional Use Permit Recommendation for Action: Staff recommends that the City Council: 1) Hold a public hearing; and 2) Approve Resolution No _____ Affirming the Planning Commission's September 19, 2013, Findings for Denial, which are contained in the Planning Commission Staff Report dated September 19, 2013 and in the Staff reports dated July 18 and September 5, 2013, and thus affirm the Commission's denial for the Project (See Attachment "1" - City Council Resolution).		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	Attachment 1 - Resolution of Denial Attachment 2 - Notice of Appeal Attachment 3 - PC Staff Report from 09192013 Attachment 4 - PGP Comments		

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: March 4, 2014

SUBJECT: Appeal of the Planning Commission Denial of the Golden State Reclamation Conditional Use Permit

Recommendation for Action: Staff recommends that the City Council: 1) Hold a public hearing; and 2) Approve Resolution No _____ Affirming the Planning Commission's September 19, 2013, Findings for Denial, which are contained in the Planning Commission Staff Report dated September 19, 2013 and in the Staff reports dated July 18 and September 5, 2013, and thus affirm the Commission's denial for the Project (See Attachment "1" - City Council Resolution).

Staff Contact

Paul L. Hanson, AICP, Senior Planner, (530) 661-5814, paul.hanson@cityofwoodland.org

Fiscal Impact

Upon development, the project would pay development impact fees.

Background

An application for a Conditional Use Permit, Site Plan, and Design Review was filed by Travis Brandt of Golden State Reclamation on March 11, 2013. The applicant proposes to construct and operate a concrete slurry processing facility at 231 Hanson Way in the Industrial Zone (I).

Included in the proposed project design are two reclamation ponds for the concrete slurry, one retention pond for leachate, one storage building for construction equipment, and one on-site mobile office trailer. The processing ponds would be approximately 6,857 square feet each, or 13,714 square feet total, and would be oriented in a north-south direction. The 14,029-square-foot retention pond would be located directly to the north of the processing ponds. A three-sided, 30-by-50-foot or 1,500-square-foot metal building with a concrete pad and side gaps for flood flow would be utilized for equipment storage. The mobile office trailer would have an approximately 20-by-30-foot or 600-square-foot footprint and would be on wheels for ease of movement. A bathroom for employee-use would be located in the mobile office trailer. The proposed project would include connection to the existing nearby City water and sewer lines in Hanson Way.

Employment at the proposed project would vary according to the time of year, business cycles, and local construction activity. However, between five and 10 individuals per shift are anticipated to be employed for the activities at the project site. The site would operate Mondays through Fridays from 6:00 AM to 6:00 PM, and Saturdays and Sundays from 8:00 AM to 5:00 PM.

The processing ponds would be double-lined and include a leachate collection system. The leachate collection system would consist of a filter fabric layer, followed by a layer of rock, then a layer of dirt. Perforated piping in the dirt layer would collect and convey the filtered leachate to a retention pond. A maximum of approximately 75,000 gallons of water per day is anticipated to be used for the proposed operations. The leachate collected in the retention pond would be used to refill the on-site water tanker and/or to supply the tanker trucks with water to be carried back to local project sites. Thus, all water used at the site would be recycled back into the process.

The waste concrete slurry would be collected and allowed to set in the processing ponds. The volume of material processed at the facility would vary according to the time of year and local construction activity; however, a maximum of 45,000 gallons of slurry, 43 cubic yards per day of material, and 6,450 yards annually is currently anticipated to be processed at the proposed concrete slurry processing facility. It should be noted that an excavator, Bobcat, and front-end loader are anticipated to be utilized and stored on-site for the proposed operations. The proposed project would operate from April through October and would shut down during the winter wet season (November through March). Prior to operational shut down, the processed material in the processing ponds would be loaded onto trucks and delivered to a regional inert material recycler to be incorporated into post-consumer aggregate products. The processing ponds would be cleaned out and any remaining slurry would be hauled to an appropriate disposal facility. Clean water from the retention pond would be used to fill the on-site water tanker, and any remaining water would be hauled to a treatment facility for disposal. Accordingly, processed materials would be hauled from the project site once per year.

Access to the project site would be provided through a new drive isle through a new extension north from Hanson Way, adjacent to an existing 40-foot-wide access point utilized by the development to the west. Four parking spaces (including ADA parking) and a processing area are also proposed for the project site. A total processing area of 70,374 square feet would be gravel covered, and the new drive isle and parking, which would consist of a total of 10,603 square feet, would be asphalt paved. Anticipated trips associated with operation of the proposed concrete slurry processing facility include a maximum of 12 one-way heavy truck trips per day for the delivery of waste concrete to the site and hauling of water back to local project sites.

Assuming that 10 employees would be on-site during operations, a maximum of 10 one-way passenger vehicle trips per day would be anticipated.

The Planning Commission reviewed the project on July 18, 2013 and requested further information regarding comments from PGP International, the adjacent business, and their concerns regarding potential pathogens associated with the slurry ponds **(See Attachment "4" - Comments from PGP)** . At the Planning Commission hearing on September 5, 2013, the Commission in a 3 - 2 vote, denied the Conditional Use Permit, Site Plan, and Design Review. On September 19, 2013, **(See Attachment "3" - Staff Reports)** the Commission adopted the necessary findings for the denial of the Golden State Reclamation CUP.

On September 25 2013, an appeal of the Planning Commission decision was filed by Travis Brandt representing Golden State Reclamation **(See Attachment "2" - Appeal Notice)** . Section 25-27-50 of the Zoning Ordinance requires that an appeal of the action of the Planning Commission must be received within 14 -days after the date of the action. Upon filing of an appeal, the City Clerk shall set the matter for hearing. The appeal was placed on hold upon request from the applicant while he worked with PGP and city staff to modify the project to address concerns of the neighboring business. After assessing several potential modifications to the project including covering the ponds and using a self-contained mechanical reclamation plant, the applicant decided to withdraw the hold and have the appeal heard before City Council based on the original proposal.

Discussion

A request for a Conditional Use Permit for Golden State Reclamation, a concrete slurry processing facility, was considered by the Planning Commission on July 18, September 5 and 19, 2013. Prior to the July 18 PC meeting the Commission received comments from PGP International, an adjacent neighbor, regarding their concerns with the project. PGP's main concerns were with dust and pathogens contaminating their site. The Commission requested further information regarding the potential for pathogens associated with the slurry ponds. Additional information was submitted by scientific experts in microbiology from both PGP and Golden State Reclamation. (Attachments to the PC Sept 5, 2013 staff report). After reviewing all the information and comments at the meeting, the majority of the Commissioners still had concerns with the project.

The majority of the Commissioners felt that the proposed project was not consistent with the General Plan and Zoning Ordinance. That the proposed use is more similar to a waste processing facility than the typical industrial facility (a manufacturing, storage, or food processing facility) and is not an industrial use similar to other adjacent industrial uses located in close proximity to the proposed project's location.

The Commission had sufficient concerns regarding the uniqueness of this operation, and in particular were concerned that Woodland would be the first City in the region in which this type of use would be located. They felt that there were enough questions with regard to possible serious public health problems and impacts that this project, even with proposed mitigations, has the potential to negatively and adversely affect the general health and welfare of the community and surrounding uses.

Commission Recommendation

The Project was reviewed before the Planning Commission on July 18 and September 5 & 19, 2013. After review of all the materials submitted, hearing all comments and deliberating on the issues, the Commission voted 3-2 to deny the Project. This denial was upheld at the September 19, 2013 meeting at which the findings and resolution for denial were approved.

Public Contact

Public notice for the advertising for the appeal hearing on this Project was prepared in accordance with the following:

- Legal notice of the item published in the Daily Democrat on or before February 22, 2014
- Notices mailed to all property owners within 300-feet of the project site on or before February 20, 2014
- Posting of the City Council agenda.

Alternative Courses of Action

Staff recommends that the City Council review the information provided and take the following actions:

1. Approve Resolution No _____ Affirming the Planning Commission's September 19, 2013, Findings for Denial, which are contained in the Planning Commission Staff Report dated September 19, 2013 and in the Staff reports dated July 18 and September 5, 2013, and thus affirm the Commission's denial for the Project **(See Attachment "1" - City Council Resolution)**.

If after conducting the public hearing, the City Council desired to approve the prject, the City Council could take the following alternative action:

2. **Alternative:** The City Council may grant the appeal and rescind the Planning Commission's action and may also direct that an Environment Impact Report be prepared to analyze the potential environmental impact of the Project. Findings and revised conditions would be brought back to Council at a subsequent meeting.

Prepared by: Paul L Hanson, AICP, Senior Planner

Reviewed by: Cindy A. Norris, Principal Planner
Ken Hiatt, Community Development Director
Kara K. Ueda, City Attorney

Paul Navazio, City Manager

Attachment 1 -Resolution No.__ City Council Action on the Golden State Reclamation Appeal
Attachment 2 -Appeal Notice - Travis Brandt of Golden State Reclamation
Attachment 3 - Staff Reports from September 19 and September 5, which includes the July 18, 2013 Staff Report.
Attachment 4 -Comments from PGP International

RESOLUTION NO._______

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND UPHOLDING THE PLANNING COMMISSION'S DENIAL OF GOLDEN STATE RECLAMATION'S APPLICATION FOR A CONDITIONAL USE PERMIT

WHEREAS, the City of Woodland ("City") accepted and processed an application from Golden State Reclamation for a conditional use permit, site plan, and design review for a concrete slurry processing facility ("Project") on a portion of 17.5 acres in an industrial (I) zone to be located at the east end of Hanson Way, just north of East Main Street at 231 Hanson Way in the City of Woodland; and

WHEREAS, the City of Woodland Planning Commission reviewed the application on July 18, 2013 and on September 5, 2013 held a duly noticed public hearing where it voted to deny the conditional use permit, site plan, and design review after receiving public testimony and documentary evidence submitted during the public hearing; and

WHEREAS, on September 19, 2013, the Planning Commission adopted the necessary findings for denial of the Project; and

WHEREAS, at the conclusion of the public hearing, the Planning Commission found that the Project is not consistent with the City's Zoning Ordinance because it is more similar to a waste processing facility than a typical industrial facility and is not an industrial use similar to other adjacent industrial uses; and

WHEREAS, the Planning Commission also found that, even as mitigated, the Project could result in adverse impacts to adjacent properties and that the Project would have the potential to negatively and adversely affect the general health and welfare of the community and surrounding uses; and

WHEREAS, the City of Woodland received an Appeal Notice from Travis Brandt on behalf of Golden State Reclamation on September 25, 2013, appealing the Planning Commission's action denying the conditional use permit for the Project; and

WHEREAS, the City of Woodland City Council held a duly noticed public hearing on November 5, 2013, to receive public testimony and consider the appeal of the Planning Commission's action denying the conditional use permit for the Project; and

WHEREAS, at the conclusion of the hearing the City of Woodland City Council, based on oral testimony and documentary evidence submitted during the public hearing, found that the proposed Project is not consistent with the City's Zoning Ordinance and that the Project could negatively affect the general health and welfare of the public.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Woodland AS FOLLOWS:

Section 1. Recitals. The foregoing recitals are hereby true and correct.

Section 2. Findings. The appeal of the Planning Commission's denial of the Conditional Use Permit for the Project is hereby upheld, based on all written and oral evidence presented to the Planning Commission and to the City Council (including staff reports, public testimony, and deliberation) and based on the following findings, which are hereby made and adopted by the City Council:

A. The Project would receive cured concrete slurry generated from local construction and improvement projects, particularly from highway profile grinding. The waste concrete would be dumped into designated ponds after being transported in tanker trucks from local construction projects.

B. While the City has concluded, based on a Mitigated Negative Declaration for the Project, that the Project as mitigated would not have a significant impact on the environment, other regulatory agencies (including the Regional Water Quality Control Board) have raised questions regarding whether the depth of groundwater and whether the volume of ponds are sufficient to accommodate the proposed volume of slurry.

C. This Project would be the first of its kind in the region, and the exact impacts of the Project are unknown at this time.

i. The City Council was presented with conflicting information and testimony from the public and experts regarding the potential consequences of this Project. In particular, a neighboring food processing plant, PGP International, submitted comments from experts about the Project as it is very concerned about dust and the possibility of food borne pathogens contaminating its products. Because PGP's operations are held to highly regulated and strict food safety standards, it has expressed its concerns regarding potential contamination of its food products.

ii. Due to the uniqueness of the Project, the City Council finds that it is not in the best interest of the City of Woodland, or the public that consumes foods processed at PGP, for the City Council to grant the Conditional Use Permit for this Project.

iii. The City Council also finds that it does not want Woodland to suffer from any public health problems associated with this Project and that denying this Project is in the best interest of the public's health, safety, and welfare.

D. The City Council also finds that the Project is not consistent with the General Plan. The Project is not similar to, or compatible with, the existing adjacent uses and possible future uses. The Project is less like a manufacturing, storage, or food processing facility (the uses located in close proximity to the Project) but is more similar to a waste processing facility, which is not compatible with the adjacent uses.

E Due to the nature of the Project, the City Council further finds that the Project is also not consistent with the City's Zoning Ordinance because it is more similar to a waste processing facility than the more typical industrial use, such as a manufacturing, storage, or food processing facility.

F. Due to the unique nature of this Project, its proximity to a use that is highly sensitive to being exposed to food borne pathogens, and the concerns raised by various regulatory agencies, the City Council finds that, even as mitigated, the Project has the potential to negatively and adversely affect the general health, safety, and welfare of the community and surrounding uses.

Section 3. Substantial Evidence. The City Council has determined that above referenced findings, in conjunction with all written and oral evidence presented to the Planning Commission and to the City Council, including staff reports, public testimony, and deliberation, constitutes substantial evidence for denial of the conditional use permit, and that the denial is necessary to protect the public health, safety, and welfare.

Section 4. Custodian of Records. The documents and materials that constitute the record of proceedings on which these findings are based are located at the City Clerk's office. The custodian for these records is Paul L. Hanson, AICP, Senior Planner and is located at 300 First Street, Woodland, CA 95695.

Section 5. This Resolution shall take effect immediately, and a copy of this Resolution shall be sent to the applicant at the address set forth in the Project application.

PASSED AND ADOPTED by the City Council this 4th day of November 2014, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Marlin "Skip" Davies, Mayor

ATTEST: **APPROVED AS TO FORM:**

_______________________ ____________________________
Ana Gonzalez, City Clerk Kara K. Ueda, City Attorney

Dated: ________________________________

City of Woodland, CA
Permits Inspections - PLNG-13-00082
003949-0001 Debbie F. 10/03/2013 09:42AM
52287 - WOODLAND GATEWAY INDUSTRIAL 10
PLNG-13-00082 PLANNING STAFF LEVEL APPROVAL WITH ROUTING
Paid Amount: 247.00

NOTICE OF APPEAL

To the Secretary of the Planning Commission of the City of Woodland:

I (we) wish to appeal the Planning Commission decision made September 5th/19th regarding the (approval) (denial) of the denial for the Golden State Reclamation project located at 231 Hanson Wy in the I Zone, for the following reasons:

See attached E-mail

Appeal is made in accordance with Section 25-27-50 of the Zoning Ordinance of the City of Woodland is accompanied by the filing fee of $ 247.

Travis Brandt
Name(s)

59 Coney Island Dr.
Address

Sparks, NV
City

Phone: (775) 331-1411

Date Received and Filing Fee Paid: ____________

By: ____________

RECEIVED
SEP 25 2013
City of Woodland

RECEIVED
OCT 01 2013
CITY CLERK'S OFFICE

N:\ComShare\DEPARTMENTS\DEPARTMENTS\PLANNING DEPT\FORMS\Appeal Nov 2012.doc

PLNG13-00082

Paul Hanson

From: Travis Brandt [TBrandt@DCCutting.com]
Sent: Friday, October 11, 2013 2:53 PM
To: Paul Hanson
Subject: FW: Golden State

Paul, see my Attorney's response below.

From: Gordon, Garrett [mailto:GGordon@lrrlaw.com]
Sent: Friday, October 11, 2013 2:48 PM
To: Travis Brandt
Subject: RE: Golden State

The applicant appeals the Planning Commission's denial of the Golden State Reclamation Conditional Use Permit and, more specifically, challenges the findings for denial as set forth in the Planning Commission Memorandum dated September 19, 2013. The Planning Commission Staff Report dated July 18, 2013 concluded that all findings required for this Conditional Use Permit were satisfied and recommended approval of the application. This staff report, combined with the additional information and documentation provided by the applicant, confirms the Golden State Reclamation Conditional Use Permit application is compatible, consistent and in conformance with the City's General Plan and Zoning Ordinance and the California Environmental Quality Act.

LEWIS ROCA ROTHGERBER

Garrett D. Gordon, Partner
Lewis Roca Rothgerber LLP | Bank of America Building Suite 410
50 West Liberty Street | Reno, Nevada 89501-1922
(T) 775.321.3420 | (F) 775.321.5569
GGordon@LRRLaw.com | www.LRRLaw.com

Lewis and Roca LLP is now Lewis Roca Rothgerber LLP.

File #: 13-244, **Version:** 1

City of Woodland

MEMORANDUM

TO: PLANNING COMMISSION MEMBERS

DATE: September 19, 2013
SUBJECT: Findings of Denial for Golden State Reclamation CUP

RECOMMENDATION

Staff recommends that the Planning Commission review and adopt the findings for the denial of the Conditional Use Permit (CUP) for the Golden State Reclamation Project.

STAFF CONTACT

Paul Hanson, ACIP, Senior Planner, 530-661-5814, paul.hanson@cityofwoodland.org

BACKGROUND

On July 18, 2013 and September 5, 2013, the Planning Commission reviewed a request for a CUP for the Golden State Reclamation Project, a concrete slurry recycling facility **(See Complete Staff Report online at www.cityofwoodland.org/gov/meetings & select the September 5, 2013 Planning Commission Agenda)** . On September 5, 2013, on a 4 to 1 vote, the Commission denied the Conditional Use Permit for the Golden State Reclamation Project. Staff has prepared the required findings for the Planning Commission's denial of the CUP.

MOTION #1 I move to approve the Findings for Denial for a Conditional Use Permit for Golden State Reclamation Project at 231 Hanson Way.

Findings

1. The proposed project is a concrete slurry processing facility on a portion of 17.5 acres in an Industrial (I) zone, which would be located at the east end of Hanson Way, just north of East Main Street at 231 Hanson Way.

2. The proposed project would receive only cured concrete slurry generated from local construction and improvement projects, particularly highway profile grinding. Tanker trucks would transport the concrete slurry from local projects and would dump the waste concrete into designated ponds.

3. The City of Woodland prepared a Mitigated Negative Declaration (MND) for the proposed project and

concluded that the project, as mitigated, would not have a significant impact on the environment. A number of public agencies commented on the MND, including the Regional Water Quality Control Board, the Central Valley Flood Protection Board, and the Yolo Habitat JPA (among others). The Regional Water Quality Control Board raised issues regarding the depth of groundwater and that the volume of the ponds may be inadequate to accommodate the proposed volume of slurry.

4. PGP International also submitted comments about the proposed project. PGP operates a food processing plant and is concerned about dust and the possibility of food borne pathogens contaminating its products.

5. The City of Woodland's Planning Commission considered the proposed project on July 18, September 5, and September 19, 2013.

6. After considering comments from the applicant, various experts, agencies commenting on the MND, and the public and after considering how the proposed project would fit into the existing industrial area, the Planning Commission finds and determines that the proposed use is not consistent with the General Plan. The proposed project is not similar to, or compatible with, the existing adjacent uses and future possible uses. The proposed project is more similar to a waste processing facility than a manufacturing, storage, or food processing facility, which are the types of located in close proximity to the proposed project's location.

7. Similarly, the Planning Commission finds that the proposed project is not consistent with the City's Zoning Ordinance because it is more similar to a waste processing facility than a typical industrial facility and is not an industrial use similar to other adjacent industrial uses.

8. As such, the Planning Commission finds that, even as mitigated, the proposed project could result in adverse impacts (although perhaps not necessarily significant impacts under the California Environmental Quality Act) to adjacent properties and the City of Woodland. Thus, the proposed project has the potential to negatively and adversely affect the general health and welfare of the community and surrounding uses.

9. Further, the proposed project would be the first of its kind in the region. The Planning Commission heard sufficient concerns regarding the uniqueness of this operation that it did not want Woodland to be the first City in the region, and possibly the state, to experiment with the possible serious public health problems and impacts this project could cause.

City of Woodland

Community Development Department 300 First Street Woodland CA 95695 (530) 661-5820 (530) 406-0832 Fax

MEMORANDUM

To: Woodland Planning Commission

From: Paul Hanson, AICP, Senior Planner
Cindy Gnos, AICP, Contract Planner

Subject: Golden State Reclamation Conditional Use Permit (Continued From July 18, 2013)

Date: September 5, 2013

On July 18, 2013, Planning Commission held a public hearing regarding the proposed Golden State Reclamation Conditional Use Permit project proposed for Hanson Way **(Attachment F - Staff Report July 18, 2013)**. The Planning Commission continued the item in order to allow PGP International Inc (neighbor to the south) and the applicant to have microbiologists test the soil and water at the existing ponds in Nevada to determine if pathogens exist.

An attorney representing PGP International Inc sent a letter **(Attachment A - letter dated August 1, 2913)** requesting background information prior to testing. The applicant responded with a letter **(Attachment B - letter dated August 20, 2013)** noting that the information requested by PGP International Inc is not available and that he would be moving forward with the testing.

The applicant also provided a report prepared for Caltrans that tested the slurry removed from their project sites (testing from the trucks leaving the site, not from ponds). The conclusions of this report are provided in **Attachment C - State-Wide Portland Cement Concrete Waste Supplement Study)**. The applicant hired Dr. Douglas Nelson, a UC Davis professor of microbiology to analyze the Caltrans report to determine if the slurry could contain the pathogens of concern to PGP International Inc. To confirm the conditions in the pond are similar to those of the Caltrans report, the applicant had the soil and slurry tested from the site in Nevada. The lab results are provided in **Attachment D - dated August 14, 2013.** Dr. Nelson's letter **(Attachment E – dated August 2013)** notes that the pH values would not allow the pathogens to exist.

At the July 18, 2013, Planning Commission hearing, staff had recommended Condition #24 be modified to change the word could to shall and recommended adding a wheel washing condition.

24. During construction and operations, the applicant shall implement adequate dust control measures sufficient to retain dust emissions on-site. The Community Development Department may require operations to stop should dust affect adjacent sites. Dust control measures **~~could~~** **shall** include, but would not be limited to, the following:

- All disturbed areas and unpaved roads shall be effectively stabilized for dust emissions using water, chemical stabilizers, dust suppressants, tarps, or other suitable material such as vegetative ground cover;
- Apply water to disturbed soils as necessary to retain dust emissions on-site (minimum of twice a day);
- Required effective minimum soil moisture for earthmoving by use of a moveable sprinkler system or a water truck. Moisture content could be verified by lab sample or moisture probe;
- Limit on-site vehicle speeds on unpaved roads sufficient to retain dust emissions on-site (maximum of 15 mph);
- Use a gravel apron, 25 feet long by road width, to reduce mud/dirt trackout from unpaved truck exit routes;
- All transport of materials shall be completely covered with a fabric cover and maintain a freeboard height of 12 inches;
- Water any storage piles by hand at a rate sufficient to retain dust emissions on-site, or apply cover when wind events are declared;
- Apply chemical soil stabilizers on inactive construction areas (disturbed lands that are unused for at least four consecutive days);
- Plant tree windbreaks on the windward perimeter of construction area;
- Plant vegetative ground cover in disturbed areas as soon as possible; and
- All trackout or carryout shall be cleaned at the end of each workday or immediately when mud or dirt extends a cumulative distance of 50 linear feet or more onto a paved road.
- A publicly visible sign shall be posted with the telephone number and person to contact at the City regarding dust complaints. This person shall respond and take corrective action within 48 hours. The YSAQMD’s phone number shall also be visible to ensure compliance with applicable regulations.
- Install wheel washers for all exiting trucks, or wash off the tires or tracks of all trucks and equipment leaving the site;

The Planning Commission also discussed the possibility of increased monitoring of the pond lining for leaks the first year, as well as adding a condition related to testing procedures for trucks entering the site that are from outside sources. Planning Commission also discussed the possibility of a condition prohibiting the use of chemical accelerators at the site.

Staff recommends the Planning Commission approve the proposed project based upon the findings of fact and subject to the conditions of approval in the July 18, 2013 staff report.

Attachments:

A – Letter from PGPI attorney (August 1, 2013)
B – Letter from Applicant (August 20, 2013)
C – Caltrans Slurry Testing Conclusions
D – Nevada Testing Lab Results
E – Letter from Douglas Nelson, applicant's microbiologist
F – July 18, 2013, Planning Commission staff report with attachments

ATTACHMENT A

BRYAN CAVE

Thomas S. Lee
Direct: 415-675-3447
tom.lee@bryancave.com

August 1, 2013

VIA U.S. MAIL

Mr. Paul Hanson
City of Woodland,
Planning Commission
300 First Street
Woodland, CA 95695

Re: Pathogens Testing and Sampling Related to the Golden State Reclamation Project (the "Project")

Dear Mr. Hanson:

PGPI appreciates your continued involvement in the testing and evaluation of the Project proposed by Diversified Concrete Cutting ("DCC"). As the parties conduct testing and discuss solutions to address PGPI's concerns, we would like to include you in all communications between the parties so that your department is fully appraised of how the discussions between DCC and PGPI are proceeding, and to ensure that these discussions remain focused on a scientific analysis of the threats posed by the Project.

To that end, as you are aware, at the July 18th hearing the Woodland Planning Commission strongly suggested that PGPI – and DCC – conduct testing at DCC's concrete slurry reclamation facility in Nevada. PGPI is concerned that pathogen data from the Nevada facility may not be conclusive or demonstrative of the conditions that will exist at the Woodland facility. Nevertheless, PGPI is willing to conduct the testing, and has retained Dr. Virginia Deibel to do so.

In order for her tests to be productive, Dr. Deibel has requested the following information from DCC:

- Log books for the month leading up to the test showing the pH of the ponds.
- Business records demonstrating activity at the site in the month leading up to the test. This would include records showing any concrete slurry deliveries, any dredging, any alterations to the ponds, any addition or removal of water to the ponds, and any chemicals, pathogens, biological elements, organic elements, or biocidal agents added to or removed from the ponds in the month leading up to the test.

Bryan Cave LLP
560 Mission Street, 25th Floor
San Francisco, CA 94105-2994
Tel (415) 268-2000
Fax (415) 268-1999
www.bryancave.com

- Business records showing whether the ponds have been covered in any way in the month leading up to the test, and if so, what times they were covered and uncovered.

- Log books or business records showing whether the temperature in the ponds has been raised or lowered by any causes other than ambient air temperature.

Please understand that the purpose of these requests is to make Dr. Deibel's tests as comprehensive and effective as possible, and to reduce the need for future testing.

With regards to scheduling, we look forward to receiving a list of dates when Dr. Deibel can visit the Nevada facility to conduct her testing from DCC. In addition, we request that your office or DCC provide PGPI with a list of dates when PGPI's testing staff can conduct testing on the Project site.

Sincerely,

Thomas Lee

cc: Travis Brandt

ATTACHMENT B

August 20th, 2013

Mr. Paul Hanson
City of Woodland,
Planning Commission

RE: Response to PGP letter, dated August 1st, 2013

Dear Mr. Hanson:

We've received PGP's letter requesting log books and/or records of our slurry deliveries, temperatures, pH Levels, etc. While I would like to supply PGP with this information, we do not keep such records, as we are not required to.

That being said, per the Planning Commission's request, we have move forward with testing the material, and we have received detailed feedback from a Microbiologist in regards to the material and it's effect on pathogens. This has been forwarded onto you, and will be presented at the hearing on September 5th.

Travis Brandt
Division Manager
Diversified Concrete Cutting

ATTACHMENT C

REPORT OF FINDINGS

State-Wide Portland Cement Concrete Waste
Supplemental Study

April 29, 2005

Prepared By:

Greg Acosta, P.E.
Director, Environmental Services Division

Prepared For:

CALIFORNIA DEPARTMENT OF TRANSPORTATION
Division of Environmental Analysis
1120 "N" Street
Sacramento, California 95814

Prepared By:

BAS

BRYAN A. STIRRAT & ASSOCIATES, INC.
1360 Valley Vista Drive, Suite 200
Diamond Bar, California 91765
(909) 860-7777

BAS JN: 2004.0074

CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS)
STATE-WIDE PORTLAND CEMENT CONCRETE WASTE SUPPLEMENTAL STUDY
REPORT OF FINDINGS

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REPORT OF FINDINGS

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SECTION 1.0

INTRODUCTION

1.0 INTRODUCTION

Bryan A. Stirrat & Associates, Inc. (BAS) has been retained by the California Department of Transportation (Department) to perform an investigation to identify the typical characteristics of Portland Cement Concrete (PCC) wastes generated from Department projects. In the past years, it has become increasingly difficult to find appropriate and logistically feasible disposal locations for PCC waste products. In particular, the Department wished to address specifically the waste generated from pavement grinding, grooving, and saw cutting operations. The waste stream generated from these operations includes both slurry and liquid components.

In order to address these issues, the Department has asked BAS to conduct a field program in order to collect samples for chemical and physical analysis, and to perform statistical data analysis associated with the field program necessary to reasonably characterize the waste stream described above. The field program was conducted in accordance with the *Waste Characterization Work Plan* (BAS, October 13, 2004) and the associated Health and Safety Plan (HSP), both of which were approved by the Department.

1.1 PROJECT BACKGROUND

The Department performs a myriad of construction and repair projects throughout the State of California. Working with PCC in some fashion is almost always a part of these projects, and as a result, PCC related wastes are generated. The type and quantity of waste generated depends on the scale of the project and the activities being performed, such as new concrete pours, surface grinding operations, and saw cutting. However, in general, the wastes are comprised of a slurry component (a solid waste containing fine powder from grinding and saw cutting operations) and a liquid component (potentially high pH water with suspended solids from these same operations).

In the past, the need for disposal of the liquid component of these wastes was mitigated through either evaporation or infiltration into underlying soils in unlined washout pits. However, current practice on Department projects is to line washout pits with plastic sheeting, thereby eliminating infiltration and resulting in a net increase in the quantity of PCC liquid waste generated, unless prior approval to allow infiltration has been obtained from the appropriate Regional Water Quality Control Board. Although it has been the contractors' responsibility on these projects to dispose of both slurry and liquid PCC wastes that are generated, it has become difficult to find appropriate and logistically feasible disposal locations for PCC waste products associated with construction activities. In addition, certain RWQCBs have expressed[1] concern regarding the potential presence of hexavalent chromium (Cr^{+6}) in PCC wastes.

In 2003, the Department issued Task Order #1 to BAS to evaluate, through identification and review of available published studies and documents, typical PCC waste product constituent levels and identify disposal sites and methods to meet the needs of construction projects within the Department right of way. Results of that Task Order were summarized in two technical memoranda, the first of which made the following findings and conclusions regarding the characteristics of PCC wastes.

Although there are emerging concerns regarding Cr^{+6} in Portland Cement and PCC wastes, there are no existing studies that have shown either material to contain Cr^{+6} at concentrations above currently established State or federal hazardous waste levels. As a result, for disposal outside of the right of way, at this time there is no need to consider PCC wastes to be comprised of anything other than:

- Solid PCC Wastes: Typical solid inert PCC construction/demolition debris (e.g., concrete with typical mix additives) free of rebar, wood or other debris, and free of any other outside contamination, which can be re-used, sent to a Class III disposal site or concrete recycling facility;
- Liquid PCC Waste: A high pH, non-hazardous liquid waste, which can be neutralized on-site under DTSC[2] and RWQCB approvals; be disposed of at a Class II off-site disposal facility, or be treated at an off-site recycling/treatment facility. (This material could also be sent to a Class I facility, however this is not recommended due to the fact that the waste is not considered either a State or Federally defined hazardous waste and disposal at a Class I facility would result in an unnecessary increase in future liability). If on-site treatment is being considered, appropriate NPDES permits and/or site specific waste discharge requirements (WDRs) would have to be negotiated with the local RWQCB on a case by case basis before discharging treated water.
- Slurry PCC Waste: A combination of solid and liquid PCC waste but considered a solid waste, which can be neutralized on-site (if necessary) under DTSC and RWQCB approvals; disposed of at Class II off-site disposal facility, or sent to a permitted recycling facility, which accepts this waste stream. (This material could also be sent to a Class I facility, however this is not recommended due to the fact that the waste is not considered either a State or Federally defined hazardous waste and disposal at a Class I facility would result in an unnecessary increase in future liability). If on-site treatment or disposal is being considered,

[1] Regional Water Quality Control Board
[2] Department of Toxic Substances Control

site specific WDRs would need to be established with the local RWQCB on a case by case basis. The WDRs would likely include requirements and restrictions on the type and quantity of waste discharged, the drying of the waste prior to disposal, the lining of the disposal pit(s), and the capping of the disposal pit. Because the primary concern with regard to the waste material is pH level, long term monitoring is not likely to be required. However, a long term post-closure maintenance program for the disposal pit will likely need to be developed to ensure its integrity.

The second memorandum prepared under that Task Order identified potential disposal sites for slurry and liquid PCC wastes throughout the state.

Subsequent to completion of Task Order #1, the Department determined that more specific information was required regarding the typical characteristics of both slurry and liquid PCC wastes being generated through concrete grinding operations. As such, under the scope of work outlined in Task Order #8, the Department authorized BAS to proceed with this portion of the project, objectives of which are summarized below.

1.2 PROJECT GOALS

The purpose of this investigation is to determine the typical characteristics of PCC waste from the Department PCC grinding projects through the task specific objectives:

- To collect samples of PCC grinding waste for analysis,
- To perform chemical analyses,
- To perform statistical analysis on the data generated, and
- To report the findings which shall be used as a representative waste characterization for future PCC grinding projects.

1.3 SITE LOCATIONS AND DESCRIPTIONS

In order to achieve the project goals as delineated in Section 1.2 a total of six sampling events were conducted at the following Department right of way locations and dates:

- District 8, on the southbound lanes of Interstate 15, north of Interstate 210 and south of Interstate 215, near the cities of Fontana and Rancho Cucamonga on October 26, 2004. (EA 08-0A4224)
- District 3, on northbound Interstate 5, between State Highway 91 and Interstate 605 in the City of Norwalk, on November 1, 2004. (EA 07-226204)

- District 3, on the northbound lanes of Interstate 5, between Florin Road and Franklin Road in the City of Sacramento, on November 5, 2004. (EA 03-2M0804)
- District 7, on the northbound lanes of State Route 101 between Ventura and Santa Barbara, on November 18, 2004. (EA 07-193004)
- District 7, on the southbound lanes of State Route 101 between Ventura and Santa Barbara, on December 21, 2004. (EA 07-193004)
- District 8, on the westbound lanes of Interstate 10, just west of the intersection of Interstate 15, and Interstate 10, in the City of Ontario, on January 19, 2005. (EA 08-0A1803)

Figures 1 through 6 shows each of the above listed sampling locations. Additional site specific information and observations are included in Section 2.0.

SECTION 2.0

FIELD ACTIVITIES

2.0 FIELD ACTIVITIES

The goal of the field activities was to collect representative PCC grinding residue samples from representative construction sites within Department rights-of-way where pavement rehabilitation and installation projects were ongoing. To determine typical characteristics of waste generated during PCC grinding operations within Department rights-of-way, BAS collected grab samples of typical liquid and slurry waste from six different PCC grinding operations within three Department Districts (Districts 3, 7, and 8) as directed by the Department. Photographs illustrating typical sampling areas, waste material, and other project related activities are included in Appendix A.

Based on site availability and construction scheduling, the Department directed BAS to conduct one sampling event in District 3, three sampling events in District 7, and two events in District 8. Sampling occurred within these Districts on different construction projects with one exception. Two sampling events were conducted along Route 101 in District 7 during the same construction activity, and samples were collected from the same fixed processing facility used for the entire construction. However, sampling events were conducted over one month apart to allow for progression of the grinding operation to an area of potentially different characteristics. To the greatest extent possible, the sites were selected to represent a variety of PCC sources and mix designs throughout the state. During sample collection, both slurry and liquid samples were collected directly from vacuum trucks that collected the waste at the site. As described in further detail below, it was necessary to collect the samples from the discharge of the trucks at the disposal locations and not during waste generation at the sites.

Typical PCC grinding and waste collection machinery is shown in Photograph 1. This orientation, the PCC grinder leading the vacuum truck, was observed at each of the sampling sites. The PCC grinders observed were computer operated and typically guided by a technician who walked with the grinder during operation. The technician makes any necessary adjustments to ensure proper equipment operations and is responsible for any related safety issues. A large water tank, which acts as ballast, is part of the grinder but does not contribute water to the operation. All water required for the grinding operation is provided by the vacuum truck. As the grinder levels the PCC surface, the spent water and PCC waste are pumped into the vacuum truck. This water is reused for grinding operations by recycling it from inside the vacuum truck's holding tank. The water is separated from the solids by passing it through screens and/or bevels separating the internal compartments within the truck. Fresh water is typically located in the front compartments of the truck prior to grinding and the waste generated is pumped into the rear of the truck via two separate hoses (inlet and outlet) connected from the grinder to the tanker (Photograph 3). The PCC grinding operation continues until the water within the truck becomes too turbid to allow for spraying onto the working surface. One truck is typically capable of approximately two hours of operation before being taken off-line. One to two standby trucks are typically available at the site to ensure that the grinding operation is uninterrupted. Once taken off-line, the trucks typically leave the construction site immediately and transport the waste to a designated disposal or recycling facility.

Initially, attempts were made to collect samples of the waste material directly from the trucks at the construction sites. However, it was determined early in the project that this resulted in undo delays for the transporters, created health and safety concerns at the construction site, and did not result in the collection of truly representative samples. Subsequent attempts to collect the liquid and slurry waste samples from the trucks as they discharged their loads at the designated disposal sites proved to be a more efficient sample collection strategy.

The majority of the sampling activities occurred during night-time hours and in the presence of active operating equipment at often remote disposal sites. Consequently, all sampling activities were conducted by a team of two field personnel. One team member collected the samples while the other took notes and acted as a look-out, monitoring the surrounding field activities to ensure the safety of the sampler. The following sections outline further specifics regarding the protocol that was implemented during field activities. Arrangements for access and sampling were made with the Department's Resident Engineer on each project being sampled prior to arrival at each designated site.

2.1 OVERALL FIELD OBSERVATIONS

Upon arrival at a designated site, BAS field personnel performed a preliminary site survey to determine whether any conditions existed at the site or in the surrounding area that may impact sample collection and/or the analytical results. In particular, BAS field personnel identified on-site or nearby potential contaminant sources (if any) which may have affected the results of the proposed sampling and analyses. In performing each initial site survey and reconnaissance, observations were made regarding the overall site conditions, and the specific waste generation activities being conducted. This information was recorded on preprinted field sampling logs (Appendix B). At a minimum, the following information was noted regarding each sites activities:

- Site location (highway number)
- Project EA
- Department Project Description and Contact Person
- Department Site Construction Manager
- Construction activity generating PCC waste
- Contractor(s) performing this construction activity
- Equipment used to generate PCC waste (make/model/ID#)
- Condition of equipment
- Other activities being performed at the site
- Time of day, temperature, and weather conditions when waste-generating construction activities occurred
- Original PCC source(s), if known
- Original aggregate and cement sources, if known
- Original PCC mix specification(s), if known
- On-site location from which PCC waste was generated
- Type of PCC waste being generated
- Method of PCC waste storage/stockpiling
- On-site location of PCC waste storage and/or stockpiling
- Identification of any on-site or nearby potential contaminant sources
- Estimated rate of water usage (gal/meter^2) in the grooving, grinding, or saw-cutting process

2.2 SAMPLE COLLECTION

During the period from October 2004 through January 2005, a total of 27 liquid samples and 27 slurry samples were collected for chemical and physical analyses. The objectives of the analyses were to determine composition of typical PCC grinding liquid and slurry waste. With the exception of the initial sampling event during which sample collection procedures were refined, five (5) liquid and five (5) slurry samples were collected during each sampling event. Slurry and liquid samples were collected from either the discharge piping (Photograph 4) of the truck, or from the top hatch covers of the trucks (Photograph 5) prior to discharge. All sampling equipment was decontaminated prior to use and between samples and sampling events. Decontamination procedures included washing with a non-phosphate detergent solution followed by a double rinse with de-ionized water. The sampling equipment was allowed to air dry prior to use.

All samples were labeled, placed in zip-lock bags, and stored on ice in coolers immediately upon collection. All sample labels included the following information: sample ID, laboratory analysis, date, project ID, and sample collector name as required by EPA sampling protocol. Chain-of-Custody (COC) forms were filled out for each sampling event and accompanied all samples during transport to the laboratory (Appendix C).

2.2.1 Slurry Sample Collection

In general, slurry samples were collected by placing a clean five-gallon plastic bucket into the discharge stream from the truck outlet piping and then digging directly into the slurry material with a stainless steel and/or disposable polyethylene sampling trowel and transferring the material directly into new clean glass sample jars and/or plastic containers with Teflon lined lids. If liquid samples were collected from the same bucket, solid material was allowed to settle to the bottom of the buckets prior to liquid sample collection. The setting time for each sample collected varied based on field conditions and visual observations.

In order to collect material that was representative of the waste produced, BAS personnel collected approximately 15-gallons of waste material discharge from each truck. Prior to discharge, the truck operator, as part of standard practice, typically "stirred" the tank with pressurized air to ensure the PCC grindings became entrained in solution and to prevent clogging of the discharge piping.

Photograph 6 in Appendix A shows a typical discharge pipe from a vacuum truck used to collect and transport the PCC waste. Photographs 7 and 8 show a typical off-site disposal site where the PCC waste was discharged into lined pits. Photograph 9 shows typical sample collection taking place.

2.2.2 Liquid Sample Collection

Liquid samples were collected prior to slurry samples by submerging the clean, laboratory supplied containers with appropriate preservative(s) below the surface of the liquid waste within the five-gallon buckets. All containers were immediately labeled and placed in field coolers containing ice. All sample containers were filled completely with no head space to the best extent possible. Most samples were collected with little or no problem. However, in some instances the sample reacted with the preservatives resulting in the unavoidable presence of head space in some containers. This reaction was not determined by the analytical laboratory to have affected or compromised the samples. Samples were transported to the testing laboratory under COC protocol as described above.

2.3 SPECIFIC SITE SAMPLING

In order to accurately characterize the PCC waste, five liquid and five slurry samples were collected from five of the Department designated sites and two liquid and two slurry samples were collected from the sixth site. Frequency of sample collection for any particular site was determined in the field based on the quantity of PCC waste being generated, the disposal/recycling facility conditions, discharge procedures at the disposal/recycling facility, and input from the Department Task Order Manager. In general, sampling procedures were selected to represent the greatest amount of PCC waste being generated at the site. Whenever possible, each truck was sampled from the top entryways prior to discharge. If necessary, samples were collected from the discharge piping.

Site-specific relevant observations for each sample collection site for this study are provided below. Field logs included in Appendix B provide pertinent data taken for each site.

2.3.1 Interstate 15, District 8 – 10/26/2004

This sampling event was the initial field event for this project and knowledge gained was applied to later sampling activities. Specifically, it was determined, through consultation with the Department, that the initial sample collection strategy of collecting samples at the grinding site was not feasible due to the nature of the material. After repeated unsuccessful attempts to collect a representative slurry sample it was decided that sample collection at the grinding site was resulting in undo delays in the transport of the material to the disposal site and that these delays could impact the completion of the grinding project. As a result, a revised sampling strategy was developed where samples were collected from the discharge of the truck at the disposal site. This technique proved more successful. However, because of the time that was expended in developing this sampling strategy only two samples could be collected during this event.

According to the Department representative on-site, the PCC pavement being ground during the sampling event was approximately twenty-five years old. No nearby potential contamination sources were identified at this location. The PCC grinder emitted some notable steam during the grinding process (Photograph 10) but the roadway was never saturated with water. Photograph 11 illustrates the typical depth and width of the grooves created by the grinding process at this site and is typical of all of the sites.

The slurry waste samples generated at this location were grey in color, slightly viscous, and warm (approximately 70° F). The slurry appeared slightly foamy and resembled dirty water. Sample material was obtained from the rear and side discharge piping from the trucks at the disposal site. Three five-gallon buckets of material were obtained for each sample collected. The liquid samples were collected from the decant of the bucket prior to collection of the slurry samples.

2.3.2 Interstate 5, District 3 – 11/01/2004

According to the Department representative on-site, the PCC pavement being ground at this location was approximately twenty years old. Concrete slab removal work was occurring adjacent to the grinding operation at the time waste was being generated. There were no indications that this work in any way impacted the sample collection efforts and/or could potentially impact the quality of the material being generated or the samples being collected.

The slurry waste samples generated at this location were grey-dark grey color,[1] slightly viscous, and warm (approximately 75° F). Sample material was obtained at the disposal site from hatch covers on the trucks transporting the material. Samples were collected by lowering new clean five-gallon buckets into the truck's holding tanks. The liquid samples were obtained first from the decant water from the bucket. Slurry samples were collected from the material remaining in the bucket following collection of liquid samples.

[1] Note: All color references were made in the field based on the observations of the on-site engineer/geologist and are subjective.

2.3.3 Interstate 5, District 7 – 11/05/2004

According to the contractor's representative on-site, the PCC pavement at this location was approximately 20 years old. No site conditions were observed that would be considered potential contaminant sources. The slurry waste samples generated at this location were grey-dark grey color, slightly viscous, and warm (approximately 80° F). Sample material was obtained from hatch covers on the trucks transporting the material to the disposal site. Three five-gallon buckets were used to obtain representative waste material by lowering the buckets into the holding tanks. The liquid samples were collected from the decant water within the bucket. Slurry samples were collected from the residual material within the bucket.

2.3.4 Route 101, District 7 – 11/18/2004 and 12/21/2004

According to the Department representative on-site, the PCC pavement at this location was approximately ten years old. This site had a fixed (for the duration of the job) on-site PCC waste disposal/recycling unit. Trucks collected waste material and discharged it directly to the unit which was equipped with a large centrifuge that separated the solid and liquid material. The liquid material was then filtered and reused on-site. The solid material was sent through a shaker machine (King Cobra Shaker) to separate the fine and coarse materials. The fine, medium, and coarse material was discharged directly into plastic-lined 20-yard metal open bins. Once the bins were full, they were dumped into piles on-site and spread to accelerate the drying process. The dried material was later collected and used in new concrete batches.

The slurry waste samples generated at this location were light-grey color, semi-viscous, and warmer than other sites (approximately 85-90° F). Sample material was obtained from a truck discharge hose prior to connection to the recycling equipment. Three five-gallon buckets of material were obtained from each truck and samples were pulled from this material. Liquid samples were collected first from the decant water within the buckets. Slurry samples were collected from the residual material within the buckets. Froth and foam was noted in the material being discharged from the trucks. According to the contractor, this was due to additives put into the system to prevent the centrifuge from clogging. When obtaining the liquid samples at this site, it was noted by field personnel that the samples reacted with preservatives in some of the containers. It is speculated that the clogging prevention additive was the cause for this reaction.

The samples obtained for grain size analysis at this location came from the three soil bins holding the fine, medium, and coarse material. The finer material was soft, gelatinous, plastic-like, and almost dry to the touch. The medium and coarse material was more clayey with a larger grain size.

2.3.5 Interstate 10, District 8 – 1/19/2005

This site represented the final sampling event for the project. According to the Department representative on-site, the PCC pavement at this location was well over 10 years old. The grinding occurred in the High Occupancy Vehicle (HOV) lane of the westbound Interstate 10. No site conditions were noted that may have impacted the quality of the PCC waste or the samples collected. The PCC waste was transported to the Cemex Facility in Riverside, California where it was unloaded into a large plastic lined open pit (Photographs 12, 13, and 14). The PCC waste samples were collected from the trucks prior to dumping into the pit.

The slurry waste samples generated at this location were grey color, and slightly warm (approximately 65° F). Sample material was obtained from the first flush of discharge from the trucks at the disposal site. Three five-gallon buckets of material were obtained and samples were obtained from this material. Liquid samples were collected first from the decant water within the buckets. Slurry samples were collected from the residual material within the buckets.

2.4 ANALYTICAL TESTING

All collected samples were sent to Amerisci Labs of Los Angeles, California, a State certified laboratory, for analytical testing. All testing methods, sample names, sampling dates, and analytes tested for are illustrated in Table 1 for all samples. The testing results and COCs for all analyte testing performed are found within Appendix C. The first slurry and liquid samples at each site location were also analyzed for a supplemental list of analytes.

Representative samples of the liquid PCC waste were analyzed for:

Analytical Testing for Liquid PCC Waste Samples

Standard Analyte List (All Liquid Samples)	Supplemental Analyte List (First Liquid Sample From Each Site)
CAM 17 Metals (EPA 6010/7000)	Pesticides/PCBs (EPA 8081/8082)
Chrome VI (EPA 218.6)	Fish Bio-Assay - Haz Waste Screen
pH (EPA 150.1)	Total Organic Halides (EPA 9020B)
TDS (EPA 160.1)	Total Organic Carbon (EPA 415.1)
Hardness (EPA 130.1)	Phenols (EPA 420.1)
Alkalinity (EPA 310.1)	Chloride (EPA 300.0)
TPH Carbon Chain (EPA 8015M)	Nitrate/nitrite (EPA 300)
Oil & Grease (EPA 413.1)	Sulfate (EPA 300)
VOCs (EPA 8260B)	Sulfide (EPA 376.2)
SVOCs (EPA 8270)	COD (EPA 410.4)
	TSS (EPA 160.2)
	Electrical Conductivity (EPA 120.1)
	Calcium (EPA 6010/200.7)
	Iron (EPA 6010/200.7)
	Phosphate (EPA 365.2)
	Phosphorus (EPA 365.2)
	Manganese, Magnesium, Potassium, Sodium, and Boron (EPA 6010)

Representative samples of the solid PCC waste were analyzed for:

Analytical Testing for Slurry PCC Waste Samples

Standard Analyte List (All Slurry/Solid Samples)	Supplemental Analyte List (First Slurry/Solid Sample From Each Site)
CAM 17 Metals (EPA 6010/7000)	Pesticides/PCBs (EPA 8081/8082)
Chrome VI (EPA 7196)	Chloride (EPA 300.0)
pH (EPA 150.1)	Nitrate/nitrite (EPA 300)
TPH Carbon Chain (EPA 8015M)	Sulfate (EPA 300)
Oil & Grease (EPA 9071B)	Iron (6010/200.7)
VOCs (EPA 8260B)	Phosphate (EPA 365.2)
SVOCs (EPA 8270)	Aluminum (EPA 6010)
	Grain Size Analysis (Gravel - Clay, w/ Hydrometer -ASTM D 422)

When necessary, given holding time restrictions, certain samples were analyzed by other state-certified laboratories. In addition to the analytical testing listed above, if a total concentration analytical result yielded a total concentration numerically in excess of ten times its established Soluble Threshold Limit Concentration (STLC) and/or Toxicity Characteristic Leaching Potential (TCLP), leachability testing was performed. Results of analytical testing are included in Appendix C, and discussed in detail in Section 3.0.

All slurry samples were sent to GeoLogic Associates Laboratory of Diamond Bar, California for grain size analyses using ASTM D 422. Twelve (12) approximately 10-pound bags of solid grinding waste were sent to an independent lab, two (2) bags per sampling site location. All samples obtained for these analyses were obtained as composite samples from all available sources at each site location. Analyses and graphs from these data are included in Appendix E.

SECTION 3.0

SAMPLING RESULTS

3.0 SAMPLING RESULTS

The following sections present the results of the sampling and analysis activities described in Section 2.0. The discussions focus on the results obtained through laboratory analysis of the liquid and slurry samples and statistical analysis of the testing results.

3.1 ANALYTICAL TESTING RESULTS

Chemical laboratory analyses of liquid and slurry samples collected for this study were performed primarily by AmeriSci, a state-certified analytical laboratory, located in Los Angeles, California. In addition, certain analyses were also performed by Sequoia Analytical of Sacramento; Aquatic Bioassay and Consulting Laboratories, Inc. of Ventura; Advanced Technologies Laboratories of Signal Hill; and Associated Laboratories of Orange, California. All of these laboratories are state-certified analytical laboratories. Copies of the chemical analyses laboratory reports are included in Appendix C. Results of chemical analytical testing of the collected samples are summarized in Tables 1, 2 (A and B), and 3 (A and B).

Grain size analyses for slurry samples were performed by GeoLogic Associates, Inc. (GLA). Results of physical analytical testing of composited slurry samples are summarized in Table 4, with complete GLA laboratory reports included in Appendix D.

3.1.1 Liquid Analytical Testing Results

As presented in Table 1, all 27 liquid samples were analyzed for four general chemistry parameters, CAM 17 Metals, hexavalent chromium, petroleum hydrocarbons, and volatile and semi-volatile organics. Results of these primary analyses are presented in Table 2A. In addition, one sample from each sampling event was analyzed for supplemental general chemistry parameters, pesticides and PCBs. Results of the supplemental analyses only are presented in Table 2B.

Primary General Chemistry Parameters

As presented in Table 2A, pH of collected liquid samples ranged from 9.4 to 12.1. Only minor variations in pH levels were measured between samples collected during different sampling events, as well as in between samples collected from the same event. Within samples collected during the same sampling event, the most variation in pH level was measured in the samples collected from District 7, Highway 101, on December 21, 2004. The least variability was observed in samples collected in District 8 on Interstate 15 on October 26, 2004, and in District 3 on Interstate 5 on November 1, 2004.

Hardness of collected liquid samples ranged from 240 mg/L to 2,000 mg/L. Greater variations were observed in hardness levels than in pH levels, both between and within events. Hardness levels calculated for samples collected from District 7 on Highway 101 on December 21, 2004, were significantly elevated compared to levels for other sampling sites, although not statistically[1] different from results of sampling at the same location on November 18, 2004.

It should be noted that results of hardness testing could be greatly affected by the source water used in the grinding process.

Levels of total dissolved solids (TDS) in the collected liquid samples varied from 440 mg/L to 5,400 mg/L. Similar to hardness, significant variations in concentrations were observed, especially for samples collected from different sampling events. TDS levels for samples collected from District 3 on Interstate 5 on November 1, 2004, and District 8 on Interstate 10 on January 10, 2005, are significantly lower than concentrations measured for the rest of the samples.

Among the collected liquid samples, alkalinity concentrations ranged from 48 mg/L to 30,000 mg/L. Even more so than the TDS levels, alkalinity varied greatly between samples collected on the same day, as well as samples collected from different sampling events. Nonetheless, alkalinity levels measured for samples collected in District 7 on Interstate 5 on November 5, 2004, were substantially elevated compared to the rest of the collected samples.

[1] Statistical data evaluation is discussed in Section 3.2

Supplemental General Mineral Parameters

As presented in Table 2B, with the exception of sulfide, which was not detected above its PQL in any of the samples, all other supplemental analytes were detected in at least one sample. Ortho-phosphate and manganese were detected above their respective laboratory practical quantitation limits (PQLs) in only one sample each. With the exception of phenols, the concentrations of which were similar between all samples, the levels of other analytes varied greatly between sampling events.

None of the liquid samples used for fish bio-assay testing resulted in fish mortality.

Metals

No detectable concentrations of silver or beryllium were determined to be present in any of the collected liquid samples. Similarly, with the exception of only two samples (collected from different sites), levels of antimony and thallium were below their respective laboratory PQL in all of the collected liquid samples. Conversely, detectable levels of barium, total chromium, vanadium and zinc were found in all of the collected samples. With only a few exceptions, detectable levels of arsenic, cobalt, copper, nickel, selenium and hexavalent chromium were also present in the majority of liquid samples. The remaining analytes were detected in some, but not a majority of the samples above their respective PQLs.

As with general mineral analytes, metal concentrations varied both between and within sampling events. These variations are considered to be reflective of variations in natural cement composition, as well as variations in the water used in the grinding process.

Relative concentration of hexavalent to total chromium ranged from less than 1% to more than 150% in liquid samples. The latter ratio is considered to be an outlier[2], without which concentrations of hexavalent chromium reach up to 65% of total chromium levels. In samples collected from District 3 on Interstate 5 on November 1, 2004, and District 7 on Interstate 5 on November 5, 2004, this ratio was less than

[2] Due to significant differences associated with analytical methodology used for total chromium (acid digestion, ICP analysis) and hexavalent chromium (WET extraction, UV analysis), as well as low levels at which both analytes were detected, a ratio of concentrations greater than 100% is not of concern.

15%, although total chromium levels in the November 1, 2004, samples were somewhat higher than for samples collected during other events. These results indicate that hexavalent chromium concentrations can not be predicted by the total chromium levels.

Organic Constituents

As presented in Table 2A, no detectable concentrations of Total Petroleum Hydrocarbons (TPH) of gasoline, diesel or oil ranges were found in any of the liquid samples. Minor concentrations of Oil & Grease were detected in 18 out of 27 collected samples.

With the exception of several detections of chloroform and 1,2,4-trimethylbenzene (TMB) in several samples, no other VOCs were detected in the majority of collected liquid samples. With one exception, all detections of both chloroform and 1,2,4-TMB were measured in samples collected in District 3 on Interstate 5 on November 1, 2004.

Similar to VOC detections, only a handful of semi-volatile compounds were detected in the collected liquid samples. Benzoic acid was detected in 5 samples, benzyl alcohol in three samples, phenol in two samples, n-nitroso-di-n-propylamine and 2-nitrophenol in one sample each.

As presented in Table 2B, neither organochlorine pesticides nor PCBs were detected in any of the liquid samples analyzed for these parameters.

3.1.2 Slurry Analytical Testing Results

As presented in Table 1, all 27 slurry samples were analyzed for pH, CAM 17 Metals, hexavalent chromium, petroleum hydrocarbons, and volatile and semi-volatile organics. Results of these primary analyses are presented in Table 3A. In addition, one sample from each sampling location was analyzed for supplemental general chemistry parameters, pesticides and PCBs. Results of the supplemental analyses are presented in Table 3B. A slurry composite for each sampling location was analyzed for grain size distribution, results of which are presented in Table 4.

General Chemistry Parameters

As presented in Table 3A, pH of collected slurry samples ranged from 9.3 to 11.8. Similar to liquid samples, only minor variations in pH levels were measured between samples collected during different sampling events, as well as in between samples collected from the same event. With regard to samples collected during the same sampling event, the most variations in pH levels were measured during the event in District 8 on Interstate 10 on January 19, 2005. The least variability was measured in samples collected in District 8, on Interstate 15 on October 26, 2004, and in District 3 on Interstate 5 on November 1, 2004, which is the same as for liquid samples. In general, pH of slurry samples was slightly lower than that of liquid samples.

Similarly to the liquid samples, and as presented in Table 3B, no orthophosphate was detected above its PQL in any of the slurry samples analyzed. With regard to the remaining general mineral parameters, a great variability was measured in all analytes, as was the case with the liquid samples.

Grain Size Analyses

100 percent of all grains tested passed the #4 sieve size with the largest grain size obtained appearing just before the #8 sieve size. The grain size decreases approximately logarithmically at a rate of 0.1 mm per 10 percent decrease. Approximately 5 - 10% (by weight) of the material passes the #200 sieve size. Each sieve test by shaker machine took approximately 1440 minutes (24 hours).

Metals

In general, detections of metal analytes in slurry samples were similar to those detected in liquid samples, although PQLs for some slurry samples were elevated due to significant matrix interferences, such as high buffering capacity of several samples, which affected sample preparation (acid digestion).

As shown on Table 3A, no detectable concentrations of silver or beryllium were determined to be present in any of the collected slurry samples. In addition, cadmium, mercury and thallium were likewise undetected in all of the slurry samples. Also similar to liquid samples, antimony was undetected in all slurry samples, but one. Unlike the liquid samples, arsenic and selenium, were undetected in a majority of slurry samples, whereas the same analytes were detected in a majority of liquid samples. It is therefore possible that detections of arsenic and selenium in liquid samples are attributable to the water used in the grinding process rather than the PCC itself.

Barium and zinc were found above their respective PQLs in all slurry samples. The remaining analytes were found in the majority of collected samples.

Among all metal analytes, only one sample, PCC-08-010-S-2 collected from District 8 on Interstate 10 on January 19, 2005, exceeded 10-times the STLC[3] value for lead. In addition, sample PCC-03-005-S-1 collected from District 3 on Interstate 5 on November 1, 2004 exceeded 10-times the TCLP[4] value for total chromium. None of the remaining samples exceeded any of the respective TTLC[5], STLC or TCLP values, as shown in Table 3A. Results of STLC analysis of sample PCC-08-010-S-2 for lead and TCLP analysis of sample PCC-03-005-S-1 for chromium showed no detectable levels of either analyte.

The relative concentration of hexavalent to total chromium in slurry samples ranged from less than 1% to just over 10% in slurry samples. These ratios are significantly lower than for liquid samples. In samples collected from District 7 on Interstate 5 on November 5, 2004, and District 8 on Interstate 15 on October 26, 2004, hexavalent chromium was not detected above the laboratory PQL. These results are consistent with the fact that hexavalent chromium compounds are significantly more soluble than other chromium compounds.

Organic Constituents

As presented in Table 3A, no detectable concentrations of Total Petroleum Hydrocarbons (TPH) of gasoline or diesel ranges were found in any of the slurry samples. Detectable concentrations of TPH-oil were found in several samples, while Oil & Grease was detected in 25 out of 27 collected samples.

[3] California Soluble Threshold Limit Concentration
[4] Federal Toxicity Characteristic Leaching Potential
[5] California Total Threshold Limit Concentration

With the exception of one detection of 1,3,5-TMB and several of 1,2,4-TMB in several samples, no other VOCs were detected in the majority of collected slurry samples. With one exception, all detections of both TMBs were measured in samples collected from District 3 on Interstate 5 on November 1, 2004, which was also the case for detection of 1,2,4-TMB in liquid samples. Comparison of data sets for liquid and slurry samples collected from the District 3 location on November 1, 2004, indicates that the source of these compounds was most likely water used in the grinding operation.

Minor levels of bis(2-ethylhexyl)phthalate [or di(2-ethylhexyl)phthalate, DEHP] were detected in several slurry samples. A common plasticizer, DEHP could have been derived from PCC components or hosing used in the grinding operation.

As presented in Table 3B, PCBs were not detected in any of the slurry samples analyzed. Minor concentrations of two organochlorine pesticides, 4,4-DDD and d-BHC, were detected in slurry samples collected on December 21, 2004 and January 19, 2005, respectively. Concentration of 4,4-DDD was significantly below the respective TTLC and STLC levels, as shown in Table 3B.

3.2 STATISTICAL DATA EVALUATION

The data described above was reviewed and evaluated for statistical significance. The statistical evaluation was based on the following criteria:

- Statistical evaluations were performed on the complete data set for each target analyte from all sampling events. No calculations were performed for individual sites / sampling events.
- Statistical evaluations were not performed for analytes where all results were reported as non-detected.
- Statistical evaluations were not performed for analytes where less than five (5) samples had detected concentrations.
- For analytes where the data set included both detected and non-detected (i.e. below laboratory PQL) concentrations, the full laboratory PQL value was used in the data evaluation as the analytical result for samples with non-detected results.
- For analytes where the data set included both detected and non-detected (i.e. below laboratory PQL) concentrations, <u>AND</u> the PQL values were significantly

elevated when compared to the actual detected concentrations, the non-detected data points were excluded from the statistical evaluation.

- Statistical evaluations were not performed for analytes that were tested for, or detected in, only a small number of samples AND the range of detected values varied over an order of magnitude between minimum and maximum (Note: this applied mostly to compounds on the extended analyte lists)

As presented in Tables 4A and 4B, the majority of the target analytes from the primary analyte lists for both liquid and slurry samples were subjected to statistical evaluation. However, only a limited number of analytes from the extended lists, for both liquid and slurry samples, were evaluated.

Once the data sets were selected, they were initially evaluated for normality using the Shapiro-Wilk method, as provided by the Analyze-it for Excel software package. The results of this evaluation are provided in Appendix D and summarized in Tables 4A and 4B.

As presented in Appendix D and Tables 4A and 4B, not all of the data sets were determined to configure to a normal distribution. A Shapito-Wilk coefficient of 0.9 or higher was used as a threshold value in determining whether a data set was normally distributed. As presented in Tables 4A and 4B, the only data sets that met this criterion were the pH data set for both liquid and slurry samples, the cobalt data set for liquid samples, and the sulfate data set for slurry samples.

As a result, the majority of both the liquid and slurry analyte data sets were defined as non-parametric distributions and tested by the Bootstrap method, a variation of the Monte Carlo technique, as provided by the Excel Modeling VBA software set. The results of these evaluations are also provided in Appendix D and summarized in Tables 4A and 4B.

Results of the statistical evaluations determined that the pH of the liquid waste stream from Department PCC grinding operations is anticipated, with 95% confidence, to be between 10.78 and 11.26, with a mean of 11.0. This indicates that, with 95% confidence, liquid PCC waste will not constitute a hazardous waste stream. In addition, the following constituents are anticipated to be present in the liquid waste from Department PCC grinding operations: arsenic, barium, cobalt, chromium, copper, mercury, molybdenum, nickel, lead, selenium, vanadium, zinc, hexavalent chromium, oil & grease and a variety of other general mineral constituents. The data and statistical evaluations furthermore indicated that the liquid waste from Department PCC grinding operations is not anticipated to contain detectable concentrations of silver, beryllium, cadmium, antimony, thallium, sulfide, ortho-phosphate, petroleum hydrocarbons, VOCs, SVOCs, pesticides or PCBs.

The pH of slurry waste generated during Department PCC grinding operations is predicted, with 95% confidence, to be between 10.48 and 10.92, with a mean of 10.7, which is slightly lower than the liquid waste. Although numerous heavy metal constituents were detected in the slurry samples, only barium, cobalt, chromium, copper, molybdenum, nickel, lead, selenium, vanadium, zinc and hexavalent chromium are anticipated to be consistently detected in the slurry waste from Department PCC grinding operations, and none are anticipated to be present at concentrations in excess of applicable Federal and State hazardous waste standards. In addition to these heavy metals constituents, the slurry waste is anticipated to contain detectable levels of TPH-oil, oil & grease, chloride, nitrate, sulfate, iron and aluminum. The data and statistical evaluations furthermore indicate that slurry waste for Department PCC grinding operations are not anticipated to contain detectable concentrations of silver, arsenic, beryllium, cadmium, antimony, thallium, ortho-phosphate, gasoline or diesel range petroleum hydrocarbons, VOCs, SVOCs, pesticides, or PCBs.

SECTION 4.0

CONCLUSIONS

4.0 CONCLUSIONS

Based on the results of the sampling, testing, and data analysis efforts described in the previous sections, the following conclusions can be made with regard to the nature of PCC waste being generated through Department grinding operations conducted throughout the state:

- The detected concentrations of inorganic parameters in both liquid and slurry samples varied between the locations tested and in some cases within a single grinding project. As a result, it is difficult to predict with certainty the exact inorganic chemistry characteristics that would be typical of the PCC waste. However, generally speaking, both the liquid and slurry waste have pH levels of 10 or higher, which are basic but non-hazardous, and detectable, but non-hazardous levels of heavy metals and other inorganic parameters. The most frequently detected heavy metals in liquid samples were arsenic, barium, chromium, cobalt, copper, nickel, selenium, vanadium, and zinc. Silver, beryllium, cadmium, antimony, and thallium were found in fewer than half of the liquid samples. Heavy metals concentrations in slurry samples were detected but inconclusive due to elevated detection limits for some of the samples. However, the most frequently detected heavy metals in slurry samples were barium, cobalt, chromium, copper, molybdenum, nickel, lead, vanadium, and zinc. Silver, arsenic, beryllium, cadmium, mercury, antimony, selenium, and thallium were detected only sporadically, if at all, in slurry samples.

- Chromium and hexavalent chromium were found to be ubiquitous throughout the liquid samples as well as in many of the slurry samples. None of the detected concentrations were at hazardous levels.

- Total petroleum hydrocarbons as gasoline, diesel and oil were at non-detectable levels in almost all liquid and slurry samples. However, detectable levels of oil & grease were consistently detected. The presence of oil and grease is not unexpected given the source of the PCC grinding waste even though no pronounced staining of the PCC pavement was noted in the field observations.

- Volatile and semi-volatile organic compounds were detected only sporadically and at relatively low concentrations. No discernible trends could be identified in these detections, which are thought to be specific to individual sites and not associated with

PCC waste in general. The most frequently detected semi-volatile compound was bis(2-ethylhexyl)phthalate, which is a common laboratory contaminant.

- Organochlorine pesticides and PCBs were generally at non-detectable levels in both liquid and slurry samples with few exceptions.

Based on these results, PCC waste is not considered hazardous and disposal of these wastes can be done at appropriately licensed non-hazardous waste disposal sites or recycling facilities. Tables 4A and 4B provide a statistical summary of the results of all of the analyses performed as part of this Supplemental Study. The information included in these tables can be provided to Department contractors, sub-contractors, and/or disposal facilities to demonstrate the typical chemical composition of PCC waste from Department grooving or grinding operations.

It should be noted that these results are typical of waste generated within Department rights-of-way where no significant near-site or on-site contaminant sources exist. In cases where a notable potential contaminant source is identified near a grooving or grinding operation, additional sampling may be necessary to eliminate the possibility of impacts related to that condition. Examples of potential contaminant sources that may affect the characteristics of the PCC grinding waste include, but are not limited to, any of the following types of facilities or activities that through their location or orientation may allow for accidental or intentional discharges onto the Department right-of-way where the grinding operations are occurring.

- Industrial facilities that manufacture, store, use, or dispose of significant quantities of chemicals,
- Major petroleum refineries, or processing and storage facilities,
- Major industrial or hazardous waste processing, storage, or disposal facilities,
- Sites currently under investigation and/or subject to clean-up and abatement orders issued by the United States Environmental Protection Agency, the California Environmental Protection Agency, the California Department of Toxic Substances Control, any of the California Regional Water Quality Control Boards, or any local enforcement agency.

ATTACHMENT D

CALIFORNIA LABORATORY SERVICES

3249 Fitzgerald Road Rancho Cordova, CA 95742

August 14, 2013

CLS Work Order #: CWH0398
COC #: 149240

Travis Brandt
Diversified Concrete Cutting
59 Coney Island Dr.
Sparks, NV -

Project Name: Soil Sampling

Enclosed are the results of analyses for samples received by the laboratory on 08/09/13 09:00. Samples were analyzed pursuant to client request utilizing EPA or other ELAP approved methodologies. I certify that the results are in compliance both technically and for completeness.

Analytical results are attached to this letter. Please call if we can provide additional assistance.

Sincerely,

James Liang, Ph.D.
Laboratory Director

CA DOHS ELAP Accreditation/Registration number 1233

CALIFORNIA LABORATORY SERVICES

 08/14/13 16:08

Diversified Concrete Cutting	Project: Soil Sampling	
59 Coney Island Dr.	Project Number: [none]	**CLS Work Order #: CWH0398**
Sparks, NV -	Project Manager: Travis Brandt	COC #: 149240

CLS - Labs CHAIN OF CUSTODY CLS ID No.: CWH0398 LOG NO. (9) 149240

REPORT TO:

NAME AND ADDRESS: Diversified Concrete Cutting, 59 Coney Island Dr., Sparks, NV.

PROJECT MANAGER: Travis Brandt PHONE#: 775-742-8085

PROJECT NAME:

SAMPLED BY:

JOB DESCRIPTION:

SITE LOCATION:

CLIENT JOB NUMBER:

DESTINATION LABORATORY: ☐ CLS (916) 638-7301, 3249 FITZGERALD RD. RANCHO CORDOVA, CA. 95742 ☐ OTHER

PRESERVATIVES

ANALYSIS REQUESTED: Cam 17 TTLC; pH

GEOTRACKER: EDF REPORT ☐ YES ☐ NO GLOBAL ID:

COMPOSITE:

FIELD CONDITIONS:

DATE	TIME	SAMPLE IDENTIFICATION	MATRIX	CONTAINER NO.	CONTAINER TYPE	PRESERVATIVES	Cam 17 TTLC	pH	TURN AROUND TIME (1 DAY / 2 DAY / 3 DAY / 5 DAY)	SPECIAL INSTRUCTIONS OR ALT. ID:
8/8/13		Solid	solid	1	jar		X	X	5 DAY ✓	
8/8/13		Slurry	Liq/solid	1	jar		X	X	5 DAY ✓	

INVOICE TO:

P.O. #

QUOTE #

SUSPECTED CONSTITUENTS

PRESERVATIVES: (1) HCL (2) HNO_3 (3) = COLD (4) = NaOH (5) = H_2SO_4 (6) = $Na_2S_2O_3$ (7) =

RELINQUISHED BY (SIGN)	PRINT NAME / COMPANY	DATE / TIME	RECEIVED BY (SIGN)	PRINT NAME / COMPANY

REC'D AT LAB BY: [signature] DATE / TIME: 8/9/13 0900 CONDITIONS / COMMENTS: 18°C

SHIPPED BY: ☐ FED X ☐ UPS ☐ OTHER ________ AIR BILL #

LAB

Diversified Concrete Cutting	Project: Soil Sampling	
59 Coney Island Dr.	Project Number: [none]	**CLS Work Order #: CWH0398**
Sparks, NV -	Project Manager: Travis Brandt	COC #: 149240

CHANGE OF STATUS

CLS Labs Job # CWH0398

Project Name: SOIL SAMPLING

Date Sample(s) Were Received: 8/9/13 **Original Date** 8/16/13

TRAVIS BRANDT (Client Contacted) **of** DIVERSIFIED CONCRETE (Company) ~~**called**~~

on 8/13/13 (Date) **at** 1510 hrs (Time).

... and requested the following:

CHANGE TAT TO 3 DAY.

Turnaround time requested for additional work:

(Signature) 8/13/13 (Date)

Updated lab job database and file folder by: 8/13/13

Cc: Debbie

H:\WillOrellana\ChangeOfStatus.Doc

CALIFORNIA LABORATORY SERVICES

Diversified Concrete Cutting	Project: Soil Sampling	
59 Coney Island Dr.	Project Number: [none]	**CLS Work Order #: CWH0398**
Sparks, NV -	Project Manager: Travis Brandt	COC #: 149240

CAM 17 Metals

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
Solid (CWH0398-01) Soil	**Sampled: 08/08/13 00:00**	**Received: 08/09/13 09:00**							
Arsenic	**8.7**	1.0	mg/kg	10	CW05270	08/13/13	08/13/13	EPA 6020/7000	
Selenium	ND	2.5	"	"	"	"	"	"	
Thallium	ND	1.0	"	"	"	"	"	"	
Antimony	ND	2.5	"	1	CW05268	08/13/13	08/14/13	EPA 6010B	
Barium	**390**	1.0	"	"	"	"	"	"	
Beryllium	**0.66**	0.50	"	"	"	"	"	"	
Cadmium	**0.68**	0.50	"	"	"	"	"	"	
Cobalt	**13**	1.0	"	"	"	"	"	"	
Chromium	**22**	1.0	"	"	"	"	"	"	
Copper	**28**	1.0	"	"	"	"	"	"	
Lead	**13**	2.5	"	"	"	"	"	"	
Molybdenum	ND	1.0	"	"	"	"	"	"	
Nickel	**17**	1.0	"	"	"	"	"	"	
Silver	ND	0.50	"	"	"	"	"	"	
Vanadium	**55**	1.0	"	"	"	"	"	"	
Zinc	**70**	1.0	"	"	"	"	"	"	
Mercury	ND	0.10	"	"	CW05273	08/13/13	08/13/13	EPA 7471A	
Slurry (CWH0398-02) Sludge	**Sampled: 08/08/13 00:00**	**Received: 08/09/13 09:00**							
Arsenic	**5.4**	1.0	mg/kg	10	CW05270	08/13/13	08/13/13	EPA 6020/7000	
Selenium	ND	2.5	"	"	"	"	"	"	
Thallium	ND	1.0	"	"	"	"	"	"	
Antimony	ND	2.5	"	1	CW05268	08/13/13	08/14/13	EPA 6010B	
Barium	**270**	1.0	"	"	"	"	"	"	
Beryllium	ND	0.50	"	"	"	"	"	"	
Cadmium	ND	0.50	"	"	"	"	"	"	
Cobalt	**19**	1.0	"	"	"	"	"	"	
Chromium	**10**	1.0	"	"	"	"	"	"	
Copper	**24**	1.0	"	"	"	"	"	"	
Lead	**4.7**	2.5	"	"	"	"	"	"	
Molybdenum	**4.3**	1.0	"	"	"	"	"	"	

CALIFORNIA LABORATORY SERVICES

08/14/13 16:08

Diversified Concrete Cutting	Project: Soil Sampling	
59 Coney Island Dr.	Project Number: [none]	**CLS Work Order #: CWH0398**
Sparks, NV -	Project Manager: Travis Brandt	COC #: 149240

CAM 17 Metals

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
Slurry (CWH0398-02) Sludge	**Sampled: 08/08/13 00:00**	**Received: 08/09/13 09:00**							
Nickel	**26**	1.0	mg/kg	1	CW05268	"	08/14/13	EPA 6010B	
Silver	ND	0.50	"	"	"	"	"	"	
Vanadium	**20**	1.0	"	"	"	"	"	"	
Zinc	**25**	1.0	"	"	"	"	"	"	
Mercury	ND	0.10	"	"	CW05273	08/13/13	08/13/13	EPA 7471A	

Diversified Concrete Cutting	Project: Soil Sampling	
59 Coney Island Dr.	Project Number: [none]	**CLS Work Order #: CWH0398**
Sparks, NV -	Project Manager: Travis Brandt	COC #: 149240

Conventional Chemistry Parameters by APHA/EPA Methods

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
Solid (CWH0398-01) Soil Sampled: 08/08/13 00:00 Received: 08/09/13 09:00									
pH	**8.87**	1.00	pH Units	1	CW05217	08/09/13	08/09/13	EPA 9045C	
Slurry (CWH0398-02) Sludge Sampled: 08/08/13 00:00 Received: 08/09/13 09:00									
pH	**11.50**	1.00	pH Units	1	CW05217	08/09/13	08/09/13	EPA 9045C	

CALIFORNIA LABORATORY SERVICES

 08/14/13 16:08

Diversified Concrete Cutting	Project: Soil Sampling	
59 Coney Island Dr.	Project Number: [none]	**CLS Work Order #: CWH0398**
Sparks, NV -	Project Manager: Travis Brandt	COC #: 149240

CAM 17 Metals - Quality Control

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch CW05268 - EPA 3050B										
Blank (CW05268-BLK1)				Prepared & Analyzed: 08/13/13						
Antimony	ND	2.5	mg/kg							
Barium	ND	1.0	"							
Beryllium	ND	0.50	"							
Cadmium	ND	0.50	"							
Cobalt	ND	1.0	"							
Copper	ND	1.0	"							
Lead	ND	2.5	"							
Molybdenum	ND	1.0	"							
Nickel	ND	1.0	"							
Silver	ND	0.50	"							
Vanadium	ND	1.0	"							
Zinc	ND	1.0	"							
LCS (CW05268-BS1)				Prepared & Analyzed: 08/13/13						
Antimony	24.7	2.5	mg/kg	25.0		99	75-125			
Barium	25.5	1.0	"	25.0		102	75-125			
Beryllium	24.7	0.50	"	25.0		99	75-125			
Cadmium	23.0	0.50	"	25.0		92	75-125			
Cobalt	24.6	1.0	"	25.0		98	75-125			
Copper	25.2	1.0	"	25.0		101	75-125			
Lead	21.8	2.5	"	25.0		87	75-125			
Molybdenum	24.8	1.0	"	25.0		99	75-125			
Nickel	24.6	1.0	"	25.0		98	75-125			
Silver	24.3	0.50	"	25.0		97	75-125			
Vanadium	12.4	1.0	"	12.5		99	75-125			
Zinc	24.3	1.0	"	25.0		97	75-125			
Matrix Spike (CW05268-MS1)		**Source: CWH0494-01**		Prepared & Analyzed: 08/13/13						
Antimony	10.1	2.5	mg/kg	25.0	ND	40	75-125			QM-5
Barium	220	1.0	"	25.0	95.3	500	75-125			QM-5
Beryllium	22.4	0.50	"	25.0	0.441	88	75-125			
Cadmium	21.0	0.50	"	25.0	0.320	83	75-125			

CALIFORNIA LABORATORY SERVICES

Diversified Concrete Cutting	Project: Soil Sampling	
59 Coney Island Dr.	Project Number: [none]	**CLS Work Order #: CWH0398**
Sparks, NV -	Project Manager: Travis Brandt	COC #: 149240

CAM 17 Metals - Quality Control

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch CW05268 - EPA 3050B										
Matrix Spike (CW05268-MS1)		**Source: CWH0494-01**		Prepared & Analyzed: 08/13/13						
Cobalt	28.7	1.0	mg/kg	25.0	6.75	88	75-125			
Copper	38.0	1.0	"	25.0	15.5	90	75-125			
Lead	29.2	2.5	"	25.0	25.4	15	75-125			QM-5
Molybdenum	20.6	1.0	"	25.0	0.635	80	75-125			
Nickel	38.9	1.0	"	25.0	18.1	83	75-125			
Silver	21.6	0.50	"	25.0	0.180	86	75-125			
Vanadium	38.2	1.0	"	12.5	31.5	53	75-125			QM-5
Zinc	54.4	1.0	"	25.0	33.0	85	75-125			
Matrix Spike Dup (CW05268-MSD1)		**Source: CWH0494-01**		Prepared & Analyzed: 08/13/13						
Antimony	9.87	2.5	mg/kg	25.0	ND	39	75-125	3	30	QM-5
Barium	178	1.0	"	25.0	95.3	330	75-125	21	30	QM-5
Beryllium	22.1	0.50	"	25.0	0.441	87	75-125	1	30	
Cadmium	20.8	0.50	"	25.0	0.320	82	75-125	0.9	30	
Cobalt	28.2	1.0	"	25.0	6.75	86	75-125	2	30	
Copper	37.2	1.0	"	25.0	15.5	87	75-125	2	30	
Lead	27.6	2.5	"	25.0	25.4	9	75-125	6	30	QM-5
Molybdenum	20.2	1.0	"	25.0	0.635	78	75-125	2	30	
Nickel	37.4	1.0	"	25.0	18.1	77	75-125	4	30	
Silver	21.5	0.50	"	25.0	0.180	85	75-125	0.7	30	
Vanadium	39.3	1.0	"	12.5	31.5	62	75-125	3	30	QM-5
Zinc	53.8	1.0	"	25.0	33.0	83	75-125	1	30	
Batch CW05270 - EPA 3050B										
Blank (CW05270-BLK1)				Prepared & Analyzed: 08/13/13						
Arsenic	ND	0.10	mg/kg							
Selenium	ND	0.25	"							
Thallium	ND	0.10	"							
Chromium	ND	0.10	"							

CALIFORNIA LABORATORY SERVICES

08/14/13 16:08

Diversified Concrete Cutting
59 Coney Island Dr.
Sparks, NV -

Project: Soil Sampling
Project Number: [none]
Project Manager: Travis Brandt

CLS Work Order #: CWH0398
COC #: 149240

CAM 17 Metals - Quality Control

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch CW05270 - EPA 3050B										
LCS (CW05270-BS1)				Prepared & Analyzed: 08/13/13						
Arsenic	4.61	0.10	mg/kg	5.00		92	75-125			
Selenium	4.32	0.25	"	5.00		86	75-125			
Thallium	5.12	0.10	"	5.00		102	75-125			
Chromium	4.91	0.10	"	5.00		98	75-125			
Matrix Spike (CW05270-MS1)		**Source: CWH0494-01**		Prepared & Analyzed: 08/13/13						
Arsenic	12.2	1.0	mg/kg	5.00	7.99	85	75-125			
Selenium	4.31	2.5	"	5.00	0.275	81	75-125			
Thallium	5.90	1.0	"	5.00	0.0850	116	75-125			
Chromium	20.1	1.0	"	5.00	16.0	82	75-125			
Matrix Spike Dup (CW05270-MSD1)		**Source: CWH0494-01**		Prepared & Analyzed: 08/13/13						
Arsenic	13.0	1.0	mg/kg	5.00	7.99	99	75-125	6	30	
Selenium	4.37	2.5	"	5.00	0.275	82	75-125	1	30	
Thallium	5.70	1.0	"	5.00	0.0850	112	75-125	3	30	
Chromium	22.1	1.0	"	5.00	16.0	122	75-125	10	30	
Batch CW05273 - EPA 7471A										
Blank (CW05273-BLK1)				Prepared & Analyzed: 08/13/13						
Mercury	ND	0.10	mg/kg							
LCS (CW05273-BS1)				Prepared & Analyzed: 08/13/13						
Mercury	0.242	0.10	mg/kg	0.250		97	75-125			
Matrix Spike (CW05273-MS1)		**Source: CWH0388-01**		Prepared & Analyzed: 08/13/13						
Mercury	0.267	0.10	mg/kg	0.250	ND	107	75-125			

CALIFORNIA LABORATORY SERVICES

08/14/13 16:08

Diversified Concrete Cutting	Project: Soil Sampling	
59 Coney Island Dr.	Project Number: [none]	**CLS Work Order #: CWH0398**
Sparks, NV -	Project Manager: Travis Brandt	COC #: 149240

CAM 17 Metals - Quality Control

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch CW05273 - EPA 7471A										
Matrix Spike Dup (CW05273-MSD1)		**Source: CWH0388-01**		Prepared & Analyzed: 08/13/13						
Mercury	0.255	0.10	mg/kg	0.250	ND	102	75-125	5	25	

CALIFORNIA LABORATORY SERVICES

08/14/13 16:08

Diversified Concrete Cutting	Project: Soil Sampling	
59 Coney Island Dr.	Project Number: [none]	**CLS Work Order #: CWH0398**
Sparks, NV -	Project Manager: Travis Brandt	COC #: 149240

Notes and Definitions

QM-5	The spike recovery was outside acceptance limits for the MS and/or MSD due to matrix interference. The LCS and/or LCSD were within acceptance limits showing that the laboratory is in control and the data is acceptable.
DET	Analyte DETECTED
ND	Analyte NOT DETECTED at or above the reporting limit (or method detection limit when specified)
NR	Not Reported
dry	Sample results reported on a dry weight basis
RPD	Relative Percent Difference

ATTACHMENT E

UNIVERSITY OF CALIFORNIA, DAVIS

BERKELEY • DAVIS • IRVINE • LOS ANGELES • MERCED • RIVERSIDE • SAN DIEGO • SAN FRANCISCO   SANTA BARBARA • SANTA CRUZ

DEPARTMENT OF MICROBIOLOGY
COLLEGE OF BIOLOGICAL SCIENCES
TELEPHONE: (530) 752-0261
FAX: (530) 752-9014

ONE SHIELDS AVENUE
DAVIS, CALIFORNIA 95616

Comments on letter of 7/17/2013 from Mr. David Cullen (PGP International) to Mr. Paul Hanson, Senior Planner, City of Woodland.

I was asked by Mr. Travis Brandt of Diversified Concrete Cutters (DCC) to provide consultation on the "Pathogen Control Measures" section (point 5) of the above referenced letter. Mr. Cullen's letter details his firm's concerns about the "Proposed Golden State Reclamation Project", here after termed the "Project"

While reading near the beginning of this section of Mr. Cullen's letter, I took sharp notice of the following sentence: "The Project **would** (emphasis mine) increase the local populations of several pathogens that are of special concern to food production facilities." Mr. Cullen's letter used the word "would", not "might" or "could possibly", so – as an academic microbiologist -- I read the rest of this section with special interest to determine which pathogens he was certain **would** be increased and what activities related to the Project would cause the increases. The section lists 5 pathogens or groups of possible pathogens whose populations, according to a Dr. Deibel, would be increased by "Project-related conditions". I do not agree with Dr. Deibel's conclusions.

My summary conclusions are: (1) Dr. Deibel's assertion is certainly incorrect when she refers to the "presence of waste water in the reclamation ponds" or "annual removal of the processed material in the processing ponds" increasing local populations of pathogenic bacteria. (2) Dr. Deibel's assertion about local pathogen populations possibly being increased by the impact of "earth-moving during project construction" or "dirt from local construction sites tracked onto Hanson Way" is **in no way specific to the Project.**

Details of Analysis: I will first discuss the second point raised above. Any disturbance of soil, for example by agricultural use or any other nearby construction project, raises a similar possibility of certain potentially pathogenic bacteria or their spores being suspended into the air. It would seem, therefore, to be "best practices" in the food-processing industry to have filters on air-intake systems that would minimize the impact of these potential pathogens, regardless of their source or how they got into the air. These concerns about general soil disturbance are specific to *Clostridium botulinum*, *Salmonella* species and *Listeria monocytogenes* among the 5 groups cited in the PGP letter as highlighted by Dr. Deibel. *C. botulinum*, the causative agent of botulism poisoning from consumption of canned foods, is widely present in soils as heat-resistant and desiccation-resistant spores. It can only grow in the complete absence of oxygen and does not appear to be of concern for the sorts of foods processed by PGP International. Certain *Salmonella* species, although best known as pathogens, can grow slowly in certain soils. *Listeria monocytogenes* is also found in a variety of soils and wastewater; however, fecal contamination is generally believed to be the common denominator for *Listeria* dissemination, and fecal contamination is not, to my knowledge, an issue with the proposed reclamation ponds. For these reason, concern about these three types of bacteria getting into food products should be a general one in the food-processing industry, regardless of specific localized earth-moving and construction activity. Put another way, **any construction or agricultural activity** in the vicinity of the PGP International facility has the same small probability as construction of the Project to disseminate very modest quantities of the three pathogens listed above.

The basis of my conclusion that neither the wastewater in reclamation ponds nor the removal of processed material from these ponds is a potential source of pathogens comes mainly from the following: "Report of Findings, State-Wide Portland Cement Concrete Waste, Supplemental Study (April 29, 2005)", which was prepared for Caltrans by Bryan A. Stirrat & Associates. This study (along with numerous associated tables and figures) provides a wealth of information on conditions that will prevail in reclamation ponds proposed for the Project. In this report, slurried concrete materials collected in late 2004 and early 2005 from 5 different Interstate or State highway sites throughout California were analyzed for a wide range of parameters. Most notably from my perspective was the observation that all slurries and liquid samples (derived from slurries by settling) were characterized by alkaline pH values, with the average values being 10.7 and 11.0, respectively (see Table 1 at the end of this correspondence). The respective 95% confidence limits are 9.7 to 11.8 and 9.8 to 12.2. A single pH value determined for a pond managed by Diversified Concrete Cutters near Argent, NV yielded a slurry pH of 11.5, which is in the range of the Caltrans findings, and an adjacent soil pH value much closer to neutrality strongly supported the view that the pond liner was functioning as designed (Table 1). It is expected that impounded slurries in the Project will remain this alkaline or more alkaline because calcium carbonate will continue to dissolve out of the cement chunks and grains, thereby increasing the pH of the solution. Sediments at the bottom of Project reclamation ponds, which will be subject to periodic removal, will have a similarly alkaline pH as long as they retain some moisture. Additionally, the analyses of slurried-materials showed "minor concentrations of oil and grease" as the main organic constituents. What do these analyses have to do with concerns about pathogens? Of the 5 pathogen "types" identified as concerns in the PGP International letter two --*Salmonella* species and coliform bacteria -- are actually subgroups within the family *Enterobacteriaceae*. (Not all members of this family are pathogenic. For example, most strains of the well know species *Escherichia coli* are not pathogenic but rather harmless members of our gut flora.) As a group the *Enterobacteriaceae* grow by respiring or fermenting a wide range of organic compounds but are not able to multiply with "oil" or "grease" as an organic nutrient source. These bacteria, taken as a group, can grow over the pH range of 4.0 to 9.5 but not under more alkaline conditions. Thus, conditions in the reclamation ponds will be too alkaline (pH > 9.5) to allow their growth. *Listeria monocytogenes* is similarly inhibited by environmental pH values greater than 9.5 and is not expected to find suitable organic substrates in these environments. Finally, since the waters of these shallow reclamation ponds are not expected to be anoxic, *Clostridium botulinum* (an anaerobe) would not be expected to be able to grow there. Additionally, there is no reason to believe that the carbohydrates needed to fuel its growth will be present in any significant abundance in these ponds. In conclusion, due to the highly alkaline pH environment of the ponds and pond-sediments, coupled with the absence of suitable organic nutrients, the types of pathogenic bacteria identified in the PGP International letter of July 17, 2013, will not find suitable conditions for growth or survival.

Prepared: August 2013

Douglas C. Nelson

Professor of Microbiology, Briggs Hall

University of California, Davis 95616

dcnelson@ucdavis.edu

530-752-6183

Table 1: Characteristic pH values of Portland Cement Concrete Waste

Sample Source	pH of liquid	pH of slurry
5 Sites in Northern and Southern California (n = 27); Caltrans Study (*State-wide Portland Cement Concrete Waste Supplemental Study*)	Average = 11.0 95% CL = 9.8 to 12.2	Average = 10.7 95% CL = 9.7 to 11.8
Diversified Concrete Cutting Pond near Argenta, NV Analysis by California Laboratory Services (#CWH0398; COC# 149240)	Not determined separately*	11.5**

*Although not determined separately, this value is expected to be very close to that of 11.5, which characterized the slurry. In the California Department of Transportation Study “liquid” is defined as the upper aqueous portion that results when a “slurry” sample is allowed to settle. The 27 pH pairs (liquid vs. slurry) from that study showed a very high degree of correlation between the two.

**For the Argenta, NV pond, a pH of 8.87 was measured in a soil sample taken approximately 1 foot back from the pond margin. Since this pH value is typical of non-impacted soil it strongly supports the view that the pond liner was performing as expected, i.e. isolating the pond water and sediment from the adjacent soil.

CURRICULUM VITAE

DOUGLAS C. NELSON

NAME: Douglas C. Nelson

TITLE: Professor of Microbiology

ADDRESS: Department of Microbiology and Molecular Genetics
Briggs Hall 266 or dcnelson@ucdavis.edu
University of California
Davis, California 95616-8665

PHONE: (530) 752-6183
FAX: (530) 752-9014

BIRTH: 27 July 1948, Ann Arbor, Michigan

EDUCATION:

University of Oregon, Eugene, 1972-1979, Ph.D. in Biology (Advisor: R. W. Castenholz)

State University of New York, Stony Brook, 1971-1972, Department of Ecology and Evolutionary Biology

Harvey Mudd College, Claremont, CA. 1966-1970, B.S. in Chemistry/Biology

PROFESSIONAL EXPERIENCE:

Chair, 2006-2011 and 1999-2003, Department of Microbiology, College of Biological Sciences, University of California, Davis
Adjunct Scientist, 1998-present, Monterey Bay Research Institute, Moss Landing, CA
Professor, 1997-present, Department of Microbiology, University of California, Davis
Chair, 1992-1997, Microbiology Graduate Group, UC Davis
Assistant & Associate Professor, 1985-1997, Department of Microbiology, University of California, Davis
Postdoctoral Investigator, 1984, Institute of Ecology and Genetics, University of Aarhus, Denmark (Advisor: B. B. Jørgensen)
Postdoctoral Investigator, 1981-1985, Department of Biology, Woods Hole Oceanographic Institution (Advisor: H. W. Jannasch)
Visiting Assistant Professor, 1980, Botany Department, Oregon State University
Instructor, 1977 and 1979, Biology Department, University of Oregon

PROFESSIONAL SERVICES:

Editorial Board (member) for Environmental Microbiology since 2005
Reviewer for the following journals:
    Applied and Environmental Microbiology

Archives of Biochemistry and Biophysics
Archives of Microbiology
Biological Bulletin
Environmental Microbiology
FEMS Microbiology Letters
Journal of Bacteriology
Journal of Experimental Biology
Limnology and Oceanography
Marine Biology
Marine Ecology Progress Series
Molecular Marine Biology and Biotechnology
Nature
Proceedings of the National Academy of Sciences
Science
Symbiosis
Systematic and Applied Microbiology

Member of the following grant review panels or overview groups:

RIDGE2000 Panel (NSF) 2008
C-MORE site review team (NSF), 2007, chair
Ridge2000 Steering Committee (NSF), member, 2002-2004
NOAA Ocean Exploration Program Panel, 2004-2005
Ridge2000 Relevancy Review panels, 2002-2004
NSF Biogeosciences Panel 2003
DOE Ocean Margins Program Panel
NSF Ecological & Evolutionary Physiology Panel 1997-2002
NSF Special RIDGE Program Review Panel, May 2001
NSF Life in Extreme Environments Panel, 2000
NSF Biological Oceanography Panel 1996
ALVIN Review Committee, University National Oceanographic Laboratory Systems, 1987-1992
US Navy /National Undersea Research Program-Submersible Proposals, 1994
RIDGE Relevancy Review Panel, 1993

External Reviewer for the following granting agencies:

Department of Commerce, National Undersea Research Program
Department of Energy, Division of Energy Biosciences
National Environmental Research Council (United Kingdom)
National Science Foundation

- Biological Oceanography Program
- Cell Biology Program
- Cellular Biochemistry Program
- Ecological and Evolutionary Physiology Program
- Foreign Centers of Excellence Program
- Functional And Physiological Ecology
- International Programs
- Life in Extreme Environments (LExEN)
- Metabolic Biochemistry Program
- Metabolic Biology
- Polar Biology Program
- Population Biology and Physiological Ecology
- Small Business Innovation Research Program
- Surficial Processes
- Systematic and Population Biology Program

Systematic Biology Program
New York Bight, National Undersea Research Program
NOAA National Undersea Research Program
US Navy, National Undersea Research Program

Other Service:

Chair-elect -- Division I (General Microbiology) American Society for Microbiology (1987-88)
Chair -- Division I (General Microbiology) American Society for Microbiology (1988-89)
Member -- Homestake Mine Technical Review Panel, Yolo County (1988-1996)
Chair -- Homestake Mine Technical Review Panel, Yolo County (1991-1994)
Member -- InterRidge Biological Studies Working Group (1994-1997). Initiative for international cooperation in ridge-crest studies.

University Service:

Chair (1999-2003; 2006-2011) Department of Microbiology, College of Biological Sciences
Chair (1992-1997) Microbiology Graduate Group
Member (1988-1997) Executive Committee, Microbiology Graduate Group
Chair (1990-92, 1995) Admissions Committee, Microbiology Graduate Group
Member (1989-95) Admissions Committee, Microbiology Graduate Group
Member (1992-present) Teaching Committee, Department of Microbiology
Chair or Member (1989-present) approx. 50 Ph.D. Qualifying Exam or Masters Exam Committees

INVITED SEMINARS: (since 1985):

1985 - Woods Hole Oceanographic Institution, Biology Department, Woods Hole, MA
1986 - Precambrian Paleobiology Research Group, International Meeting, Palo Alto, CA
American Society for Microbiology, Annual Meeting, Washington, DC
1987 - International Symposium on Lithoautotrophy, Göttingen, Germany
1988 - Sonoma State University, Biology Department, Sonoma, CA
International Congress of Comparative Physiology and Biochemistry, Baton Rouge, LA;
American Society for Microbiology, Rocky Mt. Branch, Pingree Park, CO
Scripps Institution of Oceanography, La Jolla, CA
1990 - Marine Biological Laboratories, Woods Hole, MA
West Coast Bacterial Physiologists, Annual Meeting, Asilomar, CA
1991 - Biology Department, University of Oregon
1993 - American Society of Zoologists, Annual Meeting, Los Angeles, CA
1995 - International C1 Symposium, San Diego, CA.
1996 - Hopkins Marine Station of Stanford University, Pacific Grove, CA
Monterey Bay Aquarium Research Institute, Moss Landing, CA
1997 - First International Symposium on Deep-Sea Hydrothermal Vent Biology, Funchal, Madeira (Portugal)
1998 - Ridge 9° N Events Symposium on Deep Sea Hydrothermal Vents, Santa Barbara, CA
1999 - Biology of Organisms in Extreme Environments, a Symposium for 80th Annual Meeting, AAAS, Pacific Division, San Francisco, CA
Bay Area Science Symposium, San Francisco, CA
Woods Hole Oceanographic Institution, Woods Hole, MA
International Congress on Ecosystem Health, Sacramento, CA

Annual Meeting, American Society of Limnology and Oceanography, Santa Fe, NM
2000 – RIDGE Symposium, DeKalb, Illinois
2001 - Annual Meeting, American Society for Limnology and Oceanography, Albuquerque, NM
Scripps Institution of Oceanography, La Jolla, CA
Biology Department, California State University, Chico
Max Planck Institute for Marine Microbiology, Bremen, Germany – 3 different seminars
2002 - RIDGE Integrated Studies Meeting, Los Angeles, CA
Marine Biological Laboratories, Woods Hole, MA
2003 – ASLO Annual Meeting, Salt Lake City, UT; co-organized and co-chaired session titled: "Symbiosis and Syntrophy in Extreme Environments"
2004 - CALFED Science Conference, Sacramento, CA
2006 – Mercury 2006, Biannual International Conference on Mercury as a Global Pollutant, Madison, Wisconsin
2007- Marine Biological Laboratories, Woods Hole, MA
2008 – Delta Tributaries Mercury Council, Sacramento, CA (May 13)
Hopkins Marine Station of Stanford University, Pacific Grove, CA (June 26)
Bigelow Laboratory, Boothbay Harbor, ME (November 3)
2009 – Northern California Brach Meeting, ASM, San Ramon, CA (March 13)

MAJOR OCEANOGRAPHIC RESEARCH EXPEDITIONS:

Northwestern Atlantic, R/V Oceanus Cruise #107, November 198l. Chief Scientst: Holger Jannasch

Hydrothermal Vents, 21^{o}N East Pacific Rise, Oasis Project (ALVIN & R/V Lulu, Legs I & II), April and May 1982. Chief Scientist: Ken Smith

Northwestern Atlantic, Newfoundland to Woods Hole, R/V Oceanus Cruise #136-2, August, 1983. Chief Scientist: Holger Jannasch

Hydrothermal Vents, Galapagos Rift, ALVIN & R/V Atlantis II, February and March, 1985. Chief Scientist: Jim Childress

Hydrothermal Vents, Guaymas Basin, ALVIN & R/V Atlantis II, July and August, 1985. Chief Scientist: J. F. Grassle

Sediment Microbiology and Geochemistry, Peru oxygen-minimum region, R/V Moana Wave, July, 1987. Chief Scientist: John Farrington

Hydrothermal Vents, Guaymas Basin, ALVIN & R/V Atlantis II, January and February. 1988. Chief Scientist: Holger Jannasch

Hydrothermal Vents, Galapagos Rift, ALVIN & R/V Atlantis II, April and May, 1988. Chief Scientist: Jim Childress

Hydrothermal Vents, Guaymas Basin, ALVIN & R/V Atlantis II, March 1991. Chief Scientist: Holger Jannasch

Hydrothermal Vents, 9^{o}45'N on East Pacific Rise, ALVIN & R/V Atlantis II, February and March, 1992. Chief Scientists: Rachel Haymon and Dan Fornari

Chemo2 - Hydrocarbon and Sulfide Seeps, Gulf of Mexico, Johnson Sealink & R/V Edwin Link, July 1997. Chief Scientist: Ian MacDonald

Chemo2 - Hydrocarbon and Sulfide Seeps, Gulf of Mexico, Johnson Sealink & R/V Edwin Link, June and July 1998. Chief Scientist: Ian MacDonald

Hydrothermal Vents, Juan de Fuca Plate, ALVIN & R/V Atlantis, July and August, 1998. Chief Scientist: Chuck Fisher

Hydrothermal Vents, Juan de Fuca Plate, ALVIN & R/V Atlantis, August and September, 1999. Chief Scientist: Chuck Fisher

FUNDING (last 20 years)

12/15/90 to 6/30/94 Award: $171,359 (direct + indirect costs)
Source: Biological Oceanography Program, NSF
Project: NSF OCE-9018198. Studies on Physiological Ecology and Genetics of Hydrothermal Vent Sulfur Bacteria.

7/94 -- 6/96 Award: $ 57,699 (direct costs)
Source: UC Salinity/Drainage Program.
Project: State Salinity 94-1. Can bacteria that accumulate elemental sulfur be used to remediate selenium contaminated waters and soils?
Co-PI: William H. Casey, Department of Land, Air and Water Resources, UC Davis.

8/95 -- 6/00 Award ca $ 50,000 (direct costs)
Source: Center for Ecological Health Research, UCD (EPA funded)
Project: Clear Lake Watershed: Microbiology of mercury methylation in sediments.

3/96 -- 2/00 Award: $ 237,837 (direct + indirect costs)
Source: Ecological and Evolutionary Physiology Program, NSF
Project: NSF IBN-95-13962. Ecophysiology and phylogeny of diverse *Beggiatoa* species, bacterial specialists of the sulfide-oxygen interface.

3/96 - 2/98 Award: $ 96,216 (direct + indirect, including $60,000 submersible use costs)
Source: NOAA, West Coast National Undersea Research Program
Project: NOAA UAF-96-06. Ecology and physiology of *Beggiatoa* sp. at Monterey Canyon seeps: a model of novel, sulfide-driven, bacterial denitrification.

7/96 -- 6/98 Award: $ 58,289 (direct costs)
Source: UC Salinity/Drainage Program.
Project: State Salinity 96-18. Bacteria that accumulate elemental sulfur can remediate selenium contaminated waters and soils.
Co-PI: William H. Casey, Department of Land, Air and Water Resources, UC Davis.

10/96 -- 9/98 Award: $ 29,986 (direct + indirect) Projected total through 3/00: $ 52,477.
Source: Department of Interior, Minerals Mgt. Service. (Subcontract from Texas A&M Univ.)
Project: Stability and Change in Gulf of Mexico Chemosynthetic Communities.: Bacterial mats: metabolic diversity, productivity and competition with symbiont-containing animals.

1/98 -- 2/00 Award: $ 746,249 (direct + indirect)
Source: EPA-Superfund, Region IX
Project: The role of the Sulphur Bank mercury mine site (and associated hydrogeological processes) in the dynamics of mercury methylation, transport and bioaccumulation within the Clear Lake (CA) aquatic ecosystem.
Co-PI with Tom Suchanek, UCD (PI)

3/00 -- 2/03 -- Award: $ 270,000 (direct + indirect)
Source: NSF, Ecological and Evolutionary Physiology
Project: Ecophysiology and phylogeny of vacuolate, nitrate-accumulating sulfur bacteria.

8/15/00 – 9/14/05 – Award: $ 360,000 (direct + indirect)
Source: DOE, Basic Energy Biosciences
Project: Physiology and genetics of energy conservation in chemoautotrophic sulfur-oxidizing bacteria.

3/1/01 – 2/28/06 – Total Award: $2,000,000 (direct + indirect)
Source: EPA, Western Center for Estuarine Indicators Research
Project: Biogeochemistry and Bioavailability Component
Co-Investigator; Rick Higashi (UCD) = PI
Nelson receives a sub-award of $50,000 per year (direct + indirect) to fund a student to study microbial Hg-cycling in an impacted California estuary.

9/15/01 – 9/14/04 – Award: $ 370,107 (direct + indirect)
Source: DOE, Biological and Environmental Research
Project: Microbiological impact of direct carbon dioxide injection – exploratory studies under deep-sea conditions.

8/15/00 – 9/14/05 – Award: $ 360,000 (direct + indirect)
Source: DOE, Basic Energy Biosciences
Project: Physiology and genetics of energy conservation in chemoautotrophic sulfur-oxidizing bacteria.

10/1/05– 9/30/09 – Award: $392,943 (direct + indirect)
Source: NSF, OCE – Biological Oceanography
Project: Ecophysiology of vacuolate marine sulfur bacteria.

9/1/07—8/31/10 -- Award: $335,990 (direct + indirect)
Source: NSF, CCMI
Project: Bio-Mediated Improvement of Soil and Soil-Structure Interface Behavior
PI: Jason DeJong, Civil and Environmental Engineering, UCD; Co-PI: Douglas C. Nelson

8/15/08-- 8/15/11 -- Award: $375,000 (direct + indirect)
Source: NSF, CCMI
Project: NEESR-II: Biological improvement of sands for liquefaction prevention and damage mitigation. PI: Jason DeJong, Civil and Environmental Engineering, UCD; Co-PIs: Douglas C. Nelson and Ross Boulanger

7/15/12—6/30/15 – Award: $596,646 (direct + indirect)
Source: NSF, CCMI-1234367-0
Project: Bio-cementation field-scale trials: addressing the challenges of treatment uniformity and verification, bio-stimulation and by-product management. Jason DeJong, Civil and Environmental Engineering, UCD; Co-PIs: Douglas C. Nelson and Tim Ginn
10/1/2013 – 9/30/17 – Requested: $199,024 (direct + indirect)
Source: US-Israel Binational Science Foundation-2012196
Project: Stimulation and Permanence of Microbially Induced Calcite Precipitation Treatment of Sands. Investigators: Michael Tsesarsky & Ronen Zeev (Ben Gurion University); Jason DeJong, Douglas C. Nelson, and Timothy R. Ginn (UCD)

PUBLICATIONS

1. Nelson DC (1979) The biology of *Beggiatoa* -- organic nutrition, sulfur utilization and light responses. Ph.D. thesis (Adviser: Richard W. Castenholz), University of Oregon, Eugene

2. Nelson DC and RW Castenholz (1981) The organic nutrition of *Beggiatoa* sp. J Bacteriol 147:236-247.

3. Nelson DC and RW Castenholz (1981) The use of reduced sulfur compounds by *Beggiatoa* sp. J Bacteriol 147:140-154.

4. Nelson DC and RW Castenholz (1982) Light responses of *Beggiatoa.* Arch Microbiol 131:146-155.

5. Nelson DC, JB Waterbury and HW Jannasch (1982) Nitrogen fixation and nitrate utilization by marine and fresh-water *Beggiatoa*. Arch Microbiol 133:172-177.

6. Nelson DC and HW Jannasch (1983) Chemoautotrophic growth of a marine *Beggiatoa* in sulfide-gradient cultures. Arch Microbiol 136:262-269.

7. Jannasch HW and DC Nelson (1984) Recent progress in the microbiology of hydrothermal vents. pp. 170-176. In: MJ Klugg and CA Reddy (eds.) Current Perspectives In Microbial Ecology, Amer. Soc. Microbiol. Publ., Washington.

8. Nelson DC, JB Waterbury and HW Jannasch (1984) DNA base composition and genome size of the prokaryotic symbiont in *Riftia pachyptila* (Pogonophora). FEMS Microbiol. Lett. 24:267-271.

9. Jannasch HW, CO Wirsen, DC Nelson and LA Robertson (1985) *Thimicrospira crunogena* sp. nov., a colorless sulfur oxidizing bacterium from a deep sea hydrothermal vent. Int. J. Syst. Bacteriol. 34:422-424.

10. Belkin S, DC Nelson and HW Jannasch (1986) Symbiotic assimilation of CO_2 in two hydrothermal vent animals, the mussel, *Bathymodiolus thermophilus* and the tube worm, *Riftia pachyptila*. Biol. Bull. 170:110-121.

11. Nelson DC, NP Revsbech and BB Jorgensen (1986) Microoxic-anoxic niche of *Beggiatoa* spp.: micro-electrode survey of marine and freshwater strains. Appl. Environ. Microbiol. 52:161-168.

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4/17/13

ATTACHMENT F

PROJECT TITLE:	**Golden State Reclamation.** A request to approve a Conditional Use Permit, Site Plan, and Design Review to construct and operate a concrete slurry processing facility on a portion of 17.5 acres in the Industrial (I) zone.
LOCATION:	East end of Hanson Way, just north of East Main Street as Hanson Way makes a 90-degree turn in the southern direction
APPLICANT/OWNER:	Applicant: Travis Brandt, Golden State Reclamation Owner: Woodland Gateway Industrial 109, LLC
ENVIRONMENTAL REPORT:	Mitigated Negative Declaration
A.P.N.	027-350-058
PROJECT PLANNER:	Paul L. Hanson, AICP, Senior Planner Cindy Gnos, AICP, Contract Planner
STAFF RECOMMENDATION:	Conditional Approval
REPORT FOR:	Planning Commission Public Hearing – 7/18/13
GENERAL PLAN DESIGNATION:	Industrial (I)
CURRENT ZONING:	Industrial (I)
EXISTING LAND USES:	Vacant
FLOOD ZONE:	AE Zone - Area of 100-Year Flooding, Special Flood Hazard Areas Subject to Inundation by the 1% Annual Chance Flood Event (Base Flood Elevation Determined), FIRM Community Panel Number – 06113C0465H Revised May 16, 2012.
STREET ACCESS:	Hanson Way

ADJACENT LAND USES & ZONING / GENERAL PLAN:

North	Industrial	I
South	Vacant and Industrial	I
East	Industrial	I
West	Farm land	County

PENDING / POTENTIAL ACTION

Staff recommends that the Planning Commission take the following actions:

1. Adopt the Mitigated Negative Declaration **(MND)** and approve the Mitigation Monitoring and Reporting Plan **(MMRP).** In accordance with the California Environmental Quality Act (CEQA) section 15074, the Planning Commission finds on the basis of the whole record before it (including the Initial Study and any comments received), that there is no substantial evidence that the project, with the implementation of the recommended mitigation measures, will have a significant effect on the environment, and that the Mitigated Negative Declaration reflects the lead agency's independent judgment and analysis;
2. Approve the Conditional Use Permit, Site Plan, and Design Review for Golden State Reclamation, application dated 3/11/13, Site Plan dated 7/10/13, and Landscape Plans dated 4/29/13, as based on the Findings of Fact and subject to the Conditions of Approval as provided in the Staff Report presented on July 18, 2013 **(See Attachment A - Application, Site Plan, Elevations, and Landscape Plans).**

PROJECT SITE DESCRIPTION

The site contains 17.5 acres of property located at the east end of Hanson Way, just north of East Main Street as Hanson Way makes a 90-degree turn in the southern direction (APN 027-350-058) in the City of Woodland, Yolo County, California. The project site has a City of Woodland General Plan and Zoning Designation of Industrial (I).

Existing industrial developments are located directly south, west, and north of the site, and agricultural land uses are located east and northeast of the project site. A vacant lot separates the development south of the project site which is PGP International, Inc., a large manufacturer of cereal and dairy-based food ingredients. A public utility and access road easement is located along the eastern border of the site. Along the project border further to the east of the site, a Sacramento and San Joaquin Drainage District levee easement exists for a canal. Further to the south, approximately one half-mile from the project site is Interstate 5 (I-5), on the opposite side of East Main Street.

BACKGROUND

The proposed project site is currently vacant.

PROJECT PROPOSAL

The proposed concrete slurry processing facility would receive only cured concrete slurry generated from local construction and improvement projects, particularly highway profile grinding. Uncured concrete would not be accepted at the site. Hazardous wastes would not be accepted at the site. Concrete slurry generated from local projects would be brought to the site in tanker trucks. The trucks would dump the waste concrete directly into designated ponds. Any residual waste concrete remaining in the trucks would be washed from the trucks directly into the ponds.

A 5,000-gallon tanker would be kept on-site at all times to supply water for washing out the residual waste from the trucks, as well as to supply the trucks with water to be carried back out to ongoing construction and improvement project sites, where the water would be used for cooling grinding equipment. At most, the water tanker would need to be filled once per day.

Included in the proposed project design are two reclamation ponds for the concrete slurry, one retention pond for leachate, one storage building for construction equipment, and one on-site mobile office trailer. The processing ponds would be approximately 6,857 square feet each, or 13,714 square feet total, and would be oriented in a north-south direction. The 14,029-square-foot retention pond would be located directly to the north of the processing ponds. A three-sided, 30-by-50-foot or 1,500-square-foot metal building with a concrete pad and side gaps for flood flow would be utilized for equipment storage. The mobile office trailer would be approximately 10-by-32-foot or 320-square-feet and would be on wheels for ease of movement. A bathroom for employee-use would be located in the mobile office trailer.

The processing ponds would be double-lined and include a leachate collection system. The leachate collection system would consist of a filter fabric layer, followed by a layer of rock, then a layer of dirt. Perforated piping in the dirt layer would collect and convey the filtered leachate to a retention pond. A maximum of approximately 75,000 gallons of water per day is anticipated to be used for the proposed operations. The leachate collected in the retention pond would be used to refill the on-site water tanker and/or to supply the tanker trucks with water to be carried back to local project sites. Thus, all water used at the site would be recycled back into the process.

The waste concrete slurry would be collected and allowed to set in the processing ponds. The volume of material processed at the facility would vary according to the time of year and local construction activity; however, a maximum of 45,000 gallons of slurry, 43 cubic yards per day of material, and 6,450 yards annually is currently anticipated to be processed at the proposed concrete slurry processing facility. It should be noted that an excavator, Bobcat, and front-end loader are anticipated to be utilized and stored on-site for the proposed operations. **The proposed project would operate from April through October and would shut down during the winter wet season (November through March).** Prior to operational shut down, the processed material in the processing ponds would be loaded onto trucks and delivered to a regional inert material recycler to be incorporated into post-consumer aggregate products. The processing ponds would be cleaned out and any remaining slurry would be hauled to an appropriate disposal facility. Clean water from the retention pond would be used to fill the on-site water tanker, and any remaining water would be hauled to a treatment facility for disposal. Accordingly, processed materials would be hauled from the project site once per year.

Employment at the proposed project would vary according to the time of year, business cycles, and local construction activity. However, between five and 10 individuals per shift are anticipated to be employed for the activities at the project site. The site would operate Mondays through Fridays from 6:00 AM to 6:00 PM, and Saturdays and Sundays from 8:00 AM to 5:00 PM.

Access to the project site would be provided through a new drive isle through a new extension north from Hanson Way, adjacent to an existing 40-foot-wide access point utilized by the development to the west. Four parking spaces (including ADA parking) and a processing area are also proposed for the project site. Anticipated trips associated with operation of the proposed concrete slurry processing facility include a maximum of 12 one-way heavy truck trips per day for the delivery of waste concrete to the site and hauling of water back to local project sites. Assuming that 10 employees would be on-site during operations, a maximum of 10 one-way passenger vehicle trips per day would be anticipated.

CITY SERVICES

The project site will be required to hookup to City water services. Water, sewage, electrical and telephone connections will be required as a part of this application. All services shall be shown on the improvements plans to be reviewed and approved by the Public Works Department prior to building permit issuance.

PUBLIC NOTIFICATION

A Notice of Intent to Adopt a Mitigated Negative Declaration and Public Hearing was released May 14, 2013 **(See Attachment B -Notice of Intent to Adopt a Mitigated Negative Declaration and Public Hearing).** The Notice was prepared by the Community Development Department in accordance with notification procedures set forth by the City of Woodland's Municipal Code, CEQA, and State Planning Law.

- Legal notice was published in the Woodland Daily Democrat on May 14, 2013 and July 8, 2013.
- Notice was posted with the County of Yolo on May 14, 2013.
- Notices were mailed to all property owners within 300 feet of the project site and to other listed interested persons and agencies on or before May 14, 2013.
- Notice and the environmental document was delivered to the State Clearing House on May 14, 2013.

Copies of the factual staff report for the proposed project have been on file at City Hall since Friday, July 12, 2013.

At the time of preparation of this staff report, public comment on the Mitigated Negative Declaration was received from the following:

- Yolo-Solano Air Quality Management District
- Regional Water Quality Control Board, Central Valley (May 28, 2013)
- Sacramento – Yolo Mosquito & Vector Control District
- City of Woodland – Transportation Engineer
- Central Valley Flood Protection Board
- Regional Water Quality Control Board, Central Valley (June 11, 2013)
- PGP International (June 12, 2013)
- Yolo County Environmental Health Solid Waste Program (June 12, 2013)
- Yolo Habitat JPA (June 13, 2013)

Those comments and the responses to those comments can be found in **Attachment C**, the **Response to Comments on the Mitigated Negative Declaration**.

APPLICABLE LAWS, CODES, AND ORDINANCES

The project is subject to several laws, codes, and ordinances:

- The City of Woodland General Plan
- The City of Woodland Zoning Ordinance
- Community Design Standards
- City of Woodland Stormwater Quality Control Ordinance
- The California Environmental Quality Act (CEQA)
- State of California's Water Efficient Landscape Ordinance AB 1881
- Regional Water Quality Control Board (RWQCB) compliance with Title 27 of the California Code of Regulations
- National Flood Insurance Program (NFIP) Regulations (44 CFR Parts 59-78).

ENVIRONMENTAL ASSESSMENT STATUS

A draft Mitigated Negative Declaration for the subject project was circulated on May 14, 2013 for a 30-day comment period extending from May 14, 2013 to June 12, 2013 (**See Attachment D - Mitigated Negative Declaration SCH# 2013052036**).

Changes have been made to the Initial Study/Mitigated Negative Declaration based upon the comments received and the subsequent modifications to the proposed project. The changes include raising of the ponds to meet the requirements of the RWQCB and additional paving and site modifications to address the concerns of PGP International. Flood modeling was run on the proposed raising of the ponds and concluded minimal hydrological impacts. Therefore, the conclusions in the Initial Study/Mitigated Negative Declaration remain consistent.

Staff requests the Planning Commission determine that the subject project, as revised, as further defined and discussed in the attached Environmental Checklist/Initial Study, and with the implementation of the recommended mitigation measures from the Mitigation Monitoring and Reporting Program (MMRP), will not have any significant effects on the environment. As a result, the preparation of an environmental impact report pursuant to the California Environmental Quality Act (Division 13 of the Public Resources Code of the State of California) is not required.

Staff also requests that the Planning Commission adopt the Mitigated Negative Declaration as a final document and make specified findings required under CEQA. Pursuant to Public Resources Code Section 21081.6 and Section 15097 of the CEQA Guidelines, a Mitigation Monitoring and Reporting Program (MMRP) has been prepared **(See Attachment E - Mitigation Monitoring and Reporting Program)** to ensure that during all phases of the project, the City and any other responsible parties implement the adopted mitigation measures. If this project is approved by the Planning Commission, staff will file a Notice of Determination with the Yolo County Clerk's Office in conformance with Article 5 §15075(a) of the CEQA guidelines.

REVIEWING AGENCY COMMENTS

All reviewing city departments and responsible agencies comments have also been integrated into the conditions of approval.

DISCUSSION

Currently, very few locations are available within the Central Valley that provides the services proposed for the project. The project would provide a local disposal site for contractors in the area who need to rid of slurry from construction projects. Accordingly, the project would likely result in various regional and even statewide benefits, such as potential reductions in truck trips and miles traveled and reductions in waste disposed in landfills. In addition, the proposed project would provide jobs for local truckers, laborers, and operators of heavy equipment.

RWQCB

The proposed processing ponds and retention pond will be regulated by the Regional Water Quality Control Board (RWQCB), specifically Title 27 of the California Code of Regulations. Of primary concern is the location of the ponds within the floodplain and proximity to groundwater. The concrete waste that would be processed at the project site is considered designated waste and the site would be considered a Class II waste management unit. According to Section 13173 of the California Water Code, designated waste is nonhazardous waste that could be released in concentrations exceeding applicable water quality objectives or that could reasonably be expected to affect beneficial uses of the water of the State. Designated waste and Class II waste management units are regulated by the SWRCB through the RWQCB and compliance with Title 27 of the California Code of Regulations. Title 27 Section 20250(a) requires that Class II waste management units be located where site characteristics and containment structures isolate waste from waters of the State. Section 20250(c) of Title 27 states that new Class II units shall be designed, constructed, operated, and maintained to prevent inundation or washout due to floods with a 100-year return period. Section 20080(b) of Title 27 allows for engineered alternatives to construction or prescriptive standards, provided demonstration that the alternative is consistent with the performance goal in Section 20250(a) of Title 27. The RWQCB would consider the engineered alternative and determine whether the alternative would still attain the Title 27 performance standard.

In order to meet Section 20250(c) of Title 27, the project would provide an engineered alternative by designing, constructing, operating, and maintaining the proposed project such that all designated waste is not present on the site during the wet season. The proposed project would operate from April through October and would shut down during the winter wet season (November through March) when conditions develop where the probability of a flood with a 100-year return is most likely to occur. Prior to operational shut down, the processed material in the processing ponds would be loaded onto trucks and delivered to a regional inert material recycler to be incorporated into post-consumer aggregate products. The processing ponds would be cleaned out and any remaining slurry would be hauled to an appropriate disposal facility. Clean water from the retention pond would be used to fill the on-site water tanker, and any remaining water would be hauled to a treatment facility for disposal. Thus, all waste solids and water would be removed prior to the beginning of the wet season, which would prevent any waste from coming into contact with flood waters and isolating waste from waters of the State. Therefore, by shutting down and clearing the site of any wastes during the wet season, the project would meet the performance standard of isolating waste from waters of the State during flooding and preclude degradation and/or impairment of receiving waters. The RWQCB must approve the engineered alternative through adoption and issuance of a Waste Discharge Requirements (WDR) Order.

The RWQCB has raised concerns regarding the depth of groundwater. The RWQCB during their permit review will ensure that a minimum five foot separation exists between the ponds and the highest anticipated elevation of underlying ground water. The RWQCB has also raised concern that the volume of the ponds may not be adequate to accommodate the proposed volume of slurry. The applicant has indicated that if the volume is exceeded, the ponds will be cleaned out and the slurry taken to a permitted disposal site. The applicant has also modified the project to raise the ponds in order to address the flooding and depth to groundwater concerns.

Staff is recommending conditions of approval to address the concerns of the RWQCB.

PGP International

On June 12, staff received a letter from PGP International identifying concern related to the proposed project and the Initial Study/Mitigated Negative Declaration. The letter and responses to the comments are included in **Attachment C.** In addition, the applicant has met with representatives of PGP to discuss their concerns. The applicant's correspondence with PGP is provided in **Attachment F**. PGP has operational concerns related to dust. In response, the applicant has modified the project to include additional paving and providing an organic layer over the outside of the ponds to prevent dust. PGP also had concerns related to the ponds related to water quality and vector control. The ponds are double lined to prevent leaching into the water table and monitored regularly. A monitoring report must be submitted quarterly to the State RWQCB. In regards to vector control, a condition of approval requires the City to consider vector control in the project design and also requires regular monitoring of the retention pond to ensure that standing winter storm water does not accumulate. It should be noted that the distance from the closest pond to the closest point of the PGP building is over 1,000 feet. The proposed project is a small processing facility located over 1,000 feet from the PGP facility. The City and the applicant attempted to meet with PGP representatives to discuss the applicant's response to their concerns and PGP cancelled the meeting. The applicant is still attempting to meet with PGP; however, as of the date of this staff report, no follow-up from PGP has been received.

STAFF ANALYSIS

Staff supports this project subject to the attached conditions of approval and provides the following analysis:

General Plan Consistency

The General Plan (GP) designation for the site is Industrial (I). This General Plan designation provides for industrial parks, warehouses, manufacturing, research and development, commercial uses compatible with the industrial uses, public and quasi-public uses, and similar and compatible uses. The project as conditioned is consistent with the General Plan.

Consistency with Other Plans

The project site is subject to the Community Design Standards. The proposed buildings for the project include one 320 square-foot mobile office trailer (10 by 32 feet) and one 1,500 square-foot equipment storage building (30 by 50 feet). The office building is designed as a mobile building due to the location of the building in the floodplain. The building must be able to be removed within 12 hours. The exterior of the building is wood siding. Colors have not been determined. The Community Design Standards recommend that industrial buildings have an enhanced main entrance which has not been detailed on the proposed elevations. **Staff is recommending a condition of approval requiring that the mobile office building use earth tone colors and incorporate an awning or other form of enhancement of the main entrance for the final review and approval of the Community Development Department.**

The storage building is proposed as a three-sided metal building. The building is setback a considerable distance from the street and is shielded by adjacent development, the mobile office building, and landscaping. Colors have not been indicated for the proposed metal storage building. The City of Woodland Building Department has commented that given the depth of the floodplain on the project site, the building must be open on three sides because flood vents are not adequate. **Staff is recommending a condition of approval requiring that the storage building use earth tone colors and the closed side of the building be the western wall for the final review and approval of the Community Development Department.**

ZONING CONSISTENCY

Land Use

The zoning designation for the site is Industrial (I). This purpose of this zoning designation is to encourage sound industrial development by providing areas exclusively for such development subject to regulations necessary to insure the protection of adjoining uses. The closest land use to the proposed project is a concrete and asphalt batch plant which requires a Conditional Use Permit. The proposed project, as conditioned, is consistent with the Zoning Ordinance, provided the Planning Commission approves a conditional use permit.

Setbacks

The proposed buildings will comply with all the required setbacks of Section 25-18-40 of the Zoning Ordinance.

Height

The proposed buildings are not located within 200 feet of any residential or agricultural zone; therefore, no height limitations exist (Sec. 25-18-30 of the Zoning Ordinance).

Off-Street Parking

Article 23 of the Zoning Regulations commencing with Section 25-23-10 addresses off-street parking and loading requirements. Because the site is not a specified industrial use, Section 25-23-10W notes that for mixed uses and uses not listed above, the parking shall be determined. The proposed site plan indicates 14 spaces provided on the site. The applicant has indicated that the maximum number of employees at the site will be 10. Staff recommends that the 14 spaces provided are adequate to serve the proposed development.

Landscaping

Article 22 of the Zoning Ordinance commencing with Section 25-22-10 addresses landscaping requirements. Zoning Ordinance requires that not less than six percent (6%) of the interior area of all auto parking lots shall be devoted to permanent landscaping. The Zoning Ordinance also requires that shade trees shall be planted and evenly distributed within the uncovered portions of the auto parking area so that at the trees maturity forty percent (40%) of the parking stalls and back up area will be in shade at high noon at such times as the trees have full foliage.

Applicant is required to comply with the State of California's new Water Efficient Landscape Ordinance AB 1881. The landscape architect shall document and attest to the compliance with the new State ordinance on the final landscape plans. The applicant has submitted a preliminary landscape plan which complies with the minimum requirements. **Staff is recommending a condition requiring the applicant shall submit final landscape and irrigation plans for the review and approval of the Community Development Department.**

Signage

Article 24 of the Zoning Regulations commencing with Section 25-24-10 addresses signs. The applicant has submitted a preliminary sign concept which includes a 3 foot by 6 foot painted metal sign attached to the south-facing side of the mobile office building. The colors have not been determined. The signage is required to comply with the City Sign Ordinance and Community Design Standards. The proposed 18 square feet of signage is allowed by the Zoning Ordinance. **Staff is recommending a condition requiring City approval for the final sign design, including colors compatible with the proposed building.**

Conditional Use Permit

Article 27 of the Zoning Regulations commencing with Section 25-27-01 addresses conditional use permits. The Planning Commission may approve, conditionally approve or deny an application for a conditional use permit; and in authorizing a conditional use, may impose such requirements and conditions with respect to location, construction, time period, maintenance, and operation, as deemed necessary for the protection of adjacent properties and the public interest, when reasonably related to the use of the property. Before granting any conditional use permit the Planning Commission shall be satisfied that, the proposed structure or use conforms to the requirements and the intent of this chapter and the General Plan.

SUBSTANTIAL CHANGES

At the discretion of the Community Development Department, any substantial modifications or changes to the approved site plan and/or project description may result in further CEQA analysis and public hearings.

APPEAL

The planning commission action on the conditional use permit shall be final unless, within **fourteen (14) calendar** days after the decision, the applicant, or any other person including the city council, any individual city council member, or the city manager, not satisfied with the decision of the planning commission, may appeal to the city council. No conflict of interest shall exist solely by reason of the filing of an appeal by the city council, an individual city council member, or the city manager. Any appeal shall be filed with the city clerk and, except an appeal by the city council, a council member, or the city manager, shall be accompanied by a filing fee as prescribed by city council resolution. The city clerk shall set a date for a public hearing and shall give notice to the appellant, the applicant, and neighboring property owners in the manner provided in Section 25-27-50.

SUMMARY

The applicant is requesting a Conditional Use Permit, Site Plan Review, and Design Review of the Golden State Reclamation project which consists of a concrete slurry processing facility on a 17.56-acre property in the City of Woodland, CA. Operations at the facility would include the recovery of reusable concrete fines from local construction and improvement projects and delivery of finished product to a regional inert material recycler to be incorporated into post-consumer aggregate products. Included in the project design are two reclamation ponds for the concrete slurry, one retention pond for leachate, one storage building for construction equipment, and one on-site mobile office trailer.

RECOMMENDATION

Staff recommends approval of the project by making an affirmative motion as follows:

Motion #1 **Move That The Planning Commission Approve The Conditional Use Permit (CUP), Site Plan, and Design Review for the Golden State Reclamation Project Based On The Identified Findings Of Fact And Subject To The Identified Conditions Of Approval, By Taking The Following Actions:**

- Adopt the Mitigated Negative Declaration, including errata;
- Approved the Mitigation Monitoring and Reporting Program;
- Determine that the project, as conditioned, is consistent with the General Plan;
- Determine that the project, as conditioned, is consistent with the Zoning Ordinance;
- Determine that the project, as conditioned, is consistent with the Community Design Standards;
- Approve the Conditional Use Permit to allow the construction and operation of a concrete slurry processing facility located at east end of Hanson Way, just north of East Main Street as Hanson Way makes a 90-degree turn in the southern direction (APN 027-350-058);

-OR-

Should the Commission decide to recommend a denial of the project, the motion should be made as follows:

Motion #2 **Move That The Planning Commission Deny The Conditional Use Permit (CUP), for the Golden State Reclamation Project, Based On The Identified Findings Of Fact (Specify Findings)**

ATTACHMENTS:

A. Application, Site Plan, Elevations, and Landscape Plans
B. Notice of Intent to Adopt a Mitigated Negative Declaration and Public Hearing
C. Response to Comments on the Mitigated Negation Declaration
D. Mitigated Negative Declaration, May 2013, and Errata
E. Mitigation Monitoring and Reporting Plan
F. Applicant correspondence with PGP

FINDINGS FOR PROPOSED GOLDEN STATE RECLAMATION CONDITIONAL USE PERMIT
Prepared for recommendation by the Woodland Planning Commission on July 18, 2013.

CEQA Findings

1. The Planning Commission has considered the proposed Mitigated Negative Declaration and Mitigation Monitoring Reporting Plan before making a decision on the project.
2. The Planning Commission has considered comments received on the Mitigated Negative Declaration and Mitigation Monitoring Reporting Plan during the public review process.
3. The Planning Commission finds that the Environmental Checklist/Initial study identified no potentially significant effects on the environment.
4. The Mitigated Negative Declaration and Mitigation Monitoring Reporting Plan have been prepared in compliance with CEQA and the State CEQA Guidelines, and are determined to be complete and final.
5. The Mitigated Negative Declaration and Mitigation Monitoring Reporting Plan reflects the independent judgment and analysis of the City of Woodland.
6. The Planning Commission hereby adopts the Golden State Reclamation Project Mitigated Negative Declaration and Mitigation Monitoring Reporting Plan.
7. The custodian of the documents, and other materials, which constitute the record of proceedings is the Community Development Director. The location of these items is the office of the Community Development Department at City Hall, 300 First Street, Woodland, California 95695.

General Plan Consistency Findings

1. The proposed project, as conditioned, is consistent with the provisions outlined by the General Plan.

Zoning Consistency Findings

1. The proposed project, as conditioned, meets all regulatory requirements of the Zoning Ordinance.
2. Uses Appropriate to the Area are allowed in the Industrial zone with a Conditional Use permit

Conditional Use Permit Findings

1. Adjacent properties are protected and the public interest is protected.
2. The conditions of approval are reasonably related to the use of the property.
3. The City is satisfied that the proposed structures and uses conform to the requirements and the intent of the Zoning Ordinance and the General Plan.
4. The design of the project and improvements will not cause serious public health problems. Utilities are available to the site.
5. The project is consistent with Article 27 of the Zoning Ordinance in that the proposed use is permitted as a conditional use in the zone and that the use may be allowed subject to conditions with respect to location, construction, time period, maintenance, and operation, as deemed necessary for the protection of adjacent properties and the public interest, when reasonably related to the use of the property.

Community Design Standards Findings

1. The project substantially satisfies the design requirements of the Community Design Standards for development within the City of Woodland.

CONDITIONS OF APPROVAL

PLANNING – Conditional Use Permit, Site Plan, Design Review

1. The project is as described in the staff report prepared for the July 18, 2013 Planning Commission meeting. The project shall be constructed as depicted on the Conceptual Site Plan dated July 10, 2013, Landscape Plans, and building elevations dated April 26 and 29, 2013, included in the staff report, except as modified in these conditions of approval and with any changes necessary to meet city codes and specifications.

2. The applicant shall defend, indemnify, and hold harmless the City of Woodland, its agents, officers or employees from any claim, action or proceeding against the City or its agents, officers or employees to attack, set aside, void or annul an approval of the subject application by the City, its legislative body, advisory agencies or administrative officers. The City will promptly notify the applicant of any such claim, action or proceeding against the City and the applicant will either, at the City's discretion, undertake defense of the matter and pay the City's associated legal costs, or will advance funds to pay for defense of the matter by the City Attorney.

3. Prior to the issuance of a Certificate of Occupancy, all conditions of approval and required improvements shall be completed to the satisfaction of the Community Development Department. Design changes that require modifications to uses, elevations or site features other than discussed herein, shall be submitted for review and approval through the planning review process as a Design Review.

4. Prior to submittal for plan check, the applicant shall submit plans and elevations for review and approval by the Community Development Department. Once the final design drawings have been approved by the Community Development Department, two sets of the final planning project review plan set shall be provided to the Community Development Department to be date stamped and included in the project file. This set of plans shall be used for reference during the plan check review process. This Final Plan set shall include all conditions of approval incorporated or clearly listed on the plans. The conditions shall be printed on a full-size plan sheet(s).

5. Revised plans and building elevations incorporating all conditions of approval shall be coordinated and submitted to the Community Development Department as one package in accordance with plan check requirements. All plans, including site, landscape, lighting, mechanical and street improvement plans shall be coordinated for consistency prior to issuance of permits (such as encroachment or building). Any changes to the size, colors, construction materials, deign or location of any structure or any other site or landscape improvement shall not be made without prior city approval.

6. Detailed elevations shall be submitted of the storage building for the review and approval of the Community Development Department. The building colors shall be earth tones and the closed side of the building shall be the western wall.

7. Detailed elevations shall be submitted of the mobile office building for the review and approval of the Community Development Department. The colors shall be earth tone and the building shall incorporate an awning or other form of enhancement of the main entrance.

8. The Applicant shall comply with the approved CEQA Mitigation Monitoring and Reporting Plan. Upon request, applicant shall provide a written report detailing compliance with MMRP to the Community Development Department for review.
9. The Conditional Use Permit shall not be issued until the appeal period has expired or final action on an appeal has been rendered.
10. The Conditional Use Permit must be exercised within **one year** of issuance, or it shall be null and void by act of law (Section 25-27-70).
11. At any time, upon request by the City, applicant shall provide a written report detailing compliance with Conditional Use Permit to the Community Development Department for review.
12. Applicant shall provide the Community Development Department with a check for the sum of **$2,151.50** made out to Yolo County to record the environmental document with Yolo County.
13. Secure approval and satisfy requirements of all agencies that have jurisdiction, including, but not limited to the RWQCB, Central Valley Flood Protection Board, and Yolo County Health Department. Proof of compliance with the agency requirements shall be submitted to the Community Development Department prior to the issuance of building and grading permits.
14. Applicant shall comply with the State of California's new Water Efficient Landscape Ordinance AB 1881. The landscape architect shall document and attest to the compliance with the new State ordinance on the final landscape plans.
15. Applicant shall submit for review and receive final approval from the Community Development Department for a landscape and irrigation plan prepared in accordance with Article 22 of the Zoning Ordinance and Community Design Standards prior to the issuance of building permits.
16. Applicant shall modify proposed landscape plan to show proposed trees indicated on the Site Plan. Applicant shall modify landscape plan, replacing the proposed tree species with trees recommended by the City Arborist - Horn beam (Carpinas betulus), Purple Robe (Robinia X ambiguia) 'Idahoensis', and Chinese Pistache "Keith Davey".
17. Shade trees shall be planted and evenly distributed within the uncovered portions of the auto parking area so that at the tree's maturity, forty percent (40%) of the parking stalls and back up area will be in shade at high noon at such times as the trees have full foliage, consistent with Section 25-22-20(b)4. The landscape architect shall document the calculations and attest to this on the final landscape plan. A shade calculation diagram shall be provided for review and approval of the Community Development Department.
18. For landscaping on private property, a minimum of 15-gallon (or larger) trees is required. Landscaping on private property can also use shrubs from 1-gallon containers. All landscape stock shall be inspected by the project landscape architect prior to installation. No root bound plants shall be used, only healthy, well-formed, and vigorous plant material shall be used. Landscape architect to provide written verification as to plant health.
19. Enter into a landscape Maintenance Agreement with the City. The Agreement shall be recorded prior to issuance of a building permit to assure continuing maintenance of the landscaping.
20. Vegetative matter shall cover 75 percent (75%) of the landscape area. The landscape architect shall document the calculations and attest to this on the final landscape plan.
21. Photometric data shall be provided, and indicate that the parking area will be equipped with one (1) foot-candle of minimum maintained illumination per square foot of parking surface to

include the entire paved area. The parking area shall be illuminated from dusk until the termination of business every operating day. Photometric data must also confirm the absent of "Hot Spots" or areas of ten (10) foot-candle of illumination per square foot or more.

22. The applicant shall obtain a building permit for the exterior sign prior to installation. All signs shall be in accordance with Sign Ordinance and Community Design Standards as outlined in the staff report. The final design and location shall be reviewed and approved by the Community Development Department.

23. Applicant shall incorporate public art into the development per Community Design Standards or pay an "in-lieu" fee. Public art shall be installed or fee paid prior to the final certificate of occupancy.

24. During construction and operations, the applicant shall implement adequate dust control measures sufficient to retain dust emissions on-site. The Community Development Department may require operations to stop should dust affect adjacent sites. Dust control measures could include, but would not be limited to, the following:

    - All disturbed areas and unpaved roads shall be effectively stabilized for dust emissions using water, chemical stabilizers, dust suppressants, tarps, or other suitable material such as vegetative ground cover;
    - Apply water to disturbed soils as necessary to retain dust emissions on-site (minimum of twice a day);
    - Required effective minimum soil moisture for earthmoving by use of a moveable sprinkler system or a water truck. Moisture content could be verified by lab sample or moisture probe;
    - Limit on-site vehicle speeds on unpaved roads sufficient to retain dust emissions on-site (maximum of 15 mph);
    - Use a gravel apron, 25 feet long by road width, to reduce mud/dirt track-out from unpaved truck exit routes;
    - All transport of materials shall be completely covered with a fabric cover and maintain a freeboard height of 12 inches;
    - Water any storage piles by hand at a rate sufficient to retain dust emissions on-site, or apply cover when wind events are declared;
    - Apply chemical soil stabilizers on inactive construction areas (disturbed lands that are unused for at least four consecutive days);
    - Plant tree windbreaks on the windward perimeter of construction area;
    - Plant vegetative ground cover in disturbed areas as soon as possible; and
    - All track-out or carryout shall be cleaned at the end of each workday or immediately when mud or dirt extends a cumulative distance of 50 linear feet or more onto a paved road.
    - A publicly visible sign shall be posted with the telephone number and person to contact at the City regarding dust complaints. This person shall respond and take corrective action within 48 hours. The YSAQMD's phone number shall also be visible to ensure compliance with applicable regulations.

25. The ponds shall be monitored during the rainy season to ensure that any standing water does not result in vector control issues. If necessary, the water shall be pumped from the ponds and transported to an appropriate disposal facility, or other suitable means to eliminate vector control issues to the satisfaction of the Community Development Department.

DEVELOPMENT ENGINEERING

1. Applicant shall prepare improvement plans for all work within the public right-of-way and submit to the Development Engineering with an encroachment permit application for review and approval. Prior to building permit issuance, applicant shall obtain permit, post security for the full cost of the public improvements, and enter into an Improvement Agreement if the estimated cost of the public improvements is greater the $50,000. This submittal is separate from the building permit submittal. All public improvements shall conform to the current City of Woodland Standard Specifications.
2. The applicant shall update all utility connections to current City Standards. This may include but is not limited to installation of new meter boxes, backflow prevention, cleanouts and/or laterals in a location approved by the Public Works Department.
3. Backflow protection devices are required on the commercial and landscape irrigation water services for the project. Applicant shall install approved backflow devices on all services that serve the project site including domestic and irrigation. Backflow devices shall be tested by a City-approved tester and results provided to the Public Works Department prior to occupancy.
4. Prior to approval of on-site civil improvements, applicant shall produce an easement or other documentation of rights and agreements for the storm drain connection to the adjacent property's lateral. Without documentation to the satisfaction of the City the applicant shall connect directly via underground pipe to the City storm drain system.
5. Project shall comply with the construction, demolition and debris recycling ordinance.
6. Project shall pay development impact fees in place at the time of building permit. Storm drainage impact fees are charged on a per acre basis.
7. The Project is within the flood plain. Development shall comply with all applicable FEMA standards and regulations and all City requirements for development within a flood plain.
8. Construction of projects disturbing more than one acre of soil shall require a National Pollution Discharge Elimination System (NPDES) construction permit. Applications/project disturbing less than one acre of soil shall implement BMP's to prevent and minimize erosion. The improvement plans for construction of less than 1 acre shall include a BMP to be approved by the City Engineer.
9. The project is subject to the City's Storm Water Quality Control Ordinance. All parcels, regardless of size, shall incorporate General Site Design Measures, Site Specific Measures, and Treatment Measures. Applicant does have the option to pay a Storm Water Quality Control in-lieu fee.
10. Project shall construct any improvements required by the environmental document and/or traffic study.

11. The on-site improvement plans shall incorporate mosquito and vector control measures to the satisfaction of the City Engineer. The City will route the improvement plans to the Sacramento-Yolo Mosquito & Vector Control District for comment.

BUILDING

1. The site is within an AE zone. Grade is approximately 31-32 feet and the average flood depth is 7 to 8 feet. Unless an elevation certificate is provided all electrical service panels and receptacles shall be 10 feet above grade.
   a. Portable trailer shall have wheels and be able to be moved within 12 hours.
   b. Storage building shall be open on three sides. Flood vents are not adequate due to the depth of flood water, unless otherwise determined by the Building Official. All electrical outlets and lights shall be at two feet above BFE.
   c. Light standards shall two feet above BFE.
2. This project must meet all criteria and mandates for these City adopted codes:
   A. 2010 California Building Code (Including the Green Building Code)
   B. 2010 California Plumbing Code
   C. 2010 California Mechanical Code
   D. 2010 California Electrical Code
   E. 2008 Building Energy Efficiency Standards
   F. The Code of the City of Woodland
3. Other City and County Agencies (Health, Fire, Public Works, and Planning) may be required to approve the project prior to a building permit being issued.
4. Any deferred submittals that are not a part of the initial permit application must be listed on the cover sheet of the plan at the time of application for the project.
5. All plans, computations and specifications to be prepared and designed by an architect or engineer licensed by the state of California.
6. A licensed architect or licensed engineer shall be responsible for reviewing and coordinating all submittal documents prepared by others, including deferred submittal items, for compatibility with the design of the building.
7. Entire area of parking shall comply with the California Building Code for Accessibility. When conflicts exist between the ADA and the California building Code the standard that provides the greatest degree of accessibility shall comply.

FIRE

1. Ensure all fire apparatus access roads comply with 2010 California Fire Code Section 503.

COUNTY OF YOLO HEALTH DEPARTMENT

1. This project may be regulated by Yolo County Environmental Health as a Construction and Demolition waste processing facility and notification to or permits may be required. The applicant shall contact the Environmental Health Department to ensure compliance.
2. The facility may be subject to regulation by Yolo County Environmental Health under provisions of the Health and Safety Code if they store, handle, or use chemicals, generate hazardous waste, or have aboveground or underground tanks. The applicant shall contact the Environmental Health Department to ensure compliance.

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ATTACHMENT A

City of Woodland

Community Development Department
520 Court St, Woodland CA 95695
(530) 661-5820 Fax (530) 406-0832
www.cityofwoodland.org

General Application Form

1. Owner/Applicant

PROPERTY OWNER:	PROJECT APPLICANT
Woodland Gateway Industrial 109, LLC	Golden State Reclamation
MAILING ADDRESS: 8775 Folsom Blvd., Suite 200	**MAILING ADDRESS:** 13375 Rock Crossing Dr.
CITY STATE ZIP CODE: Sacramento, CA 95826	**CITY STATE ZIP CODE:** Reno, NV 89511
PHONE NUMBER: (916) 379-1235	**PHONE NUMBER:** (775) 742-8085
E-MAIL ADDRESS: Syu@panattoni.com	**E-MAIL ADDRESS:** travis@dccutting.com

2. Application Requested

- ☐ General Plan Petition
- ☐ Zoning Amendment
- ☐ General Plan Amendment
- ☐ Tentative Subdivision Map
- ☐ Tentative Parcel Map
- ☐ Lot Line Adjustment
- ☐ Site Plan Review
- ☐ Design Review
- ☐ Sign Design Review
- ☑ Conditional Use Permit (CUP)
- ☐ Zoning Administrator Permit
- ☐ Variance
- ☐ Public Convenience or Necessity
- ☐ Other ____________

Is this request part of another application? ☐ Yes ☐ No If so, what? ____________

3. Project Description

Project Name: Concrete Slurry Reclamation Ponds

Site address or location: Hanson Way. Woodland, CA

Total Acres or Square Feet: 17.5

Assessor's Parcel Number: 027-350-058

Is Your Project Located in a Flood Zone? ☑ Yes ☐ No

Does this request include signage? ☐ Yes ☐ No

4. Justification for Request

☞ On a separate sheet, explain in detail your request and why you believe your request is justified.

5. General Plan Amendment

Existing General Plan Designation	Gross Acres	Proposed General Plan Designation	Gross Acres

6. Zoning Amendment

Existing Land Use Zone	Gross Acres	Proposed Land Use Zone	Gross Acres

7. Residential Development

No. of residential units are being requested? ____

Single Family ____ Half-plex ____

Duplex ____ Apartments ____

Condominiums ____ Other ____

Townhomes ____ **Total Units** ____

No. of lots will be created by this project? ____

Do you intend to market the units for sale?

☐ YES ☐ No

Do you intend to market the units for rent?

☐ YES ☐ No

8. Commercial/Industrial Development

Indicate the type of commercial/industrial development proposed:

____

Indicate the gross and leasable square footage for each type of development:

____

9. Authority to File Application

Check one:

☐ Property Ownership ☐ Power of Attorney*

☑ Contract to Purchase* ☐ Other

Specify Purchase and Sale Agreement and Joint Escrow Instructions dated March , 2013

*Attach Evidence of Authority

I hereby certify that the above information and accompanying documents are true and accurate to the best of my knowledge and acknowledge that the processing of this application may require additional fees and expenses for the preparation of necessary environmental documentation and planning studies. I certify that I have reviewed the current Hazardous Waste and Substances Site List, developed pursuant to AB 3750, and found that my project is not on the list.

APPLICATION WILL NOT BE ACCEPTED WITHOUT SIGNATURE OF LEGAL OWNER OR OFFICIAL AGENT

Travis Brandt 3/11/13

Applicant: **Date**

See attached signature block

Legal Owner: **Date**

Legal Owner: **Date**

DEPARTMENT USE ONLY

Amount Paid: ____ Project No: ____

Amount Due:: ____ Logged by: ____ Date: ____

GP / Zoning Designation: ____ Planner: ____ Date: ____

Dated: March ____, 2013

WOODLAND GATEWAY INDUSTRIAL 109, LLC,
a California limited liability company

By: Panattoni Investments, LLC,
a California limited liability company,
Managing Member

By: ______________________________
Carl D. Panattoni, Trustee of the Panattoni
Living Trust, dated April 8, 1998, Sole Member

* For the avoidance of doubt, or ambiguity, Carl D. Panattoni, is signing this General Application Form for the City of Woodland, not personally, but solely in his capacity as Trustee of the Panattoni Living Trust, dated April 8, 1998, Sole Member of Panattoni Investments, LLC, Managing Member of Woodland Gateway Industrial 109, LLC

GOLDEN STATE RECLAMATION, LLC

Statement of Justification

March 27th, 2013

1. **GENERAL INFORMATION**

The project site is located at the east end of Hanson Way just north of East Main Street as Hanson Way makes a ninety degree turn in the southern direction.

Assessor Parcel Number: **027-350-055**

Approximate Size of Proposed Concrete Slurry Processing Operation: approximately 6 acres of 17.56 ± acres that comprise the entirety of the property.

~~Approximate Size of Proposed Future Inert Recycling Center as defined in below: approximately 1.5 acres of 17.56 ± acres that comprise the entirety of the property.~~

The owner of the project site is Golden State Reclamation, LLC

2. **INTRODUCTION**

The purpose of this Project Descripted is to describe the immediate and future uses of the property.

This Project Description incorporates two separate components.

The first component of this project is a Concrete Slurry Processing Operation where reusable concrete fines will be recovered and delivered to a regional inert material recycler to be incorporated into post-consumer aggregate products.

The Proposed Concrete Slurry Processing Operation will be designed and operated to receive cured concrete slurry generated from local construction and improvement projects. The material will then be mechanically processed into a reusable concrete fine that can be utilized in a host of post-consumer products.

Second, this project description incorporates a future Inert Material Recycling Center adjacent to the concrete slurry operation. The Inert Material Recycling Center will accept broken concrete/asphalt to be recycled into a Class II Aggregate Base product that will utilize the concrete fines from the Concrete Slurry Processing Operation. Portable crushing equipment will be utilized to process inert debris and will only be onsite and in operation for short periods of time.

2. **PROJECT CAPACITY**

Proposed Concrete Slurry Processing Operation

For purposes of the Proposed Concrete Slurry Processing Operation, the volume of material processed at the site will vary according to time of year and local construction activity, it is currently anticipated that the Proposed Concrete Slurry Processing Operation will process a maximum of 45,000 Gallons of Slurry, 43 Cubic yards/day of material and 6,450 yards annually.

~~**Future Uses**~~

~~The proposed future Inert Material Recycling Center use will process at maximum capacity 100,000 tons of concrete and asphalt annually in addition to the Concrete Slurry Processing Operation.~~

3.. SITE ACCESS

The subject property is located on the North side of Hanson Way in the City of Woodland community. There is one existing access point off Hanson Way that is approximately 40 feet wide.

4. EMPLOYEES

4.1 NUMBER:

For the proposed Uses, employment will vary according to time of year, business cycles, local construction activity, between 5 to 10 individuals will be employed by the proposed activities on the subject property.

5. EQUIPMENT

It is anticipated that the following equipment would be utilized by the proposed operations.

Equipment Description	Quantity
Excavator	1
Bobcat	1
Front-End Loader	1

6. TRAFFIC ESTIMATES

Proposed Concrete Slurry Processing Operation

It is anticipated that the Proposed Concrete Slurry Processing Operation will have a maximum of 9 one-way heavy truck trips per day. This is calculated by dividing the maximum tonnage per day (225 tons) by 20 (which represents the tonnage capacity of the trucks that will be utilized in this operation) multiplied by 2 to account for trucks entering and exiting the facility.

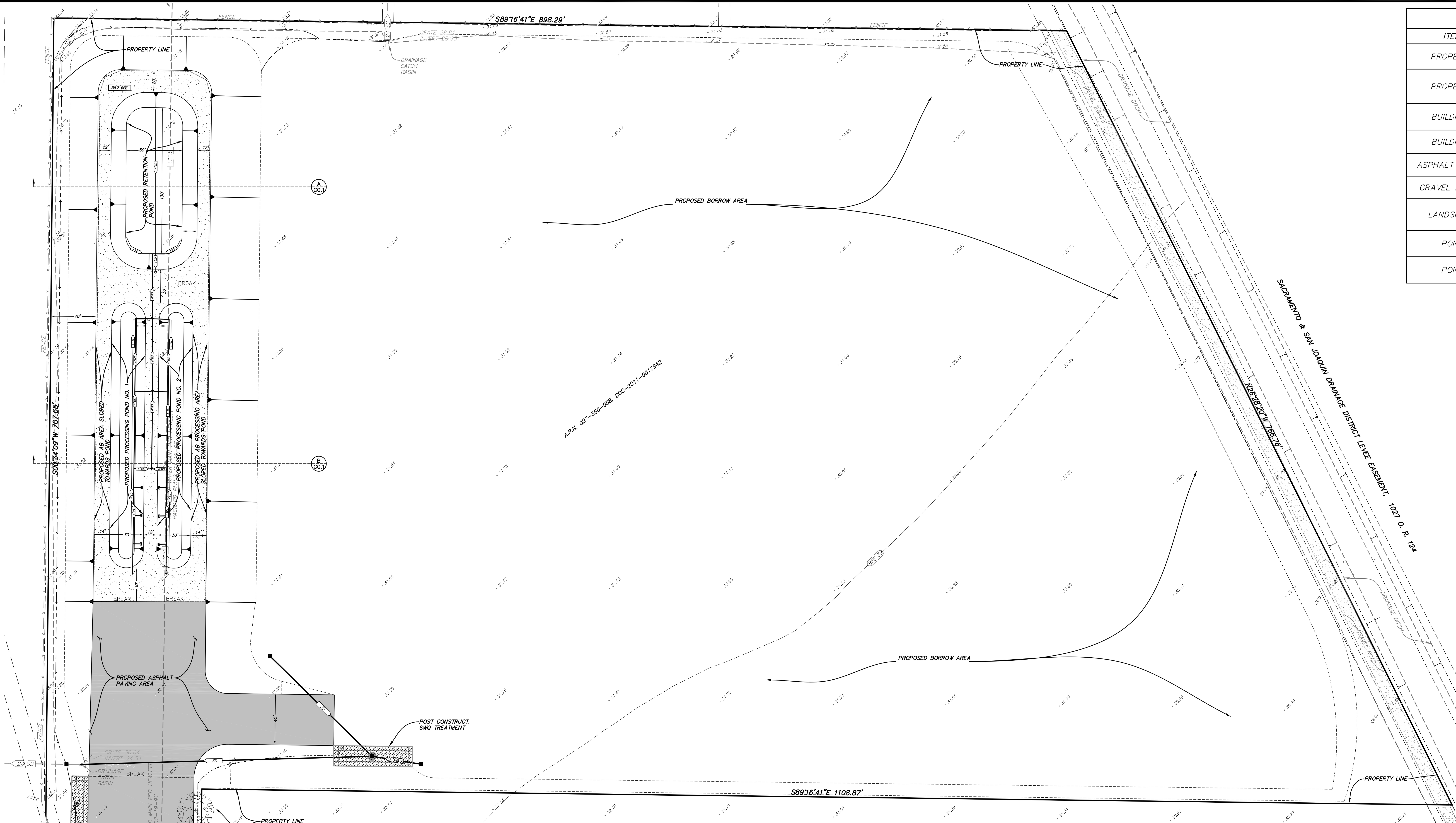
~~**Future Use**~~

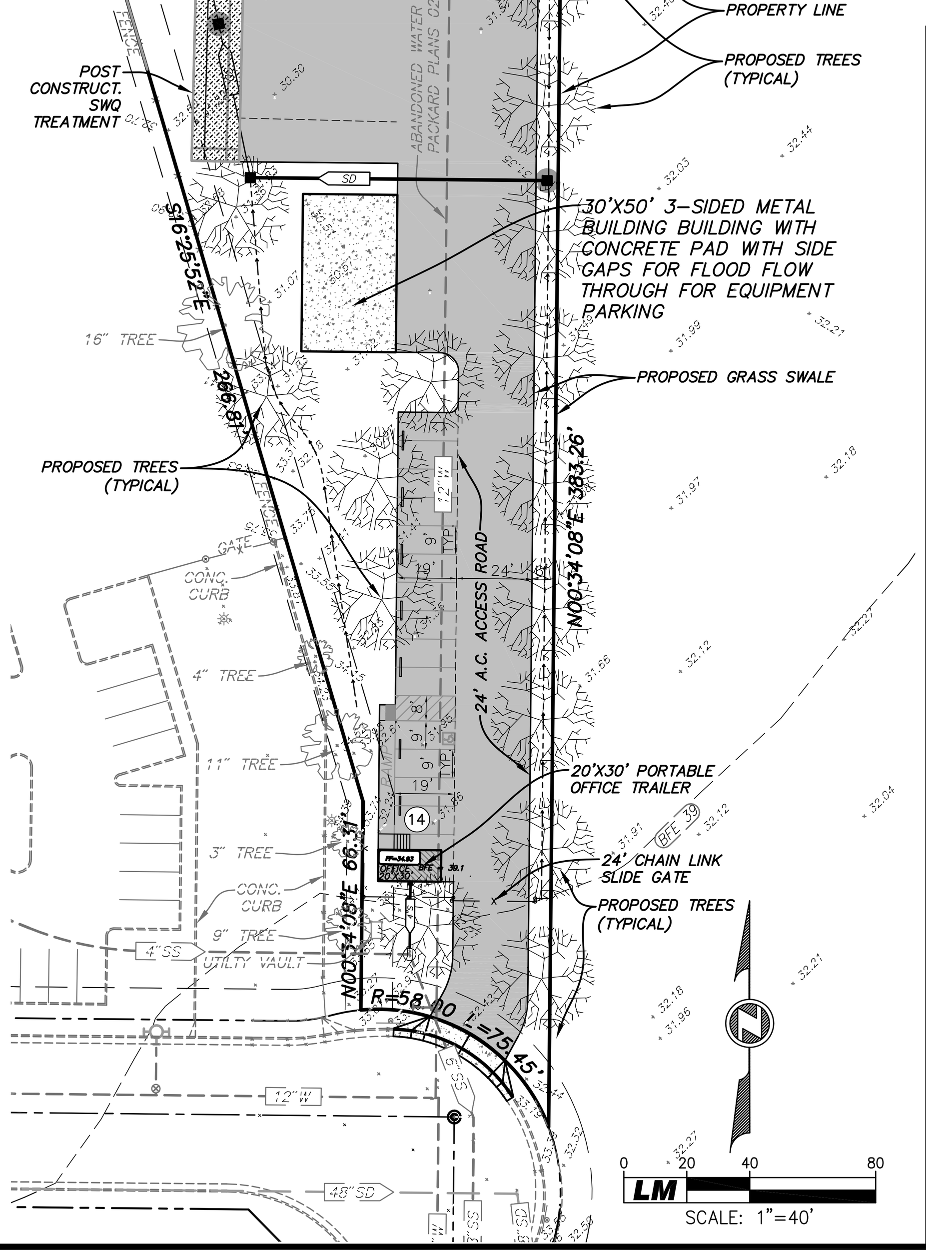
~~The average traffic generation for the future Inert Material Recycling Center is an estimated 64 heavy truck trips per day. This is calculated by dividing the maximum~~

~~tonnage per year of 100,000 by the number of days the facility operates, 260 days (5 days a week multiplied by 52 weeks) which equals a maximum of 385 tons per day. Divide the 385 tons per day by 12 tons (which is the capacity of the smallest haul truck) equals a maximum of 32 one-way heavy truck trips per day. The 32 one-way heavy truck trips per day is multiplied by 2 to account for trucks entering and exiting the site, which equals the maximum of 64 heavy truck trips per day with the smallest capacity haul truck. Most trucks utilized in this industry are approximately double the capacity of the smallest haul truck.~~

7. HOURS OF OPERATION

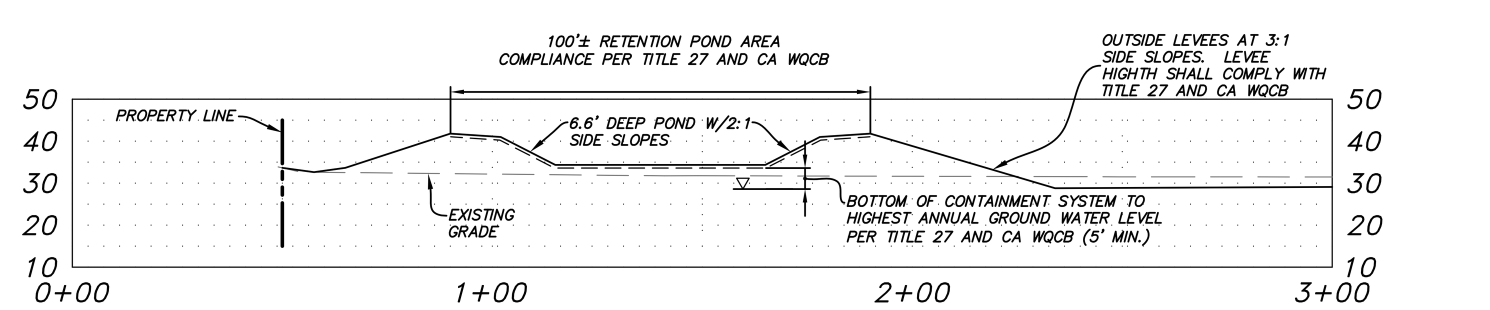
Monday – Friday: 6:00 AM to 6:00 PM
Saturday: 8:00 AM to 5:00 PM
Sunday: 8:00 AM to 5:00 PM





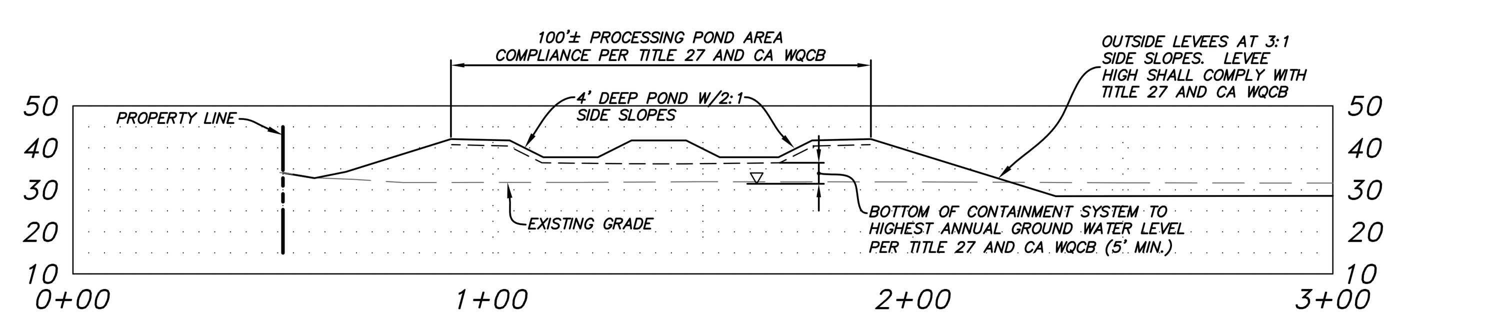
DEVELOPMENT NOTES

ITEM	DESCRIPTION	AREA
PROPERTY	GROSS AREA	17.557 ACRES (764,786 SF)
PROPERTY	DISTURBED AREA WITHIN DEVELOPMENT	17.360 ACRES (756,202 SF)
BUILDINGS	20'X30' MOBILE TRAILER/OFFICE	(600 SF)
BUILDINGS	30'X50' EQUIPMENT PARKING BUILDING	(1,500 SF)
ASPHALT PAVING	PARKING AND DRIVE AISLE	(40,193 SF)
GRAVEL PAVING	PROCESSING AREA	(22,220 SF)
LANDSCAPE	LANDSCAPE AREA INCLUDING BIO-SWALES	(??,??? SF)
POND	PROCESSING POND	(2 @ 6,857 SF = 13,714 SF TOTAL)
POND	RETENTION POND FOR LEACHATE	(11,238 SF)



Section_A_Retention Pond PROFILE VIEW

SCALE: HORIZ. 1" = 30'
VERT. 1" = 20'



Section_B_Process Ponds PROFILE VIEW

SCALE: HORIZ. 1" = 30'
VERT. 1" = 20'

SITE PLAN

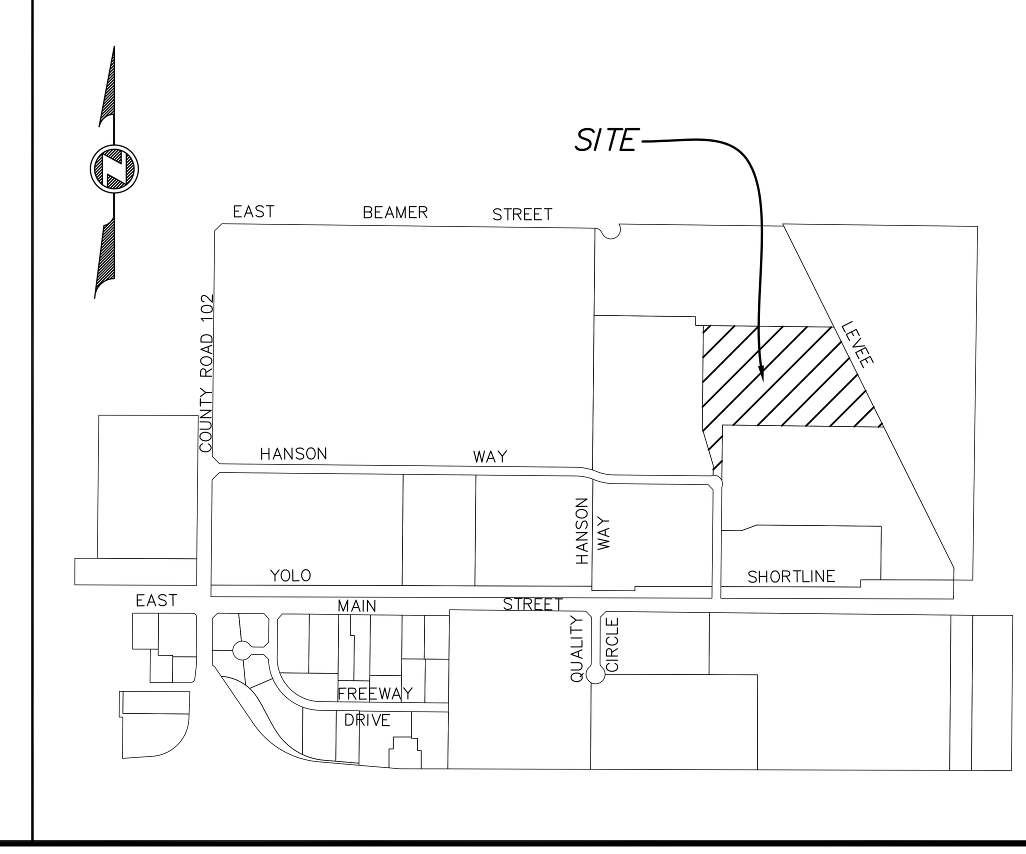
FOR

WOODLAND GOLDEN STATE RECLAMATION
APN 027-350-058, HANSON WAY

NOTES

DEVELOPER:	TRAVIS BRANT DIVERSIFIED CONCRETE CUTTING 59 CONEY ISLAND DRIVE SPARKS, NV 89431
ENGINEER/SURVEYOR:	BRYAN P BONINO LAUGENOUR AND MEIKLE CIVIL ENGINEERS 608 COURT STREET WOODLAND, CA 95695 PHONE (530) 662-1755
ASSESSOR'S NUMBERS:	A.P.N. 027-350-058,
EXISTING USE:	VACANT
PROPOSED USE:	INDUSTRIAL
EXISTING ZONING:	INDUSTRIAL
SEWER SERVICE:	CITY OF WOODLAND
DRAINAGE SERVICE:	CITY OF WOODLAND
WATER SERVICE:	CITY OF WOODLAND
GAS & ELECTRIC SERVICE:	PACIFIC GAS & ELECTRIC
TELEPHONE SERVICE:	AT&T
FLOOD ZONE:	AE, BFE=VARIES
GROSS AREA:	17.557± ACRES

VICINITY MAP



REV. | DATE | DESCRIPTION | BY | APP'D

LAUGENOUR AND MEIKLE
CIVIL ENGINEERING · LAND SURVEYING · PLANNING
608 COURT STREET, WOODLAND, CALIFORNIA 95695 · PHONE: (530) 662-1755
P.O. BOX 828, WOODLAND, CALIFORNIA 95776 · WEB: www.lmce.net
REGISTERED PROFESSIONAL ENGINEER · BRYAN P. BONINO · No. 41804 · Exp. 3-31-10 · CIVIL · STATE OF CALIFORNIA
BY ______ BRYAN P. BONINO
DATE ______ P.E. 41804 EXPIRES 03/31/10

SITE PLAN

WOODLAND GOLDEN STATE RECLAMATION
APN 027-350-058, HANSON WAY

CITY OF WOODLAND   YOLO, CALIFORNIA

JOB NO.	3833
DESIGNED	BPB
DRAWN	BRD
FILE	3833_Base_1_Topo
CHECKED	BPB
DATE	07-10-13
SCALE	1"=40

SHEET C0.1 OF 1

X:\Land Projects\3833\dwg\3833_Base_1_Topo.dwg

MOBILE OFFICES

HIGH SECURITY OFFICES »
HIGH SECURITY OFFICE / STORAGE COMBO »
STANDARD MOBILE OFFICES »
DESIGNER SERIES MOBILE OFFICES »
SECURITY FEATURES »
OPTIONS & ADD-ONS »
SERVICES »
NATIONAL ACCOUNT INFO »
CUSTOMER TESTIMONIALS »

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10' X 32' & 42' STANDARD MOBILE OFFI

Our 32 and 42-foot mobile offices feature two side-by-side offices or an open floor plan, wi shelf, desktop, and a fold down planning table in the adjacent room. We can design and customize offices to fit your budget, special needs, and national building code regulations.

OFFICE SPECIFICATIONS

SIZE
- 36' & 46' Long (including hitch)
- 32' & 42' Box Size
- 10' Wide
- 8' Ceiling Height

INTERIOR FINISH
- Wood-Grain Paneled Walls
- Vinyl Tile Floors
- Private Offices (2)
- T-Grid Ceilings
- Fold-down Plan Table (1)
- 8' Desktop (1)
- 8' Overhead Shelf (1)

WINDOWS & DOORS
- Horizontal Slider Windows with Screens
- Mini Blinds
- Interior Security Bars
- Hydraulic Door Closures

EXTERIOR FINISH
- Wood Siding
- I-beam Frame
- Standard Drip Rail Gutters
- 40 lb. Roof Load
- Detatchable Hitch

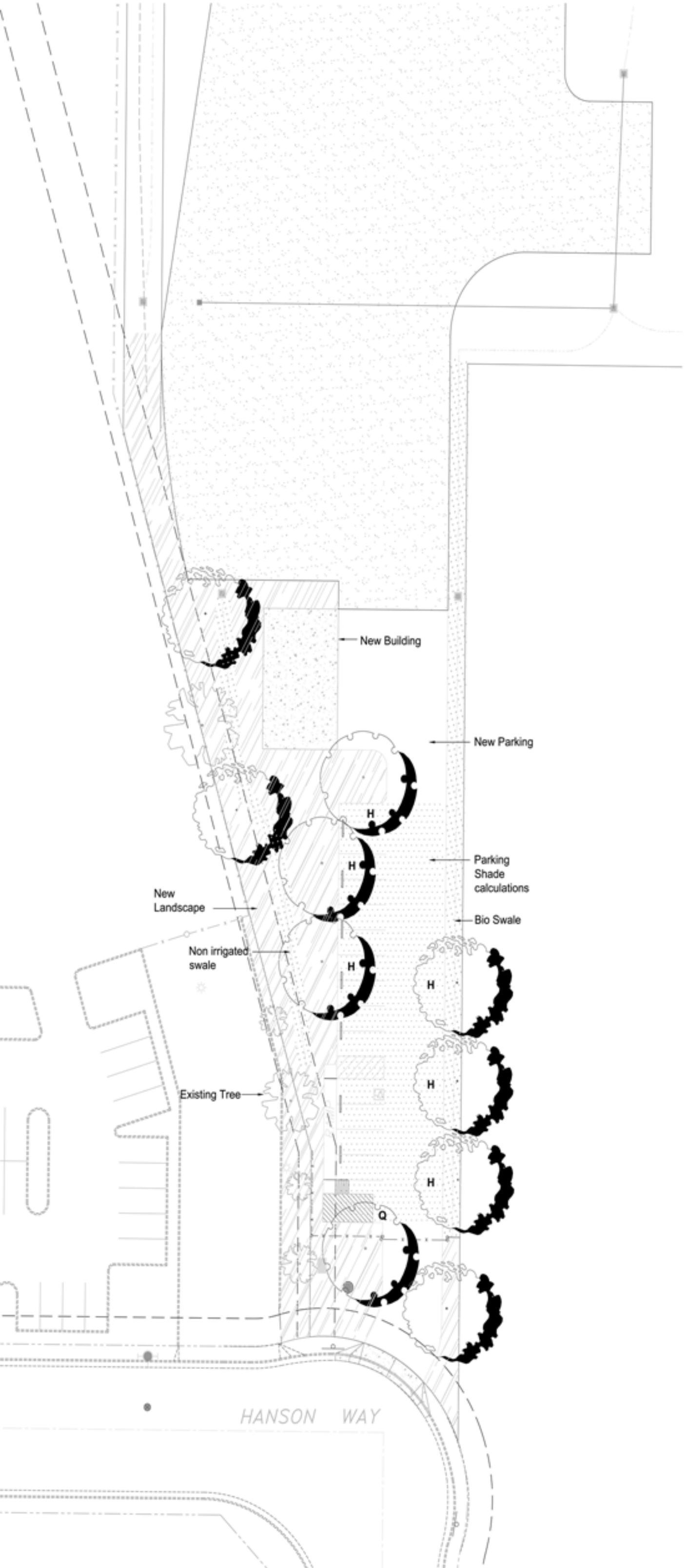
ELECTRIC
- Fluourescent ceiling lights
- 120/240 Volt, single-phase
- 125-amp break panel
- Vandal resistant exterior lights at all doors
- Exterior phone / data jack access

HEATING & COOLING
- Supply and Returned Ducted
- Central HVAC

DO'

DO'


mobile mini
Golden State Reclamation
(916) -------



PLANT LIST

TREES

Existing Tree			Varies	
Quercus 'Shumardii'	Shumardi Oak		15 Gallon	6
Ulmus p. 'True Green'	True Green Elm		15 Gallon	4

SHRUBS

Arctostaphylos 'Howard McMinn'	Manzanita	Low	5 Gallon	
Cistus purpureus	Rockrose	Low	5 Gallon	
Pennesetum s. rubra	Purple Fountain Grass	Low	1 Gallon	
Muhlenbergia capillaris	Pink Muhly Grass	Low	1 Gallon	
Nerium oleander dwf	Dwarf Oleander	Low	5 Gallon	
Rhaphiolepis 'Pink Lady'	Indian Hawthorne	Low	5 Gallon	
Tulbaghia violacea	Society Garlic		1 Gallon	
Xylosma c. compacta	Dwarf Xylosma	Low	5 Gallon	

GROUND COVER

Myoporum p. pink	Pink Myoporum		1 Gallon	36" OC
Juniper conferta	Shore Juniper	Low	1 Gallon	24" OC

SHADE CALCULATIONS

Tree Variety	Full Value	Full	¾	Half	¼	Total Sq.'
35' Trees						
Quercus shumardii	962 sq.'			3		1443
Ulmus True Green	962 sq.'			3	1	1683
Total Shade Area Provided						3126

SHADE SUMMARY

Parking Area		6170
Shade required	40%	2468
Shade Provided	50%	3126

IRRIGATION DESIGN NOTES

Irrigation system will be designed to comply with City of Woodland Water use guidelines.

Design shall include a fully automatic irrigation system consististing of low volume water conveyance features including subterranean drip emission, ET controller and other water saving features.

Scale 1" = 30'

VISTA PARKS
LANDSCAPING INC.

3323 Watt Ave. #229 Sacramento, CA 95821
PH. (916) 681-2227 FAX (916) 681-2228

Woodland
Golden State
Reclamation
Project

Hanson Way
Woodland, CA

Revisions

ISSUE # :	DESCRIPTION	DATE :
	CONCEPTUAL SUBMITTAL	4-29-2013

Sheet Title

Preliminary
Planting Plan

Scale 1"=20'

Job Number L12-011-1
Date 04-29-20132
Drawn EJO
Checked EJO

Sheet

LP

ATTACHMENT B

City of Woodland
Community Development Department 300 First Street Woodland, CA 95695 (530) 661-5820 (530) 406-0832 Fax

NOTICE OF INTENT AND NOTICE OF PUBLIC HEARING

TO: All Interested Parties

FROM: City of Woodland Community Development Department

DATE: May 14, 2013

SUBJECT: ***Notice of Intent to Adopt a Mitigated Negative Declaration and Notice of Public Hearing to Take Action on the Proposed Golden State Reclamation Project***

Applicant: Travis Brandt, Golden State Reclamation
13375 Rock Crossing Dr.
Reno, NV 89511 (775) 742-8085

Description of Project: The proposed project, ***Golden State Reclamation Project***, land use and zoning designation is Industrial. Existing industrial developments are located directly south, west, and north of the site, and agricultural land uses are located east and northeast of the project site. The proposed project site is currently vacant and covered in ruderal vegetation. The site is located in Flood Zone AE, which is considered a high risk flooding area.

The proposed project consists of a concrete slurry processing facility. A Conditional Use Permit for the facility would be required per the City's Zoning Ordinance. Included in the proposed project design are two reclamation ponds for the concrete slurry, one retention pond for leachate, one storage building for construction equipment, and one on-site mobile office trailer. The processing ponds would be approximately 6,857 square feet each, or 13,714 square feet total, and would be oriented in a north-south direction. The 14,029-square-foot retention pond would be located directly to the north of the processing ponds. A three-sided, 30-by-50-foot or 1,500-square-foot metal building with a concrete pad and side gaps for flood flow would be utilized for equipment storage. The mobile office trailer would have an approximately 20-by-30-foot or 600-square-foot footprint and would be on wheels for ease of movement. A bathroom for employee-use would be located in the mobile office trailer. The proposed project would include connection to the existing nearby City water and sewer lines in Hanson Way.

Employment at the proposed project would vary according to the time of year, business cycles, and local construction activity. However, between five and 10 individuals per shift are anticipated to be employed for the activities at the project site. The site would operate Mondays through Fridays from

6:00 AM to 6:00 PM, and Saturdays and Sundays from 8:00 AM to 5:00 PM.

Requested entitlements include:

- Adoption of a Mitigated Negative Declaration of Environmental Impacts
- Approval of Conditional Use Permit
- Approval of the Project's Site Plan and Design Review

Project Location: The proposed project is located in an industrial area in the northeastern portion of the City of Woodland, Yolo County. Access to the project site is at the east end of Hanson Way, just north of East Main Street as Hanson Way makes a 90-degree turn in the southern direction. The proposed project would be located on a 17.56-acre property with an Assessor's Parcel Number (APN) of 027-350-058.

Environmental Determination: Mitigated Negative Declaration.

Comments on the Negative Declaration: The City requests your written comments on the Negative Declaration during a **30-day review period**, which begins Tuesday, May 14, 2013, and ends Wednesday, June 12, 2013. All comments must be received no later than 4:00 pm, Wednesday, June 12, 2013. Comments should be directed to Paul L. Hanson, AICP, Senior Planner, 300 First Street, Woodland CA 95695.

Public Hearing: A public hearing will be held to consider adoption of the Mitigated Negative Declaration and take action on the project on Thursday, June 20, 2013, before the Planning Commission. This meeting will be held at 6:30 pm in the City Council Chambers located on the second floor of City Hall at 300 First Street, Woodland, California.

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in these hearings, please contact the Community Development Department at (530) 661-5820. Please make your request as early as possible and at least one-full business day before the start of the hearing.

The City does not transcribe its hearings. If you wish to obtain a verbatim record of the proceedings, you must arrange for attendance by a court reporter or for some other means of recordation. Such arrangements will be at your sole expense.

If you wish to challenge the action taken on this matter in court, the challenge may be limited to raising only those issues raised at the public hearing described in this notice, or in written correspondence delivered to the Planning Commission prior to the public hearing.

Availability of Documents: The Mitigated Negative Declaration, Environmental Checklist/Initial Study, and supporting documentation are now available for public review at the Community Development Department, 300 First Street, Woodland, CA 95695.

For more information regarding this project, please call Paul L. Hanson, AICP, Senior Planner at (530) 661-5814 or Cindy Gnos with Raney Planning & Management at (916) 372-6100.

ATTACHMENT C

RESPONSE TO COMMENTS

This Response to Comments document contains comments received during the public review period of the Golden State Reclamation project (proposed project) Initial Study/Mitigated Negative Declaration (IS/MND).

BACKGROUND

The City of Woodland, as lead agency, released the IS/MND for public review beginning on Tuesday May 14, 2013 and ending on Wednesday June 12, 2013 pursuant to CEQA Guidelines Section 15105. The Draft IS/MND and supporting documents were made available at the City Community Development Department, located at 300 First Street in Woodland, CA. According to CEQA Guidelines Sections 15073 and 15074, the lead agency must consider the comments received during consultation and review periods together with the IS/MND. However, unlike with an Environmental Impact Report, comments received on an IS/MND are not required to be attached to the IS/MND, nor must the lead agency make specific written responses to public agencies. Nonetheless, the lead agency has chosen to provide responses to the comments received during the public review process for the proposed project IS/MND.

LIST OF COMMENTERS

The City of Woodland received nine comment letters during the open comment period on the IS/MND for the proposed project. The comment letters were authored by the following representatives of local agencies:

Letter 1	James Herota, Central Valley Flood Protection Board
Letter 2	Trevor Cleak, Central Valley Regional Water Quality Control Board
Letter 3	Katie Wurzel, City of Woodland Community Development Engineering
Letter 4	Kevin Combo, Sacramento-Yolo Mosquito & Vector Control District
Letter 5	Mathew R. Jones, Yolo-Solano Air Quality Management District
Letter 6	Vinoo Jain, Central Valley Regional Water Quality Control Board
Letter 7	George Wilson, PGP International, Inc.
Letter 8	Susan Garbini, Yolo Habitat JPA
Letter 9	Moushumi Hasan, Yolo County Environmental Health Solid Waste Program

RESPONSE TO COMMENTS

The Response to Comments section includes responses to each of the comment letters submitted regarding the proposed project. The comment letters are attached at the end of this section.

LETTER 1: JAMES HEROTA, CENTRAL VALLEY FLOOD PROTECTION BOARD

The City has performed floodplain modeling for the proposed project and has determined that the project would not have any significant effects on flood levels at the site. As brought forth in the letter, pursuant to Title 23 of the California Code of Regulations, the project applicant would apply for and obtain a permit from the Central Valley Flood Protection Board. Proof of compliance would be submitted to the City's Community Development Department prior to the issuance of building and grading permits, per the proposed project's conditions of approval.

LETTER 2: TREVOR CLEAK, CENTRAL VALLEY REGIONAL WATER QUALITY CONTROL BOARD

The proposed project would comply with all applicable Central Valley Regional Water Quality Control Board (CVRWQCB) requirements, and the project applicant would obtain all necessary permits. Proof of compliance would be submitted to the City's Community Development Department prior to the issuance of building and grading permits, per the proposed project's conditions of approval.

LETTER 3: KATIE WURZEL, CITY OF WOODLAND COMMUNITY DEVELOPMENT ENGINEERING

The comment letter indicates that the IS/MND has been reviewed by the City's Transportation Engineer, and that the Transportation Engineer found no issues with the contents of the IS/MND.

LETTER 4: KEVIN COMBO, SACRAMENTO-YOLO MOSQUITO & VECTOR CONTROL DISTRICT

The commenter is concerned with the potential to breed mosquitos in the proposed retention pond, and requests to review a full set of detailed drawings for the retention pond and stormwater drainage plans. The City will route the requested plans to and consult with the Sacramento-Yolo Mosquito & Vector Control District to determine the best means to address the stated concerns.

LETTER 5: MATHEW R. JONES, YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT

The comment letter indicates that the IS/MND has been reviewed by the Yolo-Solano Air Quality Management District (YSAQMD), and that the YSAQMD has no comments. The commenter's request that the project applicant contact the YSAQMD regarding permits shall be forwarded to the project applicant for their consideration.

LETTER 6: VINOO JAIN, CENTRAL VALLEY REGIONAL WATER QUALITY CONTROL BOARD

The CVRWQCB submitted a comment letter dated May 28, 2013. After completing a site specific review of the IS/MND, the CVRWQCB submitted this additional comment letter dated June 11, 2013. The CVRWQCB's concerns included in the June 11, 2013 comment letter are addressed below.

1. The proposed project is located within a high risk flood zone.

This comment provides a summary of the flood risk analysis in the IS/MND and does not address the adequacy of the IS/MND.

2. The proposed project is located where shallow groundwater exists.

As stated in the response to comment letter 2 above, the proposed project would obtain all necessary permits and comply with all applicable CVRWQCB requirements. The CVRWQCB during permit review would ensure that all requirements are met, including ensuring that a minimum five foot separation exists between the ponds and the highest anticipated elevation of underlying ground water. Proof of compliance would be submitted to the City's Community Development Department prior to the issuance of building and grading permits, per the proposed project's conditions of approval.

3. Sizing of two proposed processing ponds appears inadequate.

The applicant has indicated that if the volume within the processing ponds is exceeded, the ponds would be cleaned out and the slurry properly disposed at a permitted disposal site.

4. Solids in two proposed processing ponds is not classified as inert waste.

For clarification purposes, the IS/MND shall be revised to remove any reference of the on-site materials as inert waste, per the comment. The processed materials would be delivered to an authorized recycling facility, and any material being disposed would be disposed of properly at a permitted disposal site, consistent with all applicable State regulations.

5. Gravel skirt around two proposed processing ponds and leachate pond not specified as low permeable material.

The applicant proposes to seal the berms of the ponds with an organic sealant material that would help to minimize permeation of any runoff from the ponds, which is not anticipated to occur. The sealant would also help minimize dust generated by equipment during the unloading and loading of processed materials. The applicant proposes to extend protective double lining system through the gravel skirt areas which will be sloped towards the processing ponds. Any waste leaching through this area would then be collected and prevented from entering the groundwater system.

6. Class II Surface impoundments will require groundwater monitoring network to ensure isolation of waste.

As stated in the response to comment letter 2 above, the proposed project would obtain all necessary permits and comply with all applicable CVRWQCB requirements. The CVRWQCB during permit review would ensure that all requirements are met, including establishing the hydrogeology at the site and groundwater monitoring. Proof of compliance would be submitted to the City's Community Development Department prior to the issuance of building and grading permits, per the proposed project's conditions of approval.

7. The IS/MND considers liquid in leachate pond as clean water.

For clarification, the IS/MND's use of the term "clean water" is not intended to imply that the water would be used for potable or any other such purposes. The intention of the IS/MND's use of "clean water" was to explicate that such water is not concrete slurry and is adequate for reuse as processing water (e.g., to fill the on-site water tanker, wash out residual waste from trucks, or be hauled to ongoing local project sites for use). Any water not reused on-site would be properly disposed of in accordance with all applicable State laws.

8. During wet season storm water collected in processing ponds and leachate pond may/may not be discharged based on cleanup operations prior to rainy season.

As stated in the response to comment letter 2 above, the proposed project would obtain all necessary permits and comply with all applicable CVRWQCB requirements. The CVRWQCB during permit review would ensure that all requirements are met, including ensuring that either all storm water runoff from the processing area is retained in the ponds during the rainy season or that that all concrete slurry residue is completely removed from the ponds during shut down. Grading and drainage for the processing area would be designed so that runoff from the processing area would not discharge ot the City storm drain system. Proof of compliance would be submitted to the City's Community Development Department prior to the issuance of building and grading permits, per the proposed project's conditions of approval.

9. PGP International facility dust sensitive due to on-site operations. Dry solids in processing ponds may create dust nuisance during windy conditions.

As further discussed in Response to Comment 11 of Letter 7 below, the material within the processing ponds would be a consistency similar to mud and would not be completely dry or harden. The material would still have moisture content when removed from the ponds. Thus, dust from "dry solids" in the ponds would not occur. During construction and operations, the applicant will implement adequate dust control measures sufficient to retain dust emissions on-site, per the proposed project's conditions of approval. As would be required for any other project in the area, the proposed project would comply with City and YSAQMD requirements to contain dust during construction. Potential dust control measures could include, but would not be limited to, applying chemical stabilizers, dust suppressants, tarps, or other suitable material. Proof of compliance with the proposed project's conditions of approval would be submitted to the City's Community Development Department prior to the issuance of building and grading permits.

In addition, the site plan has been revised to include an asphalt access road, rather than a gravel access road, which would reduce dust emissions generated at the project site from vehicle travel. The applicant also proposes to seal the berms of the ponds with an organic sealant material that would help to minimize dust generated by equipment during unloading of the processed materials. Furthermore, the site plan has been revised to include a row of trees along the southern fence line of the project site, between the project property and the PGP International facility, to help further reduce the threat of dust.

It should be noted that the project site is currently used for dry farming operations, including being disced each year. Accordingly, dust emissions associated with the discing of the site are currently occurring on the project site. Implementation of the proposed project would likely not result in a substantial increase in dust emissions from what already occurs at the project site related to discing.

10. Report of Waste Discharge (ROWD).

As stated in the response to comment letter 2 above, the proposed project would obtain all necessary permits and comply with all applicable CVRWQCB requirements. The CVRWQCB during permit review would ensure that all requirements are met, including consultation with the CVRWQCB and submittal of a ROWD. Proof of compliance would be submitted to the City's Community Development Department prior to the issuance of building and grading permits, per the proposed project's conditions of approval.

11. Other General Requirements.

a. Antidegradation Considerations.

As stated in the response to comment letter 2 above, the proposed project would obtain all necessary permits and comply with all applicable CVRWQCB requirements. The CVRWQCB during permit review would ensure that all requirements are met, including an antidegradation analysis. Proof of compliance would be submitted to the City's Community Development Department prior to the issuance of building and grading permits, per the proposed project's conditions of approval.

b. Industrial NPDES Storm Water Permit.

As stated in the response to comment letter 2 above, the proposed project would obtain all necessary permits and comply with all applicable CVRWQCB requirements, including coverage under a NPDES Industrial Stormwater Permit. Proof of compliance would be submitted to the City's Community Development Department prior to the issuance of building and grading permits, per the proposed project's conditions of approval.

LETTER 7: GEORGE WILSON, PGP INTERNATIONAL, INC.

The following responses to the comments submitted by George Wilson are numbered in accordance with each bracketed comment of the letter (see bracketed comment letter attached at the end of the Response to Comments section.

Response to Comment 1

The comment is an introductory comment and includes a summary of the project description. The comment does not address the adequacy of the IS/MND.

Response to Comment 2

The commenter summarizes the concerns regarding the proposed project brought forth in further detail throughout the remainder of the comment letter. The commenter's concerns are fully addressed in the responses to comments below.

Response to Comment 3

The commenter explains the services provided by Environmental Resources Management (ERM), and states that the ERM report is attached to the comment letter. Based on the conclusions in the ERM report, the commenter expresses his opinion that the IS/MND and the Conditional Use Permit (CUP) not be approved. The comment has been forwarded to the decision-makers for their consideration. It should be noted that the concerns brought forth in the ERM report that have led to such an opinion are addressed in the responses to comments below. The IS/MND adequately complies with the requirements of CEQA. In addition, the Planning Commission has the authority to make the final decision regarding approval of the proposed project and CUP.

Response to Comment 4

The comment summarizes the concerns presented in the ERM report, as well as sections of the CEQA Guidelines. All concerns brought forth in the ERM report are addressed in further detail in the responses to comments below.

Response to Comment 5

See Response to Comment 4 above.

Response to Comment 6

The comment is an introductory comment and includes a summary of the concerns identified in the ERM report, each of which is addressed in the corresponding responses to comments below.

Response to Comment 7

The comment is an introductory comment stating the commenter's opinion that some elements of the project description should be clarified. The elements of concern are addressed in Responses to Comments 8 through 11 below.

Response to Comment 8

As noted by the commenter, the IS/MND properly discloses that the material to be handled would be considered a designated waste and the project would be a Class II waste management unit (See pages 34 and 37 of the IS/MND). For further details regarding the incoming materials and overall production process, please see Response to Comment 11 below. Please refer to response number 6 to comment letter 6 regarding hydrologic site characteristics.

Response to Comment 9

Required permits for the project are adequately disclosed in the associated impact areas throughout the IS/MND. The project applicant is not required to contact any regulatory agencies during environmental review nor is the environmental document required to state whether conversations have been initiated at the time of preparation. However, the project applicant has in fact had significant consultations with the RWQCB regarding the design of the project. In addition, the IS/MND includes performance standards, including coordination with the RWQCB prior to issuance of grading permits, that would ensure that the appropriate actions are performed at the appropriate time.

Response to Comment 10

The discussions of project trips included on pages 9 and 17 of the IS/MND are both correct, as well as the discussion of trips on page 51 of the IS/MND. The original project proposal included a recycling center, which is no longer part of the project. Thus, the IS/MND does not include any references to the recycling center and the associated trips were not applied to any of the analyses. The Focused Traffic Study prepared for the proposed project by KD Anderson & Associates, Inc. included the trips associated with the original proposal, including 64 daily truck trips for the recycling center operations. Because the project modification would not change the conclusions of the Focused Traffic Study, an updated version of the Focused Traffic Study was not necessary.

Response to Comment 11

The commenter requests further information and/or clarification regarding the overall production process. Further information and/or clarification are provided as follows:

1) The nature of the incoming material is a mixture of concrete grindings and added water (aka concrete slurry). The concrete is "ground" off of public roads, highways, and airports. This material would be transported from construction sites and off-loaded (dumped) at the project site by tankers/trailers, which have a volume of 5,000 gallons. Historically, pH levels have been approximately 10 +/- 1.

2) The project would include on-site personnel responsible for inspecting and monitoring incoming loads, in order to detect the presence of any hazardous or prohibited materials.

3) The pond would be a double-lined. The secondary liner would be 40-mil HDPE, the minimum required by Title 27 regulations, and the primary liner would be 60 mil, which exceeds the Title 27 requirement. Installation and distance of groundwater to impounded waste would comply with Title 27 (See response 2 of comment letter 6 above).

4) A leakage detection system would be placed between the two pond liners and would be monitored and submitted quarterly with the WDR. In compliance with Title 27, monitoring wells would be installed, and a groundwater monitoring and reporting plan would be implemented, which would be overseen by the RWQCB.

5) The composition of the material within the ponds during processing would be a concrete mud material, similar to the make-up of concrete when poured, except that the mixture would already be cured. Additional chemicals would not be added to the material in the ponds.

6) As stated on page 9 of the IS/MND, "The proposed project would operate from April through October and would shut down during the winter wet season (November through March)."

7) The borrow area would be used to temporarily stock pile soil during construction of the project. Upon completion of project construction, portions of the borrow area would be used to park construction equipment when not in use and the remaining portion would be

vacant.

8) As noted in 5) above, the material in the ponds would be mud-like and would not harden. Therefore, breaking or grinding of the processed material would not be required. As discussed on page 9 of the IS/MND, and further clarified in response 4 to comment letter 6 above, the excavated material would be loaded onto trucks and transported to an authorized recycling facility, and any material being disposed would be disposed of properly at a permitted disposal site, consistent with all applicable State regulations.

9) As discussed on page 40 of the IS/MND, the stormwater collection and conveyance system for the project would consist of adequate capacity in the retention pond for the 1,000-year storm event. The levee tops surrounding the pond would be sloped so that stormwater runoff would flow into the ponds. The water would flow through the leachate collection system and be collected in the retention pond, which, as discussed on page 9 of the IS/MND, would "be used to refill the on-site water tanker and/or to supply the tanker trucks with water to be carried back to local project sites." The areas outside of the ponds would be sloped to allow stormwater to flow to the City's existing storm drainage system. Grading and drainage of the processing area would be designed so that runoff from the processing area would not discharge to the City storm drain system. As explained on page 9 of the IS/MND and further clarified in response 7 to comment letter 6 above, prior to operational shut down, water from the retention pond would be used to fill the on-site water tanker, and any remaining water would be properly disposed of in accordance with all applicable State laws.

10) As discussed on page 5 of the IS/MND, water and sewer services are currently provided to the project area by the City of Woodland and gas and electric service from Pacific Gas & Electric (PG&E). Existing utility lines are located along Hanson Way. The proposed project would include connection to the existing nearby City water, storm drainage, sewer, and telecommunications lines, as well as the PG&E lines, in Hanson Way.

11) If the proposed project is approved on July 18, 2013, construction of the project would commence in late July or early August, and would end no later than the end of October. It should be noted that construction of the project was initially anticipated to begin in May 2013; thus, the air quality and greenhouse gas modeling completed for the proposed project utilized such timing. Because the duration of construction would remain the same as modeled, the construction-related emissions would not change.

12) See response 9 to comment letter 6 above. In addition, air quality and dust control practices would be met through the construction activities SWPPP program, as well as through long-term Industrial Stormwater Pollution Plan practices, as required under City Ordinances.

13) The "1.5-acre inert material recycling center" mentioned in the comment was initially proposed as part of the project, but has since been removed. In addition, for clarification purposes, as discussed in response 4 to comment letter 6 above, the materials to be processed on-site are not considered inert waste. Thus, the comment is no longer applicable to the proposed project.

14) The applicant has indicated that if rainfall during the off season causes any of the ponds to fill near capacity, the water would be pumped out of the pond into water tankers and disposed of properly at a permitted disposal site, consistent with all applicable State regulations. In addition, CVRWQCB during permit review would ensure that all requirements are met, including maintaining minimum freeboard in the ponds in accordance with Title 27. Proof of compliance with all applicable CVRWQCB requirements would be submitted to the City's Community Development Department prior to the issuance of building and grading permits, per the proposed project's conditions of approval.

15) Landscaping for the proposed project is shown on the Landscaping Plan submitted to City, and complies with City Ordinances. A copy of the Landscaping Plan could be forwarded to you upon request.

Response to Comment 12

The comment is introductory to comments 13 through 17, which are addressed in detail below.

Response to Comment 13

The proposed project is an allowable use under the existing land use and zoning designations for the site, and would be consistent with the General Plan policies and proposals for industrial land uses. In addition, the project does not include placement of any sensitive land uses nor are any sensitive receptors located in the proximity of the project. The project site is currently vacant and undeveloped. It should be noted that the project site is currently used for dry farming operations, including being disced each year. Irrigation is not provided; the only water application would be rainfall. Pesticides or other chemicals are not used at the project site. The project site is in an industrial area and is adjacent to existing similar land uses. The nearby existing land uses did not identify any soil contamination at their respective sites; thus, soil contamination would be unlikely to occur at the project site as well.

Response to Comment 14

As stated on page 5 of the IS/MND, "According to the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM) Number 06113C0465H, dated May 16, 2012, the proposed project site is located in Flood Zone AE. Flood Zone AE is a base floodplain considered a high risk flooding area." Thus, the existing setting related to on-site flooding has been adequately presented. As discussed on page 38 of the IS/MND, the project would be required to comply with Title 27, as approved by the SWRCB. Also see response to comment letters 1 and 2, and responses 2, 6, and 10 to comment letter 6 above.

Response to Comment 15

The statement made in the IS/MND that the project site may have been previously graded, but is now covered in ruderal and mustard grasses, and that dense vegetation or trees do not exist on the site, is based on visual observations of the site during a site visit in March 2013, which is considered to be during the winter wet season. Google Earth was also utilized to obtain an aerial view the site. It should be noted that the project site is currently used for dry farming operations, including being disced each year. After being disced, the site is left undisturbed, allowing ruderal vegetation to grow until the next crop seeds are applied to the site. In addition, according to the USFWS National Wetlands Inventory, the project site is not considered wetlands, riparian, nor has historically been a wetland. If "wet areas may have routinely occurred on the site," such events would likely be associated with the winter wet season. The proposed project would shut down during the winter wet season (November through March) and would comply with Title 27. See responses to comment letter 1 and 2 above.

Response to Comment 16

The commenter states that the City's 1996 General Plan EIR is outdated regarding the potential for cultural resources at the site, and that a CHRIS records search should be conducted, as "cultural resources could have been identified since that time." The project site is currently vacant and undeveloped, and has been vacant and undeveloped since the time the General Plan EIR was prepared. In addition, as discussed in Response to Comment 13 above, the project site is currently disced each year. Accordingly, the likelihood for any new known cultural resources to have been identified is low. Page 25 of the IS/MND merely states that known historical resources do not exist on the project site or immediate vicinity; however, as further stated on page 25, unknown or unidentified resources may be located on-site. As such, Mitigation Measure V-1 was provided, which includes performance standards in the event that previously unknown resources are encountered.

Response to Comment 17

See Response to Comment 13 above. In addition, see responses 2, 6, and 9 to commenter letter 6 above.

Response to Comment 18

The comment is introductory to comments 19 through 27, which are addressed in detail below.

Response to Comment 19

CalEEMod is the preferred and recommended model per the YSAQMD. Design-level project details shall be appropriately discussed at the time of design during the permit process, and are not required for environmental review. Because design-level details are not available at this time nor required for environmental review, the best available data was utilized. Accordingly, where project-specific and/or design-level details were available, such information was applied to the project modeling (i.e., construction phasing and schedule and estimated daily project trips). Otherwise, the assumptions and defaults utilized in CalEEMod, the preferred and recommended model, were applied as they would be considered the best available data.

The specific project use is not included in CalEEMod. A blank land use sub type option is available in the model in the event that all other land use sub types do not fit the project; however, no default data associated with the blank land uses is included in the model and all information would need to be entered manually by the user in order for emissions to be calculated. Because design-level details are not available at this time nor required for environmental review, all the information needed to utilize this option was not available. Therefore, the land use sub type that best matched the proposed use was applied. Although the project's use is not include in the CalEEMod User's Guide brief description of a General Light Industry land use sub type list of "typical light industrial activities," the description better fits the proposed project than any other land use type available in CalEEMod. The proposed project is a free-standing facility devoted to a single use, has an emphasis on an activity other than manufacturing, and has minimal office space. Whereas the CalEEMod User's Guide description for a General Heavy Industry land use sub type is as follows: "Heavy industrial facilities usually have a high number of employees per industrial plant and are generally limited to the manufacturing of large items," which is further from the description of the proposed project's use than the General Light Industry land use sub type. Furthermore, CalEEMod would represent a conservative estimate for the proposed project related to operational emissions from area and energy sources, as the assumptions in the model would assume a higher density, energy requirements, and related activity level than the proposed project.

Per the comment, a supplemental air quality analysis was performed to specifically include the emissions directly from operation of the on-site excavator, Bobcat, and front-end loader. Data obtained from the CARB's In-Use Off-Road Diesel Equipment 2011 Inventory Model and emission factor tables from CARB (derived from the EMFAC model) were utilized. The hours of operation of the proposed project were utilized as well. According to the supplemental analysis, the on-site equipment would result in emissions of ROG and NO_X of 0.13 and 3.42 tons per year, respectively, which are both below the applicable thresholds of significance. Even if the on-site equipment emission estimates were added to the CalEEMod results, the total ROG and NO_X emissions would be 3.64 and 0.74 tons per year, respectively, which would still be below the applicable thresholds of significance. Again, the CalEEMod results already represent a conservative estimate for the proposed project related to operational emissions from area and energy sources.

See response 9 to comment letter 6 above for concerns related to dust emissions.

It should also be noted that, as shown in response to Letter 5 above, the YSAQMD reviewed the IS/MND and had no comments.

Response to Comment 20

See response 9 to comment letter 6, number 12 in Response to Comment 11, and Response to Comment 19 above.

Response to Comment 21

See response 9 to comment letter 6, number 12 in Response to Comment 11, and Response to Comment 19 above. The modeling results were included as an appendix to the IS/MND.

Response to Comment 22

As clearly stated on page 15 of the IS/MND, "where project- or site-specific data was available, such data was input into the model (e.g., construction phasing and schedule, estimated daily project trips, etc.).” Accordingly, the default trip generation rates were overridden to better reflect project conditions. Also see responses to comments 10, 19, and 20 above.

Response to Comment 23

See responses to comments 19 and 20 above. As such, the project’s air quality impacts have been adequately addressed. According to the modeling, the project would not exceed any applicable thresholds of significance, which supports the conclusion that the project would not violate any air quality standards or contribute to an existing violation. Furthermore, as stated on page 4 of the IS/MND, the nearest sensitive receptor would be located over half-a-mile from the site. Thus, because the project would not exceed thresholds and is located an acceptable distance from sensitive receptors, the conclusion that the project would not expose sensitive receptors to substantial pollutant concentrations is adequate. Although the PGP International facility is dust-sensitive, the facility is an industrial land use and is not considered a sensitive receptor. Nonetheless, the proposed project would include adequate dust control measures sufficient to retain dust emissions on-site. See response 9 to comment letter 6, number 12 in Response to Comment 11, and Response to Comment 19 above.

Response to Comment 24

See Response to Comment 19 above.

Response to Comment 25

The health risks associated with DPM were not determined using CalEEMod. Risks associated with DPM are analyzed based on the amount of anticipated diesel truck trips, stationary sources, and the duration of exposure. As discussed on page 17 of the IS/MND, the proposed project site is located a sufficient distance from the nearest sensitive receptor. Thus, sensitive receptors would not be exposed to on-site DPM emissions from trucks or heavy equipment.

Response to Comment 26

The CARB’s *Air Quality and Land Use Handbook: A Community Health Perspective* (Handbook) provides recommendations for siting new sensitive land uses near sources typically associated with significant levels of DPM emissions, including, but not limited to, freeways and high traffic roads, distribution centers, and rail yards. According to the Handbook, distribution centers with associated diesel truck trips of more than 100 trucks per day are considered a source of substantial DPM emissions. The proposed project would involve a maximum of 24 truck trips associated with operations spread throughout the day. Truck traffic associated with the project would follow the designated truck routes within the City, as set forth in the General Plan, and would not travel through any residential streets. Because the project would result in fewer truck trips on local roadways than the CARB considered as a source of substantial DPM emissions, and the trucks would follow a designated truck route avoiding residential areas, DPM emissions associated with the project’s traveling trucks would not be considered significant.

In addition, risk from DPM to a residential receptor is based on continual exposure (24 hours per day for 350 days per year) over 70 years. The proposed project would only operate from April through October, Mondays through Fridays from 6:00 AM to 6:00 PM and Saturdays and Sundays from 8:00 AM to 5:00 PM, and would shut down during the winter wet season (November through March). Thus, continual exposure to any receptor would not occur.

It should be noted that the number of truck trips associated with the proposed project is minor in comparison to other nearby industrial uses.

Response to Comment 27

See Response to Comment 19 above. In addition, as stated on page 33 of the IS/MND, very few locations are currently available within the region that provides the services proposed for the project. Currently, the nearest Reclamation Plant and primary dumping location for slurry from improvement projects in the Sacramento area is located in Ceres, California, which is a distance of approximately 80 miles. Thus, the proposed project would significantly reduce the existing regional VMT associated with Sacramento area projects by reducing truck hauling by approximately 60 miles (one-way). Furthermore, slurry from roadway improvement projects on Interstate 80 within California currently is hauled to Storey County, Nevada. As such, implementation of the proposed project would help to reduce State-wide VMT as well.

Landfill emissions, water treatment and conveyance transmission emissions, and wastewater treatment emissions would be reduced as well, as the project would recycle water and processed materials to the maximum extent feasible. Other concrete slurry reclamation facilities may not offer such features; thus, because the project does offer such features, the project would regionally reduce such emissions. In addition, it should be noted that typical industrial land uses (i.e., allowable uses on the project site) would likely result in more solid waste and wastewater generation, as well as potable water demand, than the proposed project.

Response to Comment 28

The comment is introductory to comments 29 through 41, which are addressed in detail below.

Response to Comment 29

Design-level project details shall be appropriately discussed at the time of design during the permit process. Such details are not required for environmental review. The mitigation measures included in the IS/MND would be required per the conditions of approval for the project. In addition, a mitigation monitoring and reporting plan would be approved in conjunction with the IS/MND in order to ensure that all mitigation measures are carried out.

Response to Comment 30

As opposed to the comment, the IS/MND does not include compliance with regulations as mitigation for the project.

Response to Comment 31

Please refer to all responses to comments above. The IS/MND adequately addressed the proposed project's impacts, and the mitigation measures are adequate to reduce all impacts to less-than-significant levels.

Response to Comment 32

See response 9 to comment letter 6, number 12 in Response to Comment 11, and Response to Comment 19 above.

Response to Comment 33

See response 9 to comment letter 6, number 12 in Response to Comment 11, and responses to comments 13, 17, and 19 above.

Response to Comment 34

See responses 8 and 9 to comment letter 6, number 12 in Response to Comment 11, and Response to Comment 19 above. In addition, as stated on page 18 of the IS/MND, the potential for the project to create some odors does exist; however, the site is located in an industrial area adjacent to existing industrial land uses. Sensitive receptors or land uses that would be affected by objectionable odors are not in the proximity of the project site. The question per the CEQA checklist in Appendix G of the CEQA Guidelines is related to the creation of "objectionable odors affecting a substantial number of people." If the project were to create objectionable odors during the wet season, any such odors would not affect a substantial number of people or affect any receptors for an extended period of time. Odors are regulated on a complaint basis. Included in the conditions of approval for the proposed project is the requirement that a publicly visible sign be posted with the telephone number and person to contact at the City regarding complaints. The contact person shall respond and take corrective action within 48 hours. The YSAQMD's phone number would also be visible to ensure compliance with applicable regulations.

Response to Comment 35

See Response to Comment 15 above.

Response to Comment 36

See Response to Comment 16 above.

Response to Comment 37

The commenter states that the impact analysis needs to consider potential impacts related to earth shaking. Section VI, Geology and Soils, of the IS/MND addresses impacts associated with earth shaking. As discussed on page 28 of the IS/MND, the potential for strong ground shaking and related effects is low at the project site. In addition, the IS/MND further states that the project would comply with the California Code of Regulations (CCR), Title 24, also known as the California Building Standards Code, as well as the Uniform Building Code (UBC). Chapter 16 of the UBC, Division of Earthquake Design, requires that structures be designed using certain seismic design criteria based in part on the seismic zone, soil profile, and the proximity of the site to active faults. The project would also comply with Title 27 seismic design requirements, as well as other Title 27 geotechnical design requirements, which would include the consideration of expansive soils. Secondary liner would be 40-mil HDPE, the minimum required by Title 27 regulations and the primary liner would be 60 mil, which exceeds the Title 27 requirement.

In addition, the commenter states that the impact analysis needs to consider potential impacts of expansive soils, particularly at the pond locations, as the commenter states that the ponds could be a source of moisture to the underlying soils. Section VI, Geology and Soils, of the IS/MND addresses impacts associated with expansive soils. The applicant proposes to extend the protective liner through the gravel skirt areas which will be sloped towards the processing ponds. Any waste leaching through this area would then be collected. In addition, the pond would be double-lined, as described earlier. A leakage detection system would be placed between the two pond liners and would be monitored and submitted quarterly with the WDR. Therefore, project is not expected to cause substantial moisture to underlying soils.

Furthermore, design-level project details shall be appropriately discussed at the time of design during the permit process, and are not required for environmental review. The RWQCB and the City will review all project plans and engineering design-level details. Any modifications or recommendations suggested for the project during design review would be required to be implemented. Thus, the RWQCB and the City would further ensure through their reviews that the proposed project is adequately designed to minimize environmental impacts.

Response to Comment 38

See response to Letter 4 and responses to comments 13 and 17 above.

Response to Comment 39

See Response to Comment 29 above. Also see response to Letter 1, responses 2 and 6 to letter 6, and responses to comments 11 and 14 above.

The commenter states that issuance of a WDR in itself is not a sufficient mitigation measure, and that the facility operators must follow the WDR requirement in order to reasonably ensure the protection of water quality. In order to obtain a WDR Order, the RWQCB must review and approve all site plans, project design details, and other site-specific details. As such, the project would not be approved until adequate design and safety measures are ensured at the site. Thus, issuance of a WDR alone would not reduce any impacts, but the process of which to obtain a WDR and compliance with all requirement of the issued WDR Order would ensure that the project would not result in a significant impact to water quality.

Response to Comment 40

As stated on page 51 of the IS/MND, implementation of the proposed project is expected to result in of a maximum increase of approximately 44 total trips spread throughout the day. Only 25 of the trips would be truck trips, which would be the main concern associated with traffic noise. Truck traffic associated with the site would follow the designated truck routes within the City, as set forth in the General Plan, and would not travel through any residential streets. The relatively small number of trips is not expected to significantly change the LOS on the roadways surrounding the project site. Similarly, the noise associated with the slight increase in local traffic volumes would not be expected to be substantial, particularly at any sensitive receptors.

It should be noted that the number of truck trips associated with the proposed project is minor in comparison to other nearby industrial uses.

Response to Comment 41

The proposed project would result in a maximum increase of approximately 44 total daily trips, 25 of which would be truck trips. Due to the relatively few vehicle trips associated with the project, as opposed to what could potentially occur at the project site per the land use and zoning designation, the City determined that a traffic study would not be required for the project. In addition, as discussed in Response to Comment 27 above, the proposed project would significantly reduce the existing regional VMT by reducing truck hauling associated with Sacramento area improvement projects.

However, for informational purposes, it should be noted that a traffic impact analysis was prepared for an expansion project to the existing 1.8-million-square-foot Target distribution facility located just west of the proposed project site on Hanson Way in 2010. City Level of Service policy considers LOS D as the acceptable threshold or intersections within ½ mile of an interchange. LOS C is the acceptable threshold or intersections further away. According to the analysis, all intersections were determined to operate at LOS D or better within half-a-mile of an interchange and at LOC or better beyond, even with implementation of the nearby Target expansion project. The slight increase in truck traffic volumes on local roadways as a result of the proposed project would not be expected to cause surrounding intersections or roadways to operate at unacceptable LOS levels.

The proposed project is an allowable use under the existing land use and zoning designations for the site, and would be consistent with the General Plan policies and proposals for industrial land uses. In fact, the proposed project would likely result in a reduction in the intensity of impacts anticipated for buildout of the site per the land use and zoning designation.

Construction activities would be temporary in nature and are anticipated to occur during normal daytime working hours; thus, construction-related traffic would affect local roadways for a short period of time. In addition, construction activities would comply with all City requirements and regulations.

Truck traffic associated with the site would follow the designated truck routes within the City, as set forth in the General Plan, and would not travel through any residential streets. Thus, the project would not result in any increase to impacts associated with bus routes or bike lanes in the area. As stated on page 52 of the IS/MND, adopted City policies supporting alternative transportation are typically associated with residential and commercial land uses. The project is consistent with the industrial land use and zoning designation for the site and would not cause any conflicts with any adopted policies for alternative transportation.

Response to Comment 42

The comment summarizes the concerns brought forth throughout the comment letter. All concerns have been addressed in the responses to comments above.

LETTER 8: SUSAN GARBINI, YOLO HABITAT JPA

In response to the comment letter, the IS/MND shall be revised to add an additional mitigation measure to the Biological Resources section, specifically pertaining to Swainson's hawk nesting.

LETTER 9: MOUSHUMI HASAN, YOLO COUNTY ENVIRONMENTAL HEALTH SOLID WASTE PROGRAM

The commenter states that the Yolo County Environmental Health Solid Waste Program, in consultation with the State Department of Resources, Recycling and Recovey (CalRecycle), after review of the IS/MND has concluded that solid waste permitting is not required for the proposed project. It should be noted that the proposed project no longer includes a recycling center as originally proposed. In addition, the project site would not accept hazardous wastes and would include on-site personnel responsible for inspecting and monitoring incoming loads for the presence of any hazardous or prohibited materials.

STATE OF CALIFORNIA – CALIFORNIA NATURAL RESOURCES AGENCY
EDMUND G. BROWN JR., GOVERNOR

CENTRAL VALLEY FLOOD PROTECTION BOARD
3310 El Camino Ave., Rm. 151
SACRAMENTO, CA 95821
(916) 574-0609 FAX: (916) 574-0682
PERMITS: (916) 574-2380 FAX: (916) 574-0682

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JUN 06 2013
City of Woodland

June 5, 2013

Mr. Paul Hanson
City of Woodland
300 First Street
Woodland, California 95695

Subject: Golden State Reclamation Project
SCH Number: 2013052036
Document Type: Mitigated Negative Declaration

Dear Mr. Hanson:

Staff of the Central Valley Flood Protection Board (Board) has reviewed the subject document and provides the following comments:

The proposed project is located adjacent to or within the Willow Slough, Cache Creek, and the Yolo , which is under the jurisdiction of the Central Valley Flood Protection Board. The Board is required to enforce standards for the construction, maintenance, and protection of adopted flood control plans that will protect public lands from floods. The jurisdiction of the Board includes the Central Valley, including all tributaries and distributaries of the Sacramento River, the San Joaquin River, and designated floodways (Title 23 California Code of Regulations (CCR), Section 2).

A Board permit is required prior to starting the work within the Board's jurisdiction for the following:

- The placement, construction, reconstruction, removal, or abandonment of any landscaping, culvert, bridge, conduit, fence, projection, fill, embankment, building, structure, obstruction, encroachment, excavation, the planting, or removal of vegetation, and any repair or maintenance that involves cutting into the levee (CCR Section 6);

- Existing structures that predate permitting or where it is necessary to establish the conditions normally imposed by permitting. The circumstances include those where responsibility for the encroachment has not been clearly established or ownership and use have been revised (CCR Section 6);

- Vegetation plantings will require the submission of detailed design drawings; identification of vegetation type; plant and tree names (i.e. common name and scientific name); total number of each type of plant and tree; planting spacing and irrigation method that will be utilized within the project area; a complete vegetative management plan for maintenance to prevent the interference with flood control, levee maintenance, inspection, and flood fight procedures (CCR Section 131).

Vegetation requirements in accordance with Title 23, Section 131 (c) states "Vegetation must not interfere with the integrity of the adopted plan of flood control, or interfere with maintenance, inspection, and flood fight procedures."

The accumulation and establishment of woody vegetation that is not managed has a negative impact on channel capacity and increases the potential for levee over-topping. When a channel develops vegetation that then becomes habitat for wildlife, maintenance to initial baseline conditions becomes more difficult as the removal of vegetative growth is subject to federal and State agency requirements for on-site mitigation within the floodway. The project should include mitigation measures to avoid decreasing floodway channel capacity.

Hydraulic Impacts - Hydraulic impacts due to encroachments could impede flood flows, reroute flood flows, and/or increase sediment accumulation. The project should include mitigation measures for channel and levee improvements and maintenance to prevent and/or reduce hydraulic impacts. Off-site mitigation outside of the State Plan of Flood Control should be used when mitigating for vegetation removed within the project location.

The permit application and Title 23 CCR can be found on the Central Valley Flood Protection Board's website at http://www.cvfpb.ca.gov/. Contact your local, federal and State agencies, as other permits may apply.

The Board's jurisdiction, including all tributaries and distributaries of the Sacramento River and the San Joaquin River, and designated floodways can be viewed on the Central Valley Flood Protection Board's website at http://gis.bam.water.ca.gov/bam/.

If you have any questions, please contact me by phone at (916) 574-0651, or via e-mail at jherota@water.ca.gov.

Sincerely,

James Herota
Staff Environmental Scientist
Projects and Environmental Branch

cc: Governor's Office of Planning and Research
State Clearinghouse
1400 Tenth Street, Room 121
Sacramento, California 95814

Letter 2

CALIFORNIA
Water Boards

EDMUND G. BROWN JR.
GOVERNOR

MATTHEW RODRIQUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

Central Valley Regional Water Quality Control Board

28 May 2013

Paul Hanson
City of Woodland
300 First Street
Woodland, CA 95695

CERTIFIED MAIL
7011 2970 0003 8939 9138

COMMENTS TO REQUEST FOR REVIEW FOR THE DRAFT MITIGATED NEGATIVE DECLARATION, GOLDEN STATE RECLAMATION PROJECT, SCH NO. 2013052036, YOLO COUNTY

Pursuant to the State Clearinghouse's 14 May 2013 request, the Central Valley Regional Water Quality Control Board (Central Valley Water Board) has reviewed the *Request for Review for the Draft Mitigated Negative Declaration* for the Golden State Reclamation Project, located in Yolo County.

Our agency is delegated with the responsibility of protecting the quality of surface and groundwaters of the state; therefore our comments will address concerns surrounding those issues.

Construction Storm Water General Permit

Dischargers whose project disturb one or more acres of soil or where projects disturb less than one acre but are part of a larger common plan of development that in total disturbs one or more acres, are required to obtain coverage under the General Permit for Storm Water Discharges Associated with Construction Activities (Construction General Permit), Construction General Permit Order No. 2009-009-DWQ. Construction activity subject to this permit includes clearing, grading, grubbing, disturbances to the ground, such as stockpiling, or excavation, but does not include regular maintenance activities performed to restore the original line, grade, or capacity of the facility. The Construction General Permit requires the development and implementation of a Storm Water Pollution Prevention Plan (SWPPP).

For more information on the Construction General Permit, visit the State Water Resources Control Board website at:
http://www.waterboards.ca.gov/water_issues/programs/stormwater/constpermits.shtml.

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Phase I and II Municipal Separate Storm Sewer System (MS4) Permits[1]

The Phase I and II MS4 permits require the Permittees reduce pollutants and runoff flows from new development and redevelopment using Best Management Practices (BMPs) to the maximum extent practicable (MEP). MS4 Permittees have their own development standards, also known as Low Impact Development (LID)/post-construction standards that include a hydromodification component. The MS4 permits also require specific design concepts for LID/post-construction BMPs in the early stages of a project during the entitlement and CEQA process and the development plan review process.

For more information on which Phase I MS4 Permit this project applies to, visit the Central Valley Water Board website at:
http://www.waterboards.ca.gov/centralvalley/water_issues/storm_water/municipal_permits/.

Industrial Storm Water General Permit

Storm water discharges associated with industrial sites must comply with the regulations contained in the Industrial Storm Water General Permit Order No. 97-03-DWQ.

For more information on the Industrial Storm Water General Permit, visit the Central Valley Water Board website at:
http://www.waterboards.ca.gov/centralvalley/water_issues/storm_water/industrial_general_permits/index.shtml.

Clean Water Act Section 404 Permit

If the project will involve the discharge of dredged or fill material in navigable waters or wetlands, a permit pursuant to Section 404 of the Clean Water Act may be needed from the United States Army Corps of Engineers (USACOE). If a Section 404 permit is required by the USACOE, the Central Valley Water Board will review the permit application to ensure that discharge will not violate water quality standards. If the project requires surface water drainage realignment, the applicant is advised to contact the Department of Fish and Game for information on Streambed Alteration Permit requirements.

If you have any questions regarding the Clean Water Act Section 404 permits, please contact the Regulatory Division of the Sacramento District of USACOE at (916) 557-5250.

Clean Water Act Section 401 Permit – Water Quality Certification

If an USACOE permit, or any other federal permit, is required for this project due to the disturbance of waters of the United States (such as streams and wetlands), then a Water Quality Certification must be obtained from the Central Valley Water Board prior to initiation of project activities. There are no waivers for 401 Water Quality Certifications.

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[1] Municipal Permits = The Phase I Municipal Separate Storm Water System (MS4) Permit covers medium sized Municipalities (serving between 100,000 and 250,000 people) and large sized municipalities (serving over 250,000 people). The Phase II MS4 provides coverage for small municipalities, including non-traditional Small MS4s, which include military bases, public campuses, prisons and hospitals.

Waste Discharge Requirements

If USACOE determines that only non-jurisdictional waters of the State (i.e., "non-federal" waters of the State) are present in the proposed project area, the proposed project will require a Waste Discharge Requirement (WDR) permit to be issued by Central Valley Water Board. Under the California Porter-Cologne Water Quality Control Act, discharges to all waters of the State, including all wetlands and other waters of the State including, but not limited to, isolated wetlands, are subject to State regulation.

For more information on the Water Quality Certification and WDR processes, visit the Central Valley Water Board website at:
http://www.waterboards.ca.gov/centralvalley/help/business_help/permit2.shtml.

If you have questions regarding these comments, please contact me at (916) 464-4684 or tcleak@waterboards.ca.gov.

Elizabeth M. Lee

for Trevor Cleak
Environmental Scientist

cc: State Clearinghouse Unit, Governor's Office of Planning and Research, Sacramento

Letter 3

City of Woodland

Community Development Engineering 300 First Street, Woodland, CA 95695 (530) 661-5961 www.cityofwoodland.org

MEMORANDUM

Date: June 6, 2013

To: Paul Hanson, Senior Planner

From: Katie Wurzel, Transportation Engineer

Subject: Golden State Reclamation

I have reviewed the Draft MND for the subject project and have no issue with the contents of Section XVI Transportation/Circulation.

Thank you,

Letter 4

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MAY 2 1 2013

City of Woodland

SACRAMENTO-YOLO
MOSQUITO
& VECTOR
CONTROL
DISTRICT

1.800.429.1022
FIGHTtheBITE.net

AICP
Paul L Hanson
300 First Street
Woodland, Ca. 95695

20 May 2013

Re: **Golden State Reclamation Project**

The Sacramento-Yolo Mosquito and Vector Control District (District) appreciates the opportunity to review and comment on NOI/Negative Declaration for the Golden State Reclamation Project. The District is providing the following comments and concerns relating to the proposed project.

General Comment: The Sacramento Yolo Mosquito and Abatement District mission is "To provide safe, effective and economical mosquito and vector control for Sacramento and Yolo counties". To accomplish this, we provide ongoing surveillance of mosquitoes and other vectors to determine the threat of disease transmission and lower annoyance levels. As a District we promote cooperation and communication with property owners, residents, social and political groups as well as other governmental agencies to help in these efforts. Our ultimate goal is to protect public health and welfare from diseases transmitted by mosquitoes such as West Nile virus, Western Equine Encephalitis, canine heartworm, malaria and others.

The NOI/Neg Dec for the Golden State Reclamation Project fails to identify or mitigate for the potential adverse effects regarding public health, specifically the potential to breed mosquitoes in the proposed retention ponds as a result of the proposed project.

The District would like to review a full set of detailed drawings for the proposed retention pond associated with this project. Please incorporate a detailed plan along with dimensions, slope, grade, vegetated cover and a long term maintenance plan that may be associated with the retention pond.

The District would like to review any stormwater drainage plans including site specific hydromodification, Low Impact Developments (LID's), or any other type of green infrastructure that may be utilized as part of the counties SWPPP or the City of Woodlands Stormwater Quality Control Ordinance.

Rational: If not properly constructed, managed or maintained, poorly designed and maintained facilities such as retention ponds and improperly designed and maintained stormwater quality and control systems may breed mosquitoes which can have an adverse effect on public health and welfare and may have a direct impact to local economies.

The District has developed and adopted a Mosquito Reducing Best Management Practices (BMP) Manual which can be downloaded from the District's website at: http://www.fightthebite.net/physical-control. Please review and implement the District's BMP's for design and maintenance guidelines of all proposed projects to reduce or prevent the breeding of mosquitoes.

Failure to address these issues and potential mosquito breeding sources during the planning and construction process may result in enforcement actions to the landowner after the project has been completed. The District has the authority to abate a public nuisance as defined in the California Health and Safety Code (HSC) Section § 2010 and may pursue enforcement actions pursuant to Sections § 2060 of the (HSC) which can involve civil fines of up to $1000/per day.

Should you have any questions or concerns please feel free to contact me.

Sincerely,

Kevin B Combo

Kevin Combo
Ecological Management Department
Sacramento Yolo Mosquito and Vector Control District
kcombo@FightTheBite.net

Letter 5

YOLO-SOLANO AIR QUALITY MANAGEMENT DISTRICT

1947 Galileo Ct., Suite 103 • Davis, California 95616

(530) 757-3650 • (800) 287-3650 • Fax (530) 757-3670

June 4, 2013

City of Woodland Community Development Dept.
Paul Hanson, Senior Planner
520 Court Street
Woodland, CA 95695

Re: Golden State Reclamation Project Mitigated Negative Declaration

Dear Mr. Hanson:

The Yolo Solano Air Quality Management District (District) has reviewed the above project. The District does not have any comments at this time. However, the project applicant should contact the District's permitting section prior to construction of the project to determine whether any permits would be required.

If you have any questions concerning this letter, please contact me at (530) 757-3668.

Sincerely,

Matthew R Jones

Matthew R. Jones
Supervising Air Quality Planner

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City of Woodland

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CALIFORNIA
Water Boards

Edmund G. Brown Jr.
Governor

Matthew Rodriquez
Secretary for
Environmental Protection

Central Valley Regional Water Quality Control Board

11 June 2013

Paul Hanson, Senior Planner
City of Woodland, Community Development Department
300 First Street
Woodland, CA 95695

SITE SPECIFIC COMMENTS ON INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION (IS/MND), GOLDEN STATE RECLAMATION PROJECT (PROJECT), GOLDEN STATE CRUSHING, LLC (APPLICANT), YOLO COUNTY, SCH#2013052036

Central Valley Regional Water Quality Control Board (Central Valley Water Board) staff provided general comments on the Project in a letter dated 28 May 2013. Central Valley Water Board staff has completed its site specific review of the IS/MND Plan dated May 2013 for the Project and amends the 28 May 2013 letter with the following site specific comments:

1. **The proposed Project is located within a high risk flood zone.** The proposed Project is located in Flood Zone AE which is designated by the Federal Emergency Management Agency (FEMA) as a high risk flooding area. The proposed Project intends to process designated waste as defined in CA Water Code Section 13173 within Class II surface impoundments subject to California Title 27 Regulations (Title 27). Title 27 requires that new Class II Units be designed, constructed, operated, and maintained to prevent inundation or washout due to floods with a 100 year return period. As a mitigation measure the Applicant has proposed removing all designated waste from the facility during the wet season when a flood event is most likely to occur. A Waste Discharge Requirements (WDRs) permit issued to the Applicant will incorporate this mitigation measure amongst others that will ensure isolation of designated waste from waters of the state.

2. **The proposed Project is located where shallow groundwater exists.** Department of Water Resources (DWR) groundwater elevation monitoring well# 10N02E26Q001M located approximately 1000 feet west of the proposed Project has recorded historical groundwater elevations less than five (5) feet below ground surface predominately during the months of March and April. Title 27 Section 20240(c) requires that new Class II surface impoundments be sited, designed, constructed, and operated to ensure that wastes will be a minimum of five feet (5 ft.) above the highest anticipated elevation of underlying ground water. The highest anticipated elevation of underlying ground water includes any water which rises above the saturated zone due to capillary forces e.g. the capillary fringe. The applicant must determine the highest anticipated elevation of underlying ground water including the capillary fringe and site, design, construct, and operate the Class II surface impoundments

such that during years of heavy precipitation and high flows in Cache Creek the proposed Project will consistently comply with Title 27 groundwater separation requirements.

3. **Sizing of two proposed processing ponds appears inadequate.** The IS/MND states that the total square footage of the two processing ponds combined is 13,714 square feet and that the working depth of the ponds is two (2) feet yielding a total storage capacity of approximately 1000 cubic yards. The IS/MND also states that the facility would process a maximum of 45,000 gallons of slurry, 43 cubic yards per day of material, and 6,450 yards annually. Furthermore, the IS/MND states that the processed materials would be hauled from the project site once per year. Based on the information provided the two proposed processing ponds appear to be undersized to process the estimated maximum amount of slurry/solids annually received at the site. Concrete slurry is typically 15% to 50% solids. Assuming an average of 30% solids the proposed site would need a minimum working volume of 1935 cubic yards in the processing ponds to accommodate 6,450 cubic yards of concrete slurry annually. This estimate does not include the volume of leachate present in the processing ponds at any given time.

4. **Solids in two proposed processing ponds is not classified as inert waste.** The IS/MND states that the solids processed in the two processing ponds would be loaded onto trucks and delivered to a regional inert material recycler to be incorporated into post-consumer aggregate products. The solids removed from the processing ponds are not classified as inert material per Title 27 Section 20230. Inert material recyclers are not authorized to store solid waste piles consisting of material removed from the processing ponds unless those waste piles are classified as designated waste piles and regulated appropriately per Title 27 regulations. The recycling or disposal of material removed from the processing ponds must be conducted at sites authorized to accept, store, and dispose/recycle of non-hazardous designated waste.

5. **Gravel skirt around two proposed processing ponds and leachate pond not specified as low permeable material.** The site plan for the proposed Project depicts gravel paving around the two processing ponds and the leachate pond. In this area while these ponds are being emptied there is a high probability that spillage will occur especially around the processing ponds where the Applicant proposes using a backhoe to empty these two ponds. Although the IS/MND indicates that the gravel skirt around the ponds will be sloped towards the ponds without specifying a low permeable surface there is a likelihood that non-hazardous designated waste will infiltrate the gravel surface and discharge leachate into the underlying sub base and eventually to underlying ground water resources.

6. **Class II Surface impoundments will require groundwater monitoring network to ensure isolation of waste.** Title 27 requires a groundwater monitoring network to be installed prior to discharge of waste into the Class II surface impoundments. The Applicant as part of their application for Waste Discharge Requirements (WDRs) from our Board will have to establish the hydrogeology at the site per Title 27 Section 21750(g). In order to determine the hydrogeology at the proposed site the Applicant must install groundwater monitoring wells that will determine groundwater flow direction, background ground water quality, highest anticipated ground water elevation (including capillary rise). Ground water

monitoring should include enough sampling events to determine seasonal fluctuations in groundwater elevation and ground water flow direction.

7. **The IS/MND considers liquid in leachate pond as clean water.** The IS/MND states that "*clean water from the retention pond would be used to fill the on-site tanker, and any remaining water would be hauled to a treatment facility for disposal.*" The leachate in the retention pond contains high pH (can be over 12 standard pH Units), and CAM-17 metals such as chromium, copper, nickel, and zinc which may exist in concentrations that are unacceptable to a treatment facility without a pretreatment program in place at the Applicant's facility. Furthermore, due to the high pH nature of the leachate the design and construction of handling and conveyance equipment may require special materials not susceptible to degradation due to the characteristics of the waste.

8. **During wet season storm water collected in processing ponds and leachate pond may/may not be discharged based on cleanup operations prior to rainy season.** During the wet season when storm water is collected in the empty processing and leachate retention pond the water quality of the storm water may still exceed storm water discharge requirements due to the inability to completely remove all concrete slurry residue from the ponds. If laboratory results from testing storm water within the ponds indicate elevated levels of concentrations of constituents of concern the Applicant may not be authorized to discharge the storm water from the ponds to waters of the state. The Applicant may be required to design the ponds such that they retain all storm water during the rainy season.

9. **PGP International facility dust sensitive due to on-site operations. Dry solids in processing ponds may create dust nuisance during windy conditions.** The IS/MND indicated that a large manufacturer of cereal and dairy-based food ingredients exists directly south of the proposed Project and that the manufacturer's facility is dust-sensitive. The Applicant's processing ponds are designed to dry the concrete slurry residue such that the solids can be separated from liquids due to settling and evaporation. The dry surface of the processing ponds may produce dust containing CAM-17 metals during windy conditions at the site which may create a nuisance to dust-sensitive operations in surrounding areas.

10. **Report of Waste Discharge (ROWD).** Whenever, wastewater is generated, stored, or disposed to land, Waste Discharge Requirements (WDRs) are required. In accordance with California Water Code Section 13260, the Applicant is required to submit a ROWD at least 150 days prior to initiation of the Project. If the ROWD is deemed complete, revised or new WDRs will be generated for public comment and subsequent adoption. The ROWD must include all applicable information about the Project and the proposed measures to protect water quality (groundwater and surface water). We expect that the Applicant will consult with Central Valley Water Board staff on information expected in the ROWD prior to its submittal.

11. **Other General Requirements.**

    a. **Antidegradation Considerations.** All wastewater discharge must comply with the Antidegradation Policy (State Water Board Resolution 68-16) and the Antidegradation Implementation Policy contained in the Basin Plan. The Antidegradation Policy is available on page IV-15.01 at:

http://www.waterboards.ca.gov/centralvalley/water_issues/basin_plans/sacsjr.pdf

In part it states:

Any discharge of waste to high quality waters must apply best practicable treatment or control not only to prevent a condition of pollution or nuisance from occurring, but also to maintain the highest water quality possible consistent with the maximum benefit to the people of the State.

This information must be presented as an analysis of the impacts and potential impacts of the discharge on water quality, as measured by background concentrations and applicable water quality objectives.

If the Applicant needs a Regional Water Board permit, the antidegradation analysis is a mandatory element in the permitting process. The Applicant needs to investigate groundwater quality, and potential impacts to groundwater quality, as part of their evaluation of the Project's impact on the environment.

b. **Industrial NPDES Storm Water Permit.** The Applicant's proposed Project will require coverage under the *NPDES General Permit No. CAS000001 for Discharges of Storm Water Associated with Industrial Activities* since it plans to discharge storm water from its facility to waters of the United States. Compliance with the General Permit is dependent on the Standard Industrial Classification (SIC) codes of the Project. The most likely SIC code applicable to processing of concrete slurry residue is SIC code 3273, *Ready-Mixed Concrete* since the chemical characteristics of concrete slurry residue is similar to ready-mixed concrete or portland cement.

Thank you for the opportunity to comment on the IS/MND Plan for this Project. If you have any questions, please call me at (916) 464-4815 or via email at vkjain@waterboards.ca.gov.

VINOO JAIN, P.E.
Water Resources Control Engineer
Title 27 Permitting and Mining

cc: State Clearinghouse, Sacramento
Raney Planning & Management, Inc. Sacramento, CA

Letter 7

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JUN 1 2 2013

City of Woodlan

PGP
INTERNATIONAL
An ABF Ingredients Company

June 12, 2013

Paul L. Hanson, AICP
Senior Planner
Community Development Department
City of Woodland
300 First Street
Woodland, CA 95695

Re: Comments of PGP Internationat Inc. (PGP) on the Proposed Golden <u>State Reclamation Project (the Project)</u>

Dear Mr. Hanson:

We here at PGP appreciate your Notice of Intent and Notice of Public Hearing letter dated May 14, 2013, alerting us to the Golden State Reclamation Project. We are submitting our written comments in response to the Initial Study/Mitigated Negative Declaration (IS/MND) and on the applicanfs request for approval of a Conditional Use Permit for the Project.[1]

According to the materials submitted by the applicant the Project would
1 involve daily truck loads of concrete slurry dumped into large open-air ponds, which would then be cleaned out annually, with the material loaded onto heavy-duty trucks. We at PGP feel strongly that this type of business would heavily impact the environment and our business. PGP manufactures food ingredients at its 158,400 square foot state-of-the art facility located at 351 Hanson Way in Woodland. The proposed Project would be located directly to the north of PGP's facility. One of our initial major concerns is that construction and operation of the proposed Project will generate dust that could infiltrate the PGP facility through ventilation systems, entryways, and transportation bays, potentially adulterating our manufacturing process and food products. Dust will
2 also be generated from heavy vehicles operating on gravel and from the materials that are picked up and routinely spilled by bulldozers and front loaders. These and other potential impacts to the environment and to our facility have not adequately been addressed in the IS/MND.

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[1] On June 7, 2013, PGP requested an extension of time to provide comments on the IS/MND. PGP acknowledges the City's offer to allow PGP an additional day to submit its comments; however, we are pleased to submit our comments by the original June 12, 2013 deadline.

3 In order to assess the potential environmental impacts of the proposed Project we engaged the services of an environmental consulting firm, Environmental Resources Management (ERM), to review the IS/MND. We are enclosing for your review ERM's June 11, 2013 report (the ERM Report). For the reasons explained in the ERM Report and the additional reasons explained below, the Mitigated Negative Declaration should not be adopted and the Conditional Use Permit should not be approved.

Comments on the IS/MND

As documented in the ERM Report, the IS/MND fails to adequately identify and analyze the environmental impacts of the construction or operation of the Project. The ERM Report demonstrates that the proposed Project could result in potentially significant environmental impacts that were not previously identified or sufficiently addressed in the IS/MND.

CEQA guidelines provide that a decisionmaking body shall adopt a mitigated negative declaration "only if it finds on the basis of the whole record before it (including the initial study and any comments received), that there is no substantial evidence that the project will have a significant effect on the environment." 14 CCR § 15074(b). The ERM Report sets forth substantial evidence that the Project could have a significant effect on the environment and that the IS/MND has not adequately analyzed and mitigated the Project's potentially significant environmental impacts.

4 We request that the City of Woodland require that the applicant and its consultant prepare a document that properly analyzes and, if feasible, mitigates the environmental effects of the Project in the form of either a new analysis and MND determination (if the environmental impacts of this Project can be mitigated, which has not yet been established) or an Environmental Impact Report (EIR). The CEQA guidelines provide that "a lead agency is required to recirculate a negative declaration when the document must be substantially revised" after public notice has been published. 14 CCR § 15073.5(a). PGP asserts that at a minimum, the IS/MND for the proposed Project must be substantially revised in light of significant impacts that are not sufficiently addressed by the mitigation measures proposed. *See* 14 CCR § 15073.5(b) (a "substantial revision" shall mean (1) a new, avoidable significant effect is identified and mitigation measures or project revisions must be added in order to reduce the effect to insignificance; or (2) the lead agency determines that the proposed mitigation measures or project revisions will not reduce potential effects to less than significance and new measures or revisions must be required"). Alternatively, if the City determines that the impacts of the proposed project cannot effectively be mitigated or avoided, the City must withdraw its mitigated negative declaration and prepare a draft EIR. 14 CCR § 15073.5(d).

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Under CEQA guidelines, if a lead agency is presented with a fair argument that a project may have a significant effect on the environment the lead agency shall prepare an EIR even though it may also be presented with other substantial evidence that the project will not have a significant effect. 14 CCR § 15064(f)(1) (citing *No Oil, Inc.* v. *City of Los Angeles,* 13 Cal. 3d 68 (1974)).

Comments on the Request for a Conditional Use Permit

5

For the reasons summarized above and set forth in further detail in the ERM Report, the applicant has not demonstrated that the Project warrants the findings required for issuance of a Conditional Use Permit. The City's zoning ordinance provides that "before granting any conditional use permit the planning commission shall be satisfied that the proposed structure or use conforms to the requirements and the intent of this chapter and the general plan." City of Woodland Code§ 25-27-30. A clear intent of the conditional use permit requirement is to minimize the impacts of dust fumes, and similar nuisances on neighboring landowners. *See, e.g., id.* § 25-18-50(b) ("A conditional use permit shall be required for assembly, fabricating, manufacturing, processing or storage of goods, materials or products in buildings or enclosed yards which may create dust fumes, noise, odors, smoke or vibration in volumes to be offensive or objectionable beyond the premises."). In authorizing a conditional use, the Planning Commission is empowered to impose "requirements and conditions with respect to location, construction, time period, maintenance, and operation, as deemed necessary for the protection of adjacent properties and the public interest." */d.* § 25-27-30.

The applicant should be required to prepare a rigorous environmental impact analysis to allow the City to determine whether conditions can be devised that if imposed on the Project, would warrant approval of a Conditional Use.Permit. If such conditions can be devised, they should be imposed on the Project as conditions of any Conditional Use Permit approved by the Planning Commission.

Conclusion

Thank you for the opportunity to comment on the proposed Project. Please feel free to contact me at 530-668-5090 with any questions regarding this submission.

George Wilson
Environmental Manager, Interim EHS Manager

Environmental
Resources
Mana.gcment

1277 Treat Boulevard
Suite 500
·walnut Creek, CA 94597
(925) 9-16-0485
(925) 946-9968 (fax)
v:w\.v.enn.com

ERM

11June 2013

Mr. George Wilson
Environmental Manager
PGP International, Inc.
P.O. Box 2060
351Hanson Way
Woodland, CA 95776

Subject: Comments on Negative Declaration for Golden State Reclamation Project, Woodland, California

Dear Mr. Wilson:

At your direction, ERM-West, Inc. (ERM) has reviewed the May 2013 *Golden State Reclamation Project Initial Study/Mitigated Negative Declaration* (IS/MND) prepared by Raney Planning & Management, and developed comments addressing the document's content and analysis.

ERM's review of the IS/ MND identifies significant deficiencies in its description, assessment and mitigation of the environmental impacts of the proposed Project. Accordingly, the proposed Project has not been described and evaluated adequately in accordance with the California Environmental Quality Act (CEQA). This conclusion is based on the
6 following general categories of issues observed in the IS/MND, which are discussed in the subsequent sections:

- The description of the proposed Project is incomplete and/or unclear; key aspects of the proposed Project important to understanding potential environmental impacts have been omitted.
- The discussion of the existing setting of the proposed Project site is inadequate; several key issues relative to potential environmental impacts have been omitted or are mischaracterized.
- The evaluations of potential impacts do not consider all reasonably relevant conditions (in part because of the incomplete existing setting characterization).
- Certain technical studies performed in support of the impact analysis are flawed or otherwise indefensible.

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- Some proposed Mitigation Measures are not appropriate under CEQA and/or may not sufficiently reduce impacts to Less than Significant, as assumed in the IS/MND.

INCOMPLETE PROJECT DESCRIPTION

7 The description provided in the IS/MND does not allow the reader to judge the validity of the IS/MND conclusions about the Project's environmental impacts. Some elements of the proposed Project that are raised in the impact analysis, but should be described and/or clarified in the Project descriptions, are summarized below.

8
- *Incoming material is considered a designated waste and the proposed facility would be considered a Class II waste management unit.* The fact that the proposed Project would be a Class II waste management unit, with oversight by the Regional Water Quality Control Board (Water Board), is not discussed in the IS/MND main text until Section VIII, *Hazards and Hazardous Materials,* and should be presented up front in the Project Description. This discussion should include an explanation of the specific characteristics of the incoming and processed material that result in it being considered designated waste. Furthermore, designated waste is defined as having the potential for impacts to groundwater quality. Therefore, it is important to have a relatively thorough understanding of the hydrologic site characteristics so that potential impacts to nearby surface water (canals and other water bodies) and groundwater can be assessed.

9
- *Required Permits.* The Project Description should also include a listing of permits that would be required in association with facility operations, as well as any permit requirements (e.g., SWPPP, RWQCB Waste Discharge Requirements, NPDES stormwater permit, etc). In particular, the text should discuss whether the Project proponent has initiated conversations with the Water Board regarding Waste Discharge Requirements, and identify design elements, monitoring programs, and contingency plans that will be required by the Water Board.

10
- *Daily trips.* The number of daily heavy truck trips into and out of the facility is presented inconsistently in the IS/MND and needs to be clarified. The Project Description, page 9, states that there will be 12 one-way truck trips. The Air Quality section, page 17, states that there will be 44 truck plus employee trips, which is consistent with

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12 two-way truck round trips and 10 two-way employee trips. Finally, the focused traffic study for the proposed Project, page 1, assumes 20 employee trips, 24 inbound and outbound truck trips, 64 daily truck trips for recycled materials and a total of 108 daily trips.

In general, the overall production process that would be undertaken at the proposed facility is unclear; several specifics with the potential to affect the impacts analysis are not provided in the IS/MND. Examples of project elements needing clarifications are:

1) The nature and volume of the incoming material (including chemical composition and pH levels);

2) The nature of the load checking" program;

3) The material and construction of the pond liners, including the distance between the impounded waste and groundwater;

4) The programs that would be implemented for detection of leakage from the ponds, including contingency actions that would be undertaken if leaks were observed;

5) The chemical composition of the material during processing within the ponds and any chemicals added to the slurry during that time;

6) The duration of onsite processing;

11

7) Activities that would be conducted in the borrow areas;

8) The operations that would occur *(e.g.,* breaking or grinding) in connection with the seasonal excavation of the material from the concrete slurry ponds;

9) The stormwater collection and conveyance system;

10) Utility and service system connection details;

11) The time of year during which construction would occur;

12) Air quality/dust control practices that would be followed during construction and operation;

13) The operations that would occur and heavy equipment that would operate in connection with the proposed "1.5-acre inert material recycling center";

14) The manner in which the collection of rainfall and surface water in the ponds would be managed during off season periods; and

15) Landscaping included in the Project for site beautification.

11 con't Without a better understanding of these details, it is not possible to fully assess the environmental impacts.

INADEQUATE CHARACTERIZATION OF EXISTING SETTING

12 An environmental assessment conducted pursuant to CEQA guidelines should incorporate a reasonably thorough understanding of the existing setting, or baseline conditions. Omissions or mischaracterizations in the baseline conditions could lead to errors in predicting the potential environmental impacts of the proposed Project. Furthermore, there is a general over-reliance on potentially outdated information (the 1996 General Plan EIR). Specific resource areas for which the setting is out of date or incomplete are discussed below.

13
- *Historical use of the proposed Project site is not described.* Historical use has bearing on the impact analysis because historical operations can result in the presence of contamination, which could be mobilized or result in unsafe exposures due to the proposed Project. Based on a cursory review of online aerial photos, ERM observed evidence of former agricultural use of the Project site. Agricultural chemicals in particular tend to remain in site soils for extended periods. The text should be revised to describe the former land uses.

14
- *Hydrological conditions at the proposed Project site are not described.* Hydrological conditions have a particular bearing on the impact analysis given the nature of the proposed activities (i.e., introduction of designated waste [a cement slurry] into ponds). The depth to water at the site needs to be provided, such that the engineering design can be properly evaluated – there are inherent adverse impacts associated with constructing a waste pond that intercepts groundwater or has the potential to release waste to groundwater. For a project of this nature, the depth to water should be known (i.e., based on site-specific monitoring well data collected over a variety of seasons); regional water levels are not sufficient. The IS/MND provides no such data. A description of hydrologic conditions should be presented in the Existing Setting, including among other things: the direction of groundwater flow; ambient groundwater quality and its beneficial uses; hydraulic interconnections with nearby surface water bodies; and historical flooding at the site. Based on a cursory review of online aerial photographs ERM observed 1) evidence of historical flooding in the land immediately adjacent to the Project site to the east, and 2)

14 con't indications that flooding may have routinely occurred on the site in the past, and as such may occur in the future. Based on available information, the site is located in the 100-year flood plain with FEMA Zone designation AE. This designation indicates that there is a one-percent annual chance of the Project site flooding, and corresponds with a 26 percent chance of flooding at least once in the next 30 years. As such, the probability of a flood is neither remote nor speculative at this site.

15
- *Cursory description of vegetation.* The IS/MND (page 5, 1st paragraph) states that the Project site is "covered in ruderal and mustard grasses," but does not indicate the timing and nature of the site inspection that resulted in this conclusion. If this inspection was not performed during the wet season, evidence of temporal wetlands could have been missed. Based on a cursory review of online aerial photographs ERM observed indications that wet areas may have routinely occurred on the site.

16
- *Cultural resources data sources outdated.* Based on information provided in Section V. *Cultural Resources,* it appears that conclusions regarding the unlikely potential for cultural resources are based on a document that is rather old (the 1996 City of Woodland General Plan Final EIR). A current California Historical Resources Information System (CHRIS) records search should be conducted as cultural resources could have been identified since that time. The potential for cultural resources - or low likelihood thereof, if so determined - should also be included in the Existing Setting.

17
- *The potential for the presence of chemical contamination is not discussed, but is relevant to the proposed use of the site.* As previously noted, historical land uses can result in the presence of chemical contamination in site soils or groundwater. In addition, contamination can migrate from nearby contaminated sites, if any, by means of air dispersion, surface water overflow, and groundwater flow. A Phase I/II environmental site investigation (ESA) would be useful to assess this potential concern, but no such report is cited in the IS/MND. As noted above, presence of residual contamination has bearing on the impact analysis because construction activities and operations associated with the proposed Project could enhance the mobilization of existing contamination in the environment, or result in unsafe human exposures.

FLAWED TECHNICAL STUDIES

The IS/MND authors conducted or contracted technical studies to support
their assessment of potential impacts to air quality and transportation/
18 circulation. Review of these technical studies identified significant flaws
that call into question the validity of the study results and the associated
impact evaluation.

Air Quality Analysis

Inappropriate Methodology

The IS/MND states that its air quality analysis is based upon use of the CalEEMod model. The CalEEMod model, however, is not the appropriate model to use for the type of activity envisioned in the proposed Project. According to the IS/MND, the land use chosen for the modeling is General Light Industry. The CalEEMod User's Guide describes this land use as follows:

> "Light industrial facilities are free-standing facilities devoted to a single use. The facilities have an emphasis on activities other than manufacturing and typically have minimal office space. Typical light industrial activities include printing, material testing and assembly of data processing equipment."

19 The General Light Industry land use category in the model does not have
activity descriptions that are specific enough to the unique type of land
use under the proposed Project. As such, the emissions-generating
activities involved in the proposed Project are not accurately represented
and accounted for in this model. It is too generalized and the estimated
emissions are likely under-estimated. Among other problems, the land use
category chosen for use in the CalEEMod does not include the type of
outdoor material processing and truck and heavy equipment operations
that are proposed for this site. Such operations will generate fugitive dust
and diesel emissions that do not appear to have been accounted for in the
IS/MND's air quality analysis. In addition, the IS/MND's air quality
analysis fails to account for fugitive dust emissions from the gravel,
20 concrete pads, and seasonally abandoned and dried-out reclamation and
retention ponds.

The analysis presented in the IS/MND should be transparent enough for
21 the reader to understand how the resulting emissions were estimated,
including tabulated emission sources, emission factors, activity rate, and

21 con't resulting emissions, but this information is omitted from the document. For example, it is unclear whether the operational emissions include emissions from the onsite heavy equipment (onsite water tanker truck, excavator, Bobcat, and front-end loader, and the unspecified equipment that will operate in connection with the 1.5-acre inert material recycling center), because the land use chosen in CalEEMod would not necessarily include these pieces of equipment as operational emission sources. Similarly, it is not clear whether or to what extent fugitive dust emissions were included in the CalEEMod modeling; they appear to have been omitted.

22 Vehicle emissions are based on assumed trip generation rates (from the Institute of Transportation Engineers), which in turn are based on the type of land use chosen. The land use description for General Light Industry does not adequately represent proposed Project activities or the types of vehicle that would be operating on this unpaved site. Therefore, particulate matter emissions from travel on unpaved surfaces appear to be underestimated. It is unclear whether the default trip generation rates were overridden to better reflect Project conditions, as can be done in CalEEMod. Moreover, as noted above, the focused traffic study section of the IS/MND includes 64 daily truck trips for recycled materials that are omitted from the discussion of truck trips in the air quality discussion on page 17 of the IS/MND.

23 The more appropriate analysis approach for the proposed project at this site would include U.S. EPA AP-42 emission factors for dust-generating activities, the California Air Resources Board OFFROAD model for heavy equipment emission factors, and the use of the AERMOD dispersion model with representative meteorological data. At a minimum, such modeling should include not only PM1o but also PM2.s and N02. Based upon the inadequate air quality analysis described in the IS/MND, the IS/MND does not present any adequate technical basis for its conclusion that the proposed project will not Violate any air quality standard or contribute substantially to an existing or projected air quality violation." Similarly, there is no technical basis presented in the IS/MND for its conclusion that the project will not Expose sensitive receptors to substantial pollutant concentrations." The IS/MND (at page 4) correctly describes the adjoining PGPI facility as "dust-sensitive," but the ISJMND fails to include an adequate analysis of dust emissions or dust-related air quality impacts.

PMw Emissions Underestimated

The unmitigated operation emissions of fugitive PM1o are shown in Table
3 of the Air Quality section as 0.07 pounds per day. It is not plausible that
the truck trips, operation of the water tanker, excavator, Bobcat, and front-
24 end loader operating on a graveled surface would generate the estimates
cited in the IS/MND (less than one tenth of a pound per day of fugitive
PM1o), particularly in the absence of any stated mitigation for fugitive
dust emissions.

Inadequate Analysis of Health Risks

~~Emissio~~ns from the daily heavy truck trips and the ongoing use of heavy
equipment onsite have been analyzed in a general manner with the use of
25 CalEEMod and may not fully characterize the health risks associated with
Diesel Particulate Matter (DPM) in comparison to the YSAQMD
thresholds for risk.

The IS/MND assumes that if the distance between the project site access
and the nearest sensitive receptor is greater than 1,000 feet, toxic air
contaminant impacts are less than significant. However, the project site
access should not be used as the origination point of the source of DPM,
26 i.e. the daily truck trips. As a mobile source, the trucks will travel past
receptors on their way to the proposed project site; these exposures need
to be evaluated. In fact, incoming trucks would likely travel on 1-5, taking
the exit that is very close to the Holiday Inn Express and the Multiple
Family Zone on the southwest corner of 1-5. In addition, there are
receptors subject to the worker exposure duration that are along the truck
route from 1-5 to the proposed project site.

Greenhouse Gas Analysis

The concerns regarding the use of CalEEMod for the criteria pollutants
also apply to GHG. At issue is the unspecified source of the "activity" data
(i.e., whether the analysis assumed site specific activity data or CalEEMod
assumptions, which may not be appropriate. The Greenhouse Gas
27 Emissions section states that the project could result in an overall
reduction of emissions by reducing VMT and landfill emissions but does
not outline how these conclusions were reached. In particular, this section
should include where the other concrete slurry facilities are in relation to
the Project and outline other general information about how the reduction
was calculated.

INADEQUATE IMPACT EVALUATION AND MITIGATION

28 As noted above, the information provided in the Project Description and Existing Setting is inadequate to conduct a valid impact assessment for the environmental study items included in the CEQA checklist. Key areas in which these omissions affect the impact analysis and considerations not addressed in the impact analysis that could affect the findings are discussed below.

29 The IS/MND proposes further studies as mitigation measures (MMs); such studies would likely provide much of the relevant data that this letter has identified as missing. In general, it is not appropriate to include future studies as mitigation measures, because this does not allow the public 1) to review of the site conditions established during such studies, or 2) to judge the adequacy of impact analysis or the effectiveness of potential remedies. Studies that characterize site-specific conditions and/or influence the development of MMs should be performed in connection with the IS/MND so that the resulting mitigation measures can be imposed upon the project when and if it is approved.

30 In other cases, the IS/MND identifies compliance with regulations as mitigation. Regulatory requirements are a baseline; they may not be sufficient as mitigations.

31 The authors should reassess the impact analyses for these study items after obtaining the relevant missing information and incorporating the considerations omitted previously, to ascertain whether the IS/MND findings are valid and the mitigation measures are adequate to reduce impacts to Less than Significant (LTS).

Air Quality

32 As discussed above, the validity of the air quality analysis conducted for the IS/MND is in question. Furthermore, it is unclear that any measures-including standard best management practices -- will be undertaken to reduce dust emissions during construction and operations. During construction and operations, the site will be traversed by trucks and heavy equipment. Especially given the dry local climate, the potential for dust and fugitive emissions from the construction and operation of the proposed Project is substantial.

Dust mitigation best management practices that are standard for construction/operations of this type, are not included. The Yolo Solano Air Quality Management District Handbook for Assessing and Mitigating Air Quality Impacts (YSAQMD Handbook), Adopted July 11, 2007, recommends the best management practices included in the table below (replicated from the YSAQMD Handbook), even for projects not exceeding district PM1o thresholds.

32 con't

Mitigfatio:n1\le-a;ure	Source CatHorr	Effective	i.Wferenees
\\tater aU acti\e construction sites at least twice daily. Frequency should be baed on the type of operation, soil,. and "'ind exposure.	Fugitive emissions ftomactive. unp.1.red constmction areas	50%	U.S. EPA, "AP-42, Vol I." Pg. 11.2.4-L
Haul trucks shall maintain at least 2 feet of freeboard.	Spills from haul trucks	90%	Monterey Bay Unified APCD
Cover all tmcks hauling dirt. or loose materials.	S;f!iUs from haul truck		lifonte.rey Bay Unified APCD
Apply non-toxic bindeR (e.g., latex acrylic copolymer) to exposed areas after cut and fill operations and hvdroseed area.	\\find eml!.ion from inactile areas	Up to 80%	U.S. EPA, "AP-42 Vot 1 !' Pg. 11.2.4-1.
Apply chemical soil stabilizers on inactive- construction areas (distmbed lands within constmction projects that are unused for at least fom consecuti.'\1-e davs)	\Vind erosion from inactive areas	Up to 80%.	South Coast AQMD, "SIP for PM1o in the Coachella Valley,, 1990. Pg. 515
Plant tree windbreaks on the windward perimeter of cons1Iuction projects if adjacent to open laud	\\fJnd eroMon from inacfu.re areas	4% (15% for mature trees)	South Coast AQAtiD., wSIP for Pl11J in the Coachelta Valley" 1990. Pg_ 5-15
Plant ltegetative ground cover in distmbed areas as soon :as possible.	Wind erosion from inactive are.as	5%-9 {. (based on planting plan)	South Coast AQlv.ID,. "SIP for PM1o in the Coachella Valley' 1990. Pg. 5-15
Cover inactive storage piles.	\V'ind erosion from storage piles	Up to 90%	U.S_ EPA u.J\P'-42. Vol. 1." Pg. 11.2.34)
Sweep s1reets if'\;i'Siible soil material is carried out from the construction site.	On-road entrained Pl\u!,	14%	U.S. EPA Report Number EPA-600iR-95-171
Treat acees.-ses to a distance of 100 feet from the pcl\'ed mad with a 6 to 12 inch layer of wood chips or mukh.	Iud'dirt comyout on-road enmtined Plvl1il	27-33%	U.S. EPA Report Number EPA-60R-95-171.
Treat accesses to a distance of 100 feet ftom the paved road with a 6-indiJayer ofgravel.	"'fudfdirt cauyout on-mad entrained Pl\.f1	42<-2%	U.S. EPA Report Numbef' EPA-600.R-95-171
Note: 1he efiecti'l'OeSS of 2 << more mitiEation mea>ures that address the :SaJ .e oource of emissions \\"Olld DOt be the sum ofbofh fllle&Stlie&			

33 Because the potential for dust generation is high and there is evidence there may be residual agricultural chemicals in the soil on the property, mitigation measures addressing dispersion of dust should be given due

34 consideration to be protective of receptors in adjacent properties. For

34 con't example, the inclusion of a truck/wheel washing station would further mitigate dust by preventing dirt from being tracked onto the "gravel" or dirt from being tracked back onto the public roadways from trucks leaving the facility; dirt-caked gravel and roadways could result in air borne dust in dry weather.

The analysis in the IS/MND should consider the potential for fugitive emissions from the concrete slurry ponds and the retention ponds after they have been emptied for the winter. The analysis should also consider the potential for objectionable odors to be created during the off season when the site has been vacated, if rainfall or overland surface water flow is collected within the ponds and becomes stagnant.

Biological Resources

35 As previously noted, it is unclear whether wetlands are present on the Project site. If wetlands are present in the area, the proposed Project could result in a Potentially Significant Impact rather than LTS. If wetlands are identified, the impact analysis needs to reconsider whether special species could be present on site and to evaluate potential impacts upon those species.

Cultural Resources

36 As noted above, the IS/MND relies on a 1996 document for information regarding cultural resources in the proposed Project area. It would be appropriate to confirm that older information by conducting a current CHRIS records search. If cultural resources are present in the area, the proposed Project could result in a Potentially Significant Impact rather than LTS with mitigation.

Geology and Soils

37 The impact analysis needs to consider the potential impacts that could arise from a breach of the retention or process ponds caused by earth shaking. The impact analysis needs to consider potential impacts of expansive soils on the retention and process ponds (not solely the buildings that would be constructed). This is a particular issue considering that the ponds could be a source of moisture to underlying soils, possibly unequally distributed.

37 con't The IS/MND includes MM VI-1, which would include consultation with the City Engineer to evaluate the potential for expansive soils. As discussed above, the geotechnical conditions should be described as part of the baseline given the importance to the integrity of the ponds, so appropriate mitigations for expansive soils (if any) can be incorporated as part of the proposed Project and available for public review.

Hazards and Hazardous Materials

38 The impact analysis needs to consider whether there is a potential for the proposed Project to result in enhanced migration of chemical contamination in soils or groundwater (due to historical uses of the Project site and nearby properties) in the environment, or unacceptable risk to human health.

The analysis should also consider the potential for biological hazards (e.g., mosquito breeding grounds) to be created during the off season when the site has been vacated, if rainfall or overland surface water flow is collected within the ponds and becomes stagnant.

Hydrology and Water Quality

39 As previously noted, the IS/MND is missing the following information that is fundamental to the impact analysis:

- Site-specific hydrologic data, including depth to first water, flooding history, groundwater flow direction and quality, and beneficial uses;
- Pond design details, including vertical separation of waste from groundwater, liner specifications;
- Details regarding a planned groundwater monitoring program;
- Details regarding contingency plans in the event of leakage from the ponds (impacts to groundwater) or rupture of the berms (overland flow); and
- An assessment of the environmental impacts of a flood of the proposed facility.

The IS/MND includes MM IX-1, which would include a requirement to obtain a WDR Order from the Water Board and a technical report demonstrating protection from flooding. The technical report should be incorporated into the analysis, not proposed as a mitigation. The text

39 con't states that RWQCB approval of the proposed engineered Class II waste management unit and issuance of WDRs would ensure" that the Project would not degrade water quality. This is not true – the issuance of a WDR in itself would not preclude that possibility – even if the WDRs contain stringent requirements protective of water quality, the facility operators must follow those requirements in order to be reasonably sure of protecting water quality. Issuance of WDRs in itself is not a sufficient mitigation measure as presented in MM IX-1.

The IS/MND includes MM IX-2, which would include a requirement to hire a professional geotechnical engineer to conduct a site-specific geotechnical evaluation. The site-specific geotechnical conditions should be described as part of the baseline given the importance to the integrity of the ponds and incorporated into the analysis, not proposed as a mitigation.

Noise

40 The IS/MND states that "The City's threshold of significance for noise increases is an increase of three decibels (dB) or more...Therefore, given the size of the site, noise would noticeably decrease by at least three dB at the property boundary and the projected truck volumes are less than what is required to result in an audible change in noise levels associated with truck operation." The above statement would apply once the trucks are on the property, but the analysis also needs to consider the noise from the trucks before they are within the site. For example, trucks must cross the property boundary and so the statement implying that the property boundary is some distance from the source is not applicable to when the trucks are crossing the boundary.

It would also be helpful if the document would identify the existing traffic levels since the statement, "less than what is required to result in an audible change in noise levels associated with truck operation" would depend on the existing conditions, which have not been described. Ultimately, the conclusion may be the same but additional details are warranted to justify the conclusions.

Transportation/Circulation

The Level of Service (LOS) analysis should include a site baseline based on vehicle counts and the revised calculation for LOS based on the number of vehicle trips that would be generated by the project. This should include quantitative measure of vehicle delay at intersections and letter grades for performance.

It is unclear how the ISIMND authors reached the conclusion that'*the proposed project would be consistent with the City's General Plan and would not cause a substantial increase in traffic.'* The City's General Plan states that *'The City shall develop and manage its roadway system to maintain LOS* "C" *or better on all roadways, except within one-half mile of state or federal highways and freeways and within the Downtown Specific Plan area.'* Without knowing the
41 LOS for the affected project area or estimating the vehicle delays at intersections, it is unclear whether the proposed Project is consistent with the General Plan.

The Transportation / Circulation section also does not address all of the requirements outlined in the CEQA Guidelines, Appendix G for the construction related impacts. These impacts should be discussed in relation to each of the criteria in the environmental checklist for Transportation / Circulation.

The report concluded that the impacts to alternative transportation are LTS on the basis that none of the employees will use transit. This analysis is incorrect because it does not address the question of whether or not the project conflicts with adopted policies for alternative transportation. A more complete analysis would include an assessment of how the Project impacts the routes of buses in the area and bike lanes.

CONCLUSION

Based on the inadequacies summarized above, it is ERM's opinion that the analysis presented in the *ISIMND* is insufficient to conclude that Project environmental impacts would be LTS with mitigation. There are a number
42 of clarifications required to make a deterntination that all potentially significant effects would be mitigated to LTS. The IS/MND also fails to adequately identify the mitigation measures that should be imposed upon the construction and operation of the proposed Project to avoid or reduce potentially significant impacts.

If you have any questions regarding the information in this letter, please contact me at (925) 946-0455.

Sincerely,

Denise M Toombs

Denise Toombs
Partner

From: Susan Garbini [mailto:Susan.Garbini@yolocounty.org]
Sent: Thursday, June 13, 2013 12:56 PM
To: Paul Hanson
Cc: 'Petrea Marchand'; 'jeff.drongesen@wildlife.ca.gov'; 'Janice.Gan@wildlife.ca.gov'; 'paul.hofmann@wildlife.ca.gov'; Cay Goude
Subject:

Dear Paul:

The Yolo Habitat JPA appreciates the opportunity to provide comments on the proposed Golden State Reclamation Project, which consists of a concrete slurry processing facility near Hanson Way, north of East Main Street in Woodland. We have conducted a preliminary examination of the site based on our information about the proximity to habitat for species that are covered in our habitat conservation plan and natural community conservation plan, which are currently in development.

Our information shows one Swainson's hawk nest in the project site and others within a 5-mile radius of the proposed location of the project (see enclosed map). A number of other species covered in our plan (7-9 according to our modeled habitat data) reside in the vicinity of the proposed project (indicated by the darker coloring on the map). We suggest that in the environmental review for this project, recommendations should be considered to ensure that these operations actively avoid damage to the Swainson's hawk nest at the site (such nests are generally located in large trees), by educating and training construction workers and employees to be aware of and avoid interfering with nests and any other Swainson's hawk behavior. No mention was made of any trees to be felled in the project, but special care should be taken to not disturb trees with nests. In particular, the location of the nest closest to the site should be made obvious to those involved in construction and future operations with a sign or marker. We would be happy to provide services to help with finding and marking the Swainson's hawk nest or locating any other important habitat for covered species.

These comments are also being sent to appropriate staff at the California Department of Fish and Wildlife (CDFW) and the U.S. Fish and Wildlife Service USFWS). Please contact me if you have any questions.

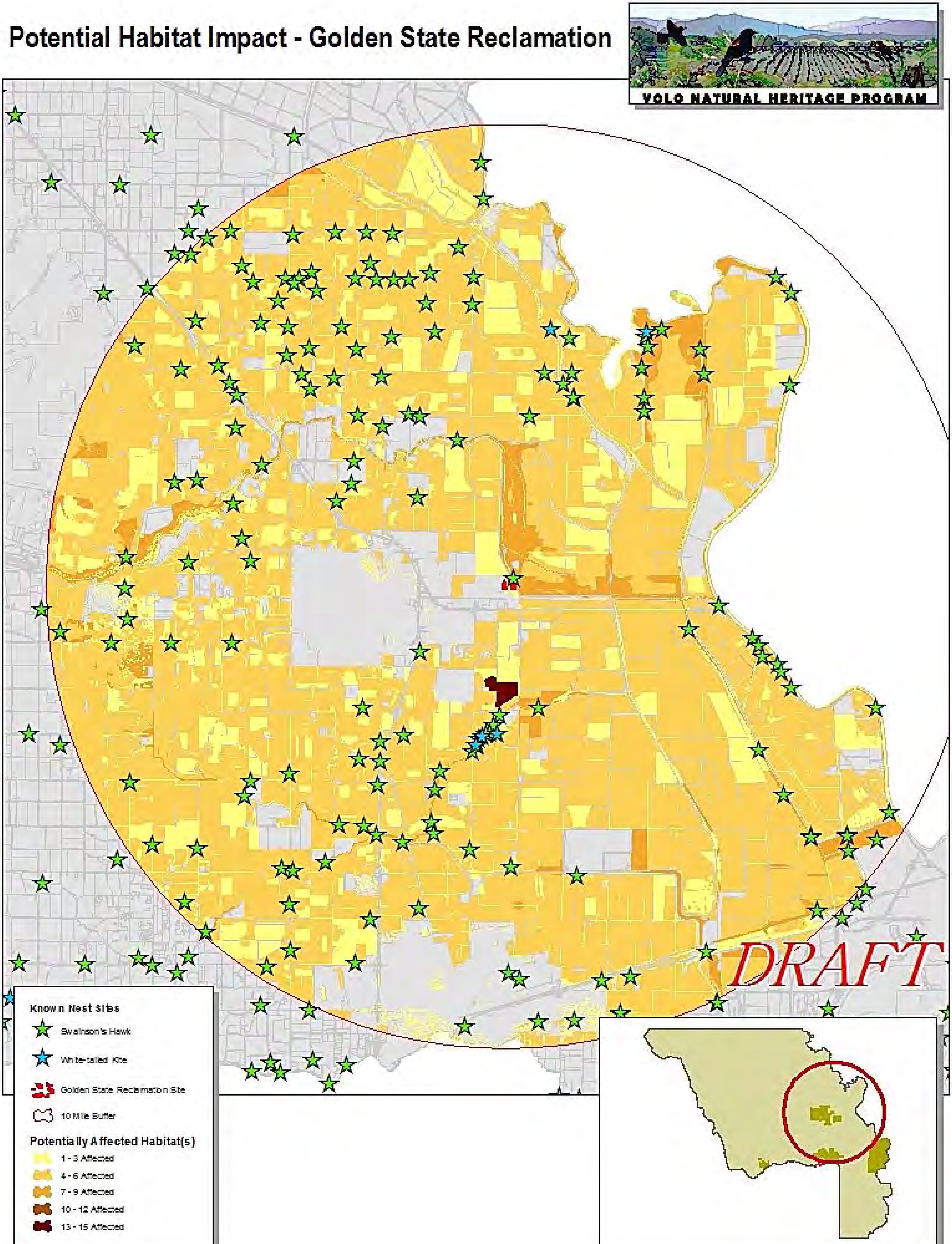
Sincerely,

Susan Garbini, PhD
Research Associate
Yolo Habitat JPA
625 Court St., Rm. 201
Woodland, CA 95695
Susan.garbini@yolocounty.org
Cell: 510-301-4140

Enclosure: Map w/Potential Habitat Impact data

Copy to: Petrea Marchand, Executive Director, Yolo Habitat JPA
Jeffrey Drongesen, CDFW
Janice Gan, CDFW
Paul Hofmann, CDFW
Cay Goude, USFWS

Potential Habitat Impact - Golden State Reclamation



Letter 9

From: Moushumi Hasan [mailto:Moushumi.Hasan@yolocounty.org]
Sent: Wednesday, June 12, 2013 10:36 AM
To: Paul Hanson
Cc: 'Brian Delemos'; Jeff Pinnow
Subject: RE: Golden State Reclamation Project

Hello,

Yolo County Environmental Health Solid Waste Program has reviewed the Initial Study/ Mitigate Negative Declaration for Golden State Reclamation project and after consultation with State Department of Resources, Recycling and Recovery (CalRecycle), has concluded that no solid waste permitting is required for the proposed facility. This decision was based on the regulations in Title 14 California Code of Regulations (CCR), Section 17402.5 (d) Definitions and Related Provisions Regarding Activities That Are Not Subject to the Transfer/Processing Regulatory Requirements, and Section 17403.1 (7) ((G) Excluded Operations.

However, according to Section 17381.1. Activities That Are Not Subject to the Construction and Demolition/Inert Debris Regulatory Requirements.
(g) In evaluating whether or not a particular site is in compliance with this section, the EA shall, among other things, do the following:

(1) If the EA has reason to believe that each load of debris received at a recycling center is not separated at the point of generation, is not source separated or is not separated for reuse, as applicable, or that the residual exceeds 10% of the total debris received per month, or that the amount of putrescible wastes exceeds 1% by volume of the total debris received per month, or material is being stored in excess of the applicable storage limits, or that the site is not in compliance with any other requirement in this section, the EA may require the owner or operator to provide evidence that the recycling center is in compliance. The burden of proof shall be on the owner and operator of the recycling center to demonstrate it is in compliance.

(2) At the time the EA requires a recycling center to provide evidence that it is in compliance with this section, the EA shall provide the owner and operator of the recycling center a written description of the information that has caused the EA to believe that the recycling center is not in compliance. Notwithstanding, the EA shall not be required to identify the name or other identifying information regarding any person(s) who has complained about the about the recycling center.

On a separate note, if applicable to the proposed facility, prior to handling any hazardous materials in quantities greater than 55-gallons, 500-pounds, or 200-cubic feet, or generating hazardous waste at the facility, a Hazardous Materials/Waste Application Package (Business Plan) must be completed and submitted to Yolo County Environmental Health (YCEH). Starting January 1, 2013, this must be done by going to the California Environmental Reporting System (CERS) web site (http://cers.calepa.ca.gov/), creating an account, entering required hazardous materials information and submitting the information for approval by Yolo County Environmental Health (YCEH). For assistance with CERS, please call YCEH at (530) 666-8646 and ask to speak to a Hazmat Specialist.

Please let me know if you have any questions on the above.

Thank you.

Moushumi Hasan

Moushumi Hasan
Hazardous Materials Specialist III
Local Enforcement Agency (LEA)/ Solid Waste Program
Environmental Health Division/ Yolo County Health Dept.
137 N. Cottonwood St., Suite 2400
Woodland, CA 95695
Phone (530) 666-8646 (Main)
Fax (530) 669-1448
www.yolocounty.org

ATTACHMENT D

Golden State Reclamation Project
Initial Study/Mitigated Negative Declaration

Errata Sheet
July 10, 2013

Introduction

This Errata Sheet presents, in ~~strike-through~~ and double-underline format, the revisions to the Golden State Reclamation Initial Study/Mitigated Negative Declaration (IS/MND) (May 2013) needed to reflect the comments made during the public review period. The revisions to the IS/MND reflected in this Errata Sheet do not affect the adequacy of the previous environmental analysis contained in the Golden State Reclamation IS/MND. Specifically, the changes provide clarification concerning comments related to the project description provided to the City by local agencies and other interested parties, as well as clarifications to the biological resources mitigation measures. Because the changes presented below would not result in any new significant impacts or increase in impact significance from what was identified in the IS/MND, recirculation of the Golden State Reclamation IS/MND is not required.

Changes to the Project Description section of the IS/MND

The first paragraph on the top of page 5 of the IS/MND is hereby revised as follows:

> The proposed project site is currently vacant. The project site may have been previously graded~~,~~ and is currently used for dry farming operations, including being disced each year. It should be noted that rrigation is not provided at the site and the only water application would be from rainfall. Pesticides or other chemicals are not used at the project site. After being disced each year, the site remains vacant and becomes ~~but is now~~ covered in ruderal and mustard grasses. Dense vegetation or trees do not exist on the site. The project site is relatively flat, with elevations from 30.2 feet to 32.5 feet. According to the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM) Number 06113C0465H, dated May 16, 2012, the proposed project site is located in Flood Zone AE. Flood Zone AE is a base floodplain considered a high risk flooding area.

The above changes are for clarification purposes only and do not change the conclusions of the IS/MND.

The second and third paragraphs under "Proposed Project" on page 5 of the IS/MND are hereby revised as follows:

> Included in the proposed project design are two reclamation ponds for the concrete slurry, one retention pond for leachate, one storage building for construction equipment, and one on-site mobile office trailer (See Figure 3, Project Site Plan). The processing ponds would be approximately 6,857 square feet each, or 13,714 square feet total, four feet deep, and would be oriented in a north-south direction. The 6.6-foot-deep and 11,238~~14,029~~-square-foot retention pond would be located directly to the north of the processing ponds. Each of the ponds would be surrounded by earthen berms with side slopes, which would be sealed with

an organic sealant material. A three-sided, 30-by-50-foot or 1,500-square-foot metal building with a concrete pad and side gaps for flood flow would be utilized for equipment storage. The mobile office trailer would have an approximately 20-by-30-foot or 600-square-foot footprint and would be on wheels for ease of movement. A bathroom for employee-use would be located in the mobile office trailer. The proposed project would include connection to the existing nearby City water, storm drainage, telecommunications, and sewer lines, as well as PG&E lines, in Hanson Way.

Incoming material would be a mixture of concrete grindings and added water (aka concrete slurry). The concrete is ground off of public roads, highways, and airports at local construction and improvement projects. The mud-like material would be transported from the construction and improvement project sites to the project site for off-loading and processing. The proposed concrete slurry processing facility would be designed to receive only cured concrete slurry generated from local construction and improvement projects, particularly highway profile grinding. Uncured concrete would not be accepted at the site and additional chemicals would not be added to the material in the ponds. The concrete waste that would be accepted and processed at the project site is considered designated waste and the project site would be considered a Class II waste management unit. Hazardous wastes would not be accepted at the site. A load checking program designed to detect the presence of any hazardous or prohibited materials in incoming loads would be implemented and maintained.

The above changes are for clarification purposes only and do not change the conclusions of the IS/MND.

Figure 3 on page 8 of the IS/MND is revised as shown in the attachment to this Errata Sheet. The changes to the site plan do not change the conclusions of the IS/MND.

The second and third paragraphs on page 9 of the IS/MND are hereby revised as follows:

The processing ponds would be double-lined with a 60-mil HDPE liner and include a leachate collection system. The leachate collection system would consist of a filter fabric layer, followed by a layer of rock, then a layer of dirt. Perforated piping in the dirt layer would collect and convey the filtered leachate to a retention pond. A leakage detection system would be placed between the pond liners and would be routinely monitored. A maximum of approximately 75,000 gallons of water per day is anticipated to be used for the proposed operations. The leachate collected in the retention pond would be used to refill the on-site water tanker and/or to supply the tanker trucks with water to be carried back to local project sites. Thus, all water used at the site would be recycled back into the process.

The waste concrete slurry would be collected and allowed to set in the processing ponds. The volume of material processed at the facility would vary according to the time of year and local construction activity; however, a maximum of 45,000 gallons of slurry, 43 cubic yards per day of material, and 6,450 yards annually is currently anticipated to be processed at the proposed concrete slurry processing facility. It should be noted that an excavator, Bobcat, and front-end loader are anticipated to be utilized and stored on-site for the proposed operations. The proposed project would operate from April through October and would shut down during the winter wet season (November through March). Prior to operational shut down, the processed material in the processing ponds would be loaded onto trucks and delivered to ~~a regional inert material recycler~~ an authorized recycling facility to be incorporated into post-consumer aggregate products. The processing ponds would be cleaned out and any remaining slurry would be hauled to an appropriate disposal facility. ~~Clean~~ Process water from the retention pond would be used to fill the on-site water tanker, and any remaining water would be hauled to a treatment facility for disposal. Accordingly, processed materials would be hauled from the project site once per year.

The above changes are for clarification purposes only and do not change the conclusions of the IS/MND.

The last paragraph on page 9 of the IS/MND is hereby revised as follows:

Access to the project site would be provided through a new drive isle through a new extension north from Hanson Way, adjacent to an existing 40-foot-wide access point utilized by the development to the west. Four parking spaces (including ADA parking) and a processing area are also proposed for the project site. A total processing area of ~~70,374~~ 22,220 square feet would be gravel covered, and the new drive isle and parking, which would consist of a total of ~~10,603~~ 40,193 square feet, would be asphalt paved. Anticipated trips associated with operation of the proposed concrete slurry processing facility include a maximum of 12 one-way heavy truck trips per day (24 total daily truck trips) for the delivery of waste concrete to the site and hauling of water back to local project sites. Assuming that 10 employees would be on-site during operations, a maximum of 10 one-way passenger vehicle trips per day (20 total daily employee trips) would be anticipated.

The above changes are for clarification purposes only and do not change the conclusions of the IS/MND.

Changes to the Biological Resources section of the IS/MND

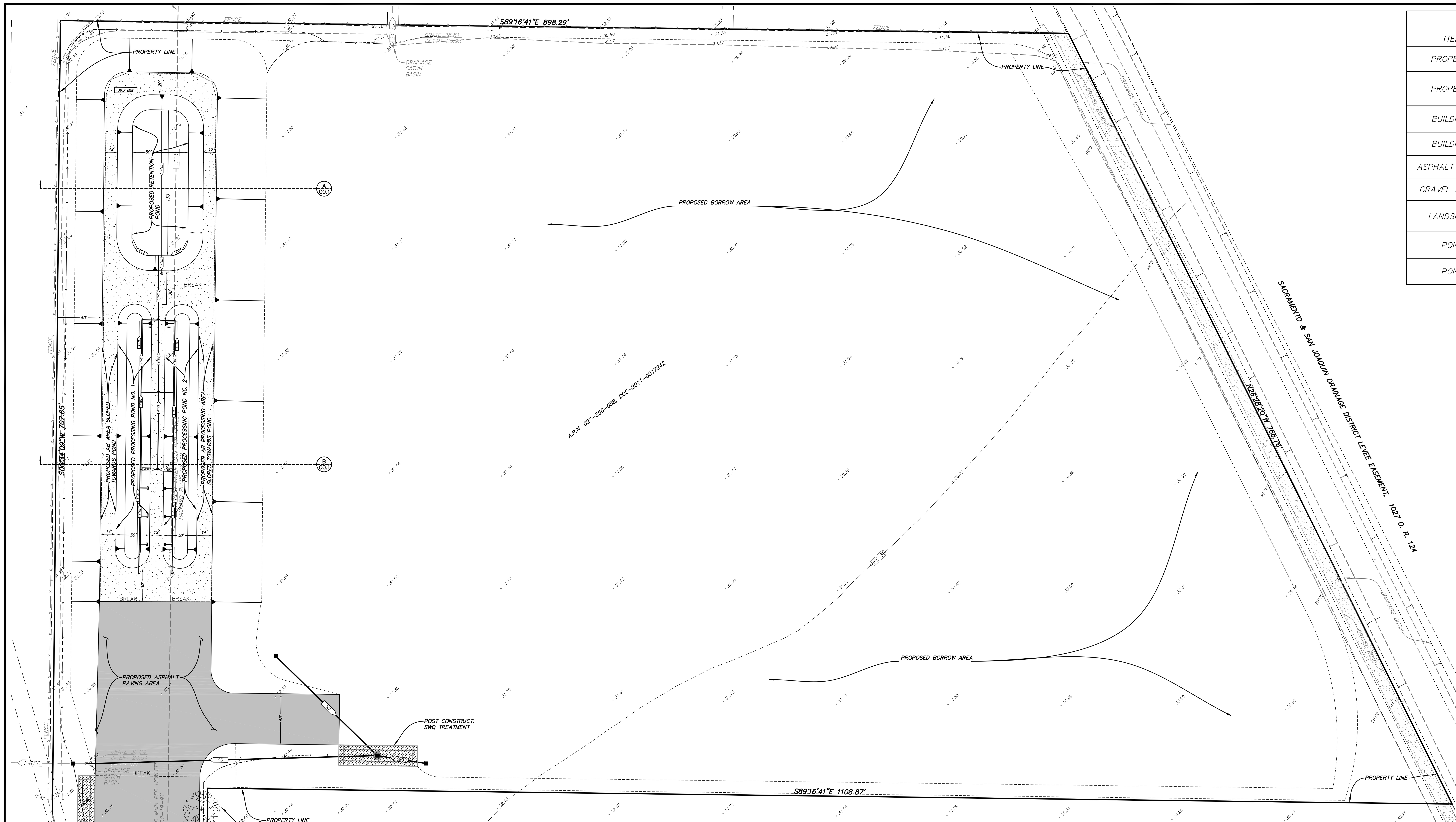
A supplemental mitigation measure is hereby added to page 23 of the IS/MND, below Mitigation Measure IV-1, as follows:

IV-2 *If project site construction occurs during the breeding season (March 1-September 15), prior to construction, the applicant shall hire a qualified biologist to conduct a CDFG-recommended protocol-level preconstruction survey to determine the presence of Swainson's hawk nests. The area to be surveyed shall include a 0.5-mile radius area including and surrounding the project site. If active nests are not found during the preconstruction survey, further mitigation is not required. If active nests are present on the property, construction activities or other project-related activities that may cause nest abandonment or forced fledging shall not take place within a buffer zone of an active nest determined by the qualified biologist, which would be based on the location of the nest, the background level of disturbance in the nest area, and observed reactions of the nesting species to human activity. The results of the preconstruction surveys shall be submitted to the City for review.*

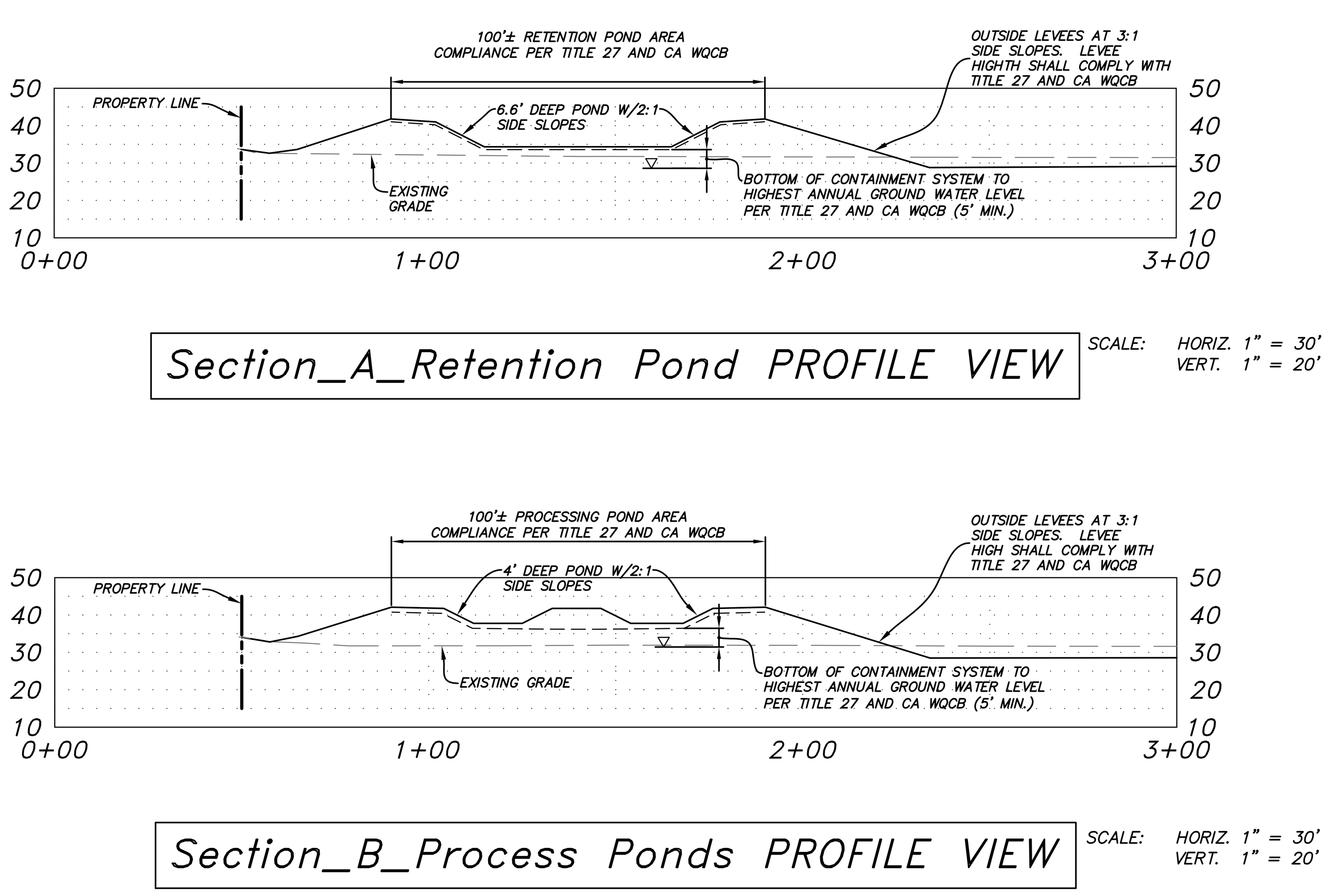
The mitigation measure just clarifies the proposed mitigation related to Swainson's hawk and does not change the conclusions of the IS/MND.

Attachment

Revised Site Plan



DEVELOPMENT NOTES		
ITEM	DESCRIPTION	AREA
PROPERTY	GROSS AREA	17.557 ACRES (764,786 SF)
PROPERTY	DISTURBED AREA WITHIN DEVELOPMENT	17.360 ACRES (756,202 SF)
BUILDINGS	20'X30' MOBILE TRAILER/OFFICE	(600 SF)
BUILDINGS	30'X50' EQUIPMENT PARKING BUILDING	(1,500 SF)
ASPHALT PAVING	PARKING AND DRIVE AISLE	(40,193 SF)
GRAVEL PAVING	PROCESSING AREA	(22,220 SF)
LANDSCAPE	LANDSCAPE AREA INCLUDING BIO-SWALES	(??,??? SF)
POND	PROCESSING POND	(2 @ 6,857 SF = 13,714 SF TOTAL)
POND	RETENTION POND FOR LEACHATE	(11,238 SF)



SITE PLAN

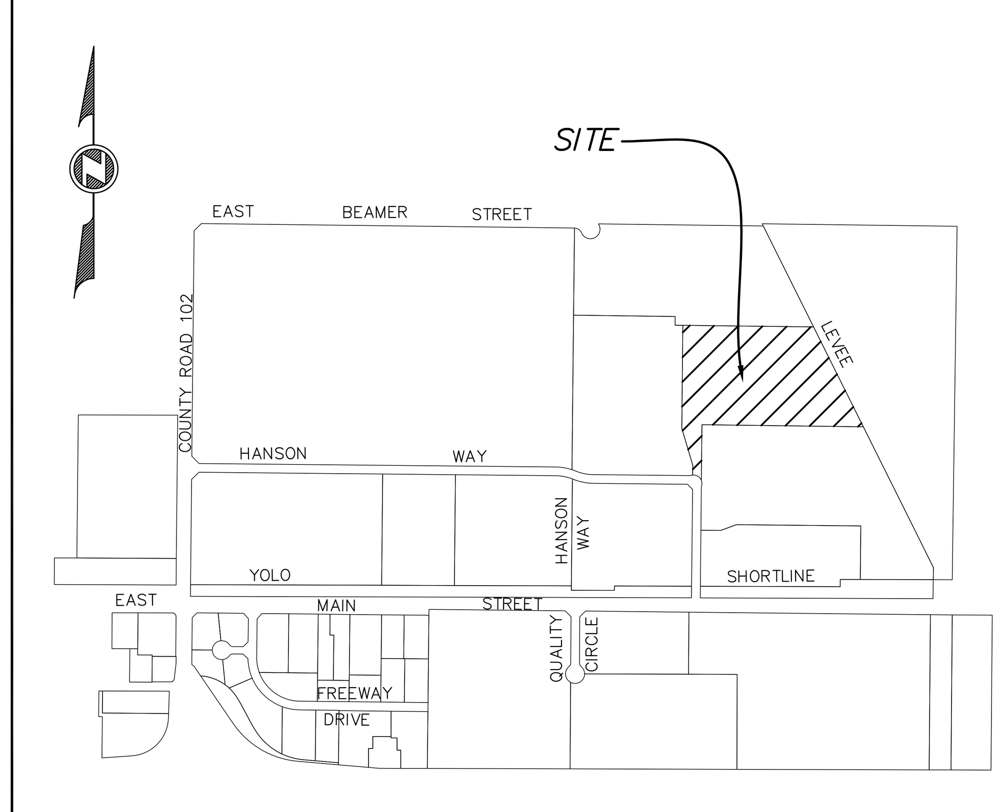
FOR

WOODLAND GOLDEN STATE RECLAMATION
APN 027-350-058, HANSON WAY

NOTES

DEVELOPER:	TRAVIS BRANT DIVERSIFIED CONCRETE CUTTING 59 CONEY ISLAND DRIVE SPARKS, NV 89431
ENGINEER/SURVEYOR:	BRYAN P BONINO LAUGENOUR AND MEIKLE CIVIL ENGINEERS 608 COURT STREET WOODLAND, CA 95695 PHONE (530) 662-1755
ASSESSOR'S NUMBERS:	A.P.N. 027-350-058,
EXISTING USE:	VACANT
PROPOSED USE:	INDUSTRIAL
EXISTING ZONING:	INDUSTRIAL
SEWER SERVICE:	CITY OF WOODLAND
DRAINAGE SERVICE:	CITY OF WOODLAND
WATER SERVICE:	CITY OF WOODLAND
GAS & ELECTRIC SERVICE:	PACIFIC GAS & ELECTRIC
TELEPHONE SERVICE:	AT&T
FLOOD ZONE:	AE, BFE=VARIES
GROSS AREA:	17.557± ACRES

VICINITY MAP



REV.	DATE	DESCRIPTION	BY	APP'D

LM LAUGENOUR AND MEIKLE
CIVIL ENGINEERING · LAND SURVEYING · PLANNING
608 COURT STREET, WOODLAND, CALIFORNIA 95695 · PHONE: (530) 662-1755
P.O. BOX 828, WOODLAND, CALIFORNIA 95776 · WEB: www.lmce.net

BY ______ BRYAN P. BONINO
DATE ______ P.E. 41804 EXPIRES 03/31/10

REGISTERED PROFESSIONAL ENGINEER · BRYAN P. BONINO · No. 41804 · Exp. 3-31-10 · CIVIL · STATE OF CALIFORNIA

SITE PLAN

WOODLAND GOLDEN STATE RECLAMATION
APN 027-350-058, HANSON WAY

CITY OF WOODLAND · YOLO, CALIFORNIA

JOB NO.	3833
DESIGNED	BPB
DRAWN	BRD
FILE	3833_Base_1_Topo
CHECKED	BPB
DATE	07-10-13
SCALE	1"=40'

SHEET C0.1 OF 1

City of Woodland

Community Development Department

Golden State Reclamation Project

INITIAL STUDY/MITIGATED NEGATIVE DECLARATION

May 2013

Prepared by:

RANEY
PLANNING & MANAGEMENT, INC.
1501 Sports Drive, Sacramento, CA 95834

TABLE OF CONTENTS

FIGURES

TABLES

APPENDIX

INITIAL STUDY/MITIGATED NEGATIVE DECLARATION

May 2013

A. BACKGROUND

1.	Project Title:	Golden State Reclamation
2.	Lead Agency Name and Address:	City of Woodland Community Development Department 300 First Street Woodland, CA 95695
3.	Contact Person and Phone Number:	Paul L. Hanson, AICP Senior Planner (530) 661-5814
4.	Project Location:	East of Hanson Way and north of East Main Street Woodland, CA 95695 APN 027-350-058
5.	Project Sponsor's Name and Address:	Travis Brandt Golden State Crushing, LLC 13375 Rock Crossing Drive Reno, NV 89511 (775) 742-8085
6.	Existing General Plan Designation:	Industrial (I)
8.	Existing Zoning Designation:	Industrial (I)

10. Project Description Summary:

The Golden State Reclamation project consists of a concrete slurry processing facility on a 17.56-acre property in the City of Woodland, CA. Operations at the facility would include the recovery of reusable concrete fines from local construction and improvement projects and delivery of finished product to a regional inert material recycler to be incorporated into post-consumer aggregate products. Included in the project design are two reclamation ponds for the concrete slurry, one retention pond for leachate, one storage building for construction equipment, and one on-site mobile office trailer. The necessary entitlements being reviewed by the City of Woodland include a Conditional Use Permit, Site Plan Review, and Design Review.

B. SOURCES

The following documents are referenced information sources utilized by this analysis:

1. California Air Resources Board. *Air Quality and Land Use Handbook: A Community Health Perspective*. April 2005.
2. California Air Resources Board. *Ambient Air Quality Standards*. Available at: http://www.arb.ca.gov/research/aaqs/aaqs2.pdf. June 7, 2012.
3. California Air Resources Board. *Climate Change Scoping Plan*. December 2008.
4. California Air Resources Board. In-Use Off-Road Diesel Equipment 2011 Inventory Model. Available at: http://www.arb.ca.gov/msei/categories.htm#offroad_motor_vehicles. Accessed March 2013.
5. California Department of Fish and Wildlife California Natural Diversity Database. *CNDDB Element Query Results*. April 5, 2013.
6. California Office of Historic Preservation. Instructions for Recording Historical Resources. March 1995.
7. City of Woodland. *City of Woodland General Plan Background Report*. Adopted February 27, 1996.
8. City of Woodland. *City of Woodland General Plan Final Environmental Impact Report*. February 1996.
9. City of Woodland. *City of Woodland General Plan Policy Document*. Adopted December 17, 2002.
10. City of Woodland Stormwater Master Plan, Program Element Implementation, August 2004.
11. Code of the City of Woodland, May 30, 2006.
12. ENVIRON International Corporation. *California Emissions Estimator Model User's Guide Version 2011.1*. February 2011.
13. Federal Emergency Management Agency. *Flood Insurance Rate Map Yolo County, California and Incorporated Areas Map Number 06113C0465H*. May 16, 2012.
14. KD Anderson & Associates, Inc. *Focused Traffic Study for the Woodland Concrete Slurry Processing Facility, Woodland*. April 12, 2013.
15. U.S. Department of Agriculture Natural Resources Conservation Service Web Soil Survey. *Soil Map – Yolo County, California*. April 2, 2013.
16. Yolo County. Yolo Natural Heritage Plan. Available at: http://www.yolocounty.org/index.aspx?page=1441. Accessed April 2, 2013.
17. Yolo-Solano Air Quality Management District. *Handbook for Assessing and Mitigating Air Quality Impacts*. July 11, 2007.
18. Yolo-Solano Air Quality Management District. State Planning Efforts. Available at: http://www.ysaqmd.org/state_plans.php. Accessed April 8, 2013.

C. ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is "Less Than Significant with Mitigation Incorporated" as indicated by the checklist on the following pages.

☐	**Aesthetics**	☐	**Agriculture Resources**	☐	**Air Quality**
✖	**Biological Resources**	✖	**Cultural Resources**	✖	**Geology & Soils**
☐	**Greenhouse Gas Emissions**	☐	**Hazards**	✖	**Hydrology & Water Quality**
☐	**Land Use**	☐	**Mineral Resources**	☐	**Noise**
☐	**Population, Employment, & Housing**	☐	**Public Services**	☐	**Recreation**
☐	**Transportation & Circulation**	☐	**Utilities & Service Systems**	☐	**Mandatory Findings of Significance**

D. DETERMINATION

On the basis of this initial study:

☐ I find that the Proposed Project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.

✖ I find that although the Proposed Project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the applicant. A MITIGATED NEGATIVE DECLARATION will be prepared.

☐ I find that the Proposed Project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.

☐ I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.

☐ I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

______________________________	______________________________
Signature	Date
Paul L. Hanson, Senior Planner	City of Woodland
Printed Name	For

E. BACKGROUND AND INTRODUCTION

This Initial Study/Mitigated Negative Declaration (IS/MND) identifies and analyzes the potential environmental impacts of the Golden State Reclamation project (proposed project). The information and analysis presented in this document is organized in accordance with the order of the California Environmental Quality Act (CEQA) checklist in Appendix G of the CEQA Guidelines. If the analysis provided in this document identifies potentially significant environmental effects of the project, mitigation measures that should be applied to the project are prescribed.

The City of Woodland adopted their current General Plan Policy Document in 2002. The current General Plan Final Environmental Impact Report (EIR), a program EIR prepared pursuant to Section 15168 of the CEQA Guidelines (Title 14, California Code of Regulations, Sections 15000 *et seq*.), was prepared in February 1996. It should be noted that the City is in the process of updating their General Plan; however, the updated General Plan is not yet adopted and an EIR has not been certified. Therefore, the current General Plan and EIR have been utilized for this analysis.

The environmental setting and impact discussion for each section of this IS/MND have been largely based on information in the City of Woodland General Plan Environmental Impact Report. In addition, a focused traffic study has been prepared for the proposed project by KD Anderson & Associates, Inc. All technical reports used in the preparation of this IS/MND are available at the City of Woodland upon request.

The mitigation measures prescribed for environmental effects described in this IS/MND will be implemented in conjunction with the project, as required by CEQA. The mitigation measures will be incorporated into the project through project conditions of approval. The City will adopt findings and a Mitigation Monitoring and Reporting Program for the project in conjunction with approval of the project.

F. PROJECT DESCRIPTION

Existing Setting

The proposed project site is located in an industrial area in the northeastern portion of the City of Woodland. The land use and zoning designation for the site is Industrial. Existing industrial developments are located directly south, west, and north of the site, and agricultural land uses are located east and northeast of the project site. The development directly south of the project site is a PGP International, Inc. facility, which is a large manufacturer of cereal and dairy-based food ingredients. It should be noted that the PGP International facility is dust-sensitive due to on-site operations. A public utility and access road easement is located along the eastern border of the site. Along the project border further to the east of the site, a Sacramento and San Joaquin Drainage District levee easement exists for a canal. Further to the south, approximately one half-mile from the project site is Interstate 5 (I-5), on the opposite side of East Main Street. The nearest sensitive receptor would be the Hampton Inn & Suites located over half-a-mile to the southwest of the site, between East Main Street and I-5.

The proposed project site is currently vacant. The project site may have been previously graded, but is now covered in ruderal and mustard grasses. Dense vegetation or trees do not exist on the site. The project site is relatively flat, with elevations from 30.2 feet to 32.5 feet. According to the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM) Number 06113C0465H, dated May 16, 2012, the proposed project site is located in Flood Zone AE. Flood Zone AE is a base floodplain considered a high risk flooding area.

Access to the site is via Hanson Way, a public roadway to the south. Due to the odd shape of the parcel, the frontage along Hanson Way is narrow. Water and sewer services are currently provided to the project area by the City of Woodland and gas and electric service from Pacific Gas & Electric (PG&E). Existing utility lines are located along Hanson Way.

Proposed Project

The proposed project, which is located at the east end of Hanson Way, just north of East Main Street as Hanson Way makes a 90-degree turn in the southern direction, in the City of Woodland (See Figure 1, Regional Project Location, and Figure 2, Project Vicinity Map), consists of a concrete slurry processing facility. A Conditional Use Permit for the facility would be required per the City's Zoning Ordinance. The proposed project would be located on a 17.56-acre property with an Assessor's Parcel Number (APN) of 027-350-058, of which 17.36 acres would be disturbed for the concrete slurry processing facility development operations, including the proposed borrow area of the eastern portion of the parcel. The remaining 0.2-acre would remain vacant and undisturbed, and would provide a setback from the public utility and access road easement along the eastern border of the site.

Included in the proposed project design are two reclamation ponds for the concrete slurry, one retention pond for leachate, one storage building for construction equipment, and one on-site mobile office trailer (See Figure 3, Project Site Plan). The processing ponds would be approximately 6,857 square feet each, or 13,714 square feet total, and would be oriented in a north-south direction. The 14,029-square-foot retention pond would be located directly to the north of the processing ponds. A three-sided, 30-by-50-foot or 1,500-square-foot metal building with a concrete pad and side gaps for flood flow would be utilized for equipment storage. The mobile office trailer would have an approximately 20-by-30-foot or 600-square-foot footprint and would be on wheels for ease of movement. A bathroom for employee-use would be located in the mobile office trailer. The proposed project would include connection to the existing nearby City water and sewer lines in Hanson Way.

The proposed concrete slurry processing facility would be designed to receive only cured concrete slurry generated from local construction and improvement projects, particularly highway profile grinding. Uncured concrete would not be accepted at the site. Hazardous wastes would not be accepted at the site. A load checking program designed to detect the presence of any hazardous or prohibited materials in incoming loads would be implemented and maintained.

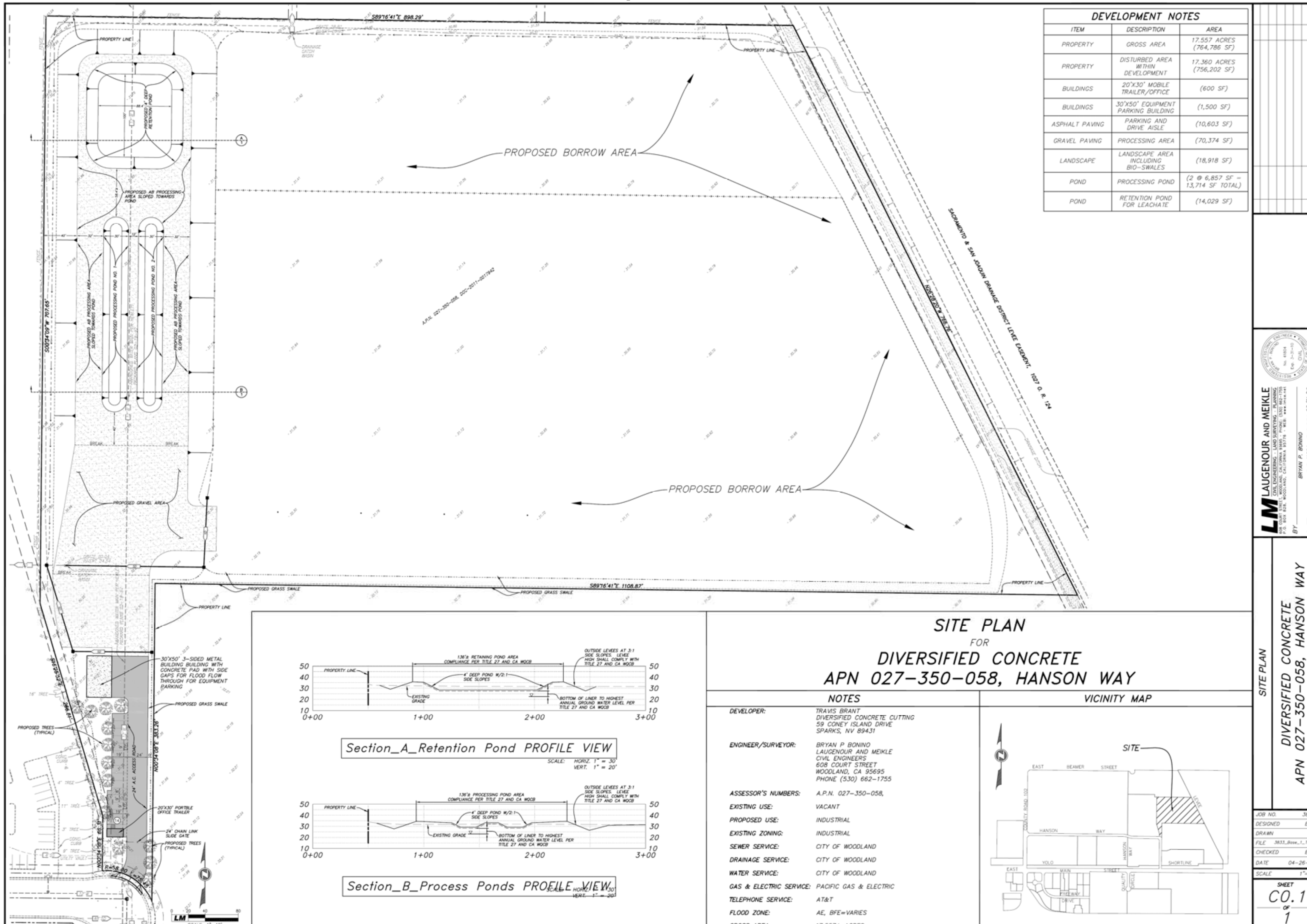
Concrete slurry generated from local projects would be brought to the site in tanker trucks. The trucks would dump the waste concrete directly into the designated ponds. Any residual waste concrete remaining in the trucks would be washed from the trucks directly into the ponds.

Figure 1
Regional Project Location

May 2013

Figure 2
Project Vicinity Map

Figure 3
Project Site Plan



A 5,000-gallon tanker would be kept on-site at all times to supply water for washing out the residual waste from the trucks, as well as to supply the trucks with water to be carried back out to ongoing construction and improvement project sites, where the water would be used for cooling grinding equipment. At most, the water tanker would need to be filled once per day.

The processing ponds would be double-lined and include a leachate collection system. The leachate collection system would consist of a filter fabric layer, followed by a layer of rock, then a layer of dirt. Perforated piping in the dirt layer would collect and convey the filtered leachate to a retention pond. A maximum of approximately 75,000 gallons of water per day is anticipated to be used for the proposed operations. The leachate collected in the retention pond would be used to refill the on-site water tanker and/or to supply the tanker trucks with water to be carried back to local project sites. Thus, all water used at the site would be recycled back into the process.

The waste concrete slurry would be collected and allowed to set in the processing ponds. The volume of material processed at the facility would vary according to the time of year and local construction activity; however, a maximum of 45,000 gallons of slurry, 43 cubic yards per day of material, and 6,450 yards annually is currently anticipated to be processed at the proposed concrete slurry processing facility. It should be noted that an excavator, Bobcat, and front-end loader are anticipated to be utilized and stored on-site for the proposed operations. The proposed project would operate from April through October and would shut down during the winter wet season (November through March). Prior to operational shut down, the processed material in the processing ponds would be loaded onto trucks and delivered to a regional inert material recycler to be incorporated into post-consumer aggregate products. The processing ponds would be cleaned out and any remaining slurry would be hauled to an appropriate disposal facility. Clean water from the retention pond would be used to fill the on-site water tanker, and any remaining water would be hauled to a treatment facility for disposal. Accordingly, processed materials would be hauled from the project site once per year.

Employment at the proposed project would vary according to the time of year, business cycles, and local construction activity. However, between five and 10 individuals per shift are anticipated to be employed for the activities at the project site. The site would operate Mondays through Fridays from 6:00 AM to 6:00 PM, and Saturdays and Sundays from 8:00 AM to 5:00 PM.

Access to the project site would be provided through a new drive isle through a new extension north from Hanson Way, adjacent to an existing 40-foot-wide access point utilized by the development to the west. Four parking spaces (including ADA parking) and a processing area are also proposed for the project site. A total processing area of 70,374 square feet would be gravel covered, and the new drive isle and parking, which would consist of a total of 10,603 square feet, would be asphalt paved. Anticipated trips associated with operation of the proposed concrete slurry processing facility include a maximum of 12 one-way heavy truck trips per day for the delivery of waste concrete to the site and hauling of water back to local project sites. Assuming that 10 employees would be on-site during operations, a maximum of 10 one-way passenger vehicle trips per day would be anticipated.

Construction

Construction of the proposed project is anticipated to be accomplished in a three-month period. A total of 70,374 square feet would be gravel covered and a total of 10,603 square feet would be asphalt paved. Approximately 14,000 cubic yards of soil would be moved during construction; however soil import or export would not be necessary, as the remaining 14.60 acres of the subject property would be utilized as soil borrow area as needed. It should be noted that construction activities would comply with the City's Stormwater Pollution Prevention Plan (SWPPP) and noise requirements.

Project Need

Currently, very few locations are available within the Central Valley that provides the services proposed for the project. The project would provide a local disposal site for contractors in the area who need to rid of slurry from construction projects. Accordingly, the project would likely result in various regional and even Statewide benefits, such as potential reductions in truck trips and miles traveled and reductions in waste disposed in landfills. In addition, the proposed project would provide jobs for local truckers, laborers, and operators of heavy equipment.

Discretionary Actions

Implementation of the proposed project would require the following discretionary actions by the City of Woodland:

- Approval of the IS/MND and adoption of the Mitigation Monitoring and Reporting Plan;
- Approval of a Conditional Use Permit; and
- Approval of a Site Plan Review and Design Review.

G. ENVIRONMENTAL CHECKLIST

The following Checklist contains the environmental checklist form presented in Appendix G of the CEQA Guidelines. The checklist form is used to describe the impacts of the proposed project. A discussion follows each environmental issue identified in the checklist. Included in each discussion are project-specific mitigation measures recommended, as appropriate, as part of the proposed project.

For this checklist, the following designations are used:

Potentially Significant Impact: An impact that could be significant, and for which no mitigation has been identified. If any potentially significant impacts are identified, an EIR must be prepared.

Less Than Significant with Mitigation Incorporated: An impact that requires mitigation to reduce the impact to a less-than-significant level.

Less-Than-Significant Impact: Any impact that would not be considered significant under CEQA relative to existing standards.

No Impact: The project would not have any impact.

I. AESTHETICS. *Would the project:*	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
a. Have a substantial adverse effect on a scenic vista?	☐	☐	✖	☐
b. Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a State scenic highway?	☐	☐	✖	☐
c. Substantially degrade the existing visual character or quality of the site and its surroundings?	☐	☐	✖	☐
d. Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	☐	☐	✖	☐

Discussion

a-d. The proposed project involves introducing a new industrial land use on a currently vacant site. The existing visual character of the project site and vicinity is predominantly urbanized developed land with industrial uses. Other industrial sites are adjacent to proposed project to the south, west, and north. To the east of the project site is County land used for agricultural purposes. Only two minimalist buildings are proposed as part of the project. In addition, landscaping is proposed along the western side of the access roadway from Hanson Way in an attempt to screen views of the mobile office trailer, parking lot, and signage, as well as to blend in with the surrounding industrial developments. Thus, implementation of the proposed project would not degrade existing visual character or quality of the site and its surroundings.

Scenic highways do not exist in the vicinity of the project site and scenic vistas or other scenic resources are not located within or adjacent to the site. In addition, the project site may have been previously graded and is void of any dense vegetation or trees; thus, trees, rock outcroppings, and historic buildings do not exist on-site. Therefore, impacts related to adverse effects on scenic vistas, scenic resources, or State scenic highways would not occur. Substantial night lighting is already in place from the existing surrounding industrial developments. The proposed facility would create a new source of light or glare where none currently exist that could affect day or nighttime views in the area. However, the lighting would be consistent with the other uses in the surrounding area, and the site is in an industrial area away from sensitive receptors. Thus, day or nighttime views in the area would not be affected. For the aforementioned reasons, the proposed project would have a ***less-than-significant*** impact to aesthetics in the area.

II. AGRICULTURE AND FOREST RESOURCES. *Would the project:*		Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
a.	Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping Program of the California Resources Agency, to non-agricultural use?	☐	☐	☐	✖
b.	Conflict with existing zoning for agricultural use, or a Williamson Act contract?	☐	☐	☐	✖
c.	Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))?	☐	☐	☐	✖
d.	Result in the loss of forest land or conversion of forest land to non-forest use?	☐	☐	☐	✖
e.	Involve other changes in the existing environment which, due to their location or nature, could individually or cumulatively result in loss of Farmland to non-agricultural use?	☐	☐	☐	✖

Discussion

a, b, e. The proposed project involves introducing a new industrial land use on a currently vacant site surrounded by existing and currently in-use industrial developments. The site and the surrounding area is designated and zoned for industrial uses. The site is not used for agricultural purposes and agricultural land would not be converted to non-agricultural uses as a result of the proposed project. In addition, the site is not considered Farmland of Prime, Unique, or Statewide Importance and is not under a Williamson Act contract. Therefore, the proposed project would have ***no impact*** to the conversion of Farmland to non-agricultural use and a conflict with a Williamson Act contract.

c, d. The project site is not considered forest land (as defined in Public Resources Code section 12220[g]), timberland (as defined by Public Resources Code section 4526), and is not zoned Timberland Production (as defined by Government Code section 51104[g]). Therefore, the proposed project would have ***no impact*** with regard to conversion of forest land or any potential conflict with forest land, timberland, or Timberland Production zoning.

III. AIR QUALITY. *Would the project:*	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
a. Conflict with or obstruct implementation of the applicable air quality plan?	☐	☐	✖	☐
b. Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	☐	☐	✖	☐
c. Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?	☐	☐	✖	☐
d. Expose sensitive receptors to substantial pollutant concentrations?	☐	☐	✖	☐
e. Create objectionable odors affecting a substantial number of people?	☐	☐	✖	☐

Discussion

a,b,d. Both the State and federal governments have established ambient air quality standards (AAQS) for criteria pollutants, such as ozone, carbon monoxide (CO), nitrogen dioxide, sulfur dioxide, particulate matter equal to or less than 10 microns in size (PM_{10}), fine particulate matter equal to or less than 2.5 microns in size ($PM_{2.5}$), and lead, to help protect the public from the harmful effects of air pollution. State AAQS are generally more restrictive than the federal AAQS. Based on collected monitoring data, the State and federal governments designate areas as “attainment” or “nonattainment” for the various pollutants, based on the comparison of measured data with federal and State standards. The City of Woodland and the project site are located in the Yolo-Solano Air Quality Management District (YSAQMD), which is located in the Sacramento Valley Air Basin. The region is classified as nonattainment for the State and federal AAQS for ozone, as well as the State AAQS for PM_{10}, and partial nonattainment for federal 24-hour $PM_{2.5}$. Accordingly, the YSAQMD’s primary pollutants of concern are ozone and PM.

The California Clean Air Act (CCAA) requires areas that do not meet the AAQS to comply with and implement the State Implementation Plan (SIP) through preparing plans to demonstrate how and when the region could reach attainment for the standards by the earliest practicable date. Accordingly, the YSAQMD prepared and adopted an Air Quality Attainment Plan (AQAP) in February 1992, which was submitted to the California Air Resources Board (CARB) and approved in May 1992. Triennial reports are required for the AQAP to describe the progress made towards attaining the State ozone standard and revise the emission reductions required. The most recent triennial report and plan update was adopted in May 2010. A 2012 triennial report and plan update was submitted to the YSAQMD’s Board of Directors on April 10, 2013. The YSAQMD’s thresholds of significance, as well as rules and regulations, are intended to help ensure compliance with the AQAP. The proposed project is required to comply with all YSAQMD rules and regulations.

The YSAQMD thresholds of significance for emissions of PM_{10} and ozone precursors – reactive organic gases (ROG) and nitrous oxides (NO_X) for both construction and operation are presented in Table 1 below. The thresholds of significance are expressed in tons per year for ROG and NO_X and pounds per day (lbs/day) for PM_{10}. The YSAQMD does not currently have significance thresholds for $PM_{2.5}$ emissions.

Table 1
YSAQMD Thresholds of Significance

Pollutant	Construction/Operational Threshold
ROG	10 tons/year
NO_X	10 tons/year
PM_{10}	80 lbs/day
Source: YSAQMD, 2007.	

Implementation of the proposed project would contribute to increases of ROG, NO_X, and PM_{10} emissions in the area. The proposed project's short-term construction-related and long-term operational emissions were estimated using the California Emissions Estimator Model (CalEEMod) software - a Statewide model designed to provide a uniform platform for government agencies, land use planners, and environmental professionals to quantify air quality emissions, including GHG emissions, from land use projects. The model applies inherent default values for various land uses, including construction data, trip generation rates based on the Institute of Transportation Engineers (ITE) Manual, vehicle mix, trip length, average speed, etc. However, where project- or site-specific data was available, such data was input into the model (e.g., construction phasing and schedule, estimated daily project trips, etc.). It should be noted that the default load factors for construction equipment were modified according to the CARB's 2011 Inventory Model for In-Use Off-Road Equipment (See Appendix A for CARB's adjusted off-road construction equipment load factors).

Construction-Related Impacts

During construction of the project, various types of equipment and vehicles would temporarily operate on the project site. Construction exhaust emissions would be generated from construction equipment, vegetation clearing and earth movement activities, construction workers' commute, and construction material hauling for the entire construction period. The aforementioned activities would involve the use of diesel- and gasoline-powered equipment that would generate emissions of criteria pollutants. Project construction activities also represent sources of fugitive dust, which includes PM emissions. As construction of the proposed project would generate air pollutant emissions intermittently within the site, and in the vicinity of the site, until all construction has been completed, construction is a potential concern because the proposed project is in a nonattainment area for ozone and PM. In addition, the facility located south of the project site involves dust-sensitive operations.

The proposed project's estimated construction-related emission of ROG, NO_X, and PM_{10} are presented in Table 2 below.

Table 2
Maximum Construction-Related Emissions

	ROG (tons/year)	NO_X (tons/year)	PM_{10} (lbs/day)
Proposed Project	1.57	2.13	0.25
YSAQMD Thresholds	10	10	80
Exceeds Threshold?	**NO**	**NO**	**NO**
Source: CalEEMod, April 2013 (See Appendix A).			

As shown in the table, construction-related emissions resultant of the proposed project would not exceed the YSAQMD thresholds of significance. Therefore, the generation of construction-related emissions, including fugitive dust, would not violate any air quality standard, expose sensitive receptors to substantial criteria air pollutant emissions, or conflict with implementation of any air quality plan. Furthermore, it should be noted that the project is required to comply with YSAQMD rules and regulations, such as the following:

- Rule 2.3 related to visible emissions from stationary diesel-powered equipment;
- Rule 2.5 related to dust emissions;
- Rule 2.9 related to open burning;
- Rule 2.14 related to architectural coatings; and
- Rule 2.28 related to cutback and emulsified asphalt paving materials application.

Compliance with YSAQMD rules and regulations would ensure that project-related emissions, particularly related to fugitive dust emissions, are minimized.

Operational Impacts

Operation of the proposed project would result in the generation of vehicle trips, which have associated emissions that could potentially affect air quality. The proposed project's estimated operational emission of ROG, NO_X, and PM_{10} are presented in Table 3 below.

Table 3
Operational Emissions

	ROG (tons/year)	NO_X (tons/year)	PM_{10} (lbs/day)
Proposed Project	0.61	0.22	0.07
YSAQMD Thresholds	10	10	80
Exceeds Threshold?	**NO**	**NO**	**NO**
Source: CalEEMod, April 2013 (See Appendix A).			

As shown in the table, operation of the proposed project would not result in emissions in excess of the YSAQMD thresholds of significance. Therefore, the generation of operational emissions would not violate any air quality standard, expose sensitive receptors to substantial criteria air pollutant emissions, or conflict with implementation of any air quality plan.

Carbon Monoxide Emissions

Emissions of CO result from the incomplete combustion of carbon-containing fuels such as gasoline or wood and are particularly related to traffic levels. Impacts related to local CO are typically measured by the level of service (LOS) of surrounding roadways and intersections, which imply traffic amounts and, in turn, vehicle CO emissions. The proposed project would generate an associated daily maximum vehicle trips, including truck and employee trips, of 44. The additional trips in the area would not cause any surrounding intersections to operate at unacceptable LOS; thus, substantial levels of CO at surrounding intersections are not expected to occur. In addition, the proposed project is located in an industrial area, is designated and zoned for industrial uses, and would be consistent with the City's General Plan. Furthermore, the nearest sensitive receptor is located over half-a-mile from the project site. It should also be noted that as older, more polluting vehicles are retired and replaced with newer, cleaner vehicles, the overall rate of emission of CO for vehicle fleet throughout the State has been, and is expected to continue, decreasing. Because surrounding intersections would continue to operate at acceptable LOS and emissions of CO associated with the trips generated by the proposed project would not be expected to violate the State AAQS for CO, the proposed project would not have the potential to result in a significant CO air quality impact.

Toxic Air Contaminants

The CARB has identified particulate matter from diesel-fueled engines as a toxic air contaminant (TAC). The CARB has completed a risk management process that identified potential cancer risks for a range of activities using diesel-fueled engines. High volume freeways, stationary diesel engines, and facilities attracting heavy and constant diesel vehicle traffic were identified as having the highest associated health risks. Health risks from TACs are a function of both the concentration of emissions and the duration of exposure. The emissions resulting from construction are temporary, affecting a specific receptor for a period of days or perhaps weeks. Emissions from diesel powered equipment on the site during construction would be spread over the site and would not affect any specific receptor for an extended period of time.

Operation of the proposed project includes diesel truck trips, which would generate diesel particulate matter (DPM) emissions, which are considered a TAC. According to the YSAQMD, if the distance between the project site access and the nearest sensitive receptor is greater than 1,000 feet, the impact of the proposed project on TAC levels would be considered less than significant. The distance from the project site access to the nearest sensitive receptor, which for the proposed project analysis is the Hampton Inn & Suites, is located over half-a-mile (or over 2,640 feet) southwest of the site. In addition, the nearest area with a zoning designation considered a sensitive receptor is a Multiple Family Zone (R-M) area southwest of the County Road 102 interchange on I-5, which is over 4,500 feet away from the project site access. Therefore, because the distance between the project site access and existing and/or proposed sensitive receptors is greater than 1,000 feet, the impact of the proposed project on TAC levels would be considered less than significant.

Conclusion

Construction-related nor operational emissions associated with the proposed project would not exceed the applicable YSAQMD thresholds of significance. In addition, the project would not expose any sensitive receptors to substantial pollutant concentrations, including CO and TACs. Therefore, the proposed project would not violate any air quality standards, expose sensitive receptors to substantial criteria air pollutant emissions, or conflict with implementation of any air quality plan, and impacts would be considered ***less than significant***.

c. The CEQA Guidelines indicate that a project would have a significant cumulative impact if the project's contribution would be "cumulatively considerable." The YSAQMD considers project emissions that are not consistent with the AQAP, SIP, or exceed YSAQMD thresholds to have a significant cumulative impact unless offset. As discussed above, the proposed project does not exceed the threshold established by the YSAQMD for either construction or operational emissions. In addition, the proposed project is consistent with the General Plan land use designation and would not involve any new significant effects that were not previously identified in the General Plan EIR. Because the projected emissions inventories included in the AQAP and SIP are based on the potential buildout of an area consistent with the land use designations, the project would be consistent with what has been anticipated by the AQAP and the SIP. The proposed project would not increase emissions from what has been anticipated by the General Plan, AQAP, or SIP and would not result in a significant contribution to cumulative air quality impacts. Therefore, the project's incremental contribution to cumulative air quality impact would be ***less than significant***.

e. Although the potential exists for industrial uses to create some odors, the project site is surrounded by existing industrial uses, and is not located in the vicinity of any uses that would be considered sensitive receptors. In addition, the proposed project does not handle perishable food items which could be a source of potential odors. Therefore, impacts related to the creation of objectionable odors would be ***less than significant***.

IV. BIOLOGICAL RESOURCES. *Would the project:*	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
a. Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	☐	☐	✖	☐
b. Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, and regulations or by the California Department of Fish and Game or US Fish and Wildlife Service?	☐	☐	✖	☐
c. Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	☐	☐	✖	☐
d. Interfere substantially with the movement of any resident or migratory fish or wildlife species or with established resident or migratory wildlife corridors, or impede the use of wildlife nursery sites?	☐	✖	☐	☐
e. Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	☐	☐	☐	✖
f. Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Conservation Community Plan, or other approved local, regional, or state habitat conservation plan?	☐	☐	✖	☐

Discussion

a, b, c. The land in the vicinity of the proposed project site is predominantly developed with buildings and structures supporting the existing industrial operations to the south, west, and north. However, agricultural County lands are directly east and northeast of the proposed project site. According to the California Department of Fish and Wildlife (CDFW) Natural Diversity Database (CNDDB), the special-status species that are known to occur in the region of the project site are presented in Table 4 below.

Table 4
Special-Status Species in Project Area

Species		Habitat	Potential to Occur On-Site
Common Name	**Scientific Name**		
Plants			
alkali milk-vetch	*Astragalus tener var. tener*	Alkali playa | Valley and foothill grassland | Vernal pool | Wetland	NO
heartscale	*Atriplex cordulata var. cordulata*	Chenopod scrub | Meadow and seep | Valley and foothill grassland	NO
brittlescale	*Atriplex depressa*	Alkali playa | Chenopod scrub | Meadow and seep | Valley and foothill grassland | Vernal pool | Wetland	NO
San Joaquin spearscale	*Atriplex joaquinana*	Chenopod scrub | Meadow and seep | Valley and foothill grassland	NO
round-leaved filaree	*California macrophylla*	Cismontane woodland | Valley and foothill grassland	NO
palmate-bracted bird's-beak	*Chloropyron palmatum*	Chenopod scrub | Meadow and seep | Valley and foothill grassland | Wetland	NO
woolly rose-mallow	*Hibiscus lasiocarpos var. occidentalis*	Freshwater marsh | Marsh and swamp | Wetland	NO
Heckard's pepper-grass	*Lepidium latipes var. heckardii*	Valley and foothill grassland	NO
Baker's navarretia	*Navarretia leucocephala ssp. bakeri*	Cismontane woodland | Lower montane coniferous forest | Meadow and seep | Valley and foothill grassland | Vernal pool | Wetland	NO
saline clover	*Trifolium hydrophilum*	Marsh and swamp | Valley and foothill grassland | Vernal pool | Wetland	NO
Wildlife			
tricolored blackbird	*Agelaius tricolor*	Freshwater marsh | Marsh and swamp | Swamp | Wetland	NO
California tiger salamander	*Ambystoma californiense*	Cismontane woodland | Meadow and seep | Riparian woodland | Valley and foothill grassland | Vernal pool | Wetland	NO
pallid bat	*Antrozous pallidus*	Chaparral | Coastal scrub | Desert wash | Great Basin grassland | Great Basin scrub | Mojavean desert scrub | Riparian woodland | Sonoran desert scrub | Upper montane coniferous forest | Valley and foothill grassland	NO
burrowing owl	*Athene cunicularia*	Coastal prairie | Coastal scrub | Great Basin grassland | Great Basin scrub | Mojavean desert scrub | Sonoran desert scrub | Valley and foothill grassland	NO
vernal pool fairy shrimp	*Branchinecta lynchi*	Valley and foothill grassland | Vernal pool | Wetland	NO
Swainson's hawk	*Buteo swainsoni*	Great Basin grassland | Riparian forest | Riparian woodland | Valley and foothill grassland	NO
western snowy plover	*Charadrius alexandrinus nivosus*	Great Basin standing waters | Sand shore | Wetland	NO
mountain plover	*Charadrius montanus*	Chenopod scrub | Valley and foothill grassland	NO

(Continued on next page)

Table 4
Special-Status Species in Project Area

Sacramento Valley tiger beetle	*Cicindela hirticollis abrupta*	Sand shore	NO
valley elderberry longhorn beetle	*Desmocerus californicus dimorphus*	Riparian scrub	NO
white-tailed kite	*Elanus leucurus*	Cismontane woodland | Marsh and swamp | Riparian woodland | Valley and foothill grassland | Wetland	NO
western pond turtle	*Emys marmorata*	Aquatic | Artificial flowing waters | Klamath/North coast flowing waters | Klamath/North coast standing waters | Marsh and swamp | Sacramento/San Joaquin flowing waters | Sacramento/San Joaquin standing waters | South coast flowing waters | South coast standing waters | Wetland	NO
merlin	*Falco columbarius*	Estuary | Great Basin grassland | Valley and foothill grassland	NO
silver-haired bat	*Lasionycteris noctivagans*	Lower montane coniferous forest | Oldgrowth | Riparian forest	NO
western red bat	*Lasiurus blossevillii*	Cismontane woodland | Lower montane coniferous forest | Riparian forest | Riparian woodland	NO
hoary bat	*Lasiurus cinereus*	Broadleaved upland forest | Cismontane woodland | Lower montane coniferous forest | North coast coniferous forest	NO
vernal pool tadpole shrimp	*Lepidurus packardi*	Valley and foothill grassland | Vernal pool | Wetland	NO
California linderiella	*Linderiella occidentalis*	Vernal pool	NO
Antioch multilid wasp	*Myrmosula pacifica*	Interior dunes	NO
black-crowned night heron	*Nycticorax nycticorax*	Marsh and swamp | Riparian forest | Riparian woodland | Wetland	NO
white-faced ibis	*Plegadis chihi*	Marsh and swamp | Wetland	NO
Sacramento splittail	*Pogonichthys macrolepidotus*	Aquatic | Estuary | Freshwater marsh | Sacramento/San Joaquin flowing waters	NO
bank swallow	*Riparia riparia*	Riparian scrub | Riparian woodland	NO
American badger	*Taxidea taxus*	Alkali marsh | Alkali playa | Alpine | Alpine dwarf scrub | Bog and fen | Brackish marsh | Broadleaved upland forest | Chaparral | Chenopod scrub | Cismontane woodland | Closed-cone coniferous forest | Coastal bluff scrub | Coastal dunes | Coastal prairie | Coastal scrub | Desert dunes | Desert wash | Freshwater marsh | Great Basin grassland | Great Basin scrub | Interior dunes | Ione formation | Joshua tree woodland | Limestone | Lower montane coniferous forest | Marsh and swamp | Meadow and seep | Mojavean desert scrub | Montane dwarf scrub | North coast coniferous forest | Oldgrowth | Pavement plain | Redwood | Riparian forest | Riparian scrub | Riparian woodland | Salt marsh	NO

(Continued on next page)

Table 4
Special-Status Species in Project Area

		| Sonoran desert scrub | Sonoran thorn woodland | Ultramafic | Upper montane coniferous forest | Upper Sonoran scrub | Valley and foothill grassland	
giant garter snake	*Thamnophis gigas*	Marsh and swamp | Riparian scrub | Wetland	NO
Natural Community			
Great Valley Mixed Riparian Forest	*Great Valley Mixed Riparian Forest*	Riparian forest	NO
Valley Oak Woodland	*Valley Oak Woodland*	Cismontane woodland	NO
Source: CNDDB, April 2013.			

As shown in the table, all of the special-status plants and wildlife occur in specialized habitats that do not occur on the project site, such as chenopod scrub, freshwater marsh, coastal habitats, forests, seasonal wetlands, vernal pools, freshwater marsh, wet meadow, playas, or other aquatic habitats. The project site may have been graded at one time, and the only vegetation currently occurring on the site is ruderal and mustard grasses. Dense vegetation or trees do not exist on the site, nor do any waterways including riparian habitat, federally protected wetlands, or other sensitive natural communities. In addition, the proposed project site is located in an industrial area and is surrounded by existing industrial developments to the north, south, and west. Due to the disturbed nature of the project site and surrounding area, as well as the lack of essential habitat for special-status plants and wildlife known to occur in the region, none of the special-status species listed above are likely to occur on the project site. Therefore, because the proposed project area is disturbed and lacks essential habitat, impacts related to sensitive or special status species, riparian habitat, federally protected wetlands, or other sensitive natural community would result in a ***less-than-significant*** impact.

d. As stated above, the only vegetation on the project site is ruderal and mustard grasses. Dense vegetation or trees do not exist on the site, and the site is surrounded by existing industrial developments to the south, west, and north. Open space agricultural land is located east and northeast of the project site. Due to the lack of vegetation and disturbed nature of the project site, the site does not represent suitable habitat for resident or migratory birds or other protected wildlife. However, the nearby agricultural land may be considered suitable foraging habitat for the Swainson's hawk, which is included in Table 4 as a special-status species. The Swainson's hawk is protected from direct take under the Federal Migratory Bird Treaty Act of 1918. Although not anticipated to provide suitable habitat for Swainson's hawk foraging on-site, due to the proximity to the open space agricultural lands, the species may be present on-site during construction activities. Only 17.36 acres would be disturbed by the proposed project, but due to the proximity of disturbance, the remaining 0.2-acre would also be considered disturbed. Therefore, the entire proposed project site could interfere with the movement of the Swainson’s hawk, and impacts would be considered ***potentially significant***.

Mitigation Measure(s)
The following mitigation measure would reduce the above impact to a *less-than-significant* level.

IV-1 *Prior to issuance of grading permits, the project applicant shall pay the Swainson's hawk habitat mitigation fee established by the Yolo County Natural Community Conservation Plan/Habitat Conservation Plan Joint Power Authority's Interim Mitigation Strategy (currently $8,660 per acre) for the review and approval of the City of Woodland Community Development Department. The fee shall be paid for the total property acreage (i.e., 17.56 acres, for a total fee of $152,069.60) to the Wildlife Mitigation Trust Account for the establishment of raptor foraging habitat elsewhere in Yolo County through the purchase of development rights and execution of irreversible conservation or agricultural easement. The established rapture foraging habitat acreage shall be permanently protected from future development via enforceable deed restrictions.*

As an alternative to the above, the project applicant may provide acreage for the establishment of raptor foraging habitat in lieu of paying the habitat mitigation fee. If the acreage that is provided is less than that of the project site, the balance shall be paid to the Wildlife Mitigation Trust Account based on the project's Swainson's hawk habitat mitigation fee.

e. The proposed project would be developed in highly disturbed area, void of any vegetation and surrounded by existing development. Therefore, because the proposed project would not involve the removal of any trees, a conflict with Chapter 20A of the Woodland City Code regarding tree preservation or any other local policy to protect biological resources would not occur and ***no impact*** would result.

f. Yolo County has formed a Joint Powers Agency (JPA) for the purposes of preparing and implementing a Natural Communities Conservation Plan/Habitat Conservation Plan (NCCP/HCP) for Yolo County. The County NCCP/HCP, known as the Yolo Natural Heritage Program, has identified a 653,629-acre planning area, including the City of Woodland. The Yolo Natural Heritage Program will establish a funding mechanism to preserve and enhance native habitats that support endangered and sensitive species. A final Yolo Natural Heritage Program has not yet been adopted. Should the final Yolo Natural Heritage Program be adopted prior to or during the construction of the proposed project, the project would be required to comply with all measures set forth by the NCCP/HCP.

In the interim, the JPA administers a program to implement an agreement with the CDFW regarding impacts to Swainson's hawk foraging habitat, where a Swainson's hawk habitat mitigation fee is collected based on acreage for development of open land within the Yolo Natural Heritage Program area. The mitigation fees are to be sufficient to fund the acquisition, enhancement, and long-term management of one acre of Swainson's hawk foraging habitat for every one acre of foraging habitat lost to urban development.

Currently, the fee is $8,660 per acre. As discussed above, the proposed project would be required per Mitigation Measure IV-1 to pay the Swainson's hawk habitat mitigation fee.

Nonetheless, the City of Woodland is not currently considered to have an adopted Habitat Conservation Plan and a ***less-than-significant*** impact regarding a conflict with any applicable habitat conservation plan or natural communities conservation plan would occur.

V. CULTURAL RESOURCES. *Would the project:*	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
a. Cause a substantial adverse change in the significance of a historical resource as defined in Section 15064.5?	☐	☐	✖	☐
b. Cause a substantial adverse change in the significance of a unique archaeological resource pursuant to Section 15064.5?	☐	✖	☐	☐
c. Directly or indirectly destroy a unique paleontological resource on site or unique geologic features?	☐	✖	☐	☐
d. Disturb any human remains, including those interred outside of formal cemeteries.	☐	✖	☐	☐

<u>Discussion</u>

a. The proposed project site is currently vacant and has been previously graded. Vegetation does not exist on the site. Existing industrial developments are located directly south, west, and north of the site, and agricultural land uses are located east and northeast of the project site. Historical resources are not known to exist on the project site or in the immediate vicinity. Therefore, the proposed project would have a ***less-than-significant*** impact to historical resources.

b-d. According to the Woodland General Plan EIR (p. 7-2), sites of known cultural or archaeological resources do not occur in the City of Woodland. In addition, the proposed project site is located in an industrial area and is surrounded by existing development. Thus, surface artifacts are unlikely to occur on the project site. However, the possibility exists that during construction activities, such as grading and excavation, unidentified archaeological resources, paleontological resources, or human remains may be uncovered, resulting in a ***potentially significant*** impact.

<u>Mitigation Measure(s)</u>
Implementation of the following mitigation measures would reduce the above impact to a *less-than-significant* level.

V-1 *Prior to the issuance of a grading permit, plans shall include a requirement (via notation) indicating that if historic and/or cultural resources, or human remains are encountered during site grading or other site work, all such work shall be halted immediately within the area of discovery and the contractor shall immediately notify the City of the discovery. In such case, the applicant shall retain the services of a qualified archaeologist for the purpose of recording, protecting, or curating the discovery as appropriate. The archaeologist shall be required to submit to the City for review and approval a report of the findings and method of curation or protection of the resources. Further grading or site work within the vicinity of the discovery, as identified by the qualified* *archaeologist, shall not be allowed until the preceding steps have been taken. All fees associated with the services of the qualified archaeologist shall be paid by the project applicant.*

V-2 *Pursuant to State Health and Safety Code §7050.5 (c) State Public Resources Code §5097.98, if human bone or bone of unknown origin is found during construction, all work shall stop in the vicinity of the find and the Yolo County Coroner shall be contacted immediately. If the remains are determined to be Native American, the coroner shall notify the Native American Heritage Commission who shall notify the person believed to be the most likely descendant. The most likely descendant shall work with the contractor to develop a program for re-internment of the human remains and any associated artifacts. Additional work is not to take place in the immediate vicinity of the find, which shall be identified by the qualified archaeologist, until the identified appropriate actions have been implemented. All fees associated with the services of the qualified archaeologist shall be paid by the project applicant.*

VI. GEOLOGY AND SOILS. *Would the project:*	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
a. Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:				
i. Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area based on other substantial evidence of a known fault?	☐	☐	✖	☐
ii. Strong seismic ground shaking?	☐	☐	✖	☐
iii. Seismic-related ground failure, including liquefaction?	☐	☐	✖	☐
iv. Landslides?	☐	☐	☐	✖
b. Result in substantial soil erosion or the loss of topsoil?	☐	☐	✖	☐
c. Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	☐	☐	✖	☐
d. Be located on expansive soil, as defined in Table 18-1B of the Uniform Building Code?	☐	✖	☐	☐
e. Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?	☐	☐	☐	✖

Discussion

ai-iii,
c. The California Division of Mines and Geology (CDMG) identified past faults within the vicinity of Woodland that are not within Earthquake Fault Hazards Zones as defined by the State of California as active faults. Known faults within the vicinity identified by the CDMG include the following: the Dunnigan Hills fault located approximately seven miles northwest of Woodland; a young fault west of Woodland and south of Cache Creek; the Sweitzer and Eisner faults located approximately 19 miles west of Woodland in the Capay Hills; and the Coast Range-Sierran Block blind-thrust fault located approximately six to nine miles west of Woodland. According to the Woodland General Plan EIR, a credible earthquake of a Magnitude of 6.75 is possible on the Dunnigan Hills Fault. The two other faults in the area are the Midland Fault Zone, located approximately 20 miles southwest of Woodland, and the Capay Valley, 25 miles west of Woodland.

Ground shaking is the primary seismic concern in the Woodland area. The California Division of Mines and Geology has produced a maximum expected earthquake intensity map, which shows Woodland in the low severity zone. This zone could potentially experience ground shaking intensities of up to VII in Mercalli intensity. The Modified Mercalli scale is a scale of seismic intensity that measures the effects of seismic movement. A Mercalli Intensity of VII indicates that people have difficulty standing, drivers in cars feel shaking, and moderate damage is done to well-built buildings. Four seismic zones are applied nationwide, where Zones 3 and 4 are of the highest potential seismicity and Zone 4 is the most seismically active. According to the City of Woodland General Plan Background Report, Woodland is located within a Zone 3 seismic zone. According to the State of California Department of Conservation, the California Geological Survey of Alquist-Priolo Earthquake Fault Zones does not include the City of Woodland as an affected city by earthquake fault zones and have not identified faults within a five mile radius of downtown Woodland.

In addition to structural damage caused by ground shaking, other ground effects caused by shaking exist such as liquefaction. Liquefaction potential within Woodland is considered to be low, but the potential exists in low-lying areas comprising unconsolidated, saturated, clay-free sand and silts. Although Woodland is within the low severity zone and liquefaction potential is considered low, structural damage could occur as a result of these processes. However, the proposed project includes only two minimalist on-site buildings. In addition, the project would comply with the California Code of Regulations (CCR), Title 24, also known as the California Building Standards Code, as well as the Uniform Building Code (UBC). Chapter 16 of the UBC, Division of Earthquake Design, requires that structures be designed using certain seismic design criteria based in part on the seismic zone, soil profile, and the proximity of the site to active faults. Therefore, because strong seismic ground shaking and seismic-related ground failure, including liquefaction, would not be expected to occur on the site, and because the project would be required to comply with the California Building Standards Code and UBC requirements, the proposed project would not result in an increase to the exposure of people or structures to potential substantial adverse effects from seismic activity or cause the currently stable geologic unit or soil to become unstable. Impacts would be considered ***less than significant***.

aiv. The proposed project site is not susceptible to landslides because the area is essentially flat. Therefore, ***no impact*** would occur.

b. Because the land on the site is flat, a slight potential for soil erosion exists. However, during the early stages of construction activities, topsoil would be exposed due to grading and leveling of the site. After grading and leveling and prior to overlaying the ground surface with impervious surfaces and structures, the potential exists for wind and water erosion to occur, which would adversely affect project site soils. The 17.56-acre subject property would be disturbed by grading and other construction activities. As required under the federal Clean Water Act, the proposed project would comply with the State Water Resources Control Board (SWRCB) General Construction Activity Stormwater Permit, which regulates stormwater discharges associated with construction activities where clearing, grading, or excavation results in a land disturbance of one or more acres. The State's General Construction Activity Stormwater Permit requires a Storm Water Pollution Prevention Plan (SWPPP) to be prepared for the site. A SWPPP describes BMPs to control or minimize pollutants from entering stormwater and must address both grading/erosion impacts and non-point source pollution impacts of the development project, including post-construction impacts. In addition, the proposed project would comply with provisions of the City of Woodland Stormwater Management Program and the National Pollutant Discharge Elimination System (NPDES) permit to avoid and minimize any potential violations of water quality standards or waste discharge requirements. Impacts related to erosion are further addressed in Section IX, Hydrology and Water Quality, of this IS/MND. Therefore, because the proposed project would comply with all applicable policies and regulations, impacts related to soil erosion or loss of topsoil would be considered ***less than significant***.

d. Expansive soils are soils that have a potential for shrinking and swelling under changing moisture conditions. Expansive soils could cause lifting of a building or other structure during periods of high moisture. Conversely, during periods of low moisture, expansive soil will collapse and could result in building settlement. Accordingly, damage due to expansive soils occurs when the amount of moisture contained in the foundation soils fluctuates.

Expansive soils are generally classified as CH, MH, or OH by the Unified Classification System and have a Plasticity Index (PI) greater than about 25 by ASTM D4318. According to the U.S. Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS)'s Web Soil Survey for the project site, the site is primarily made up of Clear Lake clay soil, with a very small area of Laugenour very fine sandy loam, deep, flooded soil in the southeastern-most point of the site. Laugenour very fine sandy loam, deep, flooded soil does not demonstrate any of the aforementioned general indications of expansive soils. However, according to the NRCS, Clear Lake clay soil is classified as CH by the Unified Classification System, has a PI of 30.0, and has a high shrink-swell potential, which is also indicative of expansive soil.

Only two minor buildings are proposed for the project, including a mobile office trailer on wheels and a three-sided metal building with a concrete pad and side gaps for flood flow to be used for equipment storage. Only the metal building could potentially be affected by expansive soil. In addition, the proposed project would comply with all federal, State, and local building codes, regulations, and practices including standards in the International Building Code related to expansive soils. However, because the proposed equipment storage building could be located on expansive soils, impacts would be considered ***potentially significant***.

<u>Mitigation Measure(s)</u>
The following mitigation measure would reduce the above impact to a *less-than-significant* level.

VI-1 *Prior to approval of grading plans, the applicant shall coordinate with the City Engineer to determine the soil conditions at the proposed equipment storage building location. If expansive soils are not encountered, further action is not required. If expansive soils are encountered, the applicant shall coordinate with the City Engineer to determine the best means of soil* *treatment. Potential treatment could include, but would not be limited to the following:*

- *Ensuring soil is compacted at the appropriate moisture content;*
- *Selectively grading; or*
- *Chemically modifying the soil (e.g., apply lime treatment to soil).*

e. The proposed project includes two reclamation ponds for the concrete slurry and one retention pond for leachate. During the winter wet season, the project would shut down operations. Prior to operational shut down, clean water from the retention pond would be used to fill the on-site water tanker, and any remaining water would be hauled to a treatment facility for disposal. In addition, the proposed project includes a connection to the City's sewer service for the one on-site restroom facility, which would be located in the mobile office trailer. Accordingly, septic tanks or alternative wastewater disposal systems would not be required for the proposed project, and ***no impact*** would occur from soils incapable of adequately supporting the use of septic tanks.

VII. GREENHOUSE GAS EMISSIONS. *Would the project:*	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
a. Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	☐	☐	✖	☐
b. Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gasses?	☐	☐	✖	☐

Discussion

a, b. In September 2006, Governor Arnold Schwarzenegger signed Assembly Bill (AB) 32, the California Climate Solutions Act of 2006. AB 32 requires that Statewide greenhouse gas (GHG) emissions be reduced to 1990 levels by the year 2020. AB 32 delegated the authority for its implementation to the CARB and directs the CARB to enforce the Statewide cap. In accordance with AB 32, CARB prepared the *Climate Change Scoping Plan* (Scoping Plan) for California, which was approved in 2008. The Scoping Plan provides the outline for actions to reduce California's GHG emissions. It should be noted that in 2011, the baseline for the Scoping Plan was revised to account for the economic downturn and State regulation emission reductions. The amended Scoping Plan was re-approved August 24, 2011.

The City of Woodland is in the process of preparing a community Climate Action Plan (CAP), which will establish GHG reduction targets consistent with State-established goals and will provide options for achieving the targets. Once adopted, the CAP would provide future project applicants in the City with a consistent, predictable, and streamlined approach to climate change analysis and mitigation requirements for CEQA compliance. Currently, neither the YSAQMD nor the City of Woodland has identified a specific threshold of significance associated with GHG emissions. According to the YSAQMD, projects that generate new vehicle trips could conflict with AB 32 goals, and recommend that at minimum, a qualitative discussion and analysis of GHG be presented.

Emissions of GHGs contributing to global climate change are attributable in large part to human activities associated with the industrial/manufacturing, utility, transportation, residential, and agricultural sectors. Therefore, the cumulative global emissions of GHGs contributing to global climate change can be attributed to every nation, region, and city, and virtually every individual on Earth. A project's GHG emissions are at a micro-scale relative to global emissions, but could result in a cumulatively considerable incremental contribution to a significant cumulative macro-scale impact.

Implementation of the proposed project would contribute to increases of GHG emissions that are associated with global climate change. Estimated GHG emissions attributable to future development would be primarily associated with increases of CO_2 and other GHG pollutants, such as methane (CH_4) and nitrous oxide (N_2O), from mobile sources and utility usage. The proposed project's GHG emissions have been estimated and are presented below. The proposed project's short-term construction-related and long-term operational GHG emissions were estimated using the CalEEMod software. CalEEMod is a Statewide model designed to provide a uniform platform for government agencies, land use planners, and environmental professionals to quantify GHG emissions from land use projects. The model quantifies direct GHG emissions from construction and operation (including vehicle use), as well as indirect GHG emissions, such as GHG emissions from energy use, solid waste disposal, vegetation planting and/or removal, and water use. Emissions are expressed in annual metric tons of CO_2 equivalent units of measure (i.e., $MTCO_2e$), based on the global warming potential of the individual pollutants.

Short-Term GHG Emissions

Estimated increases in GHG emissions associated with construction of the proposed project are summarized in Table 5.

Table 5
Construction-Related GHG Emissions

	CO_2 emissions ($MTCO_2e$)
Total Construction GHG Emissions	**229.44**
Source: CalEEMod, April 2013 (See Appendix A).	

As presented in the table, short-term emissions of GHG associated with construction of the proposed project are estimated to be 229.44 $MTCO_2e$. Construction GHG emissions are a one-time release and are, therefore, not typically expected to generate a significant contribution to global climate change. Due to the size of the proposed project, the project's estimated construction-related GHG contribution to global climate change would be considered negligible on the overall global emissions scale and, therefore, less-than-significant. However, the proposed project's construction GHG emissions have been included in the annual operational GHG emissions. Including the construction GHG emissions (a one-time release that would occur only during construction of the project) in the annual operational GHG emissions (which would occur every year over the lifetime of the entire project) would represent a conservative estimate for the annual operational GHG emissions.

Long-Term GHG Emissions

The long-term operational GHG emissions estimate for the proposed project incorporates the project's potential area source and vehicle emissions, emissions associated with utility and water usage, and the generation of wastewater and solid waste. In addition, the one-time release of construction GHG emissions has been included in the annual operational GHG emissions estimate in order to provide a conservative estimate. Estimated GHG emissions associated with the proposed project are summarized in Table 6. As shown in the table, the annual GHG emissions associated with the proposed project including construction GHG emissions would be 1,557.06 $MTCO_2e$.

Table 6
Proposed Project Operational GHG Emissions

	CO_2 emissions ($MTCO_2e$)
Annual Operational GHG Emissions	1,327.62
Construction GHG Emissions	229.44
ANNUAL GHG EMISSIONS	**1,557.06**

Source: CalEEMod, April 2013 (See Appendix A).

Currently, very few locations are available within the Central Valley that provides the services proposed for the project. The project would provide a local disposal site for contractors in the area who need to rid of slurry from construction projects. Without implementation of the proposed project, local contractors would continue to either dispose of slurry from construction projects at a local landfill or transfer the slurry to one of the few processing centers in the Central Valley. Accordingly, the proposed project would likely result in various regional and even Statewide benefits, including an overall reduction in GHG emissions. The reduction in GHG emissions would primarily be associated with the regional and potentially Statewide reduction in vehicle miles traveled (VMT) by providing a local processing center for construction waste and equipment storage. In addition, indirect emission of GHG associated with landfill operations could potentially be reduced by the proposed project as well by providing local recycling services for construction waste, thus, reducing the potential amount of solid waste being disposed of at a landfill. Furthermore, the project is designed to recycle all processing water used on-site back into the process. Therefore, GHG emissions associated with water treatment and conveyance specific for the proposed project's water demands would be minimal.

For the aforementioned reasons, the project would result in an overall decrease in GHG emissions from what is currently occurring locally in the region. Accordingly, the region's incremental influence on the State's overall contribution to climate change would be slightly reduced, and the project's GHG emissions would be considered minimal on a global scale. Therefore, the nature of the proposed project would result in an overall positive effect related to global climate change.

Conclusion

Because the proposed project would result in an overall positive effect on global climate change and is consistent with the existing land use designation for the project site, the proposed project would not be expected to significantly hinder or delay California's ability to meet the reduction targets contained in AB 32. Thus, the proposed project would not conflict with any plan, policy, or regulation and would not generate GHG emissions that would significantly contribute to global climate change. Therefore, impacts related to GHG emissions would be considered ***less than significant***.

VIII. HAZARDS AND HAZARDOUS MATERIALS. *Would the project:*	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
a. Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	☐	☐	✖	☐
b. Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the likely release of hazardous materials into the environment?	☐	☐	✖	☐
c. Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	☐	☐	✖	☐
d. Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	☐	☐	☐	✖
e. For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	☐	☐	☐	✖
f. For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	☐	☐	☐	✖
g. Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	☐	☐	✖	☐
h. Expose people or structures to the risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	☐	☐	✖	☐

Discussion

a-c. Hazardous wastes would not be accepted at the site. A load checking program designed to detect the presence of any hazardous or prohibited materials in incoming loads would be implemented and maintained. The concrete waste that would be processed at the project site is considered designated waste and the site would be considered a Class II waste management unit. According to Section 13173 of the California Water Code, designated waste is nonhazardous waste that could be released in concentrations exceeding applicable water quality objectives or that could reasonably be expected to affect beneficial uses of the water of the State. Thus, the designated waste and Class II waste management units are not considered hazardous, and the main concern is the potential threat to water quality. Water quality impacts are addressed in Section IX, Hydrology and Water Quality, of this IS/MND.

The proposed project site is located in an industrial area predominantly surrounded by existing industrial developments. The nearest school facility is the Ramon Tafoya Elementary School, which is approximately 1.35 miles from the existing site. The property is currently vacant and hazards and hazardous materials are not known to occur on-site or have not been known to be used or stored on the property. The proposed project would not introduce the transport, use or disposal of hazardous materials on the site. Therefore, because the project would not create a significant hazard to the public or the environment from hazardous materials, including an existing or proposed school, impacts would be considered ***less than significant***.

d. The proposed project site is not included on the list of hazardous materials sites complied pursuant to Government Code Section 65962.5. Therefore, ***no impact*** would result from implementation of the proposed project.

e,f. The nearest airports are the Medlock Field Airport and the Sacramento International Airport, which are located nearly five miles to the west and over six miles to the east, respectively, of the proposed project site. Therefore, the proposed project is not within an airport land use plan, two miles of a public airport, or in the vicinity of a private airstrip. Therefore, ***no impact*** would occur.

g. The General Plan currently designates the proposed project site for industrial development. The proposed project is the development and operation of a concrete slurry processing facility. Implementation of the proposed project site would not result in any modifications to the existing roadway system and would not interfere with evacuation or response routes used by emergency response teams. In addition, all fire apparatus access roads are required to comply with 2010 California Fire Code Section 503. Therefore, a ***less-than-significant*** impact would result.

h. The proposed project is located in an industrial area that is highly disturbed and developed. The project site is surrounded by existing industrial developments to the north, south, and west and is not located in an area considered "wildlands" where wildland fires are a risk to structures. In addition, the project includes only two minor buildings, one of which is a mobile office trailer that would be on wheels for ease of movement in the event of an emergency. The proposed project is required to comply with the 2010 California Fire Code. Open space agricultural land that could be considered a higher risk from wildland fires is located to the east and northeast of the project site; however, a canal separates the project site from the open space areas. Therefore, because the risk of on-site structures being subject to wildland fires is low, a ***less-than-significant*** impact would result.

IX. HYDROLOGY AND WATER QUALITY. *Would the project:*	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
a. Violate any water quality standards or waste discharge requirements?	☐	✖	☐	☐
b. Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (i.e., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	☐	☐	✖	☐
c. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?	☐	✖	☐	☐
d. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?	☐	✖	☐	☐
e. Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	☐	✖	☐	☐
f. Otherwise substantially degrade water quality?	☐	✖	☐	☐
g. Place housing within a 100-year floodplain, as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	☐	☐	☐	✖
h. Place within a 100-year floodplain structures which would impede or redirect flood flows?	☐	☐	✖	☐
i. Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam.	☐	☐	✖	☐
j. Inundation by seiche, tsunami, or mudflow?	☐	☐	☐	✖

Discussion

a,f. The proposed project would include two reclamation ponds for the concrete slurry, one retention pond for leachate, one storage building for construction equipment, and one on-site mobile office trailer. Although heavy trucks would come and go from the project site daily, maintenance of the vehicles would not occur on-site and constituents related to oil or grease would not be discharged into the sewer, storm drain, parking lot, or street.

During the early stages of construction activities, heavy equipment would be utilized on the project site and ground disturbance would occur, which has the potential to result in pollutant constituents being washed from the site. However, as required under the federal Clean Water Act, the proposed project would comply with the State Water Resources Control Board (SWRCB) General Construction Activity Stormwater Permit, which regulates stormwater discharges associated with construction activities where clearing, grading, or excavation results in a land disturbance of one or more acres. The State's General Construction Activity Stormwater Permit requires a Storm Water Pollution Prevention Plan (SWPPP) to be prepared for the site. A SWPPP describes Best Management Practices (BMPs) to control or minimize pollutants from entering stormwater and must address both grading/erosion impacts and non-point source pollution impacts of the development project, including post-construction impacts. In addition, the proposed project would comply with provisions of the City of Woodland Stormwater Quality Control Ordinance and NPDES permit to avoid and minimize any potential violations of water quality standards or waste discharge requirements related to construction.

The concrete waste that would be processed at the project site is considered designated waste and the site would be considered a Class II waste management unit. According to Section 13173 of the California Water Code, designated waste is nonhazardous waste that could be released in concentrations exceeding applicable water quality objectives or that could reasonably be expected to affect beneficial uses of the water of the State. Designated waste and Class II waste management units are regulated by the SWRCB through the Regional Water Quality Control Board (RWQCB) and compliance with Title 27 of the California Code of Regulations. Title 27 Section 20250(a) requires that Class II waste management units be located where site characteristics and containment structures isolate waste from waters of the State. Section 20250(c) of Title 27 states that new Class II units shall be designed, constructed, operated, and maintained to prevent inundation or washout due to floods with a 100-year return period. Section 20080(b) of Title 27 allows for engineered alternatives to construction or prescriptive standards, provided demonstration that the alternative is consistent with the performance goal in Section 20250(a) of Title 27. The RWQCB would consider the engineered alternative and determine whether the alternative would still attain the Title 27 performance standard.

In order to meet Section 20250(c) of Title 27, the project would provide an engineered alternative by designing, constructing, operating, and maintaining the proposed project such that all designated waste is not present on the site during the wet season. The proposed project would operate from April through October and would shut down during the winter wet season (November through March) when conditions develop where the probability of a flood with a 100-year return is most likely to occur. Prior to operational shut down, the processed material in the processing ponds would be loaded onto trucks and delivered to a regional inert material recycler to be incorporated into post-consumer aggregate products. The processing ponds would be cleaned out and any remaining slurry would be hauled to an appropriate disposal facility. Clean water from the retention pond would be used to fill the on-site water tanker, and any remaining water would be hauled to a treatment facility for disposal. Thus, all waste solids and water would be removed prior to the beginning of the wet season, which would prevent any waste from coming into contact with flood waters and isolating waste from waters of the State. Therefore, by shutting down and clearing the site of any wastes during the wet season, the project would meet the performance standard of isolating waste from waters of the State during flooding and preclude degradation and/or impairment of receiving waters. The RWQCB must approve the engineered alternative through adoption and issuance of a Waste Discharge Requirements (WDR) Order. It should be noted that a NPDES Industrial Stormwater Permit is required for the proposed project as well.

Compliance with the requirements of the SWRCB, including the WDR, NPDES, and NPDES Industrial Stormwater permits, as well as the City's Stormwater Quality Control Ordinance would ensure that construction and operational activities would not result in degradation of downstream water quality. However, the RWQCB must approve the proposed engineered alternative and adopt and issue a WDR Order to ensure that the project would not violate any water quality standards or waste discharge requirements, or otherwise substantially degrade water quality. Without issuance of a WDR Order, the proposed project could result in a ***potentially significant*** impact related to water quality and waste discharge requirements.

Mitigation Measure(s)

Implementation of the following mitigation measure would reduce the above impact to a *less-than-significant* level.

IX-1 *Prior to issuance of grading permits, the project applicant shall obtain a WDR Order from the SWRCB by providing a technical report in conjunction with a Report of Waste Discharge (ROWD) to the RWQCB. The technical report shall demonstrate that the engineered alternative would provide protection from flooding as prescribed in Section 20250(c) of Title 27 by including, but not limiting to, the following:*

- *Description of the design of the waste management units relative to flood elevations;*
- *Ensuring a minimum five-foot separation between placement of designated waste and underlying groundwater;*
- *Ensuring all designated waste, whether in slurry, liquid, or solid form, would be cleared from the project site during the wet season (November through March);*
- *Providing an annual report that the site has been properly prepared (all waste solids and water is removed) prior to the beginning of the wet season;*
- *Providing a description of the risk for remedial action, as well as the associated potential costs and financial assurances; and*
- *Providing estimated costs for clean closure of the site.*

The project shall comply with all requirements of the issued WDR Order.

b. The project area is currently provided water and sewer services by the City of Woodland. Existing utility lines are located along Hanson Way. The proposed project includes a connection to the nearby existing City water lines. Water would be used on-site for potable water for employees, as well as for process water for the reclamation ponds.

The City currently gets their water supply from groundwater wells. However, the City of Woodland, the City of Davis, and the University of California at Davis are jointly working on a regional surface water project that is anticipated to bring Sacramento River water to the communities by the year 2016. Accordingly, groundwater would not be utilized as heavily once surface water becomes part of the water supply. According to the General Plan EIR, groundwater levels recover relatively quickly, and a Groundwater Impact Analysis conducted in 1997, pursuant to General Plan policy, concluded that the aquifer has adequate capacity to serve new development under the City's General Plan buildout conditions. The proposed project is consistent with what has been anticipated for the project site per buildout of the General Plan. Accordingly, the project's water demand has been anticipated by the General Plan and General Plan EIR. Furthermore, the project site includes only two minor buildings and an adequate stormwater collection and conveyance system; thus, the amount of impervious surface proposed for the project is not expected to cause a substantial effect on groundwater recharge.

A 5,000-gallon tanker would be kept on-site at all times to supply water for washing out the waste from the trucks, as well as to supply the trucks with water to be carried back out to ongoing construction and improvement project sites. At most, the water tanker would need to be filled once per day. A maximum of approximately 75,000 gallons per day is anticipated to be used for the proposed operations. However, water from the on-site retention pond would be utilized to refill the on-site water tanker and/or to supply the trucks with water to be carried back to project sites. Thus, all water used at the project site would be recycled back into the process and minimal City-supplied water would be required for processing activities.

The proposed project is consistent with the General Plan, which determined that the aquifer has adequate capacity to serve new development under the City's General Plan buildout condition. In addition, the project would utilize on-site recycled process water to the fullest extent possible minimizing use of City water supplies. Furthermore, the project would not substantially interfere with groundwater recharge. Therefore, the proposed project would not substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level, and impacts would be ***less than significant***.

c-e. The proposed project includes two reclamation ponds for concrete slurry, one retention pond for leachate, a storage building for construction equipment, and a mobile office trailer. In addition, 70,374 square feet would be gravel covered and a total of 10,603 square feet would be asphalt paved. The proposed project would not result in the alteration of the course of a stream or river. The creation of impervious areas as a result of the proposed project would alter the existing drainage pattern of the site and generate an increase in urban runoff. However, the project design includes stormwater collection and conveyance sufficient to control the proposed project's stormwater. The stormwater collection and conveyance system for the project consists of adequate capacity in the retention pond for the 1,000-year storm event, earthen berms around the pond edges with slopes towards the ponds, a grass swale along the southeastern portion of the site, and a grass swale along the eastern side of the access roadway. The stormwater would be conveyed along the grass swales to a storm drain that would connect to the City's existing storm drainage system. The stormwater runoff collection and conveyance system on the site would be sufficient to handle the incremental increase in stormwater runoff created by the proposed project. The incremental increase in stormwater would not be expected to result in on- or off-site flooding nor exceed the capacity of any existing or planned stormwater drainage system. Thus, the existing system would be adequate to handle the incremental increase in stormwater resultant of the proposed project.

During the early stages of construction activities, topsoil would be exposed due to grading and leveling of the site, leaving the potential for wind and water erosion to occur and potentially add a new source of polluted runoff. However, as stated above, the proposed project would comply with the requirements of the SWRCB, including the WDR, NPDES, and NPDES Industrial Stormwater permits, as well as the City's Stormwater Quality Control Ordinance. Compliance with SWRCB and City requirements would minimize polluted runoff and effects of flooding. However, the earthen berms around the pond edges with slopes towards the ponds have the potential to be affected by erosion or silitation. Therefore, without appropriate design measures for the slopes, the project could result in a ***potentially significant*** impact related to erosion or siltation from stornwater runoff.

Mitigation Measure(s)
Implementation of the following mitigation measure would reduce the above impact to a *less-than-significant* level.

IX-2 *Prior to issuance of grading permits, the project applicant shall hire a professional geotechnical engineer to perform a site-specific geotechnical evaluation. The geotechnical evaluations shall provide recommendations to ensure that the processing ponds are designed in compliance with Title 27, including recommendations for erosion control measures for the stabilization of the pond slopes. Erosion control measures for stabilizing the processing pond slopes could include, but would not be limited to, slope restrictions (e.g., slopes must be equal to or less than a 3:1 slope) or application of rip rap on slopes (e.g., hard armoring measures).*

g. The proposed project does not involve the creation of housing. Therefore, the proposed project would not place any housing within a 100-year floodplain and ***no impact*** would result.

h,i. According to FEMA FIRM Number 06113C0465H, dated May 16, 2012, the proposed project site is located in Flood Zone AE. Flood Zone AE is located within the 100-year floodplain and considered a high risk flooding area. The flood depth at the site is seven to eight feet. As discussed in detail previously, the project site is subject to the requirements of Title 27 of the California Code of Regulations, which states that new Class II units shall be designed, constructed, operated, and maintained to prevent inundation or washout due to floods with a 100-year return period. In order to meet the requirements of Title 27, the proposed project would shut down and be cleared of all waste during the winter wet season (i.e., from November to March) each year. It should be noted that the RWQCB must adopt and issue of a WDR Order in order to ensure that Title 27 requirements are met and the proposed project would not affect water quality during flooding periods.

In addition, the mobile office trailer would be on wheels in order to be moved within 12 hours in emergency situations, and the storage building would be open on three sides with all electrical outlets and lights at two feet above base flood elevation (BFE). Furthermore, the ponds would be designed in order to accommodate the 1,000-year storm event. It should be noted that all structures on the site would comply with applicable building codes, including the 2010 California Building Code and the Code of the City of Woodland. Therefore, although the project would place structures within the 100-year floodplain, the proposed project is designed to ensure that the structures would not impede or redirect flood flows, and would not expose people or structures to significant risks involving flooding. Therefore, impacts related to flooding would be considered ***less than significant***.

j. Tsunamis are defined as sea waves created by undersea fault movement. When tsunamis reach the shoreline, high swells of water break and wash inland with great force. A tsunami poses little danger away from shorelines. Because the City of Woodland is located several miles inland, the project site is not exposed to flooding risks from tsunamis. A seiche is a long-wavelength, large-scale wave action set up in a closed body of water such as a lake or reservoir, with destructive capacity that is not as great as that of a tsunami. The proposed project site is not located near a closed body of water large enough for a seiche to occur. Therefore, the proposed project is not anticipated to be impacted by seiches. Furthermore, as mudflows typically occur in mountainous or hilly terrain, and the project site and surrounding areas are relatively flat, danger from mudflows would not be expected. Because the proposed project would not be threatened by a seiche, tsunami, or mudflow, ***no impact*** from such phenomena would occur.

X. LAND USE AND PLANNING. *Would the project:*	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
a. Physically divide an established community?	☐	☐	☐	✖
b. Conflict with any applicable land use plans, policies, or regulations of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating on environmental effect?	☐	☐	✖	☐
c. Conflict with any applicable habitat conservation plan or natural communities conservation plan?	☐	☐	✖	☐

Discussion

a. The proposed project site is surrounded by existing development and is not located near residential land uses. The site is designated and zoned for industrial uses, which the proposed project is consistent with. Therefore, the project would not physically divide an established community and ***no impact*** would occur.

b. The character of the project vicinity is predominantly urbanized with industrial development adjacent to the site to the north, west, and south. Development of the proposed project would not conflict and would be compatible with surrounding land uses, as none of the surrounding uses are considered sensitive receptors. The proposed project site is designated and zoned in the Woodland General Plan as Industrial and would remain Industrial with implementation of the proposed project. Because the proposed project would not require a General Plan Amendment or rezone for the site, the project would be consistent with the industrial development planned for the site in the Woodland General Plan. The project requires a Conditional Use Permit, Site Plan Review, and Design Review. In addition, the project would be consistent with the General Plan policies and proposals for industrial land uses. Therefore, the project's impact related to conflict with applicable land use plans, policies, or regulations would be ***less than significant***.

f. Yolo County has formed a JPA for the purposes of preparing and implementing a NCCP/HCP for Yolo County. The County NCCP/HCP, known as the Yolo Natural Heritage Program, has identified a 653,629-acre planning area, including the City of Woodland. The Yolo Natural Heritage Program will establish a funding mechanism to preserve and enhance native habitats that support endangered and sensitive species. A final Yolo Natural Heritage Program has not yet been adopted. Should the final Yolo Natural Heritage Program be adopted prior to or during the construction of the proposed project, the project would be required to comply with all measures set forth by the NCCP/HCP.

In the interim, the JPA administers a program to implement an agreement with the CDFW regarding impacts to Swainson's hawk foraging habitat, where a Swainson's hawk habitat mitigation fee is collected based on acreage for development of open land within the Yolo Natural Heritage Program area. The mitigation fees are to be sufficient to fund the acquisition, enhancement, and long-term management of one acre of Swainson's hawk foraging habitat for every one acre of foraging habitat lost to urban development. Currently, the fee is $8,660 per acre. As discussed above, the proposed project would be required per Mitigation Measure IV-1 of this IS/MND to pay the Swainson's hawk habitat mitigation fee.

Nonetheless, the City of Woodland is not currently considered to have an adopted Habitat Conservation Plan and a ***less-than-significant*** impact regarding a conflict with an adopted Habitat Conservation Plan, Natural Conservation Community Plan, or other approved local, regional, or state habitat conservation plan would occur.

XI. MINERAL RESOURCES. *Would the project:*	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
a. Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	☐	☐	☐	✖
b. Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	☐	☐	☐	✖

Discussion

a,b. The Woodland General Plan EIR states that designated mineral resource zones do not exist within the City of Woodland, and there is no new information identifying the presence of mineral resources on the project site or within the City. Therefore, ***no impact*** to mineral resources would occur as a result of the construction of the proposed project.

XII. NOISE. *Would the project result in:*	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
a. Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	☐	☐	✖	☐
b. Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?	☐	☐	✖	☐
c. A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	☐	☐	✖	☐
d. A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	☐	☐	✖	☐
e. For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?	☐	☐	☐	✖
f. For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?	☐	☐	☐	✖

Discussion

a, c. The proposed project includes reclamation ponds, a storage building for construction equipment, and a mobile office trailer. The existing noise environment in the project vicinity is defined primarily by noise from existing vehicular traffic (including heavy trucks) on surrounding roadways and other existing industrial uses in the project area. The nearest sensitive receptor, a Hampton Inn & Suites, is located over half-a-mile to the southwest of the site. The City's threshold of significance for noise increases is an increase of three decibels (dB) or more.

The primary source of noise on the project site as a result of implementation of the proposed project would be from truck operations, specifically from the heavy trucks entering/exiting the site. Anticipated trips associated with operation of the proposed concrete slurry processing facility include a maximum of 24 heavy truck trips per day and 20 employee trips per day. Peak hours of traffic generation would occur at 6:00 AM and 4:00 PM. Trucks would enter the site throughout the day. Heavy trucks generate approximately 80 dB at 50 feet. Noise from the vehicles would generally attenuate by three dB per doubling of distance from the source. Therefore, given the size of the site, noise would noticeably decrease by at least three dB at the property boundary and the projected truck volumes are less than what is required to result in an audible change in noise levels associated with truck operation. In addition, the background noise from Interstate 5 and East Main Street would mask any noise emanating from the project site and surrounding industrial properties to the nearest sensitive receptor. Hence, exterior noise levels during operation are not expected to significantly change from existing conditions with implementation of the proposed project. Therefore, the proposed project would not be expected to exceed the City's threshold of a 3 dB increase and would not create a substantial permanent increase in ambient noise levels, a ***less-than-significant*** impact would result.

b. The primary vibration-generating activities associated with the project would occur during grading, and when infrastructure such as utilities and parking lots are constructed. The types of vibration impact include human annoyance and building structural damage. Human annoyance occurs when construction vibration rises significantly above the threshold of perception. Building damage can take the form of cosmetic or structural. Table 7 shows the typical vibration levels produced by construction equipment.

Table 7
Vibration Levels for Varying Construction Equipment

Type of Equipment	Peak Particle Velocity (ppv) @ 25 feet (inches/second)	Approximate Velocity Level @ 25 feet (VdB)
Large Bulldozer	0.089	87
Loaded Trucks	0.076	86
Small Bulldozer	0.003	58
Auger/Drill Rigs	0.089	87
Jackhammer	0.035	79
Vibratory Hammer	0.070	85
Vibratory Compactor/Roller	0.210	94

Source: Federal Transit Administration, Transit Noise and Vibration Impact Assessment Guidelines, May 2006.

The Table 7 data indicate that construction vibration levels, with the exception of the vibratory compactor/roller, are less than the 0.2 in/sec ppv threshold of damage to buildings at distances of 25 feet. The construction vibration levels of the vibratory compactor/roller, however, are not significantly above the threshold and would not be expected to cause any damage. In addition, the nearest sensitive receptor is located well beyond 25 feet of the site (approximately half-a-mile southwest of the site). Therefore, if a vibratory compactor/roller is used during construction of the proposed project, the nearest sensitive receptor would not be significantly affected.

The following is an excerpt from the Caltrans Technical Advisory, TAV-02-01-R9601, regarding construction vibrations:

> With the exception of a few instances involving pavement breaking, pile driving, all Caltrans construction vibration measurements have been below the 5 mm/s (0.2 in/sec) architectural damage risk level for continuous vibrations. The highest

> measured vibration level was 73.1 mm/s (2.88 in/sec) at 3 m (10 ft) from a pavement breaker. This instance marked the only time that the single event safe level of 50 mm/s (2 in/sec) was exceeded during vibration monitoring by Caltrans. Other construction activities and equipment, such as D-8 and D-9 Caterpillars, earthmovers and haul trucks have never exceeded 2.5 mm/s (0.10 in/sec) or one half of the architectural damage risk level, at 3 m (10 ft)).

Based upon the information in Table 7 and the Caltrans Technical Advisory, vibrations are not predicted to exceed safe thresholds at adjacent sensitive receptors. Additionally, the risk of annoyance due to construction vibrations is very low considering the distance to the nearest receptors. Therefore, impacts related to exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels would be considered ***less than significant***.

d. During the construction phases of the project, noise from construction activities would add to the noise environment in the immediate project vicinity. Activities involved in construction could generate maximum noise levels ranging from 76 to 88 dB at a distance of 50 feet (*Federal Highway Administration*, *January 2006*). Most of the project construction would occur at distances of approximately half-a-mile from the nearest receptor to the southwest. At distances of 50 feet or more, noise levels could exceed the City's General Plan Noise Element or Ordinance standards; however, construction activities are regulated by the City of Woodland Noise Ordinance, Section 15-26 of the City Code. Construction activities would be temporary in nature and are anticipated to occur during normal daytime working hours. Therefore, because the City's Noise Ordinance restricts hours of operation and allowable operating distances from sensitive receptors, a ***less-than-significant*** impact would result.

e,f. The proposed project site is not located near an existing airport or a private airstrip and is not within an area covered by an existing airport land use plan. Therefore, ***no impact*** would occur.

XIII. POPULATION AND HOUSING. *Would the project:*	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
a. Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (e.g., through projects in an undeveloped area or extension of major infrastructure)?	☐	☐	✖	☐
b. Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?	☐	☐	✖	☐
c. Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?	☐	☐	✖	☐

Discussion

a-c. The proposed project does not involve the creation of new housing and would not directly increase the population in the area. In addition, City infrastructure, including water and sewer lines, already exists in the project vicinity to serve the surrounding industrial developments. Displacement of people or housing would not occur as a result of implementation of the proposed project. Between five and 10 individuals per shift are anticipated to be employed for the activities at the project site. However, the minor addition of employees to the area would not be considered substantial population growth in the area. Therefore, because the proposed project would not induce population growth in the area, displace existing housing or people, impacts related to population and housing would be ***less than significant***.

XIV. PUBLIC SERVICES. *Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:*	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
a. Fire protection?	☐	☐	✖	☐
b. Police protection?	☐	☐	✖	☐
c. Schools?	☐	☐	✖	☐
d. Parks?	☐	☐	✖	☐
e. Other Public Facilities?	☐	☐	✖	☐

Discussion

a, b. The project site is located within the jurisdiction of the Woodland Fire Department (WFD), which provides fire protection services and emergency medical services within the City and to areas within the County. The nearest fire station is located at 1515 Springlake Court in the City of Woodland, which is approximately 1.8 miles southwest of the site. The Woodland Police Department (WPD), Yolo County Sheriff's Department, and the Valley Division of the California Highway Patrol (CHP) provide law enforcement services to the project site.

The proposed project area is already served by the WFD and WPD. Operations on the project site would not be expected to result in a substantial increase in risks from fire danger or personal security. Between five and 10 individuals per shift are anticipated to be employed for the activities at the project site, which would not cause a substantial increase in the demand for fire or police protection services. Because the proposed project would not cause the demand for fire or police protection services to substantially increase, the current fire and police protection services would be adequate to serve the proposed project. Accordingly, the proposed project would not result in a need for new or physically altered facilities, and construction of which, which could cause environmental impacts, would not be required. Therefore, a ***less-than-significant*** impact would occur.

c-e. The proposed project would not induce population growth or otherwise impact demographic characteristics within the City of Woodland. Therefore, the demand for schools, parks, or other public facilities would not increase due to implementation of the proposed project, and the need for new or physically altered facilities, construction of which could cause environmental impacts, would not occur. Therefore, impacts would be ***less than significant***.

XV. RECREATION. *Would the project:*	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
a. Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	☐	☐	✖	☐
b. Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?	☐	☐	✖	☐

<u>Discussion</u>

a,b. The proposed project would not induce population growth or otherwise impact demographic characteristics within the City of Woodland. Therefore, an increased demand for new recreational facilities or increased use of existing facilities would not result from implementation of the proposed project, and a ***less-than-significant*** impact with regard to recreational facilities would occur.

XVI. TRANSPORTATION/CIRCULATION. *Would the project:*	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
a. Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections)?	☐	☐	✖	☐
b. Exceed, either individually or cumulatively, a level of service standard established by the county congestion management agency for designated roads or highways?	☐	☐	✖	☐
c. Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	☐	☐	☐	✖
d. Substantially increase hazards due to a design features (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	☐	☐	✖	☐
e. Result in inadequate emergency access?	☐	☐	✖	☐
f. Conflicts with adopted policies supporting alternative transportation (e.g., bus turnouts, bicycle racks)?	☐	☐	✖	☐

Discussion

a,b. The proposed project site is located in an industrial area, is designated and zoned for industrial uses, and is surrounded by existing industrial development. The proposed project would be consistent with what is planned and anticipated for the site. Residential land uses are not in the project vicinity, with the nearest residential development being across I-5 approximately 0.85-mile southwest of the project site.

Implementation of the proposed project is expected to result in of a maximum increase of approximately 44 total trips per day in the area surrounding the project site. Truck traffic associated with the site would follow the designated truck routes within the City, as set forth in the General Plan, and would not travel through any residential streets. The relatively small number of trips is not expected to significantly change the LOS on the roadways surrounding the project site. In addition, a Focused Traffic Study was prepared for the proposed project by KD Anderson & Associates, Inc. in order to determine whether the existing intersections could handle the truck traffic. An Autoturn and sight distance analysis was performed as part of the Focused Traffic Study. The study indicated that the trucks delivering concrete to the project site could complete turns to and from the site at the County Road 102 / Hanson Way and Main Street / Hanson Way intersections. According to the study, the Main Street / Hanson Way intersection is the recommended preferred truck route to the site based on the large curb returns at the intersection that would allow trucks to complete maneuvers without leaving the roadway or encroaching on opposing lands. The Focused Traffic Study also reviewed the sight distance at each intersection and determined that adequate stopping site distance is available, as well as corner sight distance with tree canopies maintained and pruned according to Section 23 of the City's Engineering Standards.

It should be noted that the General Plan includes policies that are intended to ensure that the effects of future development on the street and roadway system are addressed. Overall, because the proposed project would be consistent with the City's General Plan and would not cause a substantial increase in traffic, or exceed established LOS standards, a ***less-than-significant*** impact would result.

c. The proposed project would not require any changes to existing regional air traffic activity and the project area is not located near an airport. Therefore, ***no impact*** would occur.

d,e. Construction of new or alteration of existing roadways or intersections are not included in the project. Therefore, the proposed project would not increase hazards due to a design feature, such as a sharp curve or dangerous intersection, or incompatible uses, such as farming equipment. In addition, the project design includes adequate emergency access to the site. Thus, the proposed project would have a ***less-than-significant*** impact related to emergency access and hazardous design features.

f. The proposed project is located within an industrial area of the City. Adopted City policies supporting alternative transportation are typically associated with residential and commercial land uses. As such, the project would not conflict with any adopted policies supporting alternative transportation. In the Woodland area, public transit service is provided by the Yolo County Transportation District (YCTD). The addition of between five and 10 employees to the area would not be expected to substantially increase the number of new transit riders (if at all). Therefore, impacts related to alternative transportation would be ***less than significant***.

XVII. UTILITIES AND SERVICE SYSTEMS. *Would the project:*	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
a. Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	☐	☐	✖	☐
b. Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	☐	☐	✖	☐
c. Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	☐	☐	✖	☐
d. Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	☐	☐	✖	☐
e. Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project’s projected demand in addition to the provider’s existing commitments?	☐	☐	✖	☐
f. Be served by a landfill with sufficient permitted capacity to accommodate the project’s solid waste disposal needs?	☐	☐	✖	☐
g. Comply with federal, state, and local statutes and regulations related to solid waste?	☐	☐	✖	☐

Discussion

a-e. The following is a discussion of the proposed project utilities, including the existing water, sewer, and storm drainage systems in the project vicinity, and the potential increase in demand for each system.

Wastewater System

The City of Woodland’s sewer collection system is a gravity system with three trunk mains that run along Gibson Road, Beamer Street, and Kentucky Avenue. One pump station, operational since 1995, is located in the northwest corner of Gibson Road and County Road 102. Wastewater is treated and disposed of at the Woodland Wastewater Treatment Plant (WWTP), located south of I-5 and east of County Road 102 on County Road 24.

Sewer is currently collected from the proposed project area via a 10-inch line in Hanson Way. The proposed project would connect to the existing line. Wastewater generated on the site would be from the restroom in the mobile office trailer. The addition of between five and 10 employees to the area would not be expected to substantially increase the demand for wastewater treatment services or wastewater exceeding RWQCB requirements. Therefore, current wastewater services would not need to be modified and would be adequate to accommodate the proposed project.

Water System

The City of Woodland currently gets their water supply from groundwater wells. However, the City of Woodland, the City of Davis, and the University of California at Davis are jointly working on a regional surface water project that is anticipated to bring Sacramento River water to the communities by the year 2016. Accordingly, groundwater would not be utilized as heavily once surface water becomes part of the water supply. According to the General Plan EIR, groundwater levels recover relatively quickly, and a Groundwater Impact Analysis conducted in 1997, pursuant to General Plan policy, concluded that the aquifer has adequate capacity to serve new development under the City's General Plan buildout conditions. The proposed project is consistent with the General Plan. Water is currently provided to the project area via an existing line along Hanson Way. The proposed project would connect to the existing line.

A 5,000-gallon tanker would be kept on-site at all times for operations at the project site. At most, the water tanker would need to be filled once per day. A maximum of approximately 75,000 gallons per day is anticipated to be used for the proposed operations. However, all processing water at the site would be recycled back into the process either to refill the on-site tanker or to fill the trucks for use at ongoing construction sites. Water from the City's water system would only be used for the initial fill of the on-site tanker and to supplement the process water being recycled, if necessary. Therefore, only an incremental increase in water consumption would occur due to the proposed project, and the existing water infrastructure would be sufficient to handle the anticipated increase.

Storm Drainage

The creation of impervious areas as a result of the proposed project would generate an increase in urban runoff. However, the project design includes stormwater collection and conveyance sufficient to control the proosed project's stormwater. The stormwater collection and conveyance system for the project consists of adequate capacity in the retention pond for the 1,000-year storm event, earthen berms around the pond edges with slopes towards the ponds, a grass swale along the southeastern portion of the site, and a grass swale along the eastern side of the access roadway. The stormwater would be conveyed along the grass swales to a storm drain that would connect to the City's existing storm drainage system. The stormwater runoff collection and conveyance system on the project site would be sufficient to handle the incremental increase in stormwater runoff created by the proposed project. Therefore, the City's existing stormwater system would be adequate to serve the proposed project and new storm water drainage facilities or expansion of existing facilities would not be required. Impacts related to stormwater services would be considered less than significant.

Conclusion

The addition of five to 10 employees would not substantially increase the demand for water and wastewater services, the existing water supply is sufficient, and the Woodland WWTP would have adequate capacity to serve the proposed project. In addition, the wastewater collected from the site is not expected to exceed the RWQCB wastewater treatment requirements. Although stormwater runoff would incrementally increase due to implementation of the proposed project, the stormwater runoff collection and conveyance system on the site would be sufficient to handle the increase. In conclusion, construction of new or expansion of existing water, wastewater, or stormwater drainage system facilities would not be required, and a ***less-than-significant*** impact related to water, wastewater, and stormwater services would result.

f,g. Currently, the City contracts for refuse collection services with Waste Management of Woodland and provides residential and commercial solid waste collection and curbside recycling service to the City of Woodland. The solid waste collected by Waste Management in the City limits of Woodland is hauled to the Yolo County Central Landfill, located between the Cities of Woodland and Davis. According to the Woodland General Plan EIR, the Yolo County Central Landfill is expected to reach capacity in the year 2025 at current waste-stream, and is allowed to receive up to 1,800 tons per day for 360 days a year. However, waste-stream reduction, such as recycling, is expected to lengthen the projected life of the facility. Proposed uses on the project site are not directly related to the generation of solid waste. Waste generated on-site would primarily be associated with the employees, such as food waste, food packaging, etc. As such, the quantity of solid waste generated by the proposed project would be nominal. In addition, the project site is designated for industrial uses in the General Plan and the proposed project would be consistent with the General Plan. Furthermore, the project would comply with all federal, State, and local regulations related to solid waste.

It should be noted that the nature of the project would result in an overall positive effect related to solid waste services, as the project consists of recycling construction waste for reuse for other construction projects at other sites. Thus, the project would be contributing to an overall reduction in the potential amount of waste going to a landfill. Therefore, because waste generated by the proposed project would be nominal, the local landfill has sufficient capacity, and the project would positively affect solid waste services, a ***less-than-significant*** impact related to solid waste services would occur.

XVIII. MANDATORY FINDINGS OF SIGNIFICANCE.	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
a. Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	☐	☐	✖	☐
b. Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?	☐	☐	✖	☐
c. Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	☐	☐	✖	☐

Discussion

a. As mentioned previously, the project site has a low sensitivity for biological resources and cultural resources. Although unlikely, the possibility exists that subsurface excavation of the site during grading and other construction activities could unearth deposits of cultural significance; however, this IS/MND includes mitigation measures that would reduce any potential impacts to a less-than-significant level. Therefore, the proposed project would have ***less-than-significant*** impacts to important examples of California history or prehistory and the overall quality of the environment.

b. The proposed project would incrementally contribute to cumulative impacts related to air quality, noise, and transportation and circulation in the area. However, the incremental increase would not cause any significant cumulative impacts. In addition, cumulative impacts would be mitigated through cumulatively applied measures per federal, State, and local regulations, standards, and policies as development in the area occurs. Therefore, a ***less-than-significant*** impact would result from the development of the proposed project.

c. The proposed project site would be developed in a generally urbanized and built-up area of the City of Woodland. Development of the proposed project would not be expected to result in adverse impacts to human beings, either directly or indirectly. The potential for environmental effects on human beings is addressed within this IS/MND. In addition, the project is consistent with the Woodland General Plan and, therefore, falls within the prior EIR analysis for the General Plan. New unmitigated impacts to human beings would not occur, and a ***less-than-significant*** impact would result.

APPENDIX

AIR QUALITY AND GREENHOUSE GAS MODELING RESULTS

Woodland Concrete Slurry Processing Facility

Yolo/Solano AQMD Air District, Annual

1.0 Project Characteristics

1.1 Land Usage

Land Uses	Size	Metric
General Light Industry	29.843	1000sqft
Other Asphalt Surfaces	10.603	1000sqft
Other Non-Asphalt Surfaces	70.374	1000sqft

1.2 Other Project Characteristics

Urbanization Urban

Climate Zone 2

Wind Speed (m/s) 2.2

Precipitation Freq (Days) 55

Utility Company Pacific Gas & Electric Company

1.3 User Entered Comments

Project Characteristics -

Land Use - based on site plan

Construction Phase - based on info from applicant

Off-road Equipment - modified per CARB

Off-road Equipment - modified load factors per CARB

Off-road Equipment - modified per CARB

Vehicle Trips - based on total of 44 trips (including trucks and employee vehicles)

Grading - total project site 17.56 acres

2.0 Emissions Summary

2.1 Overall Construction

Unmitigated Construction

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Year	tons/yr										MT/yr					
2013	1.57	2.13	1.35	0.00	0.15	0.12	0.27	0.07	0.12	0.19	0.00	228.94	228.94	0.02	0.00	229.44
Total	**1.57**	**2.13**	**1.35**	**0.00**	**0.15**	**0.12**	**0.27**	**0.07**	**0.12**	**0.19**	**0.00**	**228.94**	**228.94**	**0.02**	**0.00**	**229.44**

Mitigated Construction

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Year	tons/yr										MT/yr					
2013	1.57	2.13	1.35	0.00	0.13	0.12	0.25	0.07	0.12	0.19	0.00	228.94	228.94	0.02	0.00	229.44
Total	**1.57**	**2.13**	**1.35**	**0.00**	**0.13**	**0.12**	**0.25**	**0.07**	**0.12**	**0.19**	**0.00**	**228.94**	**228.94**	**0.02**	**0.00**	**229.44**

2.2 Overall Operational

Unmitigated Operational

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Area	0.56	0.00	0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Energy	0.00	0.03	0.02	0.00		0.00	0.00		0.00	0.00	0.00	111.36	111.36	0.00	0.00	112.05
Mobile	0.05	0.19	0.50	0.00	0.06	0.01	0.07	0.00	0.01	0.01	0.00	63.22	63.22	0.00	0.00	63.28
Waste						0.00	0.00		0.00	0.00	352.40	0.00	352.40	20.83	0.00	789.76
Water						0.00	0.00		0.00	0.00	0.00	232.60	232.60	4.49	0.12	362.53
Total	**0.61**	**0.22**	**0.52**	**0.00**	**0.06**	**0.01**	**0.07**	**0.00**	**0.01**	**0.01**	**352.40**	**407.18**	**759.58**	**25.32**	**0.12**	**1,327.62**

2.2 Overall Operational

Mitigated Operational

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Area	0.56	0.00	0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Energy	0.00	0.03	0.02	0.00		0.00	0.00		0.00	0.00	0.00	111.36	111.36	0.00	0.00	112.05
Mobile	0.05	0.19	0.50	0.00	0.06	0.01	0.07	0.00	0.01	0.01	0.00	63.22	63.22	0.00	0.00	63.28
Waste						0.00	0.00		0.00	0.00	352.40	0.00	352.40	20.83	0.00	789.76
Water						0.00	0.00		0.00	0.00	0.00	232.60	232.60	4.49	0.12	362.53
Total	**0.61**	**0.22**	**0.52**	**0.00**	**0.06**	**0.01**	**0.07**	**0.00**	**0.01**	**0.01**	**352.40**	**407.18**	**759.58**	**25.32**	**0.12**	**1,327.62**

3.0 Construction Detail

3.1 Mitigation Measures Construction

3.2 Grading - 2013

Unmitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Fugitive Dust					0.13	0.00	0.13	0.07	0.00	0.07	0.00	0.00	0.00	0.00	0.00	0.00
Off-Road	0.16	1.34	0.73	0.00		0.06	0.06		0.06	0.06	0.00	135.24	135.24	0.01	0.00	135.52
Total	**0.16**	**1.34**	**0.73**	**0.00**	**0.13**	**0.06**	**0.19**	**0.07**	**0.06**	**0.13**	**0.00**	**135.24**	**135.24**	**0.01**	**0.00**	**135.52**

Unmitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vendor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Worker	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.49	3.49	0.00	0.00	3.49
Total	**0.00**	**0.00**	**0.03**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**3.49**	**3.49**	**0.00**	**0.00**	**3.49**

3.2 Grading - 2013

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Fugitive Dust					0.13	0.00	0.13	0.07	0.00	0.07	0.00	0.00	0.00	0.00	0.00	0.00
Off-Road	0.16	1.34	0.73	0.00		0.06	0.06		0.06	0.06	0.00	135.24	135.24	0.01	0.00	135.52
Total	**0.16**	**1.34**	**0.73**	**0.00**	**0.13**	**0.06**	**0.19**	**0.07**	**0.06**	**0.13**	**0.00**	**135.24**	**135.24**	**0.01**	**0.00**	**135.52**

Mitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vendor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Worker	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.49	3.49	0.00	0.00	3.49
Total	**0.00**	**0.00**	**0.03**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**3.49**	**3.49**	**0.00**	**0.00**	**3.49**

3.3 Paving - 2013

Unmitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Off-Road	0.02	0.12	0.08	0.00		0.01	0.01		0.01	0.01	0.00	9.75	9.75	0.00	0.00	9.79
Paving	0.00					0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	**0.02**	**0.12**	**0.08**	**0.00**		**0.01**	**0.01**		**0.01**	**0.01**	**0.00**	**9.75**	**9.75**	**0.00**	**0.00**	**9.79**

Unmitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vendor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Worker	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.70	0.70	0.00	0.00	0.70
Total	**0.00**	**0.00**	**0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.70**	**0.70**	**0.00**	**0.00**	**0.70**

3.3 Paving - 2013

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Off-Road	0.02	0.12	0.08	0.00		0.01	0.01		0.01	0.01	0.00	9.75	9.75	0.00	0.00	9.79
Paving	0.00					0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	**0.02**	**0.12**	**0.08**	**0.00**		**0.01**	**0.01**		**0.01**	**0.01**	**0.00**	**9.75**	**9.75**	**0.00**	**0.00**	**9.79**

Mitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vendor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Worker	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.70	0.70	0.00	0.00	0.70
Total	**0.00**	**0.00**	**0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.70**	**0.70**	**0.00**	**0.00**	**0.70**

3.4 Building Construction - 2013

Unmitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Off-Road	0.08	0.53	0.36	0.00		0.04	0.04		0.04	0.04	0.00	55.46	55.46	0.01	0.00	55.60
Total	**0.08**	**0.53**	**0.36**	**0.00**		**0.04**	**0.04**		**0.04**	**0.04**	**0.00**	**55.46**	**55.46**	**0.01**	**0.00**	**55.60**

Unmitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vendor	0.01	0.06	0.04	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	9.30	9.30	0.00	0.00	9.31
Worker	0.00	0.01	0.06	0.00	0.01	0.00	0.01	0.00	0.00	0.00	0.00	8.20	8.20	0.00	0.00	8.21
Total	**0.01**	**0.07**	**0.10**	**0.00**	**0.01**	**0.00**	**0.02**	**0.00**	**0.00**	**0.00**	**0.00**	**17.50**	**17.50**	**0.00**	**0.00**	**17.52**

3.4 Building Construction - 2013

Mitigated Construction On-Site

Category	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
	tons/yr										MT/yr					
Off-Road	0.08	0.53	0.36	0.00		0.04	0.04		0.04	0.04	0.00	55.46	55.46	0.01	0.00	55.60
Total	**0.08**	**0.53**	**0.36**	**0.00**		**0.04**	**0.04**		**0.04**	**0.04**	**0.00**	**55.46**	**55.46**	**0.01**	**0.00**	**55.60**

Mitigated Construction Off-Site

Category	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
	tons/yr										MT/yr					
Hauling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vendor	0.01	0.06	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.30	9.30	0.00	0.00	9.31
Worker	0.00	0.01	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.20	8.20	0.00	0.00	8.21
Total	**0.01**	**0.07**	**0.10**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**17.50**	**17.50**	**0.00**	**0.00**	**17.52**

3.5 Architectural Coating - 2013

Unmitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Archit. Coating	1.28					0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Off-Road	0.01	0.06	0.04	0.00		0.01	0.01		0.01	0.01	0.00	5.23	5.23	0.00	0.00	5.24
Total	**1.29**	**0.06**	**0.04**	**0.00**		**0.01**	**0.01**		**0.01**	**0.01**	**0.00**	**5.23**	**5.23**	**0.00**	**0.00**	**5.24**

Unmitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vendor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Worker	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.57	1.57	0.00	0.00	1.57
Total	**0.00**	**0.00**	**0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1.57**	**1.57**	**0.00**	**0.00**	**1.57**

3.5 Architectural Coating - 2013

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Archit. Coating	1.28					0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Off-Road	0.01	0.06	0.04	0.00		0.01	0.01		0.01	0.01	0.00	5.23	5.23	0.00	0.00	5.24
Total	**1.29**	**0.06**	**0.04**	**0.00**		**0.01**	**0.01**		**0.01**	**0.01**	**0.00**	**5.23**	**5.23**	**0.00**	**0.00**	**5.24**

Mitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vendor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Worker	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.57	1.57	0.00	0.00	1.57
Total	**0.00**	**0.00**	**0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1.57**	**1.57**	**0.00**	**0.00**	**1.57**

4.0 Mobile Detail

4.1 Mitigation Measures Mobile

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Mitigated	0.05	0.19	0.50	0.00	0.06	0.01	0.07	0.00	0.01	0.01	0.00	63.22	63.22	0.00	0.00	63.28
Unmitigated	0.05	0.19	0.50	0.00	0.06	0.01	0.07	0.00	0.01	0.01	0.00	63.22	63.22	0.00	0.00	63.28
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

4.2 Trip Summary Information

	Average Daily Trip Rate			Unmitigated	Mitigated
Land Use	Weekday	Saturday	Sunday	Annual VMT	Annual VMT
General Light Industry	43.87	39.39	20.29	116,377	116,377
Other Asphalt Surfaces	0.00	0.00	0.00		
Other Non-Asphalt Surfaces	0.00	0.00	0.00		
Total	43.87	39.39	20.29	116,377	116,377

4.3 Trip Type Information

	Miles			Trip %		
Land Use	H-W or C-W	H-S or C-C	H-O or C-NW	H-W or C-W	H-S or C-C	H-O or C-NW
General Light Industry	9.50	7.30	7.30	59.00	28.00	13.00
Other Asphalt Surfaces	9.50	7.30	7.30	0.00	0.00	0.00

	Miles			Trip %		
Land Use	H-W or C-W	H-S or C-C	H-O or C-NW	H-W or C-W	H-S or C-C	H-O or C-NW
Other Non-Asphalt Surfaces	9.50	7.30	7.30	0.00	0.00	0.00

5.0 Energy Detail

5.1 Mitigation Measures Energy

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Electricity Mitigated						0.00	0.00		0.00	0.00	0.00	80.13	80.13	0.00	0.00	80.63
Electricity Unmitigated						0.00	0.00		0.00	0.00	0.00	80.13	80.13	0.00	0.00	80.63
NaturalGas Mitigated	0.00	0.03	0.02	0.00		0.00	0.00		0.00	0.00	0.00	31.23	31.23	0.00	0.00	31.42
NaturalGas Unmitigated	0.00	0.03	0.02	0.00		0.00	0.00		0.00	0.00	0.00	31.23	31.23	0.00	0.00	31.42
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

5.2 Energy by Land Use - NaturalGas

Unmitigated

	NaturalGas Use	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Land Use	kBTU	tons/yr										MT/yr					
General Light Industry	585221	0.00	0.03	0.02	0.00		0.00	0.00		0.00	0.00	0.00	31.23	31.23	0.00	0.00	31.42
Other Asphalt Surfaces	0	0.00	0.00	0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Non-Asphalt Surfaces	0	0.00	0.00	0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total		**0.00**	**0.03**	**0.02**	**0.00**		**0.00**	**0.00**		**0.00**	**0.00**	**0.00**	**31.23**	**31.23**	**0.00**	**0.00**	**31.42**

Mitigated

	NaturalGas Use	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Land Use	kBTU	tons/yr										MT/yr					
General Light Industry	585221	0.00	0.03	0.02	0.00		0.00	0.00		0.00	0.00	0.00	31.23	31.23	0.00	0.00	31.42
Other Asphalt Surfaces	0	0.00	0.00	0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Non-Asphalt Surfaces	0	0.00	0.00	0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total		**0.00**	**0.03**	**0.02**	**0.00**		**0.00**	**0.00**		**0.00**	**0.00**	**0.00**	**31.23**	**31.23**	**0.00**	**0.00**	**31.42**

5.3 Energy by Land Use - Electricity

Unmitigated

	Electricity Use	ROG	NOx	CO	SO2	Total CO2	CH4	N2O	CO2e
Land Use	kWh	tons/yr				MT/yr			
General Light Industry	275451					80.13	0.00	0.00	80.63
Other Asphalt Surfaces	0					0.00	0.00	0.00	0.00
Other Non-Asphalt Surfaces	0					0.00	0.00	0.00	0.00
Total						**80.13**	**0.00**	**0.00**	**80.63**

Mitigated

	Electricity Use	ROG	NOx	CO	SO2	Total CO2	CH4	N2O	CO2e
Land Use	kWh	tons/yr				MT/yr			
General Light Industry	275451					80.13	0.00	0.00	80.63
Other Asphalt Surfaces	0					0.00	0.00	0.00	0.00
Other Non-Asphalt Surfaces	0					0.00	0.00	0.00	0.00
Total						**80.13**	**0.00**	**0.00**	**80.63**

6.0 Area Detail

6.1 Mitigation Measures Area

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Mitigated	0.56	0.00	0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unmitigated	0.56	0.00	0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

6.2 Area by SubCategory

Unmitigated

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
SubCategory	tons/yr										MT/yr					
Architectural Coating	0.13					0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Consumer Products	0.43					0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Landscaping	0.00	0.00	0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	**0.56**	**0.00**	**0.00**	**0.00**		**0.00**	**0.00**		**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

6.2 Area by SubCategory

Mitigated

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
SubCategory	tons/yr										MT/yr					
Architectural Coating	0.13					0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Consumer Products	0.43					0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Landscaping	0.00	0.00	0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	**0.56**	**0.00**	**0.00**	**0.00**		**0.00**	**0.00**		**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

7.0 Water Detail

7.1 Mitigation Measures Water

	ROG	NOx	CO	SO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr				MT/yr			
Mitigated					232.60	4.49	0.12	362.53
Unmitigated					232.60	4.49	0.12	362.53
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

7.2 Water by Land Use

Unmitigated

	Indoor/Outdoor Use	ROG	NOx	CO	SO2	Total CO2	CH4	N2O	CO2e
Land Use	Mgal	tons/yr				MT/yr			
General Light Industry	146.721 / 0					232.60	4.49	0.12	362.53
Other Asphalt Surfaces	0 / 0					0.00	0.00	0.00	0.00
Other Non-Asphalt Surfaces	0 / 0					0.00	0.00	0.00	0.00
Total						**232.60**	**4.49**	**0.12**	**362.53**

7.2 Water by Land Use

Mitigated

	Indoor/Outdoor Use	ROG	NOx	CO	SO2	Total CO2	CH4	N2O	CO2e
Land Use	Mgal	tons/yr				MT/yr			
General Light Industry	146.721 / 0					232.60	4.49	0.12	362.53
Other Asphalt Surfaces	0 / 0					0.00	0.00	0.00	0.00
Other Non-Asphalt Surfaces	0 / 0					0.00	0.00	0.00	0.00
Total						**232.60**	**4.49**	**0.12**	**362.53**

8.0 Waste Detail

8.1 Mitigation Measures Waste

Category/Year

	ROG	NOx	CO	SO2	Total CO2	CH4	N2O	CO2e
	tons/yr				MT/yr			
Mitigated					352.40	20.83	0.00	789.76
Unmitigated					352.40	20.83	0.00	789.76
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

8.2 Waste by Land Use

Unmitigated

	Waste Disposed	ROG	NOx	CO	SO2	Total CO2	CH4	N2O	CO2e
Land Use	tons	tons/yr				MT/yr			
General Light Industry	1736.05					352.40	20.83	0.00	789.76
Other Asphalt Surfaces	0					0.00	0.00	0.00	0.00
Other Non-Asphalt Surfaces	0					0.00	0.00	0.00	0.00
Total						**352.40**	**20.83**	**0.00**	**789.76**

8.2 Waste by Land Use

Mitigated

	Waste Disposed	ROG	NOx	CO	SO2	Total CO2	CH4	N2O	CO2e
Land Use	tons	tons/yr				MT/yr			
General Light Industry	1736.05					352.40	20.83	0.00	789.76
Other Asphalt Surfaces	0					0.00	0.00	0.00	0.00
Other Non-Asphalt Surfaces	0					0.00	0.00	0.00	0.00
Total						**352.40**	**20.83**	**0.00**	**789.76**

9.0 Vegetation

EquipmentTypeID	Adj ARB LF
A/C Tug Narrow Body	0.536
A/C Tug Wide Body	0.536
Baggage Tug	0.3685
Belt Loader	0.335
Bobtail	0.3685
Cargo Loader	0.335
Cargo Tractor	0.3618
Forklift (GSE)	0.201
Lift (GSE)	0.335
Other GSE	0.335
Bore/Drill Rigs	0.5025
Cranes	0.2881
Crawler Tractors	0.4288
Excavators	0.3819
Graders	0.4087
Off-Highway Tractors	0.4355
Off-Highway Trucks	0.3819
Other Construction Equipment	0.4154
Pavers	0.4154
Paving Equipment	0.3551
Rollers	0.3752
Rough Terrain Forklifts	0.402
Rubber Tired Dozers	0.3953
Rubber Tired Loaders	0.3618
Scrapers	0.4824
Skid Steer Loaders	0.3685
Surfacing Equipment	0.3015
Tractors/Loaders/Backhoes	0.3685
Trenchers	0.5025
Aerial Lifts	0.3082
Forklifts	0.201
Other General Industrial Equipment	0.3417
Other Material Handling Equipment	0.3953
Drill Rig (Mobile)	0.5025
Workover Rig (Mobile)	0.5025
Sweepers/Scrubbers	0.4556
Passenger Stand	0.3953

ATTACHMENT E

Golden State Reclamation
Mitigation Monitoring and Reporting Program

June 2013

The California Environmental Quality Act (CEQA) and CEQA Guidelines require Lead Agencies to adopt a program for monitoring the mitigation measures required to avoid the significant environmental impacts of a project. The Mitigation Monitoring and Reporting Program (MMRP) ensures that mitigation measures imposed are completed at the appropriate time in the development process.

The mitigation measures identified in the Initial Study/Mitigated Negative Declaration for the golden State Reclamation project are listed in the MMRP along with the party responsible for monitoring implementation of the mitigation measure, the milestones for implementation and monitoring, and a sign-off that the mitigation measure has been implemented.

MITIGATION MONITORING AND REPORTING PROGRAM Golden State Reclamation				
Mitigation Measure		**Timing**	**Monitoring Agency**	**Sign-Off**
IV-1	*Prior to issuance of grading permits, the project applicant shall pay the Swainson's hawk habitat mitigation fee established by the Yolo County Natural Community Conservation Plan/Habitat Conservation Plan Joint Power Authority's Interim Mitigation Strategy (currently $8,660 per acre) for the review and approval of the City of Woodland Community Development Department. The fee shall be paid for the total property acreage (i.e., 17.56 acres, for a total fee of $152,069.60) to the Wildlife Mitigation Trust Account for the establishment of raptor foraging habitat elsewhere in Yolo County through the purchase of development rights and execution of irreversible conservation or agricultural easement. The established rapture foraging habitat acreage shall be permanently protected from future development via enforceable deed restrictions.*	Prior to issuance of grading permits	Community Development Department	

MITIGATION MONITORING AND REPORTING PROGRAM Golden State Reclamation				
	Mitigation Measure	**Timing**	**Monitoring Agency**	**Sign-Off**
	As an alternative to the above, the project applicant may provide acreage for the establishment of raptor foraging habitat in lieu of paying the habitat mitigation fee. If the acreage that is provided is less than that of the project site, the balance shall be paid to the Wildlife Mitigation Trust Account based on the project's Swainson's hawk habitat mitigation fee.			
V-1	*Prior to the issuance of a grading permit, plans shall include a requirement (via notation) indicating that if historic and/or cultural resources, or human remains are encountered during site grading or other site work, all such work shall be halted immediately within the area of discovery and the contractor shall immediately notify the City of the discovery. In such case, the applicant shall retain the services of a qualified archaeologist for the purpose of recording, protecting, or curating the discovery as appropriate. The archaeologist shall be required to submit to the City for review and approval a report of the findings and method of curation or protection of the resources. Further grading or site work within the vicinity of the discovery, as identified by the qualified archaeologist, shall not be allowed until the preceding steps have been taken. All fees associated with the services of the qualified archaeologist shall be paid by the project applicant.*	Prior to the issuance of a grading permit	Community Development Department	
V-2	*Pursuant to State Health and Safety Code §7050.5 (c) State Public Resources Code §5097.98, if human bone or bone of unknown origin is found during construction, all work shall stop in the vicinity of the find and the Yolo County Coroner shall be contacted immediately. If the remains are determined to be Native American, the coroner shall notify the Native American Heritage Commission who shall notify the person believed to be the most likely descendant. The most likely descendant shall work with the contractor to develop a*	If human bone or bone of unknown origin is found during construction	Yolo County Coroner Native American Heritage Commission	

Mitigation Measure		Timing	Monitoring Agency	Sign-Off
	program for re-internment of the human remains and any associated artifacts. Additional work is not to take place in the immediate vicinity of the find, which shall be identified by the qualified archaeologist, until the identified appropriate actions have been implemented. All fees associated with the services of the qualified archaeologist shall be paid by the project applicant.			
VI-1	*Prior to approval of grading plans, the applicant shall coordinate with the City Engineer to determine the soil conditions at the proposed equipment storage building location. If expansive soils are not encountered, further action is not required. If expansive soils are encountered, the applicant shall coordinate with the City Engineer to determine the best means of soil treatment. Potential treatment could include, but would not be limited to the following:* • *Ensuring soil is compacted at the appropriate moisture content;* • *Selectively grading; or* • *Chemically modifying the soil (e.g., apply lime treatment to soil).*	Prior to approval of grading plans	City Engineer	
IX-1	*Prior to issuance of grading permits, the project applicant shall obtain a WDR Order from the SWRCB by providing a technical report in conjunction with a Report of Waste Discharge (ROWD) to the RWQCB. The technical report shall demonstrate that the engineered alternative would provide protection from flooding as prescribed in Section 20250(c) of Title 27 by including, but not limiting to, the following:* • *Description of the design of the waste management units relative to flood elevations;*	Prior to issuance of grading permits	RWQCB	

MITIGATION MONITORING AND REPORTING PROGRAM Golden State Reclamation				
Mitigation Measure		**Timing**	**Monitoring Agency**	**Sign-Off**
	• *Ensuring a minimum five-foot separation between placement of designated waste and underlying groundwater;* • *Ensuring all designated waste, whether in slurry, liquid, or solid form, would be cleared from the project site during the wet season (November through March);* • *Providing an annual report that the site has been properly prepared (all waste solids and water is removed) prior to the beginning of the wet season;* • *Providing a description of the risk for remedial action, as well as the associated potential costs and financial assurances; and* • *Providing estimated costs for clean closure of the site.* *The project shall comply with all requirements of the issued WDR Order.*			
IX-2	*Prior to issuance of grading permits, the project applicant shall hire a professional geotechnical engineer to perform a site-specific geotechnical evaluation. The geotechnical evaluations shall provide recommendations to ensure that the processing ponds are designed in compliance with Title 27, including recommendations for erosion control measures for the stabilization of the pond slopes. Erosion control measures for stabilizing the processing pond slopes could include, but would not be limited to, slope restrictions (e.g., slopes must be equal to or less than a 3:1 slope) or application of rip rap on slopes (e.g., hard armoring measures).*	Prior to issuance of grading permits	City Engineer	

ATTACHMENT F

DIVERSIFIED CONCRETE CUTTING

June 26th, 2013

Company: PGP International
To: George Wilson
RE: Response to ERM's (15) Questions

Dear Mr. Wilson:

Please see my response to ERM's (15) questions per their letter dated June 11th, 2013. Hopefully my response will provide clarification to these questions:

1) *The nature and volume of the incoming material (including chemical composition and pH levels);*

   A: The nature of the material is a mixture of concrete grindings and added water (aka Slurry). The concrete is "ground" off of public roads, highways, and airports. This material is transported from the construction site and off-loaded (dumped) by tanker/trailers, which have a volume of 5,000 gallons, at the reclamation facility. Previous pH levels have historically been had a pH of 10 +/- 1 level.

2) *The nature of the "load checking" program.*

   A: Golden State Reclamation will have onsite personnel responsible for inspecting and monitoring of incoming loads, to detect the presence of any hazardous or prohibited materials

3) *The material and construction of the pond liners, including the distance between the impounded waste and groundwater.*

   A: The pond liner (which is a double-lined, 60 mil HDPE liner), installation, and distance of groundwater to impounded waste will comply with Title 27.

4) *The programs that would be implemented for detection of leakage*

   A: A leakage detection system will be place between the two pond liners, and will be monitored and submitted quarterly with the Wastewater Discharge Report.

5) *The chemical composition of the material during processing within the ponds and any chemicals added to the slurry during that time.*

A: The composition of the material is a concrete “mud” material, similar to make-up of concrete as it is poured, except that the cement in the mixture will have already been cured. No chemicals will be added to this material.

6) *The duration of onsite processing.*

   A: Processing would occur during Construction season, which is typically from March to November.

7) *Activities that would be conducted in the borrow areas:*

   A: The borrowed areas will be surfaced with gravel (as shown on the Site Plan submitted to the city), and will be used as a staging area for Construction equipment.

8) *The operations that would occur (e.g., breaking or grinding) in connection with the seasonal excavation of the material from the concrete slurry ponds*

   A: As described in question Five, the material that is processed in the ponds is a Mud-like material, which will not harden. Therefore, there will be no “breaking or grinding” of this material. The excavated material will be loaded into trucks and transported to approved recycling or disposal facilities.

9) *The stormwater and conveyance system:*

   A: The levee tops surrounding the pond are sloped so that stormwater runoff will flow into the ponds. This water will flow to the leachate pond, and will be pumped back into the water tanker/trailers. From there, this water will either be used for construction purposes, or will be taken to a water treatment facility. The property located outside of the pond areas will be sloped to flow to City storm drains.

10) *Utility and service system connection details*

   A: Potable water, storm drainage, sewer, and telecommunications will be pulled from the City connections at the street. Dry utilities from PG&E will be connected to an onsite Mobile Trailer, which will serve as on office. No other utilities will be required.

11) *The time of year during which construction would occur*

   A: With approval of this project on July 18th, construction would begin late July / early August, and would end no later than the end of October.

12) *Air quality/dust control practices that would be followed during construction and operation:*

   A: Air quality/dust control practices would be met through our construction activities SWPPP program, as well as through long-term Industrial Stormwater Pollution Plan practices, as required under City Ordinances.

13) *The operations that would occur and heavy equipment that would operate in connection with the proposed “1.5-acre inert material recycling center”;*

    A: The recycling center that was initially proposed under the project description has since been removed, and will no longer be applicable to the project.

14) *The manner in which the collection of rainfall and surface water in the ponds would be managed during off season periods:*

    A: If rainfall in the offseason causes the Leachate pond to fill near its capacity, the water will be pumped out of the pond into water tankers and taken to a water treatment facility. Minimum freeboard in the ponds will be maintained in accord with Title 27.

15) *Landscaping included in the Project for site beautification.*
    A: Landscaping for this project is shown on the Landscaping Plan submitted to City, and complies with City Ordinances. A copy of this plan can be forwarded to you upon request.

Respectively,

Travis Brandt
Division Manager
Diversified Concrete Cutting

3301 Kinsman Blvd
Madison, WI 53704

V. Deibel: 608.347.0083
T. Lombardo: 608.218.0510

COVANCE

Mr. Paul Hanson
City of Woodland,
Planning Commission
300 First Street
Woodland, CA 95695

Re: Golden State Reclamation Project

Dear Mr. Hanson:

PGP International, Inc. ("PGPI") has retained me to evaluate the impact that the Golden State Reclamation Project (the "Project") will have on PGPI's Woodland, CA food ingredient manufacturing facility (the "Facility"). I understand that PGPI's counsel provided an overview of my initial conclusions to the Planning Commission during the July 18th hearing, but I would like to take this opportunity to provide a more detailed explanation of my conclusions. In addition, this letter report includes rebuttal comments to the letter provided by Dr Douglas Nelson, Professor of Microbiology, University of California (Davis), dated August 2013. (The "Comment Letter").

Before going into my conclusions I wanted to include a short synopsis of my background in the food microbiology field. I obtained my B.S., Masters of Science/Bacteriology, and Ph.D. from the University of Wisconsin. My Ph.D. major was food microbiology, and my minor was bacteriology. I have worked for over twenty years in the food microbiology field, and have specialized in food safety controls for pathogens, including the pathogens that are of concern here. In that capacity, I have developed and reviewed pathogen control programs for food and packaging establishments, and conducted microbiological investigations for pathogens and spoilage organisms in food production plants. My CV is attached for your review.

I. Executive Summary:

The Project presents serious risks to PGPI's Woodland Facility because of the increased dust and pathogen load that the Project's construction and ongoing operation are likely to generate. As discussed in more detail below, dust from construction is a serious concern at food manufacturing facilities. In addition, food-borne pathogens which are regulated by the FDA and international certification bodies are present in soil. Those pathogens are likely to multiply as a result of the Project's construction and operation, and will certainly be aerosolized as a result of the Project. PGPI's Facility currently controls for the existing levels of dust and pathogens in the local environment, but the Project will greatly increase the levels of both of these contaminants, and will have an adverse effect on PGPI's ability to continue its operations.

With respect to the Comment Letter, I respectfully disagree with Dr. Nelson's conclusions, for the reasons discussed below.

II. PGPI's Concerns Regarding the Project:

The proposed project presents a significant threat to the continued operation of PGPI's Woodland facility. Because of stringent food quality standards, PGPI must continually monitor the content of its products for contaminants, including dust and pathogens. Some pathogens, for example *Salmonella* species (spp.) and *Listeria monocytogenes*, are designated as "zero tolerance" pathogens by the FDA, meaning that the detection of even one cell in a product sample means that the product is not marketable. Because of the nature of its operations, and its concerns about the Project, PGPI retained Covance to conduct an investigation to determine what effects the Project will have.

A. The Pathogens and Soil Microbiology

Based on my 25 years of experience as a food safety microbiologist, I identified the following pathogens that present a threat to PGPI's Facility: *Salmonella spp.*, spore-forming bacteria, *Listeria monocytogenes*, and *coliforms*. All of these are found naturally in the environment, and in particular, soils. In addition, because of the mechanics of soil microbiology, changes and disturbance in the soil can lead to increased levels of microbial growth, particularly when moisture is introduced.

Salmonella spp

Salmonella spp. contains over 2000 species, all of which are considered pathogenic or disease producing. *Salmonella* is found throughout nature and usually originates from animals in their gastrointestinal tracts (birds, insects, swine). While *Salmonella spp.* can be found in the environment, it is usually associated with feces. The route that *Salmonella spp.* travels can be from one animal into the environment (soil or water) and then back into another animal through contaminated water and food (Podolak, *et. al)*. Since *Salmonella spp.* has been shown to have increased resistance to heat when it has been dried, in soil for example, and studies have shown that *Salmonella spp.* may survive in dry products for long periods of time, PGPI is rightly concerned about the safety of their products. As noted above, *Salmonella spp.* is a "zero tolerance" pathogen pursuant to FDA regulations. If these products are ingested by the elderly or infants, illness can occur. The illnesses caused by *Salmonella* spp. of healthy individuals may include diarrhea (which may be bloody), fever, nausea, vomiting and abdominal pain (FDA, 2011). In some, albeit rare circumstances, *Salmonella spp.* can get into the blood stream and cause arterial infections (i.e., infected aneurysms), endocarditis, and arthritis (FDA, 2011).

3301 Kinsman Blvd
Madison, WI 53704

V. Deibel: 608.347.0083
T. Lombardo: 608.218.0510

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Spore Formers (*Clostridium botulinum*, and *Bacillus cereus*)

Ever present in soil and the environment, spore-forming bacteria are of concern to many food manufacturers. These bacteria have two distinct phases: the vegetative cell and the spore phase. Under ideal conditions, the bacterial vegetative cell will grow, multiply, and die in a pre-determined cycle. However, once the bacteria growth cycle has been threatened and interrupted, it will sporulate, forming a protective covering like that of a shell protecting a walnut. In the spore phase, it can survive without nutrients and water and under other adverse conditions. Sporeforming bacteia are ubiquitous within the soil. Thus, *Clostridium botulinum* and *Bacillus cereus,* may be present in the soil surrounding PGPI's Woodland facility, in both the vegetative cell and spore forms.

Listeria monocytogenes

Listeria monocytogenes is one of 6 organisms that comprise the genus *Listeria.* Unlike *Salmonella,* wherein all of the species are pathogenic, it is believed that only *L. monocytogenes* causes disease in humans. The FDA Compliance Policy Guide, Section 555.320, states that "*Listeria monocytogenes* is a pathogenic bacterium that is widespread in the environment and may be introduced into a food processing facility. *L. monocytogenes* can contaminate foods and cause a mild illness (called listerial gastroenteritis) or a severe, sometimes life-threatening, illness (called invasive listeriosis)." Regrettably, Dr. Nelson's assertion that fecal contamination is a common denominator for *Listeria monocytogenes* contamination is incorrect. Rather, *Listeria monocytogenes* is ubiquitous within the environment. According to the USDA Food Safety Inspection Service, "*L. monocytogenes* is widely distributed in the environment; it is found in the air, soil, water, dust, and plant material, including silage. As such, *L. monocytogenes* may enter the environment of processing plants and subsequently contaminate" food production equipment and food products. Those knowledgeable with food manufacturing practices understand that the ubiquitous nature of *Listeria monocytogenes* is well published and easily found in FDA and USDA guidance documents available on their website under the food safety tabs. Additionally, published scientific studies have suggested that *Listeria monocytogenes* was found in 8.3% and 30.8% of cultivated and uncultivated fields, respectively.*s* (Dowe, *et al.*). One of our leading Food Safety Leaders, Dr. Bruce Tompkin (2002), in his landmark publication, identified *Listeria monocytogenes* presence in the food production environment as a result of construction and construction dust.

Increased trucking and dredging operations in the vicinity of the PGPI Woodland facility, can allow for increased localized concentrations of *Listeria,* thus increasing the possibility of contamination to the rice storage as well as the processing areas of the PGPI facility.

3301 Kinsman Blvd
Madison, WI 53704

V. Deibel: 608.347.0083
T. Lombardo: 608.218.0510

Coliforms

From the historical perspective, the term "coliform" was likely meant to include all of the species of the family Enterobacteriaceae that use lactose or milk sugar as a food source (Envir 131-Fall). Enterobacteriaceae are commonly found in feces of humans and animals although some exist naturally in the environment (TRAC, 2007). For example, *E. coli* is a member of the Enterobacteriaceae family. They are considered an indicator of unsanitary conditions or soil contamination when they are identified in a food plant environment. PGPI customers require finished product testing for coliforms and have imposed strict specifications for each lot shipped. If these specifications are not met, the customer will not accept the product.

Soil Microbiology

As discussed above, it is widely held that wide arrays of microbes are prevalent in soil. Soil has the capacity to host microorganisms, either in an active growth mode or in a state of quiescence where there is no growth but the cells are viable. The microbial status (growth or viable) depends on the amount of nutrients and water present. Cells may stay in a viable state until they are exposed to a suitable environment where they can grow. *Salmonella,* for example, has been shown to stay viable in dry environments for long periods of time (months to years) (FDA, 2009). Soil hosts *Salmonella* growth and viability, as well as *Listeria, Clostridium, Bacillus* and *E. coli.* Soil has microhabitats where some areas will host rapid and prolific microbial growth whereas just inches away the soil's environment may be less favorable and prohibits growth, but supports viability. Each of these microhabitats has its own pH, water and nutrient content. According to Ulukanli and Digrak (2002), soil is made up of a mosaic of microhabitats, each of which is characterized by its specific set of physiological, chemical and biological factors.

It is widely held that soil is a vehicle for microbial dissemination (Dowe *et al.*, 1997, Gorski, *et al,* 2011). It is for this exact reason that food and ingredient manufacturing facilities place covers over shoes when walking into the production areas of plants or spray chemical disinfectants around doorways leading into production rooms. Plants also go to extreme measures to prohibit cross traffic from non-production areas of the plant into and out of production rooms. Wheels, pallets and shoes all carry soils that may cross-contaminate microorganisms into the food products. As a trained food microbiologist for the entirety of my career and having been in hundreds of food and ingredient manufacturing facilities, it is fair to say that these practices are common to those who are familiar to the food industry.

When construction and DCC activity disrupts soils, there will be more chances for the soil to gain exposure to different microhabitats and thus support growth and/or disseminate microorganisms. The proposed DCC site is likely to disseminate microbes that will lead to contamination of PGP's product..

3301 Kinsman Blvd
Madison, WI 53704

V. Deibel: 608.347.0083
T. Lombardo: 608.218.0510

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B. pH and Pathogen Growth

The peer reviewed scientific literature demonstrates that pathogens can grow at pH levels of up to 10, but very little data are provided on the ability of foodborne spoilage and pathogenic organisms to grow and survive at higher alkalinity ranges.* In the alkalinity pH range, substances have a soapy feel. Most foods are unappetizing at alkaline pH's, which may be why food pathogens are not studied in these ranges. *Salmonella* has a growth range up to a pH of 9.5 and at higher levels there may not be growth, but the organism may remain viable (alive). (Jay, 2005) Similarly, *Listeria monocytogenes* can grow up to a pH of 10, but remain viable at higher pH values. (Jay, 2005) Of course, spores of *Clostridium* and *Bacillus,* have the capacity to survive many adverse environments without loss of viability because, as discussed above, they simply form a protective shell when faced with adverse conditions. Each of the organisms of concern to this project (Table 1) have the capacity to grow up to a pH of at least 9.0 and potentially survive at higher pH values.

*The pH scale measures acidity and alkalinity of a substance. The scale ranges from 1-14 with 7 being neutral. Any value <7 is acidic and >7 is alkaline.

Table 1. Pathogenic Microorganisms of Concern and their pH Ranges for *Growth*

Microorganism	pH Range for Growth
Salmonella spp.	4.1 – 9.5
Spore formers:	
Clostridium botulinum	4.6 – 9.0
Bacillus cereus	4.3 – 9.0
Listeria monocytogenes	4.5 – 10.0
Coliforms:	
E. coli	4.4 – 9.0

The Applicant has provided a Soil Sampling Report ("Soil Report") from California Laboratory Services dated August 14, 2013, which includes a pH analysis of a "Solid" – presumably the solid material that forms in the collection ponds – and "Slurry" – presumably the material that is collected on roadsides and dumped into the ponds. The Soil Report shows a pH of 11.50 for the slurry, and 8.87 for the pond material. Based on the figures above, all of the pathogens of concern to PGPI can grow in an environment with a pH of 8.87 and potentially survive at a pH of 11.50.

3301 Kinsman Blvd
Madison, WI 53704

V. Deibel: 608.347.0083
T. Lombardo: 608.218.0510

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Those growth rates are significant. For example, if ten cells of *Salmonella spp.* are introduced into a water source, after six hours under normal conditions, over **2.6 million** *Salmonella* cells will be present. In other words, in this scenario, *Salmonella* spp. can double its numbers every 21.8 minutes (Todar). Even eating one *Salmonella* cell has shown to produce illness, which is why *Salmonella* spp. is designated a "zero tolerance" pathogen. (FDA, 2009). *Listeria monocytogenes,* while a slower grower, can reach similar cell volumes in approximately 26 hours under its ideal growth conditions (Augustin, *et. al)*. Understandably, PGPI is particularly concerned because a very small amount of contamination – from pathogen contamination in the soil or fecal contamination – can result in significant increases in the microbial load increasing the chances that contamination can enter into their production stream.

III. Air Intake Filtration:

PGPI's current air filtration practices and procedures are in line with industry and regulatory standards given the present state of the activities of the surrounding environment. Ongoing pond dredging, truck traffic and concrete dust nearby will increase the particulate matter of surrounding air requiring unfeasible filtration levels. Any significant increase of dust generation in close proximity to a manufacturing plant will increase the risk of microbiological contamination to PGPI's food products.

Those who understand the food industry know that proper air filtration is more than a "best practice" but a necessity in food manufacturing. Indeed, the United States Code of Federal Regulation, Title 21, Section 110.40(d) states that food "(h)olding, conveying, and manufacturing systems, including gravimetric, pneumatic, closed, and automated systems, shall be of a design and construction that enables them to be maintained in an appropriate sanitary condition."

Air filtration is measured on the effectiveness of removing particulates from the air. In the United States, filter efficiency is classified by a Minimum Efficiency Reporting Value (or MERV) rating. The lower the MERV rating, the more coarse the filter will be. Conversely, the higher the MERV rating the more fine the filter. To remove the microbes of concern (*Listeria*, *Salmonella*, spores, *E. coli*, and other Enterobacteriaceae), HEPA (or MERV 18) filtration would be required. Appendix A illustrates the filter classifications, particle size ranges, and intended uses.

The Woodland facility of PGPI manufactures Ready-to-Eat as well as Not Ready-to-Eat foods. The air filtration standard for most food manufacturing is to capture 90 – 95% of all particulates 1 μm and larger. This is achieved by use of MERV 14 – 15 filters. *Salmonella* spp and *Listeria monocytogenes*, at 0.3 μm and 0.5 μm respectively, are smaller than 1 µm. In general, bacteria range from 0.3-1.0 µm rendering even MERV 15 filtration ineffective against bacteria (Jay). Milled flour facilities use MERV 10 filters, hospital inpatient rooms use MERV 15 and general surgery rooms use MERV 16. While some food manufacturers do require the use of MERV 18 (HEPA) air filtration, these products are typically only used in "high risk" food products such as infant formulas. In these circumstances, MERV 18 filtration is only used for air that is used to convey the product through piping or in small, interior packaging rooms where the costs and maintenance are controllable rather than in large open plant areas, which appears to be what Dr. Nelson is suggesting. Appendix B of this document describes the recommended level of air filtration by product and production room.

Since pathogens, and *Salmonella,* in particular, persists in the environment for years (Gorski, et al) and are carried via air currents, disruption to environments within close proximity has concerning implications for PGPI's product safety. PGPI's current MERV 14-15 filters meet industry standards, and are sufficient to handle the current dust and microbial load. PGPI's concern is that the Project may require the installation of non-standard and impractical MERV 18 filters, at great cost to PGPI, particularly given the volume of air that is exchanged at the Facility each day.

In addition to creating a greater microbiological risk to the food processing portions of PGPI's facility, there is further concern with the raw ingredient storage. The proposed DCC trucking activity is along an unpaved road adjacent to PGPI's loading dock and rice storage area. Being an agricultural commodity, rice storage silos do not have the same air filtration requirements as the processing areas within the food manufacturing facility proper. Therefore, since the air filtration for rice storage will not remove any microorganisms, an increase in the microbial loading of the surrounding air may also increase in the microbiological loading of the rice.

IV. FDA and International Certification:

When grounds surrounding a food plant generate environments that may jeopardize the safety of the product manufactured, the plant is responsible for minimizing risk. In this case, the surrounding area and grounds may result in PGPI failing FDA and 3rd Party Food Safety Audit requirements due to the increased potential of product contamination Since PGPI requires FDA registration for operations and passing 3rd party audits as customer requirements, this puts their overall operations in jeopardy.

United States Code of Federal Regulation, Title 21, Section 110.20(a)states that "(t)he grounds about a food plant under the control of the operator shall be kept in a condition that will protect against the contamination of food."

3301 Kinsman Blvd
Madison, WI 53704

V. Deibel: 608.347.0083
T. Lombardo: 608.218.0510

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In regards to roads, yards, and parking lots, the regulation further specifies that they must be kept in a condition such "that they do not constitute a source of contamination in areas where food is exposed".

21 CFR 110.20 continues to proscribe that if "the plant grounds are bordered by grounds not under the operator's control and not maintained in the manner described in paragraph (a), care shall be exercised in the plant by inspection, extermination, or other means to exclude pests, dirt, and filth that may be a source of food contamination".

In addition to the FDA regulations, most of PGPI's customers require certification with an approved agency of the Global Food Safety Initiative (GFSI). In order to maintain its customer base, PGPI must maintain current and uninterrupted GFSI certification. PGPI is currently certified by the British Retail Consortium (BRC). Specific to the BRC external food manufacturing standards:

> Section 4.1.1 Consideration shall be given to local activities and the site environment, which may have an adverse impact on finished product integrity, and measures shall be taken to prevent contamination. Where measures have been put into place to protect the site (from potential contaminants, flooding etc.), they shall be reviewed in response to any changes.
>
> Section 4.1.2 The external areas shall be maintained in good order. Where buildings are surrounded by grassed or planted areas, they shall be regularly tended and well-maintained. External traffic routes under site control shall be suitably surfaced and maintained in good repair to avoid contamination of the product.

Failure to comply with these and other 3rd party standards could result in loss of certification and thus loss of customers. The Project will result in a source of "pests, dirt and filth" that PGPI may not be able to control, and may increase the overall microbial load to a point where PGPI is no longer able to obtain the necessary certifications for its products.

V. Response to Dr. Nelson's Comment Letter:

Dr. Nelson's Comment Letter comes to two fundamental conclusions, both of which are inaccurate: "(1) Dr. Deibel's assertions are almost certainly fully incorrect when the refer to 'presence of waste water in the reclamation ponds' or 'annual removal of the processed material in the processing ponds' increasing pathogen loads. (2) Dr. Deibel's conclusions about the impact of 'earth-moving during project construction' or 'dirt from local construction

3301 Kinsman Blvd
Madison, WI 53704

V. Deibel: 608.347.0083
T. Lombardo: 608.218.0510

COVANCE

sites tracked onto Hanson Way' are **in no way specific to the Project.**" Without intending to disparage Dr. Nelson, I wish to respond to both of those conclusions.

1) Dr. Nelson bases his first conclusion on tests showing the pH of concrete slurry material, and his conclusion that "conditions in the reclamation ponds will be too alkaline (pH > 9.5)" to allow the growth of pathogens. As a basis for the pH levels he relies on the Report of Findings, State-Wide Portland Cement Concrete Waste, Supplemental Study from 2005. That report did show that the pH of concrete slurry was between 9.5 and 12. However, that report did not test the pH of any concrete slurry reclamation ponds, which is the subject of PGPI's concern. As noted above, the August 14, 2013, Soil Test shows that the pH of the pond material is 8.87, well below the pH level of 9.5 that Dr. Nelson states is the maximum pH level for pathogen growth. Accordingly, even if one were to disregard the peer-reviewed scientific literature summarized in my Table 1 above and to accept Dr. Nelson's opinion as to the alkalinity level that does not allow for pathogen growth, the pathogens at issue will multiply and grow exponentially in the recovery ponds proposed in connection with the Golden State Reclamation Project at the pH levels documented in applicant's August 14, 2013 Soil Test.

Next, the Comment Letter cites no support for the conclusion that pathogen growth cannot occur in pH's higher than 9.5. In fact, that conclusion is contradicted by the research cited above showing that some pathogens can grow at higher pH levels. Finally, Dr. Nelson does not address the fact that several of the pathogens of concern can survive higher pH levels and remain viable, even if they cannot grow at those levels.

Dr. Nelson's first conclusion is contradicted by the Applicant's own test results as well as the available scientific literature.

2) With regards to his second conclusion, Dr. Nelson acknowledges that the pathogens can grow in soil and wastewater, and are spread through fecal contamination. As described above, these facts form the basis of PGPI's concerns about the increased pathogen load. However, Dr. Nelson concludes that the proposed project does not present a concern because "fecal contamination is not, to my knowledge, an issue with the proposed reclamation ponds" and "concern about these three types of bacteria getting into food products should be a general one in the food-processing industry, regardless of specific localized earth-moving and construction activity." He provides no support for either of these conclusions, and does not explain why the fact that pathogen concerns are ubiquitous in the food production industry precludes reasonable mitigating measures in this case.

3301 Kinsman Blvd
Madison, WI 53704

V. Deibel: 608.347.0083
T. Lombardo: 608.218.0510

COVANCE

In his letter, Dr Douglas Nelson surprisingly states that it "would seem, therefore, to be 'best practices' in the food-processing industry to have filters on air-intake systems that would minimize the impact of these potential pathogens, regardless of how they got into the air." PGPI already complies with the industry standard for air filtration. PGPI's concern is that the increased pathogen load will require a much higher, and more costly and impractical level of filtration.

Next, Dr. Nelson's offhand dismissal of fecal contamination is improper. Open ponds are subject to fecal contamination from area birds, snakes, rodents and insects, As Dr. Nelson admits, fecal contamination is a primary means of spreading the pathogens that are of concern for this project.

As a trained food microbiologist who has spent my entire career servicing food production facilities, the proposed use of the adjacent land has food safety and quality implications for PGPI.

Respectfully submitted,

Virginia Deibel

Virginia Deibel, Ph.D.
Director of Microbiology

3301 Kinsman Blvd
Madison, WI 53704

V. Deibel: 608.347.0083
T. Lombardo: 608.218.0510

COVANCE

APPENDIX A. Air Filtration Standards and Their Uses

EU Filter Classification	US Filter Classification	Particle Size Range ASHRAE 52.2* (µ m) Efficiency %			Filter Use
		3-10	1-3	0.3-1	
G1	MERV 1-4	< 20			Primary Filters for Coarse dust
G2		< 20			
G3	MERV 5	20 - 50			
G4	MERV 6-7	50 - 70			
F5	MERV 8-9	> 85	50 - 80		Secondary Filters for fine dust and some yeasts and molds
F6	MERV 10-12	> 90	> 80		
F7	MERV 13	> 90	> 90	< 75	
F8	MERV 14	> 90	> 90	75 - 85	
F9	MERV 15	> 95	> 95	85 - 95	
H10					Semi HEPA and HEPA for yeasts, molds and most Bacteria
H11	MERV 16	> 95	> 95	> 95	
H12					
H13	MERV 18			> 99.97	
H14				> 99.99	
U15				> 99.999	ULPA ultra high efficiency
U16				>99.9999	
U17					

*** American Society of Heating, Refrigeration, and Air Conditioning Engineers Standard 52.2-2007**

3301 Kinsman Blvd
Madison, WI 53704

V. Deibel: 608.347.0083
T. Lombardo: 608.218.0510

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APPENDIX B*. Recommended Air Filtration by Processing Room / Product Sensitivity

AREA / ROOM	Pre-Filter Efficiency @ 1 Micron	Pre-Filter Grade (US)	Final Filter Efficiency @ 1 Micron	Final Filter Grade (US)	Room Air Changes per Hour	% Outside Make Up Air
High Risk Packaging / Conveying	70 – 80%	MERV 8	99.97% @ 0.3 μ	MERV 18	20	10 – 20%
High Risk Processing Rooms	70 – 80%	MERV 8	90 – 95%	MERV 15	10 – 12	10 – 20%
Ready – to – Eat Processing Rooms	70 – 80%	MERV 8	90 – 95%	MERV 15	8 – 10	10 – 20%
Not Ready-to-Eat Processing Rooms	70 – 80%	MERV 8	90 – 95%	MERV 14 – 15	8 – 10	10 – 20%
CIP / COP Room	70 – 80%	MERV 8	90 – 95%	MERV 14 – 15	Single Pass	100%
Raw Ingredient Storage	NA	NA	50%	MERV 7 – 8	NA	100%

***Best practices adopted from Kraft Foods, Nestle and Leprino Foods internal guidelines.**

3301 Kinsman Blvd
Madison, WI 53704

V. Deibel: 608.347.0083
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COVANCE

References:

1. United States Code of Federal Regulations, Title 21, Section 110, Good Manufacturing Practices.

2. American Society of Heating, Refrigeration, and Air Conditioning Engineers Standard 52.2 – 2007.

3. Houska, et al. Dry Heat Inactivation of Bacillus cereus in Rice; Czech Journal of Food Science, Vol. 25, No. 4: 208–213.

4. FDA Compliance Policy Guide: Guidance for FDA Staff, Sec. 555.320, *Listeria monocytogenes* (2008).

5. FSIS Compliance Guideline: Controlling *Listeria monocytogenes* in Post-lethality Exposed Ready-to-Eat Meat and Poultry Products (September 2012).

6. Gorski, L, et al. Prevalence, Distribution, and Diversity of *Salmonella enteric* in a Major Produce Region of California; Applied and Environmental Microbiology, Apr. 2011, p. 2734–2748.

7. Dowe, et al. *Listeria monocytogenes* Survival in Soil and Incidence in Agricultural Soils; Journal of Food Protection, Volume 60, Number 10, October 1997, pp. 1201-1207(7).

8. British Retail Consortium Global Food Safety Initiative Certification Standard, Issue 6.

9. Report of Findings, State-Wide Portland Cement Concrete Waste, Supplemental Study (April 29, 2005).

10. California Department of Transportation Website, http://www.dot.ca.gov/hq/env/haz/hw_pcc.htm.

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16. FDA Compliance Regulatory Information, Guidance Documents, 2011. http://www.fda.gov/Food/GuidanceComplianceRegulatoryInformation/GuidanceDocuments/FoodSafety/ucm247759.htm

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21. Jean-Christophe Augustin, J.C., A. Brouillaud-Delattre, L. Rosso, and V.Carlier. Significance of Inoculum Size in the Lag Time of *Listeria monocytogenes.* Appl Environ Microbiol. 2000 April; 66(4): 1706–1710.

City of Woodland

300 First Street
Woodland, CA 95695

Legislation Details (With Text)

File #:	14-076 Version: 1	Name:	
Type:	Report of the City Manager	Status:	Agenda Ready
File created:	2/26/2014	In control:	City Council
On agenda:	3/4/2014	Final action:	

Title: SUBJECT: Not To Exceed $38,000,000* Woodland Finance Authority Water Revenue Commercial Paper Notes
*Subject to Change

Recommendation for Action: Staff recommends that the City Council approve Resolution No. ____ approving the form of and authorizing execution and delivery of the Letter of Credit Reimbursement Agreement and the Amendment to the Installment Purchase Contract; approving the form of the Third Supplemental Trust Agreement, the amendment to Issuing and Paying Agent Agreement, and the Reoffering Memorandum and the distribution thereof; and approving other actions related to the Woodland Finance Authority Commercial Paper Notes.

Staff further recommends that the Board of the Woodland Finance Authority approve Resolution No. ____ approving the form of and authorizing the execution and delivery of the Letter of Credit Reimbursement Agreement, the Amendment to the Installment Purchase Contract, and the Amendment to Issuing and Paying Agent Agreement; approving the form of the Reoffering Memorandum and the distribution thereof; and approving other actions related to the Woodland Finance Authority Water Revenue Commercial Paper Notes.

Sponsors:

Indexes:

Code sections:

Attachments:
1- City of Woodland Resolution - Alternate Letter of Credit_Commercial Paper
2- Woodland Finance Authority Resolution - Alternate Letter of Credit_Commercial Paper
3- Woodland LC Reimbursement Agreement
4- Woodland CP Amendment to Installment Purchase Contract 2014
5- Woodland CP Amendment to Issuing and Paying Agency Agreement 2014
6- Reoffering Memorandum
7- Third Supplemental Trust Agreement - 2014 to 2011 Woodland Water Revenue Bonds LoC
8- California Judicial Reference Agreement

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: March 4, 2014

SUBJECT: Not To Exceed $38,000,000* Woodland Finance Authority Water Revenue Commercial Paper Notes
*Subject to Change

Recommendation for Action: Staff recommends that the City Council approve Resolution No. ____ approving the form of and authorizing execution and delivery of the Letter of Credit Reimbursement Agreement and the Amendment to the Installment Purchase Contract; approving the form of the Third Supplemental Trust Agreement, the amendment to Issuing and Paying Agent Agreement, and the Reoffering Memorandum and the distribution thereof; and approving other actions related to the Woodland Finance Authority Commercial Paper Notes.

Staff further recommends that the Board of the Woodland Finance Authority approve Resolution No. ____ approving the form of and authorizing the execution and delivery of the Letter of Credit Reimbursement Agreement, the Amendment to the Installment Purchase Contract, and the Amendment to Issuing and Paying Agent Agreement; approving the form of the Reoffering Memorandum and the distribution thereof; and approving other actions related to the Woodland Finance Authority Water Revenue Commercial Paper Notes.

Staff Contact

Kim McKinney, Finance Officer - (530)661-5849, kimberly.mckinney@cityofwoodland.org

Council Goal(s)

- Infrastructure
- Fiscal Stability

Fiscal Impact

There is no impact related directly to this item. The replacement of the Letter of Credit will allow for the continuation of the Commercial Paper program to act as short term working capital financing during construction of the Surface Water Project. The costs associated with the Letter of Credit and Commercial Paper program are significantly less expensive than traditional bond financing and are covered within the current water rates approved by Council in 2012.

Background

In 2011 the Woodland Finance Authority (the "Authority") approved the issuance of Water Revenue Commercial Paper Notes (the "Notes") to assist with payment of the costs related to the Surface Water Project.

Not To Exceed
$38,000,000
Woodland Finance Authority
Water Revenue Commercial Paper Notes

Since 2011, the Authority has sold $21,700,000 of Notes to the public for eligible capital expenditures related to the Water System and specifically projects related to the Surface Water Project. The $21,700,000 is currently set to mature on April 1, 2014 at an interest rate of 0.08%. The existing Union Bank letter of credit expires on May 12, 2014. Union Bank does not wish to renew their Letter of Credit since the City and Authority are exploring the possibility of securing state revolving fund (SRF) loans that may qualify for repayment as an Operation and Maintenance Expense in front of, or senior to, the Net Revenues securing the Notes. Citibank, N.A. has offered to replace the Letter of Credit with a not to exceed $38,000,000 replacement facility.

Discussion

The intent of the commercial paper program is to fund working capital expenditures related to the Surface Water Project and ultimately pay off the Notes with the proceeds of either SRF loans or through the issuance of future bonds. If the City is successful in securing SRF funding for part or all of the project, it is anticipated that the Notes would simply fund project expenditures awaiting reimbursement through the SRF program. Any outstanding Notes would be repaid upon each reimbursement. If the City were to issue bonds instead to fund the project, any Notes outstanding would be paid off from the proceeds of the first series of bonds. The commercial paper program is not a permanent source of financing but rather used to fund working capital during project construction.

Assuming the Water System maintains its' current rating of AA- by Standard and Poor's, Citibank has proposed a Letter of Credit fee of 0.50%. This is actually lower than the current fee paid to Union Bank of 0.78%.

The financing team consists of:

Remarketing Agent:	Citigroup Global Markets
Facility Provider:	Citibank, N.A.
Bond Counsel:	Kronick, Moskovitz, Tiedemann & Girard
Financial Advisor:	Del Rio Advisors, LLC
Disclosure Counsel:	Shiff Hardin LLP
Trustee:	U.S. Bank National Association, N.A.
Issuing and Paying Agent:	U.S. Bank Corporate Trust Services

The schedule, should the Council approve the replacement, would be to approach the rating agencies for a formal credit review and rating. The team would then complete all documentation by the middle of March, replace the existing Notes with new Notes when the existing Notes mature on April 1.

The following legal documents related to the replacement have been prepared in substantially final form and attached for Council / Authority review:

- Reimbursement Agreement, pursuant to which Citibank will issue the replacement Letter of Credit
- Reoffering Memorandum used to market the notes to the public
- Third Supplemental Trust Agreement pursuant to which the Authority will make certain amendments to the Trust Indenture and the Trust Agreement
- Amendments to the Installment Purchase Contract
- Amendments to the Issuing and Paying Agency agreement

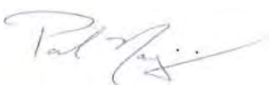
Conclusion

Staff recommends that the City Council approve Resolution No. ____ approving the form of and authorizing execution and delivery of the Letter of Credit Reimbursement Agreement, Amendment to the Installment Purchase Contract; and related documents, and approving other actions related to the Woodland Finance Authority commercial paper notes.

Staff further recommends that the Board of the Woodland Finance Authority approve Resolution No. ____

approving the form of and authorizing the execution and delivery of the Letter of Credit Reimbursement Agreement, Amendment to the Installment Purchase Contract, and related documents, and approve other actions related to the Woodland Finance Authority Water Revenue Commercial Paper Notes.

Prepared by: Kim McKinney, Finance Office



Paul Navazio, City Manager

Enclosures:
Resolution No. _______
Finance Authority Resolution No. ________
Reimbursement Agreement
Amendments to the Installment Purchase Contract
Amendments to the Issuing and Paying Agency Agreement
Reoffering Memorandum
Third Supplemental Trust Agreement
California Judicial Reference Agreement

CITY COUNCIL OF THE CITY OF WOODLAND

RESOLUTION NO. ________

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND APPROVING THE FORM OF AND AUTHORIZING EXECUTION AND DELIVERY OF THE LETTER OF CREDIT REIMBURSEMENT AGREEMENT AND THE AMENDMENT TO INSTALLMENT PURCHASE CONTRACT; APPROVING THE FORM OF THE THIRD SUPPLEMENTAL TRUST AGREEMENT, THE AMENDMENT TO ISSUING AND PAYMENT AGENCY AGREEMENT, AND THE REOFFERING MEMORANDUM AND THE DISTRIBUTION THEREOF; AND APPROVING OTHER ACTIONS RELATED TO THE WOODLAND FINANCE AUTHORITY WATER REVENUE COMMERCIAL PAPER NOTES

WHEREAS, the Woodland Finance Authority (the "Authority") has issued commercial paper notes (the "Notes") pursuant to the provisions of the Trust Indenture dated May 1, 2011 (the "Trust Indenture"), between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), which Trust Indenture was executed as and constitutes the second Supplemental Trust Agreement to the Trust Agreement dated February 1, 2011 (the "Trust Agreement"), between the Authority and the Trustee;

WHEREAS, Irrevocable Letter of Credit No. S317887M dated May 12, 2011, issued by Union Bank, N.A., which supports payment of the principal of and interest on the Notes, will terminate on May 12, 2014, and will be replaced by a letter of credit (the "Alternate Letter of Credit"), issued by Citibank, N.A. (the "Credit Bank"), pursuant to a reimbursement agreement (the "Reimbursement Agreement") between the Authority, the City of Woodland (the "City"), and the Credit Bank;

WHEREAS, as a condition of its issuance of the Alternate Letter of Credit, the Credit Bank has required that certain amendments be made to (a) the Trust Indenture,(b) the Trust Agreement, (c) the Installment Purchase Contract dated February 1, 2011 (the "Installment Purchase Contract"), between the City, and the Authority, and (d) the Issuing and Paying Agency Agreement dated May 1, 2011 ("the Issuing and Paying Agency Agreement"), between the Authority and U.S. Bank National Association, as trustee under the Trust Indenture, as a condition of its delivery of the Alternate Letter of Credit;

WHEREAS, the following proposed agreements relating to the issuance of the Alternate Letter of Credit and the disclosure document relating to the offering of the Notes following its delivery, which are incorporated herein by reference, have been presented to the City Council for its review and approval:

1. the Reimbursement Agreement, pursuant to which the Bank will issue the Alternate Letter of Credit to support the Notes;

2. the Reoffering Memorandum relating to the Notes (the "Reoffering Memorandum");

3. the Third Supplemental Trust Agreement, pursuant to which the Authority will make certain amendments to the Trust Indenture and the Trust Agreement;

4. the Amendment to Installment Purchase Contract;

5. the Amendment to Issuing and Paying Agency Agreement; and

6. the California Judicial Reference Agreement.

WHEREAS, it appears to the City Council that the authorization, approval, execution, and delivery of the documents described above or contemplated thereby or incidental thereto and the issuance of the Alternate Letter of Credit in accordance with the Reimbursement Agreement and the Trust Indenture are desirable and in the best interests of the City;

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

Section 1. **Recitals.** The foregoing recitals are true and correct and the City Council so finds and determines.

Section 2. **Authorization of Officers to Execute and Deliver the Documents.** The City Council hereby authorizes and directs the Mayor, the City Manager, the City Clerk, and the Finance Officer of the City (the "Designated Officers"), for and in the name of the City, to approve and to execute and deliver (as applicable) the following agreements and document:

a. the Reimbursement Agreement;

b. the Reoffering Memorandum;

c. the Third Supplemental Trust Agreement, pursuant to which the Authority will make certain amendments to the Trust Indenture and the Trust Agreement;

d. the Amendment to Installment Purchase Contract;

e. the Amendment to Issuing and Paying Agency Agreement; and

f. the California Judicial Reference Agreement;

in substantially the form presented to the City Council at this meeting, which documents are hereby approved, with such changes, insertions, revisions, corrections, or amendments as shall be approved by the officer or officers executing the document for the City. The execution of the foregoing documents by a Designated Officer or Officers shall constitute conclusive evidence of such officer's or officers' and the City Council's approval of any such changes, insertions, revisions, corrections, or amendments to the respective forms of documents presented to the City Council at this meeting.

Section 3. **Distribution of Offering Materials.** The City hereby authorizes Citigroup Global Markets (the "Dealer") to distribute the Reoffering Memorandum and other offering materials (the "Offering Materials") as provided in the Dealer Agreement dated May 1, 2011 (the

"Dealer Agreement") between the City and the Dealer. The City Council hereby authorizes and directs the Designated Officers, and each of them, to prepare and deliver to the Dealer such amendments and supplements to the Offering Materials as may be required under the terms of the Dealer Agreement.

Section 4. **General Authorization.** The City Council hereby authorizes and directs the Designated Officers and other officers and agents of the City, and each of them individually, for and in the name of and on behalf of the City, to do any and all things and to execute and deliver any and all documents that they may deem necessary or advisable in order to complete the issuance and delivery of the Alternate Letter of Credit and Reoffering Memorandum, and otherwise to carry out, give effect to, and comply with the terms and intent of this resolution. All actions heretofore taken by such officers and agents that are in conformity with the purposes and intent of this resolution are hereby ratified, confirmed and approved in all respects.

Section 5. Effective Date. This resolution shall take effect immediately upon its passage.

APPROVED, PASSED, AND ADOPTED this 4th day of March 2014 by the City Council of the City of Woodland by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Marlin H. Davies, Mayor

ATTEST:

____
Ana Gonzalez, City Clerk

WOODLAND FINANCE AUTHORITY

RESOLUTION NO. ________

RESOLUTION APPROVING THE FORM OF AND AUTHORIZING EXECUTION AND DELIVERY OF THE LETTER OF CREDIT REIMBURSEMENT AGREEMENT, THE THIRD SUPPLEMENTAL TRUST AGREEMENT, THE AMENDMENT TO INSTALLMENT PURCHASE CONTRACT, AND THE AMENDMENT TO ISSUING AND PAYING AGENCY AGREEMENT; APPROVING THE FORM OF THE REOFFERING MEMORANDUM AND THE DISTRIBUTION THEREOF; AND APPROVING OTHER ACTIONS RELATED TO THE WOODLAND FINANCE AUTHORITY WATER REVENUE COMMERCIAL PAPER NOTES

WHEREAS, the Woodland Finance Authority (the "Authority") has issued commercial paper notes (the "Notes") pursuant to the provisions the Trust Indenture dated May 1, 2011 (the "Trust Indenture"), between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), which Trust Indenture was executed as and constitutes the second Supplemental Trust Agreement (the "Second Supplement") under the Trust Agreement dated February 1, 2011 (the "Trust Agreement"), between the Authority and the Trustee;

WHEREAS, Irrevocable Letter of Credit No. S317887M dated May 12, 2011, issued by Union Bank, N.A., which supports payment of the principal of and interest on the Notes, will terminate on May 12, 2014, and will be replaced by a letter of credit (the "Alternate Letter of Credit"), issued by Citibank, N.A. (the "Credit Bank"), pursuant to a reimbursement agreement (the "Reimbursement Agreement") between the Authority, the City of Woodland (the "City"), and the Credit Bank;

WHEREAS, as a condition of its issuance of the Alternate Letter of Credit, the Credit Bank has required that certain amendments be made to (a) the Trust Indenture,(b) the Trust Agreement, (c) the Installment Purchase Contract dated February 1, 2011 (the "Installment Purchase Contract"), between the City and the Authority, and (d) the Issuing and Paying Agency Agreement dated May 1, 2011 ("the Issuing and Paying Agency Agreement"), between the Authority and U.S. Bank National Association, as trustee under the Trust Indenture, as a condition of its delivery of the Alternate Letter of Credit;

WHEREAS, the following proposed agreements relating to the issuance of the Alternate Letter of Credit and the disclosure document relating to the offering of the Notes following its delivery, which are incorporated herein by reference, have been presented to the Board of Directors (the "Board") of the Authority for its review and approval:

1. the Reimbursement Agreement, pursuant to which the Bank will issue the Alternate Letter of Credit to support the Notes;
2. the Reoffering Memorandum relating to the Notes (the "Reoffering Memorandum");
3. the Third Supplemental Trust Agreement, pursuant to which the Authority will make certain amendments to the Trust Indenture and the Trust Agreement;

4. the Amendment to Installment Purchase Contract;

5. the Amendment to Issuing and Paying Agency Agreement; and

6. the California Judicial Reference Agreement.

WHEREAS, it appears to the Board that the authorization, approval, execution, and delivery of the documents described above or contemplated thereby or incidental thereto and the issuance of the Alternate Letter of Credit in accordance with the Reimbursement Agreement and the Trust Indenture are desirable and in the best interests of the Authority;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Woodland Finance Authority, as follows:

Section 1. **Recitals.** The foregoing recitals are true and correct and the Board so finds and determines.

Section 2. **Authorization of Officers to Execute and Deliver the Documents.** The Board hereby authorizes and directs the President, the Vice President, the Administrator, the Treasurer, and the Secretary of the Authority (the "Designated Officers"), for and in the name of the Authority, to approve and to execute and deliver (as applicable) the following agreements and document:

a. the Reimbursement Agreement;

b. the Reoffering Memorandum;

c. the Third Supplemental Trust Agreement, pursuant to which the Authority will make certain amendments to the Trust Indenture and the Trust Agreement;

d. the Amendment to Installment Purchase Contract;

e. the Amendment to Issuing and Paying Agency Agreement; and

f. the California Judicial Reference Agreement;

in substantially the form presented to the Board at this meeting, which documents are hereby approved, with such changes, insertions, revisions, corrections, or amendments as shall be approved by the officer or officers executing the document for the Authority. The execution of the foregoing documents by a Designated Officer or Officers shall constitute conclusive evidence of such officer's or officers' and the Board's approval of any such changes, insertions, revisions, corrections, or amendments to the respective forms of documents presented to the Board at this meeting.

Section 3. **Distribution of Offering Materials.** The Authority hereby authorizes Citigroup Global Markets (the "Dealer") to distribute the Reoffering Memorandum and other offering materials (the "Offering Materials") as provided in the Dealer Agreement dated May 1, 2011 (the "Dealer Agreement") between the City and the Dealer. The Board hereby authorizes and directs the Designated Officers, and each of them, to prepare and deliver to the Dealer such amendments and supplements to the Offering Materials as may be required under the terms of the Dealer Agreement.

Section 4. **General Authorization.** The Board hereby authorizes and directs the Designated Officers and other officers and agents of the Authority, and each of them individually, for and in the name of and on behalf of the Authority, to do any and all things and to execute and deliver any and all documents that they may deem necessary or advisable in order to complete the issuance and delivery of the Alternate Letter of Credit and Reoffering Memorandum, and otherwise to carry out, give effect to, and comply with the terms and intent of this resolution. All actions heretofore taken by such officers and agents that are in conformity with the purposes and intent of this resolution are hereby ratified, confirmed and approved in all respects.

Section 5. **Effective Date**. This resolution shall take effect immediately upon its passage.

APPROVED, PASSED, AND ADOPTED on March 4, 2014, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ABSTAIN: Board Members:

____
Secretary of the Authority

DRAFT

LETTER OF CREDIT REIMBURSEMENT AGREEMENT

By and among

CITY OF WOODLAND,

WOODLAND FINANCE AUTHORITY

and

CITIBANK, N.A.,

Relating to

$[____________]
Woodland Finance Authority,
Water Revenue
Commercial Paper Notes

Dated as of [____________], 2014

ARTICLE I
DEFINITIONS

ARTICLE II
REIMBURSEMENT, BANK CERTIFICATES, FEES AND PAYMENT PROVISIONS

ARTICLE III
CONDITIONS PRECEDENT

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

ARTICLE V
AFFIRMATIVE COVENANTS

ARTICLE VII
EVENTS OF DEFAULT

ARTICLE VIII
NATURE OF OBLIGATIONS; INDEMNIFICATION

ARTICLE IX
TRANSFER, REDUCTION OR REINSTATEMENT OF LETTER OF CREDIT

ARTICLE X
MISCELLANEOUS

LETTER OF CREDIT REIMBURSEMENT AGREEMENT

This **LETTER OF CREDIT REIMBURSEMENT AGREEMENT** (the "Agreement") dated as of [___________], 2014, by and among **CITY OF WOODLAND**, a political subdivision duly organized and existing under and by virtue of the laws of the State of California (the "City"), **WOODLAND FINANCE AUTHORITY**, a California joint exercise of powers agency (the "Authority") and **CITIBANK, N.A.**, a national banking association organized under the laws of the United States of America (the "Bank").

W I T N E S S E T H:

WHEREAS, pursuant to [Section 53850] of the Government Code of the State of California, the Authority is empowered to issue commercial paper notes for the purposes set forth in the Trust Agreement dated as of February 1, 2011 (the "Trust Agreement") and the Trust Indenture dated as of May 1, 2011 (the "Supplemental Trust Indenture"), each between the Authority and the Trustee;

WHEREAS, pursuant to the Trust Agreement, the Authority has established a commercial paper program pursuant to which the Authority may, from time-to-time, issue Water Revenue Commercial Paper Notes in an amount not in excess of $[_________________] (including principal and interest) outstanding at any one time (the "Notes") under the Trust Agreement and supplemental trust agreements;

WHEREAS, the Authority authorized, and on [____________], 2011, initially issued, executed and delivered, the Notes;

WHEREAS, the Authority entered into an Installment Purchase Contract with the City dated February 1, 2011 (as amended, restated, supplemented and/or otherwise modified from time to time, the "Installment Purchase Contract"), the First Supplemental Installment Purchase Contract dated February 1, 2011 (the "First Supplemental Installment Purchase Contract"), and that certain Second Supplemental Installment Purchase Contract dated as of May 1, 2011 (the "Second Supplemental Installment Purchase Contract," and together with the Installment Purchase Contract and the First Supplemental Installment Purchase Contract, and as further amended or supplemented from time to time in accordance with its terms and the terms hereof, the "Installment Purchase Contract"), pursuant to which the Authority used the proceeds of the Notes to finance facilities for the Water System (as hereinafter defined) and agreed to sell such facilities to the City in exchange for CP Installment Payments (as hereinafter defined) that are payable by the City solely from the Water Revenues (as hereinafter defined);

WHEREAS, the Authority contemporaneously assigned to the Trustee, for the benefit and security of the owners of the Notes and to the Credit Bank (as hereinafter defined) with respect to the Reimbursement Obligations (as hereinafter defined) due and owing the Credit Bank, its right to receive CP Installment Payments under the Installment Purchase Contract and in any security provided in connection therewith and under the Supplemental Trust Indenture and the rights of the Trustee to receive the same;

WHEREAS, in order to secure the payment by the Paying Agent (as hereinafter defined) of principal and interest on the Notes at maturity, the Authority and the City have requested that the Bank issue the Letter of Credit (as hereinafter defined) as an Alternate Letter of Credit in accordance with the provisions of the Trust Agreement; and

WHEREAS, the Bank has agreed to issue the Letter of Credit pursuant to the terms hereof and the parties have entered into this Agreement in order to provide for the issuance of the Letter of Credit and the other matters set forth herein.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, including the covenants, terms and conditions hereinafter contained, and to induce the Bank to issue the Letter of Credit, the Bank and the City agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. In addition to terms defined at other places in this Agreement, the following defined terms are used throughout this Agreement with the following meanings:

"*Accountant*" means an independent certified public accountant or a firm of independent certified public accountants, selected by the City and satisfactory to the Bank.

"*Act*" means the [_________] Law of the State of California (being chapter [__] of the Water Code – Appendix) and Article [__] of Chapter [__] of Part [__] of Division [__] of Title [__] of the Government Code of the State of California, and in each case all laws heretofore and hereafter amendatory thereof or supplemental thereto.

"*Additional Subordinate Obligations*" has the meaning assigned to such term in Section 6.09(a).

"*Affiliate*" means, with respect to any Person, any other Person directly or indirectly controlling or controlled by or under common control with such Person. For purposes of this definition, "control" (including "controlled by" and "under common control with"), when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting rights, membership, the power to appoint members, trustees or directors, by contract or otherwise. Without limiting the foregoing, the definition of "Affiliate" of any Person shall include any subsidiary of such Person. "Affiliate" further includes, in the case of the City, the Authority.

"*Agreement*" means this Letter of Credit Reimbursement Agreement, including such amendments, modifications or supplements permitted pursuant to the terms hereof

"*Alternate Letter of Credit*" means any replacement Letter of Credit meeting the requirements of an Alternate Letter of Credit pursuant to Section 4.02 of the Supplemental Trust Indenture.

"*Amortization End Date*" means, with respect to any Principal Drawing, the first to occur of (i) the date which is thirty-six (36) months after the date of the Principal Drawing, (ii) an Early Expiration Date, (iii) the date the Stated Amount is reduced to zero and (iv) the date upon which (A) an Event of Default shall occur or (B) any date during the Term Amortization upon which any representation or warranty of the City or the Authority made in this Agreement or in any certificate or document delivered in connection with this Agreement shall no longer be accurate and complete, as deemed made on and as of such date.

"*Applicable Law(s)*" means, collectively, the Constitutions of the United States and the State of California, all applicable common law and principles of equity and all international, foreign, federal, state and local laws, statutes, treaties, codes, acts, rules, regulations, guidelines, ordinances, resolutions, orders, judgments, decrees, injunctions, and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all administrative orders, directed duties, requests, licenses, certificates, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law, that are applicable now or are applicable at any time hereafter to (a) the City or (b) the Water System or any other assets, property, operations or facilities (including the CP Project) of the City or (c) the Transactions.

"*Authority*" means the Woodland Finance Authority, a California joint exercise of powers agency, including any successor thereto.

"*Authority Resolution*" means Resolution No. [__________], adopted by the Board of Directors of the Authority on [________________].

"*Authorized Authority Representative*" means the [Executive Director or the Treasurer] of the Authority.

"*Authorized City Representative*" means the City Manager or Chief Financial Officer/Treasurer of the City and any other officer or employee of the City authorized to perform the specific acts or duties to be performed by resolution duly adopted by the City and of whom another Authorized City Representative gives written notice to the Bank; provided, however, that in each case for which a certification or other statement of fact or condition is required to be submitted by an Authorized City Representative pursuant to the terms of this Agreement, such certificate or statement shall be executed only by an Authorized City Representative in a position to know or to obtain knowledge of the facts or conditions that are the subject of such certificate or statement. Any document or certificate hereunder that is executed by an Authorized City Representative shall be deemed to have been authorized by all necessary action by the City.

"*Authorized Denominations*" shall have the meaning assigned in the [Trust Agreement].

"*Available Moneys*" means (i) moneys which have been paid to the Trustee or the Bank and have been on deposit with the Trustee or the Bank for at least 367 days during and prior to which no Event of Bankruptcy shall have occurred, (ii) any other moneys, if, in the opinion of nationally-recognized counsel experienced in bankruptcy matters (and provided such opinion is acceptable to the Bank), the application of such moneys will not constitute a voidable preference in the event of the occurrence of an Event of Bankruptcy, and (iii) investment earnings on any of the moneys described in clauses (i) and (ii) of this definition.

"*Bank*" means Citibank N.A., a banking association organized and existing under the laws of the United States of America, and its successors and assigns.

"*Bank Debt Service*" means, collectively, the principal of and interest on the Bank Note and includes all obligations of the City to reimburse the Bank for Drawings under the Letter of Credit and all obligations to repay the Term Amortization and, in each case, all interest accruing thereon as provided in this Agreement.

"*Bank Disclosure*" means the information provided by the Bank and included under the caption "The Bank" in the Offering Circular entitled "Information Regarding Citibank, N.A."

"*Bank Note*" means the note executed by the City in favor of the Bank in the form of Exhibit E hereto properly completed, including any renewals, amendments, modifications and supplements thereto permitted by the terms hereof.

"*Bank Rate*" means, for each date of determination, (a) the Base Rate, and (b) from and after the earlier of (i) the date amounts are owed hereunder but are not paid when due and (ii) during the occurrence and continuance of an Event of Default, the Default Rate.

"*Base Rate*" means, for any date, a rate per annum equal to the LIBOR Index Rate plus seven hundred fifty basis points (7.50%).

"*Bonds*" means the Bonds (including the Notes), as such term is defined in the Trust Agreement.

"*Book Entry Notes*" means the Notes so long as the book entry system with the Securities Depository is used for determining beneficial ownership of the Notes.

"*Business Day*" means any day other than (a) a day on which banks located in any of the cities in which the principal office of any of the Trustee, the Paying Agent, the Dealer or the Bank is located are required or authorized by law to close, (b) a day on which the New York Stock Exchange is closed, or (c) a day on which the payment system of the Federal Reserve System is not operational. For purposes of this definition, the Bank's principal office shall be that office of the Bank at which Drawings are to be presented under the Letter of Credit and the Trustee's and Paying Agent's principal office shall be its respective office as designated in the Issuing and Paying Agency Agreement.

"*Capital Lease Obligations*" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"*City*" means the City of Woodland, a political subdivision duly organized and existing under and by virtue of the laws of the State of California.

"*City Manager*" means the city manager of the City.

"*City Resolutions*" means Resolutions Nos. [____] and [____] adopted by the Board of Directors of the City on [___________], 201__.

"*City Revenue Bonds*" means the City Revenue Bonds, as such term is defined in the Trust Agreement, the payments of which are payable from Net Revenues on a first priority on parity with the Bank Note and the other Parity Obligations and are secured by a pledge of and first priority lien on Net Revenues. As of the Closing Date, there are no City Revenue Bonds.

"*Closing Date*" means [__________], 2014, or such later date on which this Agreement is fully executed and delivered.

"*Code*" means the Internal Revenue Code of 1986, as amended, or any successor provision or provisions thereto or any successor Federal tax code, and any regulations (including temporary and proposed regulations relating to the matters governed by this Agreement) thereunder or under any such provision or successor Federal tax code.

"*Commercial Paper Fund*" has the meaning assigned to such term in the Supplemental Trust Indenture.

"*Commercial Paper Program*" means the commercial paper program established by the Authority pursuant to the [Supplemental Trust Indenture] for the benefit of the City.

"*Contracts*" means this Agreement and any amendments and supplements hereto, the Installment Purchase Contract and any amendments and supplements thereto, and all contracts of the City authorized and executed by the City, the Installment Payments under which are on a parity with the Bank Debt Service and which are secured by a pledge of and first lien on the Net Revenues and are payable from Net Revenues. As of the Closing Date, Contracts includes and is limited to: (a) the Installment Purchase Contract; (b) {LIST}; and (C) this Agreement.

"*Counsel*" means an attorney duly admitted to practice law before the highest court of any state.

"*CP Installment Payments*" has the meaning assigned to such term in the Supplemental Trust Indenture.

"*CP Project*" has the meaning assigned to such term in the Supplemental Trust Indenture.

"*Credit Bank*" has the meaning assigned to such term in the Supplemental Trust Indenture.

"*Credit Provider*" has the meaning assigned to such term in the Trust Agreement.

"*Date of Determination*" means the second London Banking Day prior to (a) the Closing Date, for the period from the Closing Date to and including [__________] and (b) the first day of each calendar month, for all other periods.

"*Date of Issuance*" means [_____________], 2014, on which date the Bank will issue the Letter of Credit.

"*Dealer*" means Citigroup Global Markets Inc. or any replacement firm which is acting as a dealer in the Notes and is appointed as such by the City.

"*Dealer Agreement*" means the Dealer Agreement, dated as of May 1, 2011, executed and delivered by the City, the Authority and the Dealer pursuant to the Supplemental Trust Indenture, including a Dealer Agreement with a substitute Dealer entered into in accordance with the Supplemental Trust Indenture and with the prior written consent of the Bank.

"*Debt*" means with respect to any Person, all items that would be classified as a liability in accordance with GAAP, including, without limitation, (a) indebtedness or liability for borrowed money including amounts drawn under a letter of credit or other credit facility, or amounts advanced under a commercial paper program, or for the deferred purchase price of property or services (including trade obligations); (b) all Capital Lease Obligations of such Person; (c) current liabilities in respect of unfunded benefits under employee benefit, retirement or pension plans; (d) obligations issued for the account of any other Person; (e) all obligations arising under acceptance facilities; (f) all Guarantees and other contingent obligations to purchase, to provide funds for payment, to supply funds to invest in any other Person or otherwise to assure a creditor against loss; (g) obligations secured by full faith and credit or by any mortgage, lien, pledge, security interest or other charge or encumbrance on property, whether or not the obligations have been assumed; (h) all unfunded amounts under a loan agreement, letter of credit, or other credit facility for which such Person would be liable, if such amounts were advanced under the credit facility; (i) obligations of such Person under Hedge Agreements, City Revenue Bonds, Installment Payments or Contracts; and (j) all amounts required to be paid by such Person as a guaranteed payment to partners or members or as a preferred or special dividend, including any mandatory redemption of shares or interests; and, in each case, whether such Person is liable contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which obligations such Person otherwise assures a creditor against loss.

"*Debt Service*" shall have the meaning assigned to such term in the Trust Agreement.

"*Debt Service Payments*" means payments of "Debt Service."

"*Debtor Relief Laws*" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws and regulations of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"*Default*" means the occurrence of any event or the existence of any condition which constitutes an Event of Default or the occurrence of any event or the existence of any condition which with the giving of notice, the passage of time, or both, would constitute an Event of Default.

"*Default Premium*" means a per annum rate equal to three hundred basis points (3.00%).

"*Default Rate*" means a per annum rate of interest equal to the Base Rate plus the Default Premium.

"*Designated Maturity*" means one month.

"*Determination Counsel*" means a firm of attorneys of nationally-recognized standing in matters pertaining to the validity of and tax exempt nature of interest on bonds and other debt instruments issued by states and their political subdivisions, designated by the City and acceptable to the Bank in its reasonable discretion.

"*Determination of Taxability*" means a determination that the interest payable on the Notes does not qualify as interest which is excludable from gross income of the recipient thereof for federal income tax purposes under Section 103 of the Code ("Exempt Interest") for any reason, which determination shall be deemed to have been made upon the first to occur of any of the following:

(a) the date on which (i) the Internal Revenue issues a proposed or final determination of taxability, a Notice of Proposed Issue (IRS Form 5701-TEB), a notice of deficiency or similar notice, or any other notice, determination or decision, in each case, to the effect that the interest payable on the Notes or any portion thereof does not qualify as Exempt Interest, or (ii) a court of competent jurisdiction has rendered any final ruling or decision to the effect that the interest payable on the Notes or any portion thereof does not qualify as Exempt Interest;

(b) the date when the City or the Authority files any statement, supplemental statement, or other tax schedule, return or document, which is in any respect inconsistent with interest payable on the Notes or any portion thereof continuing to qualify as Exempt Interest;

(c) the date of any sale, lease or other deliberate action within the meaning of Treas. Reg. § 1.141-2(d), if prior to such action the City, the Authority and the Bank have not received an unqualified opinion of Determination Counsel to the effect that such action will not cause interest on the Notes to become includable in the gross income of the recipient for federal income tax purposes; or

(d) (i) the date that circumstances relating to the City, the Authority or the Water System or the CP Project or any portion thereof have occurred or changed, or any federal tax law or regulation, or any public or private final ruling, technical advice memorandum or any other written communication by the Internal Revenue Service is adopted or issued, or any final ruling or decision of a court of competent jurisdiction is rendered or any other set of circumstances has occurred, in any such case, which may adversely affect the excludability of the Exempt Interest from the gross income of the recipient for federal income tax purposes; and thereafter (ii) Determination Counsel is notified by the Bank in writing, with a copy to the City and the Authority, or by the City, with a copy to the Bank and the Authority, that Determination Counsel is requested to deliver an updated approving tax-exempt opinion in form and substance acceptable to the Bank in its sole discretion ("Approving Opinion") during the 45-day period after receipt of the request and is assured as to the payment of its fees and expenses for such services; and (iii) within 45 days after such notice has been received by Determination Counsel, either (A) the Bank, the City and the Authority have received written communication from Determination Counsel to the effect that, based upon an analysis of the facts and applicable law, it is unable to render an updated Approving Opinion, or (B) Determination Counsel has not delivered an Approving Opinion.

"*Drawing*" means a Drawing under the Letter of Credit to pay amounts due with respect to Notes at maturity.

"*Early Expiration Date*" means any occurrence of the Expiration Date described in any of subparts (b), (c) or (d) of the definition of "Expiration Date".

"*Early Termination Payment*" means, with respect to a Permitted Swap Agreement, any payment obligation of the City thereunder due upon the early termination of any transaction governed by such Permitted Swap Agreement.

"*Environmental Claim*" shall mean any and all administrative, regulatory or judicial investigations, proceedings, actions, suits, demand letters, claims, liens, notices of noncompliance or violation, relating in any way to any Environmental Law ("claims") or any permit issued under any such Environmental Law, including without limitation (a) any and all claims by Governmental Authorities for enforcement, cleanup, removal, response, remedial, or other actions or damages pursuant to any applicable Environmental Law, and (b) any and all claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment.

"*Environmental Law(s)*" means any and all federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to air, water or land pollution, wetlands or the protection of the environment or to emissions, discharges or releases of Hazardous Materials into the environment, including, without limitation, ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials or the clean up or other remediation thereof.

"*Environmental Liability*" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the City or any of its Affiliates directly or indirectly resulting from or based upon (a) violation of any Environmental Law,

(b) the generation, use, handling, presence, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"*ERISA*" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and all rules and regulations from time to time promulgated thereunder, or any successor statute.

"*Event of Bankruptcy*" means any of the following events:

(a) the City or the Authority (or any other Person obligated, as guarantor or otherwise, to make payments with respect to the Notes or the Bank Note or otherwise under this Agreement or the Supplemental Trust Indenture) shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or the like of the City or the Authority (or any such other Person) or of all or any substantial part of their respective property, (ii) commence a voluntary case under the Bankruptcy Code, or (iii) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts; or

(b) a proceeding or case shall be commenced, without the application or consent of the City or the Authority (or any other Person obligated, as guarantor or otherwise, to make payments on the Notes or the Bank Note or otherwise under this Agreement or the Supplemental Trust Indenture) in any court of competent jurisdiction, seeking (i) the liquidation, reorganization, dissolution, winding-up, or composition or adjustment of debts, of the City (or any such other Person), (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of or for the City or the Authority (or any such other Person) or of all or any substantial part of their respective property, or (iii) similar relief in respect of the City or the Authority (or any such other Person) under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts.

"*Event of Default*," in relation to this Agreement, shall have the meaning assigned to such term in Article VII, and in relation to any Related Document, shall have the meaning set forth therein.

"*Event of Insolvency*" means, with respect to any Person, the occurrence of one or more of the following events:

(a) the issuance, under the laws of any state or under the laws of the United States of America, of an order of rehabilitation, liquidation or dissolution of such Person;

(b) the commencement by or against such Person of a case or other proceeding seeking liquidation, reorganization or other relief with respect to the such Person or its debts under any bankruptcy, insolvency or other similar state or federal law now or hereafter in effect, including, without limitation, the appointment of a trustee, receiver, liquidator, custodian or other similar official for such Person or any substantial part of its property or there shall be appointed or designated with respect to it, an entity such as an organization, board, commission, authority, agency or body to monitor, review, oversee, recommend or declare a financial emergency or similar state of financial distress with respect to it or there shall be declared or introduced or proposed for consideration by it or by any legislative or regulatory body with competent jurisdiction over it, the existence of a state of financial emergency or similar state of financial distress in respect of it;

(c) the making of an assignment for the benefit of creditors by such Person;

(d) the failure of such Person to generally pay its debts as they become due;

(e) a debt moratorium, debt adjustment, debt restructuring or comparable restriction with respect to the payment of any Debt of such Person is declared or imposed by such Person or by any Governmental Authority having jurisdiction over such Person;

(f) such Person shall admit in writing its inability to pay its debts when due; or

(g) in the case of the City or the Authority, the initiation of any actions to authorize or consent to any of the foregoing by or on behalf of the City or the Authority, as the case may be.

"*Excess Interest Amount*" shall have the meaning assigned to such term in Section 2.03(b).

"*Excluded Notes*" means (i) any Notes issued after the Expiration Date or maturing after the fifth Business Day prior to the Stated Expiration Date, (ii) any Notes issued after the Bank gives a No Issuance Notice or a Final Drawing Notice, and prior to the Bank giving written notice that such No Issuance Notice or Final Drawing Notice, as applicable, is rescinded and (iii) any Notes issued in a principal amount in excess of the principal amount of Notes maturing on the date such Notes are issued after the Bank gives a Restricted Issuance Notice and prior to the Bank giving written notice that such Restricted Issuance Notice is rescinded.

"*Existing Parity Debt*" means the Parity Obligations issued or incurred by the City and listed on Schedule 4.01(x) attached hereto and made a part hereof, as such Parity Obligations exist on the Date of Issuance.

"*Expiration Date*" has the meaning given to such term in Paragraph 1 of the Letter of Credit.

"*Exposure*" means, for any date with respect to a Person and any Hedge Agreement, the amount of any Settlement Amount that would be payable by such Person if such Hedge Agreement were terminated as of such date. Exposure shall be determined in accordance with the standard methods of calculating such Exposure under similar arrangements as prescribed from time to time by the Bank, taking into account the methodology for calculating amounts due upon early termination as set forth in the related Hedge Agreement and the notional principal amount, term and other relevant provisions thereof.

"*Facility Fee*" has the meaning assigned to that term in Section 2.02.

"*Fiscal Year*" means the fiscal year of the City ending on June 30 of each calendar year.

"*Fitch*" means Fitch, Inc., or any successor thereto.

"*Fund(s)*" means, collectively, the Revenue Fund, the Rate Stabilization Fund and each of the other funds and accounts (other than the Rebate Fund) established under and pursuant to the Trust Agreement and the Supplemental Trust Indenture, together with the [Note Account], as defined and established under the Issuing and Paying Agency Agreement.

"*GAAP*" means accounting principles generally accepted and consistently applied to governmental entities in the United States, as set forth in the opinions and pronouncements of the Accounting Principles Board, the American Institute of Certified Public Accountants and the Financial

Accounting Standards Board or in such other statements by such other entity as may be in general use by significant segments of the accounting profession as in effect on the date hereof.

"*Governmental Approvals*" means an authorization, consent, approval, permit, license, certificate of occupancy or an exemption of, a registration or filing with, or a report to, any Governmental Authority.

"*Governmental Authority*" means any national, supra national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi governmental, judicial, administrative, public or statutory instrumentality, authority, body, agency, department, commission, bureau, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other Person with authority to bind a party at law.

"*Guarantee*" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Debt or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Debt or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Debt or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Debt or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

"*Hazardous Materials*" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, contaminants, chemicals, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"*Hedge Agreement*" means any rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, total return swap, credit default swap or any other similar transaction (including any option with respect to any of these transactions) and any other agreement or option involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.

"*Installment Payments*" has the meaning assigned to such term in the Trust Agreement and includes the CP Installment Payments.

"*Installment Purchase Contract*" has the meaning assigned to such term in the recitals hereto.

"*Interest Drawing*" means that portion of each Drawing used to pay interest accrued on Notes at maturity.

"*Interest Payment Date*" has the meaning assigned to that term in Section 2.03.

"*Investment Policy*" has the meaning assigned to that term in Section 6.17.

"*Issuing and Paying Agency Agreement*" means the Issuing and Paying Agency Agreement, dated as of May 1, 2011, by and among the Authority and the Paying Agent executed and delivered pursuant to the Supplemental Trust Indenture, and including an Issuing and Paying Agreement with a substitute Paying Agent entered into in accordance with the Supplemental Trust Indenture and as permitted under this Agreement, including such amendments, modifications and supplements thereto permitted pursuant to its terms and the terms hereof.

"*Judicial Reference Agreement*" means that certain Judicial Reference Agreement dated as of [______________], 2014, and entered into by and among the Bank, the City, the Authority, the Paying Agent and the Trustee.

"*Letter of Credit*" means the Irrevocable Letter of Credit No. [_____________] issued by the Bank dated [___________], 2014, including such amendments, modifications or supplements permitted pursuant to its terms and the terms hereof, substantially in the form of Exhibit A hereto.

"*LIBOR Index Rate*" means:

(a) as of any Date of Determination, the interest rate per annum equal to (i) the offered quotations for the Designated Maturity in United States Dollars which appears on LIBOR01 Page of the Thomson Reuters BBA LIBOR Rates Screen (or such other page as may replace LIBOR01 Page, or such other service as may be nominated by the British Bankers' Association as the information vendor for the purpose of displaying British Bankers' Association Interest Settlement Rates for deposits in United States Dollars) at or about 11:00 a.m. (London time) on the applicable Date of Determination; or (ii) if the interest rate determined under clause (i) is not available, the arithmetic mean (rounded upward to the nearest one-sixteenth of one percent (0.0625%)) of the interest rates quoted by the "London Reference Banks" to leading banks in the London interbank market at or about 11:00 a.m. (London time) on the applicable Date of Determination for a period of the Designated Maturity (commencing on the first day of the relevant interest period) in United States Dollars;

(b) provided, however that, if the Bank determines that for any reason and with respect to any Date of Determination (i) Dollar deposits are not being offered to banks in the London interbank eurodollar market for the applicable amount and Designated Maturity, or (ii) adequate and reasonable means do not exist for determining the LIBOR Index Rate for any Designated Maturity, the Bank will promptly so notify the City and the Trustee and the LIBOR Index Rate for such Designated Maturity and such Date of Determination shall be that of the preceding interest period for the Designated Maturity until such time as the Bank shall either notify the City and the Trustee (x) of an alternative index to be used to calculate the LIBOR Index Rate or (y) that the LIBOR Index Rate will again be calculated as set forth under (a) of this definition.

"*Lien*" on or with respect to any asset means any mortgage, deed of trust, lien, pledge, charge, security interest, hypothecation, assignment, deposit arrangement or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected or effective under applicable law, as well as the interest of a vendor or lessor under any conditional sale agreement, capital or finance lease or other title retention agreement relating to such asset and, in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"*Margin Stock*" shall have the meaning assigned to that term in Regulation U promulgated by the Board of Directors of the Federal Reserve System, as now and hereafter from time to time in effect.

"*Master Note*" has the meaning assigned to such term in the Supplemental Trust Indenture.

"*Material Adverse Change*" means the occurrence of any event or change which, in the sole reasonable discretion of the Bank, results in a material and adverse change in the business, condition (financial or otherwise), operations or prospects of the Water System since the last day of the period reported in the audited annual financial statements of the City dated as of [____________], or which in the sole reasonable discretion of the Bank materially and adversely affects (a) the enforceability of this Agreement or any of the other Related Documents, (b) the ability of the City to perform its obligations hereunder or thereunder or (c) the rights of, or benefits or remedies available to, the Bank under the Supplemental Trust Indenture, this Agreement or any other Related Document.

"*Material Adverse Effect*" means (a) a materially adverse effect upon the Water System's business, assets, liabilities, condition (financial or otherwise), results of operations or business prospects of the Water System, (b) with respect to this Agreement or any of the other Related Documents or any of the City's obligations arising under this Agreement or any of the other Related Documents, an adverse effect upon the binding nature, validity or enforceability of such agreement or obligation, (c) an adverse effect on the exclusion of interest on the Notes from gross income for purposes of federal income taxation or the exemption of such interest from State personal income taxes or (d) a materially adverse effect (i) on the authority or ability of the City to perform any of its obligations under any Related Document or the ability of the City to complete the Transactions or (ii) on the rights of or remedies of the Bank hereunder or under the other Related Documents or on the pledge of the Net Revenues under the Installment Purchase Contract and the Supplemental Trust Indenture or on the Pledge of the Pledged Revenues hereunder or on the priority of the Liens created thereby.

"*Material Contract(s)*" means each O&M Obligation, the SRF Contract, and any other contract, agreement or other arrangement, now existing or hereafter entered into and relating to the Water System or the Water Service or the operations of the City, the termination, cancellation, non renewal, impairment, invalidation or modification of which could (i) materially reduce the supply or availability of water and thereby expose the City to materially greater risk or cost, (ii) in any manner impair or adversely affect the ability of the City to pay any Parity Obligations or other Permitted Indebtedness or (iii) otherwise have a Material Adverse Effect on the City.

"*Material Litigation*" shall have the meaning assigned in Section 4.01(g).

"*Maximum Bank Interest Rate*" means the lesser of (a) 25% per annum and (b) the Maximum Lawful Rate.

"*Maximum Lawful Rate*" means the respective maximum, non-usurious, lawful rate of interest that may be contracted for, charged or received in connection with the Required Payments under this Agreement, under Applicable Law presently in effect or, to the extent permitted by law, under Applicable Law that may hereafter be in effect and that allows a higher maximum and non-usurious rate of interest than Applicable Law now allows.

"*Moody's*" means Moody's Investors Service, Inc., or any successor thereto.

"*Net Revenues*" means, for any Fiscal Year, the Water Revenues for such Fiscal Year less the Operation and Maintenance Costs for such Fiscal Year.

"*No Issuance Notice*" shall have the meaning assigned in Section 7.02.

"*Non-Scheduled Payments*" means any payments under any Permitted Swap Agreement that are not Regularly Scheduled Payments, including but not limited to Early Termination Payments, indemnification payments, tax gross up payments, expenses and default interest payments.

"*Note*" and "*Notes*" means the Woodland Finance Authority Water Revenue Commercial Paper Notes, which shall be commercial paper notes having a maturity of not less than 7 days and not more than 270 days, and not expiring later than the Expiration Date, issued pursuant to and in accordance with the provisions of the Trust Agreement and Supplemental Trust Indenture, and authenticated and delivered by the Paying Agent under and pursuant to the Supplemental Trust Indenture.

"*Note CUSIP Number*" means the CUSIP numbers assigned by Standard & Poor's CUSIP Service to the Notes.

"*O&M Obligation*" has the meaning assigned to such term in the Trust Agreement.

"*Obligor Rating*" shall mean any rating by a Rating Agency on any Parity Obligations of the City secured by a Lien on and security interest in the Net Revenues that is not guaranteed by any other Person or subject to any third-party credit enhancement.

"*Offering Circular*" means the [________________] relating to the Notes, dated [_________________] (the "Offering Circular") (including the cover page and all summary statements, appendices and other materials included or incorporated by reference or attached thereto), as amended or supplemented and any other preliminary or final offering circular of the Authority or prospectus used with respect to the remarketing of the Notes or supplement to the Offering Circular.

"*Operation and Maintenance Costs*" means: (a) the reasonable and necessary costs paid or incurred by the City for maintaining and operating the Water System, determined in accordance with GAAP, including (without limitation) the costs of purchasing water, all reasonable expenses of maintenance and repair and other expenses necessary to maintain and preserve the Water System in good repair and working order, and all administrative costs of the City that are charged directly or apportioned to the operation of the Water System, such as salaries and wages of employees, overhead, taxes (if any) and insurance premiums, and including all other reasonable and necessary costs of the City or charges required to be paid by it to comply with the terms hereof or of any resolution authorizing the issuance of any City Revenue Bonds or of such City Revenue Bonds, or of any resolution authorizing the execution of any Contract or of such Contract, such as compensation, reimbursement and indemnification of the trustee for any such City Revenue Bonds or Contracts and fees and expenses of Independent Certified Public Accountants, Independent Engineers, Independent Financial Consultants, Insurance Consultants, and the City's financial advisor, and (b) all payments under an O&M Obligation; but excluding in all cases (x) depreciation, replacement and obsolescence charges or reserves therefor, amortization of intangibles, losses or gains on subsidiaries accounted for on any equity basis, or other bookkeeping entries of a similar nature, (y) intergovernmental transfers by the City that are not reimbursements or payments for overhead or other administrative expenses incurred by the City, and (z) all interest charges and charges for the payment of principal or amortization of bonded or other indebtedness of the City.

"*Other Obligation*" means any indenture, contract, mortgage, deed of trust, guaranty, note or agreement (other than this Agreement), other contractual restriction, lease, instrument, certificate of incorporation, charter or by law.

"*Other Taxes*" means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, the Letter of Credit or this Agreement.

"*Outstanding Notes*" means, as of the time in question, all Notes authenticated and delivered under the Supplemental Trust Indenture and Outstanding (as defined in [_________]) thereunder.

"*Owner*" means the registered owner of a Note or, if the Notes are Book Entry Notes, the beneficial owner of such Note and has the meaning assigned to the term "Noteowner" in the Supplemental Trust Indenture.

"*Paired Obligation(s)*" means any Bond or Contract (or portion thereof) together with any Hedge Agreement or other agreement described within subpart (e) of the definition of "Debt Service" in the Trust Agreement (i) the principal of which is of equal amount maturing and to be redeemed or prepaid (or cancelled after acquisition thereof) on the same dates and in the same amounts, and (ii) the interest rates which, taken together, result in an irrevocably fixed interest rate obligation of the City for the term of such Bond or Contract and which complies with the provisions of Section 5.22.

"*Paired Obligation Provider*" means a party (other than the Bank) to a Paired Obligation other than the City.

"*Parity Obligations*" means the City Revenue Bonds, the Bank Note and all Bank Debt Service under this Agreement, and the Contracts (including the Installment Payments thereunder) now or hereafter executed, delivered and outstanding by or on behalf of the City, which are equally and ratably payable from and secured by a pledge of and first lien upon the Net Revenues and the Water Revenue Fund (subject in the case of the Water Revenue Fund to application of amounts on deposit therein for the payment of Operation and Maintenance Costs).

"*Participant(s)*" means any bank(s) or other financial institution(s) which may purchase a participation interest from the Bank in the Letter of Credit, this Agreement and certain of the Related Documents pursuant to a participation agreement between the Bank and the Participant(s).

"*Paying Agent*" means U.S. Bank National Association, in its capacity as paying agent under the Supplemental Trust Indenture and its duly qualified successors and assigns in such capacity.

"*Pension Plan*" means any "employee pension benefit plan" which is maintained by the City or to which the City contributes or has an obligation to contribute, or has made contributions at any time during the immediately preceding six (6) plan years.

"*Permitted Investments*" has the meaning assigned to such term in the Trust Agreement.

"*Permitted Liens*" shall mean Liens which are permitted under [Article 6 of the Installment Purchase Contract].

"*Permitted Indebtedness*" means, collectively, (a) the Debt evidenced by the Bank Note, this Agreement and the other Parity Obligations, including, City Revenue Bonds and Contracts, each issued, executed or entered into in accordance with the provisions of this Agreement and the Installment Purchase Contract, (b) O&M Obligations, issued, executed or entered into in accordance with the provisions of this Agreement and the Installment Purchase Contract and (c) Additional Subordinate

Obligations entered into in accordance with the provisions of this Agreement and the Installment Purchase Contract.

"*Permitted Swap Agreement*" means a Hedge Agreement under which all Regularly Scheduled Payments and all Non-Scheduled Payments constitute Subordinated Payments and which are entered into with a financial institution counterparty with a minimum liquidity rating of A1+ by S&P and P1 by Moody's and a long term rating equal to or exceeding "Aa3" by Moody's and "AA–" by S&P.

"*Person*" means an individual, a corporation, a partnership, an association, a joint venture, a trust, a business trust, a limited liability company or any other entity or organization, including a governmental or political subdivision or an agency or instrumentality thereof.

"*Pledge*" has the meaning assigned to such term in Section 2.12 hereof.

"*Pledged Revenues*" means the Net Revenues and the Water Revenue Fund and all amounts on deposit therein (subject to application of amounts on deposit therein for the payment of Operation and Maintenance Costs and payment equally and ratably of the Parity Obligations).

"*Principal Drawing*" means that portion of each Drawing used to pay the principal of Notes at maturity.

"*Principal Portion*" has the meaning assigned to such term in the Letter of Credit.

"*Project*" means any capital improvement funded from proceeds of the Notes and consistent with tax-exempt uses of such proceeds.

"*Rate Stabilization Fund*" means the fund by that name continued herein pursuant to Section 5.25.

"*Rating Agency*" means S&P, Moody's, Fitch or any successor or additional rating agency that rates the Notes or other Parity Obligations at the written request of the City and with the written consent of the Bank.

"*Regularly Scheduled Payments*" means any payments on a Permitted Swap Agreement scheduled (at the time such Permitted Swap Agreement is executed) for payment on dates related to interest payment dates in respect of the Notes (or other Debt of the City) and which are intended to be "interest like" when the interest in respect of the Notes (or other Debt of the City) and such payments are reviewed together.

"*Reimbursement Obligations*" has the meaning assigned to such term in the Supplemental Trust Indenture.

"*Related Documents*" means, collectively, this Agreement, the Installment Purchase Contract, the Letter of Credit, the Judicial Reference Agreement, the Notes, the Bank Note, the Issuing and Paying Agency Agreement, the Master Note, the Resolutions, the Dealer Agreement, the Tax Certificate, the Offering Circular and any exhibits, instruments or agreements relating thereto, as the same may be amended from time to time in accordance with their respective terms and the terms hereof.

"*Required Payments*" means (a) all required payments in reimbursement of Drawings (including without limitation any Term Amortization) under the Letter of Credit for payment of the unpaid principal amount of, and accrued interest on, the Notes, (b) all required payments of interest under this Agreement at the Bank Rate, (c) all required payments of the Facility Fee, (d) all payments of principal and interest on the Bank Note and (e) all other amounts, charges, costs, fees (including reasonable attorneys' fees as set forth), expenses and sums due the Bank under this Agreement, the Bank Note and the other Related Documents, whether in the form of a direct, reimbursement, or indemnity, payment obligation, and including all payment obligations of the City to the Bank, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against the City or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

"*Resolutions*" means the Authority Resolution and the City Resolutions.

"*Restricted Issuance Notice*" means a notice given by the Bank pursuant to Section 7.02 in the form of Schedule II to the Letter of Credit.

"*Revenue Fund*" means the fund of that name established under the Trust Agreement.

"*Revenues*" has the meaning assigned to such term in the Trust Agreement.

"*S&P*" means Standard and Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., or any successor thereto.

"*Sale Price*" has the meaning assigned to such term in Section 2.04(b).

"*Securities Depository*" means The Depository Trust Company or such other securities depository which may be designated by the City pursuant to the Trust Agreement, subject to the consent of the Bank, not to be unreasonably withheld.

"*Securities Depository Disclosure*" means the disclosure provided by the Securities Depository and included in the Offering Circular under the caption "Book-Entry Only System".

"*Settlement Amount*" means, with respect to a Person and any Hedge Agreement, any amount payable by such Person under the terms of such Hedge Agreement in respect of, or intended to compensate the other party for, the value of such Hedge Agreement upon early termination thereof.

"*SRF Contract*" has the meaning assigned to such term in the Trust Agreement.

"*State*" means the State of California.

"*Stated Amount*" has the meaning given to such term in Paragraph 2 of the Letter of Credit.

"*Stated Expiration Date*" has the meaning assigned to that term in subpart (a) of the definition of "Expiration Date."

"*Subordinated Payment*" means a payment obligation that is (a) junior and subordinate in right of payment to the Operation and Maintenance Costs and to the Parity Obligations and related Debt Service which, whether by reason of scheduled payment of principal or interest, by acceleration, by required prepayment or purchase, upon maturity or for any other reason, shall be paid in full, with interest in respect thereof (including default interest), prior to the payment of such subordinated payment obligation, and (b) secured, if at all, by a Lien on Net Revenues which is subordinate to the Lien thereon securing the Bank Note and the other Parity Obligations.

"*Supplemental Trust Indenture*" has the meaning assigned to such term in the recitals hereto.

"*Tax Certificate*" means the tax certificate executed and delivered by the City and the Authority in connection with the initial issuance of Notes by the Authority.

"*Taxes*" has the meaning assigned to that term in Section 2.06(b).

"*Term Amortization*" means the amortization period the City is deemed to have requested the Bank to extend on and subject to the terms and conditions described in Section 2.01(b).

"*Termination Date*" means the first to occur of any Expiration Date.

"*Termination Fee*" has the meaning assigned to such term in Section 2.05(c).

"*To the best knowledge of*" (or any similar knowledge qualifier) means, when modifying a representation, warranty or other statement of any Person, that the fact or situation described therein is known by the Person (or, in the case of a Person other than a natural Person, known by an authorized representative of such Person) making the representation, warranty or other statement, or with the exercise of reasonable due diligence under the circumstances (in accordance with the standard of what a reasonably prudent Person in similar circumstances would have done) would have been known by the Person (or, in the case of a Person other than a natural Person, by such Person's authorized representative).

"*Transactions*" means the issuance, sale and delivery of the Notes by the Authority, the execution and delivery by the City and the Authority of this Agreement and the other Related Documents, the performance by the City and the Authority of their respective obligations (including payment obligations) hereunder and thereunder, the advance of the Drawings under the Letter of Credit and the use of the proceeds thereof.

"*Trustee*" means U.S. Bank National Association, in its capacity as trustee under the Trust Agreement and its duly qualified successors and assigns in such capacity.

"*Trust Agreement*" means the Trust Agreement dated as of February 1, 2011, between the Authority and the Trustee, as amended and supplemented by the Supplemental Trust Indenture, and as it may be further amended and supplemented in accordance with the terms thereof and of this Agreement.

"*Unfunded Pension Liability*" means the excess of a Pension Plan's benefit liabilities over the current value of that Pension Plan's assets, determined in accordance with the assumptions used for funding the Pension Plan for the applicable plan year.

"*Verification Report*" means, with respect to the deemed payment of the Notes pursuant to Section 6.01 of the Supplemental Trust Indenture and Section [__] of the Trust Agreement, a report of an Accountant verifying that the securities and cash, if any, deposited in connection with such deemed payment satisfy the requirements of Section 6.01 of the Supplemental Trust Indenture and Section [__] of the Trust Agreement.

"*Voluntary Termination*" means any election by the City to terminate the Letter of Credit in connection with (i) an optional prepayment of all Outstanding Notes or (ii) the replacement of the Letter of Credit with an Alternate Letter of Credit.

"*Water Revenue Fund*" means the fund of that name established under the Installment Purchase Contract.

"*Water Revenues*" means all gross income and revenue received or receivable by the City from the ownership or operation of the Water System, determined in accordance with GAAP, including, without limiting the generality of the foregoing:

(a) all rates, fees and charges (including connection fees and charges) received by the City for the Water Service and the other services of the Water System and all other income and revenue howsoever derived by the City from the ownership or operation of the Water System or arising from the Water System (including developer impact fees for Water System facilities),

(b) the earnings on and income derived from the investment of all such income, rates, fees, charges, or other moneys to the extent that the use of such earnings and income is limited to the Water System by or pursuant to law,

(c) the proceeds derived by the City directly or indirectly from the sale, lease, or other disposition of a part of the Water System,

(d) the payments received under a Financial Products Agreement (as defined in the Trust Agreement), and

(e) deposits to the Water Revenue Fund from amounts on deposit in the Rate Stabilization Fund, but only as and to the extent specified in Section 5.3 of the Installment Purchase Contract,

but excluding in all cases any proceeds of taxes and any refundable deposits made to establish credit and advances or contributions in aid of construction.

"*Water Revenue Fund*" has the meaning assigned to such term in the Installment Purchase Contract.

"*Water Service*" means the water furnished, made available, or provided by the Water System.

"*Water System*" means all facilities for the treatment and conveyance of water now owned by the City and all other properties, structures or works hereafter acquired and constructed by the City and determined to be a part of the Water System, together with all additions, betterments, extensions or improvements to such facilities, properties, structures or works or any part thereof hereafter acquired and constructed.

"*Written*" or "*in writing*" means any form of written communication, a communication by means of facsimile device and as described in Section 10.16.

Section 1.02. Incorporation of Certain Definitions by Reference. Each capitalized term used herein and not otherwise defined herein shall have the meaning provided therefor in the Trust Agreement and the Notes, as applicable, unless the context requires otherwise.

Section 1.03. Accounting Matters. All accounting terms used herein without definition shall be interpreted in accordance with GAAP, and except as otherwise expressly provided herein all accounting determinations required to be made pursuant to this Agreement shall be made in accordance with GAAP.

Section 1.04. Computation of Time Periods. In this Agreement, in the computation of a period of time from a specified date to a later specified date, unless otherwise specified herein, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding."

Section 1.05. New York City Time Presumption. All references herein to times of the day shall be presumed to refer to New York City time unless otherwise specified.

Section 1.06. Relation to Other Documents. Nothing in this Agreement shall be deemed to amend, or relieve the City of any of its obligations under, any Related Document. To the extent that the City undertakes in any provision of this Agreement representations, covenants or obligations which conflict with, or are more exacting than, a provision of any other Related Document to which the City is a party, such provisions of this Agreement shall control for all purposes of this Agreement.

Section 1.07. Interpretation. All words used herein shall be construed to be of such gender as the circumstances require. Unless the context of this Agreement otherwise clearly requires, references to the plural include the singular, the singular includes the plural and the part includes the whole. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless otherwise specified (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth in such document or herein), (b) any reference herein to any Person shall be construed to include such Person's permitted successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not be limited to any particular provision of this Agreement, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and, when used in connection with any Person, to refer to all rights, title and interests of such Person in and to any and all property whether real, personal or mixed, or tangible or intangible, and wherever situated, including cash, securities, investment property, accounts, land, buildings, general intangibles, chattel, intellectual property, contract rights and other property and assets. [Except as may be specifically provided in a particular provision of this Agreement, with respect to any provision granting a consent right to any Person, such Person shall not unreasonably withhold its consent.][NOTE: NEED TO REVIEW SPECIFIC APPLICATIONS FOR EXCEPTIONS TO THIS GENERAL RULE]

ARTICLE II

REIMBURSEMENT, BANK CERTIFICATES, FEES AND PAYMENT PROVISIONS

The City shall pay and reimburse the Bank for all amounts drawn under the Letter of Credit and shall pay such other amounts as are set forth in this Article II and the other provisions of this Agreement, all on and subject to the terms and conditions of this Agreement:

Section 2.01. Reimbursement of Drawings. The City agrees to repay to the Bank all amounts drawn under the Letter of Credit pursuant to a Principal Drawing or an Interest Drawing, payable without any requirement of notice or demand by the Bank, on the day on which such Drawing is paid by the Bank; provided, however, if on the date of any Principal Drawing the conditions set forth in Section 3.02 are satisfied, the City shall be deemed to have requested the Bank to extend a Term Amortization of the Principal Drawing to the City on the terms set forth in Section 2.01(b) and the City shall be required to repay to the Bank such Term Amortization and the amounts accruing in respect thereof in accordance with the provisions of this Section 2.01, as follows:

(a) The City shall pay to the Bank, without any requirement of notice or demand by the Bank, an amount equal to the Principal Drawing together with any accrued unpaid interest thereon (i) on the earliest to occur of (A) an Early Expiration Date, (B) an Event of Default hereunder and (C) the defeasance of the Notes (with respect to which such Principal Drawing was made), and (ii) during a Term Amortization, upon the occurrence of an Amortization End Date.

(b) ***Term Amortization***.

(i) The Bank shall extend a Term Amortization to the City on the date of any Principal Drawing if, as of such date, the requirements of Section 3.02 are met.

(ii) Subject to the provisions of subpart (iii) of this Section 2.01(b), the amount of the Principal Drawing shall amortize in six (6) semi-annual principal installments (the "Principal Payments") with the initial Principal Payment being due and payable by the City 180 days after the date of such Principal Drawing and each successive Principal Payment being due six (6) months after the prior such Principal Payment, with the final Principal Payment in an amount equal to the entire remaining unpaid amount of the Principal Drawing, with accrued interest thereon, due on the Amortization End Date, together with all Excess Interest Amount due and owing as of such date. Each Principal Payment shall be that amount of principal which will result in equal (as nearly as possible) aggregate Principal Payments assuming a Term Amortization ending on the date which is thirty-six (36) months after the date of the Principal Drawing.

(iii) If as of any date during the Term Amortization, the Amortization End Date shall occur, then the Term Amortization shall be terminated and the entire unpaid principal amount of the Principal Drawing shall be paid in a single principal payment, with accrued interest with respect thereto, together with all Excess Interest Amount due and owing as of such date, on such Amortization End Date; notwithstanding the foregoing, upon any issuance of Notes, the amount owed to the Bank pursuant to this Section shall be immediately paid to the Bank by mandatory prepayment as further provided in Section 2.04(b); and provided, further, that the amount owed to the Bank under this Section shall be due and payable in full on the date of delivery to the Paying Agent of any Alternate Letter of Credit (as provided in the Supplemental Trust Indenture) in substitution for the Letter of Credit.

(iv) The City shall be deemed to have made on and as of each day during a Term Amortization each of the representations and warranties of the City made in this Agreement and in any certificate or document delivered in connection with this Agreement and each such representation and warranty shall continue to be accurate and complete on and as of such date.

(c) The City shall pay to the Bank interest on any and all amounts drawn under the Letter of Credit pursuant to a Principal Drawing, such interest to accrue from the date of such Drawing until payment thereof in full, payable on the first Business Day of each month or, if earlier, the date on which all or a portion of such principal amount is paid or required to be paid, to the extent of such principal repayment, at a fluctuating interest rate per annum equal to the Bank Rate from time to time in effect, provided that (i) if any such amount is not paid when due and (ii) upon the occurrence and during the continuance of any Event of Default, amounts owed hereunder shall thereafter bear interest at the Default Rate.

(d) In any event, an amount equal to any Interest Drawing shall be due and payable by the City to the Bank on the date of any such Drawing.

(e) Each time the Paying Agent makes a Drawing, the City shall be deemed to represent and warrant on the date of such Drawing that (i) the conditions set forth in Section 3.02 have been satisfied, and (ii) the representations and warranties made by the City herein are true and correct in all material respects on and as of such date, as made on and as of such date.

Section 2.02. Default Interest. The City agrees to pay to the Bank, upon demand, interest on any and all amounts owed by the City under this Agreement from the earlier of (a) the date such amounts are due and payable but not paid until payment thereof in full and (b) a date on which an Event of Default occurs, at a fluctuating interest rate per annum equal to the Default Rate. The obligations of the City under this Section 2.02 shall survive the termination of this Agreement.

Section 2.03. Payment of Interest Amounts. The amount of interest required to be paid on any date under Sections 2.01 or 2.02, or under any other provision of this Article II (each, an "Interest Payment Date") shall be due and payable by the City on such date at the Bank Rate, in accordance with the following provisions:

(a) Interest at the Bank Rate is due and payable by the City to the Bank hereunder on each Interest Payment Date as a contractual obligation in respect of the advances made by the Bank hereunder.

(b) (i) If the amount of interest required to be paid on any Interest Payment Date calculated in accordance with the terms hereof (together with any fees, charges, and other amounts which are treated as interest on amounts advanced hereunder under Applicable Law (collectively, the "Charges")) exceeds the amount of interest that would have been payable for the applicable period had interest for such period been calculated at the Maximum Bank Interest Rate, then the required interest for such period (together with any Charges payable with respect thereto) shall be payable in an amount of interest calculated on the basis of the Maximum Bank Interest Rate.

(ii) Any interest or Charges that would have been due and payable under any provision hereof but for the operation of subparagraph (b)(i) immediately above, shall accrue and be payable as provided in this subparagraph (b)(ii) and shall constitute, less interest actually paid to the Bank on such Interest Payment Date (the "Excess Interest Amount"). If there is any accrued and unpaid Excess Interest Amount as of any Interest Payment Date, then, on the current and each subsequent Interest Payment Date, interest shall be paid at the Maximum Bank Interest Rate rather than the otherwise applicable rate until the earlier of (x) payment to the Bank of the entire accrued Excess Interest Amount or (y) the date on which no principal amount hereunder remains unpaid.

(iii) Notwithstanding the foregoing and to the extent not required to be paid earlier in accordance with the terms hereof, all unpaid Excess Interest Amount shall be, to the fullest extent permitted by applicable law, due and payable by the City as a fee on the Amortization End Date.

Section 2.04. Prepayment.

(a) ***Optional Prepayment***. On any Business Day upon not less than three (3) Business Days' notice, the City may prepay or cause to be prepaid, without penalty, any Term Amortization either in whole or in part in a principal amount equal to $100,000 or any multiple thereof by paying to the Bank (i) the principal amount of the Term Amortization, or portion thereof, being prepaid plus (ii) accrued and unpaid interest on such principal amount including any Excess Interest Amount.

(b) ***Mandatory Prepayment by Reason of Sales of Commercial Paper Notes***. Simultaneously with the sale of any Notes while any Drawings or Term Amortizations are outstanding, the City shall be obligated (i) to prepay all outstanding Drawings and Term Amortizations in a principal amount equal to the principal amount of Notes sold and (ii) to pay accrued and unpaid interest on the principal amount of such Drawings or Term Amortizations being prepaid; provided that the prepayment requirement by reason of sales of Notes imposed by this sentence shall not apply to the principal portion of newly issued Notes used to pay the principal of maturing Notes or to reimburse the Bank for amounts drawn under the Letter of Credit to repay such maturing Notes. In order to effectuate such prepayment, prior to or simultaneously with the sale of any Notes, (i) the City shall use its best efforts to cause the Dealer to deliver to the Bank a written notice to the effect that (A) it is selling on the Business Day of such notice a specified principal amount of Notes, (B) it is delivering to the Paying Agent for the account of the Bank on such Business Day by wire transfer a specified amount of immediately available funds which is equal to the principal amount of such Notes plus accrued interest thereon (the "Sale Price") and which constitutes proceeds of such sale and (C) such specified principal amount of Notes is being delivered to or upon the order of the Dealer in accordance with the Issuing and Paying Agency Agreement, (ii) the City shall use its best efforts to cause the Dealer to pay to the Paying Agent for the account of the Bank, by wire transfer of immediately available funds, the proceeds of the sale of such Notes in an amount equal to the Sale Price which shall be applied first, to the prepayment of principal of Term Amortizations in an amount equal to the principal amount of Notes sold, second, to the extent sufficient therefor, to the payment of interest accrued on such principal amount of Term Amortizations prepaid, and third, to the extent sufficient therefor, to the payment of the principal of and interest accrued on all outstanding Drawings, and (iii) the City shall pay to the Bank, by wire transfer of immediately available funds, the amount, if any, by which the sum of the amounts referred to in clauses first, second and third of subpart (ii) exceeds the amount of the Sale Price received by the Bank. Effective upon the actual receipt by the Bank in immediately available funds of the Sale Price and any transfer of funds from the City sufficient to repay the Drawings or Term Amortizations to be repaid, the Principal Portion shall automatically be reinstated by an amount equal to the principal amount of the Notes being sold and/or amounts received by the Bank directly from the City. In the event that the proceeds of any sale of Notes are not received from the Dealer or are received in an amount less than the Sale Price thereof, the City shall pay to the Bank, within one (1) Business Day after such amounts were due, an amount equal to the amount of such proceeds or such deficiency; provided, however, that all amounts due to the Bank shall bear interest as set forth herein until paid in full; and provided further that the Principal Portion shall reinstate only in the amount of funds actually received by the Bank.

Section 2.05. Fees.

(a) ***Facility Fee***. The City hereby agrees to pay to the Bank without any requirement of notice or demand, in immediately available funds, quarterly in arrears on the first Business Day of each December, March, June and September (commencing on March 1, 2014, for the period from and including the Effective Date to but not including March 1, 2014) and on the Expiration Date and on the Amortization End Date, a nonrefundable facility fee (the "Facility Fee") with respect to the Stated Amount under the Letter of Credit (without regard to any reductions subject to reinstatement) during each period in respect of which such payment is to be made at the rate per annum (the "Facility Fee Rate") specified below based upon the then applicable Rating (as defined below).

Level	**Moody's Rating**	**S&P Rating**	**Fitch Rating**	**Facility Fee Rate**
1	Aa3 or above	AA- or above	AA- or above	.50%
2	A1	A+	A+	.65%
3	A2	A	A	.85%
4	A3	A-	A-	1.05%
5	Baa1 or below	BBB+ or below	BBB+ or below	1.25%

The term "Rating" as used above shall mean the Obligor Rating. In the event of a split Rating (i.e., one or more of the Rating Agency's Ratings is at a different level than the Rating of the other Rating Agencies), the Facility Fee Rate shall be based upon the lowest Rating. Any change in the Facility Fee Rate resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to Ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any such Rating Agency, including, without limitation, any recalibration of the Ratings in connection with the adoption of a "global" rating scale, each of the Ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The City and the Bank acknowledge that as of the Effective Date the Facility Fee Rate is that specified above for Level [__]. In the event that any Rating is suspended, removed, withdrawn or otherwise unavailable from any Rating Agency, and for so long as such Rating remains so suspended, withdrawn or otherwise unavailable and upon the occurrence and during the continuance of any Default or an Event of Default under the Agreement, the Facility Fee Rate shall, without notice to the City, be increased by an amount equal to the Default Premium of 3.00% per annum from and after the date of such suspension, withdrawal or occurrence and continuance of a Default or an Event of Default under the Agreement. The City shall provide prompt written notice to the Bank of any suspension, removal or withdrawal of any Rating. The Facility Fee shall be payable quarterly in arrears, as specified above, together with interest on the Facility Fee from the date payment is due until payment in full at the Default Rate. The Facility Fee shall be payable in immediately available funds and computed on the basis of a 360 day year and the actual number of days elapsed.

(b) ***Drawing Fee; Transfer and Amendment Fee***.

(i) Upon each Drawing hereunder, the City agrees to pay to the Bank a non-refundable drawing fee of $350, payable without any requirement of notice or demand by the Bank on the day on which such Drawing is paid by the Bank.

(ii) Upon each transfer or assignment of the Letter of Credit or this Agreement in accordance with its terms and upon any amendment of this Agreement or the Letter of Credit, the City agrees to pay to the Bank a non-refundable fee of $3500 plus the Bank's actual costs and expenses associated with such transfer, assignment or amendment (including, without limitation, the reasonable fees and expenses of Bank Counsel).

(c) ***Reduction or Termination of Commitment; Termination Fee***.

(i) Subject to the provisions of subsection (ii) of this Section 2.05(c), the City at any time may reduce the Stated Amount of the Letter of Credit or terminate the Stated Amount; provided that all Required Payments, including without limitation, all principal and interest owing in connection with any Drawings or Term Amortizations and all other amounts payable hereunder shall be paid to the Bank at or prior to the time of such termination;

(ii) In the event that this Agreement is terminated or the Stated Amount is reduced on or before the end of the "Initial Period" (such "Initial Period" being the period commencing on the Date of Issuance and ending on the date which is twenty-four (24) months after the Date of Issuance), the City shall pay to the Bank on the date of termination or reduction date (either, the "Termination Date") (i) all amounts then due and owing to the Bank and (ii) a termination fee equal to the Facility Fee that would have been paid to the Bank during the Initial Period, calculated at the Facility Fee Rate in effect as of the Termination Date, multiplied by the Stated Amount as of the Date of Issuance, all as described in Section 2.05(a) above, less the amount of the Facility Fee theretofore received by the Bank pursuant to Section 2.05(a) above since the Date of Issuance (the fee described in clause (ii) being the "Termination Fee").

Notwithstanding the foregoing paragraph, no such Termination Fee will become payable if the City terminates the Agreement during the Initial Period solely because the Bank's short-term ratings at the time of such termination have been reduced below "A-1" by S&P, "P-1" by Moody's or "F1" by Fitch, by such of the Rating Agencies as are then rating the City's debt; provided that the short-term ratings of any replacement liquidity facility provider shall not be the same as or lower than the Bank's then current short-term ratings.

Section 2.06. Costs, Expenses and Taxes.

(a) The City agrees to pay on demand all costs and expenses incurred by the Bank and its Counsel in connection with the preparation, negotiation, execution and delivery of this Agreement, the Related Documents and any other documents and certificates which may be delivered in connection with this Agreement and the other Related Documents, including, without limitation, the fees, expenses and disbursements of Counsel for the Bank as provided in Section 3.01(m)(v) and as provided in the Fee Letter. In addition, the City shall pay or cause to be paid on demand, upon not less than twenty-one (21) days prior written notice to the City, the necessary and reasonable out-of-pocket expenses and disbursements of the Bank and the necessary and reasonable fees, expenses and disbursements of Counsel to the Bank in connection with (i) the administration of this Agreement including any waiver or consent under this Agreement or any Related Document or other document or certificate delivered in connection with the Transactions or any amendment or requested amendment hereof or thereof (whether or not the transactions contemplated thereby shall be consummated) or any Default or alleged Default hereunder, (ii) the preparation, execution, delivery, administration and enforcement or preservation of rights in connection with a workout, refinancing, restructuring or waiver with respect to this Agreement, or any of the Related Documents and (iii) the occurrence of an Event of Default and collection and other enforcement proceedings resulting therefrom.

(b) Any and all payments to the Bank by or on behalf of the City hereunder shall be made free and clear of, and without deduction for, any and all taxes, levies, imposts, deductions, charges or withholdings imposed, including but not limited to as a result of a change in, law, rule, treaty, or regulation, or any policy, guideline, or directive of, or any change in the interpretation, implementation, or administration thereof by, any Governmental Authority, and all liabilities with respect thereto, excluding only taxes imposed on or measured by the net income or capital of the Bank by any jurisdiction or any political subdivision or taxing authority thereof or therein solely as a result of a connection between the Bank and such jurisdiction or political subdivision, other than a connection resulting solely from executing, delivering or performing its obligations or receiving a payment under, or enforcing, this Agreement (all such non excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If the City is required by law to withhold or deduct any sum from payments required under this Agreement, the City shall, to the maximum extent permitted by Applicable Law, increase the amount paid by it to the Bank so that, after all withholdings and deductions, the amount received by the Bank shall equal the amount the Bank would have received without any such withholding or deduction.

(c) In addition, the City shall pay or cause to be paid on demand, upon not less than twenty-one (21) days prior written notice to the City, any present or future stamp, recording, or Other Taxes and fees payable or determined to be payable under Applicable Law in connection with the execution, delivery, filing and recording of this Agreement, the Related Documents and such other documents and certificates and agrees to defend, indemnify and hold the Bank harmless from and against any and all liabilities with respect to or resulting from any failure to pay, or any delay in paying, such taxes and fees.

Section 2.07. Change in Law.

(a) If the Bank or any Participant shall have determined that the adoption or implementation of, or any change in, any law, rule, treaty, regulation, policy, guideline, supervisory standard or directive of, or any change in the interpretation, implementation, or administration thereof by, any Governmental Authority (in each case, whether or not having the force of law), or compliance by the Bank or any Participant with any request by or directive of any Governmental Authority (in each case, whether or not having the force of law), including but not limited to any such law, rule, regulation, policy, guideline, standard, directive, interpretation or application implementing, invoking or in any way related to any provision (as now or hereafter amended) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (or any other statute referred to therein or amended thereby) or any rules, guidelines, standards, policies, regulations, or directives promulgated by the Basel Committee on Banking Supervision or the Bank for International Settlements (BIS) (or any successor or similar organizations), shall (i) change the basis of taxation of payments to the Bank or such Participant of any amounts payable hereunder (except for taxes on the overall net income of the Bank or such Participant), (ii) impose, modify or deem applicable any reserve, liquidity, special deposit, insurance premium, fee, financial charge, monetary burden or similar requirement against issuing the Letter of Credit or honoring draws under the Letter of Credit, or complying with any term of this Agreement, or against assets held by, or deposits with or for the account of, the Bank or such Participant or (iii) impose on the Bank or such Participant any other condition, expense or cost regarding this Agreement or the Letter of Credit, and the result of any event referred to in clause (i), (ii) or (iii) above shall be to increase the cost to the Bank or such Participant of issuing the Letter of Credit or honoring draws under the Letter of Credit or complying with any term of this Agreement or to reduce the amount of any sum received or receivable by the Bank or such Participant hereunder, then, upon demand by the Bank, the City shall pay to the Bank for its own account, or for the account of such Participant, as applicable, such additional amount or amounts as will compensate the Bank or such Participant for such increased costs or reductions in amount.

(b) If the Bank or any Participant shall have determined that the adoption or implementation of, or any change in, any law, rule, treaty, regulation, policy, guideline, supervisory standard or directive of, or any change in the interpretation, implementation, or administration thereof by, any Governmental Authority (in each case whether or not having the force of law), or compliance by the Bank or any Participant with any request by or directive of any Governmental Authority (in each case, whether or not having the force of law), including but not limited to any such law, rule, regulation, policy, guideline, standard, directive, interpretation or application implementing, invoking or in any way related to any provision (as now or hereafter amended) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (or any other statute referred to therein or amended thereby) or any rules, guidelines, standards, or directives promulgated by the Basel Committee on Banking Supervision or the Bank for International Settlements (BIS) (or any successor or similar organizations), shall impose, modify or deem applicable any capital (including but not limited to contingent capital) adequacy, reserve, insurance, liquidity or similar requirement (including, without limitation, a request or requirement that affects the manner in which the Bank or any Participant allocates capital resources or reserves to its commitments (including its obligations under letters of credit)) that either (i) affects or would affect the amount of capital or reserves to be maintained by the Bank or such Participant or (ii) reduces or would reduce the rate of return on the Bank's or such Participant's capital or reserves to a level below that which the Bank or such Participant could have achieved but for such circumstances (taking into consideration the policies of the Bank or such Participant with respect to capital adequacy or the maintenance of reserves) then, upon demand by the Bank, the City shall pay to the Bank for its own account, or for the account of such Participant, as applicable, such additional amount or amounts as will compensate the Bank or such Participant for such event.

(c) All payments of amounts referred to in clauses (a) and (b) above shall be paid by the City to the Bank within five Business Days of such demand. A certificate as to such increased cost, increased capital or reserves or reduction in return incurred by the Bank or any Participant as a result of any event mentioned in clause (a) or (b) of this subsection setting forth, in reasonable detail, the basis for calculation and the amount of such calculation shall be submitted by the Bank to the City simultaneously with such demand for payment and shall be conclusive as to the amount thereof absent manifest error. In making the determinations contemplated by the above referenced certificate, the Bank or Participant may make such reasonable estimates, assumptions, allocations and the like that the Bank or Participant in good faith determines to be appropriate. The obligations of the City under this Section shall survive the termination of this Agreement.

Section 2.08. Payments Generally.

(a) Except as may be otherwise provided herein, all fees hereunder and interest on amounts owed hereunder or under the Bank Note shall be computed on the basis of a year of 360 days, and the actual number of days elapsed. All payments by or on behalf of the City to the Bank hereunder shall be fully earned when due and nonrefundable when paid and made in lawful currency of the United States of America and in immediately available funds. Amounts payable to the Bank hereunder, unless otherwise directed by the Bank in writing, shall be paid by wire transfer to the Bank's account at Citibank, New York, ABA # 021-000-089, Credit to Account No. 4058-0089; Ref: City of Woodland CP (or to such other account of the Bank as the Bank may specify by written notice to the City or the Trustee) not later than 3:30 p.m. New York, New York time, on the date payment is due. Any payment received by the Bank after 3:30 p.m., New York, New York time, shall be deemed to have been received by the Bank on the next Business Day. If any payment hereunder is due on a day that is not a Business Day, then such payment shall be due on the next succeeding Business Day, and, in the case of the computation of the interest or fees hereunder, such extension of time shall, in such case, be included in the computation of the payment due hereunder.

(b) If at any time insufficient funds are received by and available to the Bank to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied first, to payment of that portion of the Required Payments constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Bank and amounts payable under Section 2.08) payable to the Bank, second, to payment of that portion of the Required Payments constituting accrued and unpaid interest on any Drawing or other amount unpaid hereunder or under the Bank Note (and, in any such case, first to past due interest and second to current interest), and third, to payment of that portion of the Required Payments constituting unpaid principal of any Drawing or Term Amortization.

Section 2.09. Maintenance of Accounts. The Bank shall maintain in accordance with its usual practice an account or accounts evidencing the Debt of the City under this Agreement and the amounts payable and paid from time to time hereunder. In any legal action or proceeding in respect of this Agreement, the entries made in such account or accounts shall be presumptive evidence of the existence and amounts of the obligations of the City therein recorded. The failure to record any such amount shall not, however, limit or otherwise affect the obligations of the City to repay all amounts owed under this Agreement, together with all interest accrued thereon as provided herein.

Section 2.10. Cure. The City agrees to pay to the Bank on demand, any amounts advanced by or on behalf of the Bank, to the extent required to cure any Default or Event of Default under this Agreement or any Related Document. The Bank shall give the City reasonably prompt notice of any such advances. The Bank shall have the right, but not the obligation, to cure any such Default or Event of Default.

Section 2.11. Operation and Maintenance Costs. The City agrees that the obligations of the City to pay the fees, expenses and other Required Payments payable by the City under this Agreement, other than the Bank Debt Service, are payable as Operation and Maintenance Costs.

Section 2.12. Pledge. The City hereby irrevocably pledges, to and for the benefit of the Bank, the Pledged Revenues, to and for the payment and reimbursement of the Bank Note and each Drawing and each Term Amortization, the payment of interest accruing thereon as provided herein, and to pay all other Bank Debt Service (the "Pledge"); *pari passu* with, and equally and ratably as to payment and security with the pledge thereof and Lien thereon securing the Existing Parity Debt and Parity Obligations hereafter incurred in accordance with the Installment Purchase Contract and this Agreement. This Pledge, together with the pledge in Section 5.1 of the Installment Purchase Contract securing the Installment Payments and City Revenue Bonds, shall constitute a first Lien on the Net Revenues and the Water Revenue Fund and all amounts on deposit therein, subject to application of the Water Revenues and the Water Revenue Fund, as permitted herein and in the Installment Purchase Contract. The City shall neither create nor permit or suffer to exist any pledge of or Lien (a) upon the Pledged Revenues that (i) is prior or superior to the Lien in favor of the Bank Debt Service and the other Parity Obligations or (ii) is not otherwise a Permitted Lien or (b) upon the Water Revenues or the Water Revenue Fund (subject to application of amounts on deposit therein for the payment of Operation and Maintenance Costs).

Section 2.13. Limited Obligations. Notwithstanding anything herein to the contrary, all obligations of the City hereunder are payable from, and secured solely by a lien on, the Pledged Revenues, and all obligations of the Authority hereunder are payable from, and secured solely by a Lien on, the Revenues.

ARTICLE III

CONDITIONS PRECEDENT

Section 3.01. Closing Conditions. On [____________], 2014, and subject to satisfaction of the conditions precedent set forth in this Section 3.01, the Bank shall issue the Letter of Credit in the Stated Amount, effective on the Date of Issuance and expiring on the Expiration Date. As conditions precedent to the issuance of the Letter of Credit, the Bank shall have received the following items on or before the Date of Issuance, each in form and substance satisfactory to the Bank and its counsel and the City shall satisfy the Bank that the following conditions have been fulfilled:

(a) (i) an opinion dated the Date of Issuance of Bond Counsel as to the due and valid execution and delivery, and tax exempt status of the Notes, and that the Notes are entitled to the benefits of the Trust Agreement, satisfaction of legal requirements, lien status and securities matters and related matters, together with (ii) an opinion dated the Date of Issuance of Bond Counsel which shall expressly include this Agreement and the delivery and acceptance of the Letter of Credit as an Alternate Letter of Credit under the Trust Agreement and cover such other matters as the Bank shall reasonably request including without limitation a "no debt" opinion and a "no adverse effect" opinion, within the scope of the matters opined upon; and each of the opinions under (i) and (ii) shall be addressed to the Bank or a reliance letter shall be provided to the Bank expressly stating that the Bank is entitled to rely upon said opinion as if such opinion were addressed to the Bank;

(b) an opinion of special counsel to the City dated the Date of Issuance addressed to and acceptable to the Bank, to the effect that all conditions necessary to create a valid Pledge in favor of the Bank subject to no prior Lien have been accomplished and that such pledge is on a parity with the pledge securing the other Parity Obligations, and covering such other matters relating to the Agreement and any of the other Related Documents or the proceedings of the City as the Bank may request, including due authority, due execution and delivery, enforceability, no conflict, no consent, no litigation and related opinions;

(c) an opinion of special counsel to the Authority dated the Date of Issuance addressed to and acceptable to the Bank, to the effect that that the Trust Agreement has been duly and validly adopted, has not been amended and is in full force and effect, and covering related matters with respect to the Authority as may be requested by the Bank, including due authority, due execution and delivery, enforceability, no conflict, no consent, no litigation and related opinions;

(d) a letter from the Paying Agent to the Bank, substantially in the form of Exhibit B;

(e) certificates of the City and the Authority, respectively, in form and substance satisfactory to the Bank, executed by the Authorized City Representative and the Authorized Authority Representative, respectively, dated the Date of Issuance, to the effect that (i) all actions required to be taken by, and all resolutions required to be adopted under applicable law (which resolutions shall be attached to such certificate) by the City and the Authority, respectively, in connection with the execution, delivery and performance of and under this Agreement and the other Related Documents to which the City and the Authority, respectively, is a party, have been done and adopted and (ii) that each of the Related Documents to which the City and the Authority, respectively, is a party, constitutes the legal, valid and binding obligations thereof, enforceable in accordance with their terms (subject, as to enforceability, to applicable bankruptcy, moratorium, insolvency or similar laws affecting the rights of creditors generally and to general principles of equity); and (iii) covering such other matters relating to the Notes, the City, the Authority, this Agreement or any of the other Related Documents as the Bank may reasonably request;

(f) an opinion of counsel for the Trustee and Paying Agent, who shall be satisfactory to the Bank, as to the following: (i) due authorization, execution and delivery of the Issuing and Paying Agency Agreement and the Judicial Reference Agreement, (ii) the Issuing and Paying Agency Agreement and the Judicial Reference Agreement each constitutes the legal, valid and binding obligation thereof, enforceable in accordance with its terms (subject, as to enforceability, to applicable bankruptcy, moratorium, insolvency or similar laws affecting the rights of creditors generally and to general principles of equity) and (iii) such other matters as the Bank may reasonably request;

(g) an incumbency certificate of the [______________] or Secretary of the City certifying as to the name and true signature of the Authorized City Representative(s) authorized to execute this Agreement, the Related Documents and any other document to be delivered by the City hereunder or under the other Related Documents and an equivalent incumbency certificate of the [Executive Director or Secretary] of the Authority certifying as to the name and true signature of the signatory on behalf of the Authority to the Related Documents to which the Authority is a party;

(h) certified copies of (i) all approvals, authorizations or consents of, or notices to or filings or registrations with, any governmental body, agency or official required for the City to execute, deliver or perform this Agreement or any of the other Related Documents to which the City is a party and (ii) audited financial statements of the City for the Fiscal Years concluding on the last day of June 2011, 2012 and 2013, respectively;

(i) in final form, the Offering Circular in the form reviewed by the Bank and dated the Date of Issuance;

(j) (i) a specimen original of a Note,

(ii) the duly executed Bank Note, and

(iii) executed originals (or, when the Bank is not a party thereto, duplicates thereof) of this Agreement, each other Related Document and of each other agreement, document, instrument, certificate or opinion required to be delivered by any Person pursuant to the Related Documents, each of which shall be in form and substance satisfactory to the Bank and, in the case of each such opinion, either addressed to the Bank or accompanied by a letter addressed to the Bank from the counsel rendering such opinion stating that the Bank is entitled to rely upon such opinion as if such opinion were addressed to it;

(k) such other agreements, documents, instruments, certificates (and, if requested by the Bank, certified duplicates of executed copies thereof) and opinions as the Bank may reasonably request; and

(l) evidence satisfactory to the Bank and its counsel that all filings and recordings necessary to perfect the liens and security interests created by the Related Documents in favor of the Bank and the Trustee have been made in the appropriate governmental offices and that all filing fees, taxes or other impositions required therewith have been paid in full.

(m) The following statements shall be true and correct on the Date of Issuance and the Bank shall have received a certificate signed by an Authorized City Representative dated the Date of Issuance, stating that on and as of the Date of Issuance: (i) the representations and warranties contained (or incorporated by reference) in Article IV hereof are true and correct, in all material respects, on and as of the Date of Issuance, as though made on and as of such date; (ii) no Material Adverse Change has occurred since [DATE OF LAST AUDITED FINANCIALS]; (iii) no Default or Event of Default has occurred and is continuing or would result from the issuance of the Letter of Credit or the execution, delivery and performance by the City or the Authority of this Agreement or any of the other Related Document to which the City or the Authority is a party; (iv) no Material Litigation has been filed since [DATE OF LAST AUDITED FINANCIALS]; (v) the City is in compliance with all of the terms, provisions and conditions of each rate or financial covenant and any other material provision of the Related Documents and any Permitted Indebtedness or Other Obligation entered into in connection with any Debt; (vi) there is no pending legislation, decision or other matter described in Section 4.01(t) of this Agreement which might adversely affect the consummation of the transactions contemplated hereby or by the other Related Documents or the performance by the City or the Authority of any of its respective obligations hereunder or thereunder; (vii) all requirements and preconditions to the issuance, execution, delivery and sale of the Notes and the acceptance of the Letter of Credit as an Alternate Letter of Credit have been satisfied; (viii) the City has complied with all agreements and covenants and satisfied all conditions stated in this Agreement on its part to be performed or satisfied at or prior to the Date of Issuance; (ix) there has been no change in Applicable Law (or its interpretation or administration) that may adversely affect the consummation of the transactions contemplated by the Related Documents or the performance by the Issuer of any of its obligations thereunder; (x) no petition by or against the City or the Authority has at any time been filed under the United States Bankruptcy Code or under any similar law; and (xi) covering such other matters of fact as may be reasonably requested by the Bank.

(n) On or before the Date of Issuance:

(i) the City shall have duly adopted the City Resolutions authorizing the execution, delivery and performance by the City of this Agreement and each of the other Related Documents to which the City is a party and approving each such Related Document and this Agreement and the transactions contemplated hereby and thereby;

(ii) the Bank shall have received a copy of the (A) Trust Agreement and the Authority Resolution, certified by an Authorized Authority Representative as being in full force and effect on the Date of Issuance, as not having been amended or supplemented through the date thereof and as being the only Trust Agreement and Authority Resolution, respectively, relating to the Notes and the (B) City Resolutions, certified by an Authorized City Representative as being in full force and effect on the Date of Issuance, as not having been amended or supplemented through the date thereof and as being the only resolutions adopted by the City relating to the execution, delivery and performance by the City of this Agreement and each of the Related Documents to which the City is a party or the transactions contemplated hereby and thereby;

(iii) all conditions to the acceptance of the Letter of Credit as an Alternate Letter of Credit under the Trust Agreement shall have been satisfied and each of the Related Documents shall have been duly authorized, executed and delivered by the parties thereto;

(iv) (A) the fees and expenses of counsel to the Bank payable in connection with the delivery of the Letter of Credit and the preparation and negotiation of the Related Documents shall be paid and (B) all other amounts payable on the Date of Issuance pursuant to this Agreement shall have been received;

(v) the Bank shall have received satisfactory evidence that the Notes have been assigned short-term ratings of ["A-1," by S&P, and short-term ratings of "F-1," by Fitch], after giving effect to the Letter of Credit and this Agreement and that the Obligor Rating is ["___"] by S&P.

(o) ***CUSIP and DTC***. The Bank shall have received written evidence satisfactory to the Bank that (A) the Note CUSIP Number has been obtained for the Notes and a CUSIP Number has been obtained for the Bank Note, in each case from Standard & Poor's CUSIP Service and (B) that the Notes are eligible for inclusion in DTC's FAST automated transfer program ("FAST Eligible Bonds").

(p) ***Other Documents***. The first sentence of Section 5.23 with respect to the Dealer Agreement shall be satisfied, the Bank shall have received the insurance certificate described in Section 5.19 and the Bank shall have received such other documents, certificates, approvals, filings, and opinions as the Bank shall have reasonably requested.

(q) ***Credit Requirements***. Prior to the Date of Issuance, the Bank shall have determined, in its sole discretion, based in part upon the information and reports submitted by the City, that (i) the City has met the Bank's credit requirements, (ii) the Bank has not discerned any adverse change in the financial condition, manner of operation, properties or prospects of the City or any material inaccuracy in the information, representations and materials submitted to the Bank by the City in connection with the issuance of the Letter of Credit, (iii) there has been no change in any law, rule or regulation (or their interpretation or administration) nor is there any pending or threatened litigation, that, in each case, may adversely affect the consummation of the Transactions and (iv) the Bank has not discerned any bar or restriction under Applicable Law that places in question any aspect of the execution and delivery of the Notes, the execution, delivery and performance by the Bank of the Letter of Credit or this Agreement or the execution, delivery and performance by the City, the Authority or any other Person of any Related Document. Provided, that, notwithstanding the foregoing terms and any investigation and/or determination by the Bank, the City and the Authority each expressly acknowledges and agrees that no such investigation or determination by the Bank shall in any respect whatsoever qualify, or release the City or the Authority from, any representation, warranty or covenant contained in this Agreement or create or constitute any defense to the enforcement of the provisions of this Agreement.

(r) ***Trustee's Documents***. The Bank shall have received (i) copies of the resolution(s) of the Trustee and Paying Agent authorizing the execution, delivery and performance of the Related Documents to which they are a party and the performance of any duties of the Trustee and Paying Agent under or in connection with the other Related Documents including the Letter of Credit, this Agreement and the Trust Agreement, and (ii) a certificate of an authorized representative of the Trustee and Paying Agent (A) certifying as to the authority, incumbency and specimen signatures of the authorized representatives of the Trustee and Paying Agent authorized to sign the Related Documents to which they are a party and any other documents to be delivered by them hereunder and who will be authorized to represent the Trustee and Paying Agent in connection with this Agreement, upon which the Bank may rely until it receives a new certificate and certifying that the resolution(s) referred to under (ii) is/are presently in full force and effect and (B) covering such matters relating to the Offering Circular and the other Related Documents as the Bank may reasonably request.

(s) ***No Debt Default***. The Bank shall have received a certificate, in form and substance satisfactory to the Bank, dated and effective as of the Date of Issuance, and executed by an Authorized City Representative, and stipulating that no default or event of default exists with respect to any Debt of the City.

Section 3.02. Conditions Precedent to Amortization. All amounts drawn under the Letter of Credit as a Principal Drawing are due and payable on the date drawn unless on such date the following conditions are satisfied:

(a) No Default shall have occurred and be continuing;

(b) No Early Expiration Date shall have occurred;

(c) No Material Litigation shall be pending;

(d) No Material Adverse Change shall have occurred since [__________]; and

(e) The City and the Authority, respectively, shall be deemed to have made on and as of the date of such Drawing each of the representations and warranties of the City and the Authority, respectively, made in this Agreement and in any certificate or document delivered in connection with this Agreement and each such representation and warranty shall continue to be accurate and complete in all material respects on and as of such date.

The City shall be deemed to represent and warrant that the conditions described in this Section 3.02 have been satisfied on the date of such Drawing and on the date of any commencement (or purported commencement) of a Term Amortization.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 4.01. Representations of the City. In order to induce the Bank to issue the Letter of Credit, the City represents, warrants and covenants to and with the Bank as of the Closing Date, as of each date on which the Bank honors a Drawing under the Letter of Credit and as of each day during any Term Amortization, as follows:

(a) *Due Organization; Power and Authority*. The City (i) is duly organized and validly existing as a municipal corporation under and by virtue of the laws of the State of California; (b) has all corporate powers required to carry on its business as now conducted; (c) has full power and authority to operate the Water System and to use the proceeds of the Notes as contemplated in the Installment Purchase Contract; and (d) has full power and authority to execute, deliver, and perform its obligations under the Installment Purchase Contract, this Agreement and the other Related Documents to which it is a party and to borrow and obtain extensions of credit hereunder and under the Letter of Credit.

(b) *Authorization and Validity of Agreement, Related Documents and Borrowing*. The execution, delivery and performance by the City of this Agreement and the other Related Documents to which it is a party have been duly authorized by all necessary action of the governing body of the City. Each of this Agreement and the Related Documents to which the City is a party constitutes a legal, valid and binding obligation of the City, enforceable against the City in accordance with its terms, except as such enforceability may be limited by applicable reorganization, insolvency, liquidation, readjustment of debt, moratorium or other similar laws affecting the enforcement of the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). Each Note, when issued, will be duly executed and delivered under the Act and other Applicable Law and in conformity with the Trust Agreement. The Bank Note has been duly executed, delivered and issued by the City, and the Bank Note constitutes the legal, valid and binding obligation of the City and is enforceable in accordance with its terms. The obligation of the City to make the CP Installment Payments under the Installment Purchase Contract is absolute and unconditional. The Letter of Credit is a "Credit Facility" and a "Liquidity Facility," as such terms are defined in and used in the Trust Agreement and the other Related Documents and a "Letter of Credit," as such term is defined in and used in the Supplemental Trust Indenture and the other Related Documents and the Bank is a "Credit Provider" and a "Liquidity Provider," as such terms are defined in and used in the Trust Agreement and the other Related Documents and a "Credit Bank," as such term is defined in and used in the Supplemental Trust Indenture and the other Related Documents. The Bank Debt Service and all other Required Payments constitute "Reimbursement Obligations" as such term is defined in and used in the Supplemental Trust Indenture and the other Related Documents.

(c) *Compliance of Agreement, Related Documents with Applicable Law, Organizational Documents, Etc*. The execution, delivery and performance of this Agreement and each of the other Related Documents in accordance with its and their respective terms, the assignment and pledge by the City of the Pledged Revenues hereunder in favor of the Bank and the consummation of the Transactions has not and will not (i) contravene or conflict with the City's charter, by laws or other organizational documents or with any provision of the Act, (ii) require any consent or approval of any creditor of the City, (iii) violate any Applicable Law (including, without limitation, Regulations T, U or X of the Board of Governors of the Federal Reserve System, or any successor regulations), (iv) conflict with, result in a breach of or constitute a default under any Other Obligation to which the City is a party or by which any of its properties or assets may be bound or (v) result in or require the creation or imposition of any charge, pledge, security interest, encumbrance or other Lien upon or with respect to any assets now owned or hereafter acquired by the City, or any Affiliate of the City, except such Liens, if any, created under and pursuant to this Agreement and the Trust Agreement or Installment Purchase Contract. The Resolutions have been adopted in compliance with all requirements of Applicable Law.

(d) *Governmental Approvals*. All authorizations, consents, and other Governmental Approvals necessary for the City (i) to enter into this Agreement and the other Related Documents and perform the transactions contemplated hereby and thereby have been obtained and remain in full force and effect and are subject to no further administrative or judicial review and (ii) to perform the transactions contemplated by the other Related Documents remain in full force and effect and are subject to no further administrative or judicial review. No other authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required for the due execution, delivery and performance by the City of this Agreement or the due execution, delivery or performance by the City of the Related Documents to which it is a party.

(e) *Compliance with Law*.

(i) Other than as set forth on Exhibit C attached hereto, the City and each Affiliate of the City is in compliance with all Applicable Laws, including all Governmental Approvals, except for noncompliance that, singly or in the aggregate with all other instances of noncompliance, has not had and will not have a Material Adverse Effect or an adverse effect on the City's ability to perform its obligations under this Agreement and under the other Related Documents.

(ii) Except for a violation or failure to comply that, singly or in the aggregate with all other violations or failures to comply, has not had and cannot have a Material Adverse Effect or an adverse effect on the City's ability to perform its obligations under this Agreement and under the other Related Documents, the City has not received any complaint or other notice alleging a violation of or failure to comply with, any judgment, order, writ, injunction or decree of any Governmental Authority applicable to the City or the Water System, or any statute, law, rule or regulation applicable to the City or the Water System. The collection of Revenues and the accounting and recordkeeping therefor are in material compliance with all Applicable Law and all applicable resolutions, ordinances and rules of the City.

(f) *Title to Properties*. The City has sole title to the Water System. No part of the Water System is subject to any Lien, except Permitted Liens. The City has complied with all obligations under all leases involving or affecting the Water System or any of its assets and to which it is a party and under which it is in occupancy, all such leases are in full force and effect and the City enjoys peaceful and undisturbed possession under all such leases.

(g) *Litigation*. There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, arbitrator, public board or any other Governmental Authority pending or, to the best knowledge of the City Manager after due inquiry, threatened against or affecting the City or the Water System (i) wherein an unfavorable decision, ruling or finding could reasonably be expected to have a Material Adverse Effect, (ii) which seeks to restrain or enjoin any of the Transactions, or (iii) which could adversely affect (A) the status of the City as a municipal corporation or the status of the Authority as a joint exercise of powers agency, in each case, created and validly existing under the laws of the State of California, (B) the exclusion of interest on the Notes from gross income for federal income tax purposes, (C) the validity, enforceability or perfection of the pledges of and Liens on the Pledged Revenues, (D) the ability of the City to perform its obligations under this Agreement, the Trust Agreement or any other Related Document or (E) the ability of the City to fix, charge, impose and collect rentals, rates, fees and other charges for the Water Service or any use of the Water System as contemplated by the Installment Purchase Contract (any such action, suit, proceeding, inquiry or investigation being herein referred to as "Material Litigation").

(h) *Absence of Defaults and Events of Default*.

(i) No Default or Event of Default has occurred and is continuing.

(ii) The City is not in material default under (A any order, writ, injunction or decree of any court or governmental body, agency or other instrumentality applicable to the City or the Water System, or (B) any law or regulation applicable to the City or the Water System, or (C) any City Revenue Bonds or Contracts, or (D) any Other Obligation, default under which would have an adverse effect on the properties, business, condition (financial or other), results of operations or prospects of the City or the Transactions, or which would have an adverse effect on the validity or enforceability of this Agreement or any of the other Related Documents, or on the authority or ability of the City to perform its obligations under this Agreement or any of the other Related Documents to which the City is a party. The City is not in breach of any financial covenant or any other material provision of any Other Obligation entered into in connection with any Debt.

(i) *Financial Statements*. The balance sheet of the City as of [___________], and the related statement of revenues and expenses and changes in financial position for the years then ended and the auditors' reports with respect thereto and the balance sheets of the City as of [_________], and the related statements of revenues and expenses and change in financial position for the period then ended, copies of which have heretofore been furnished to the Bank, are complete and correctly and fairly present the financial condition, changes in financial position and results of operations of the City at such dates and for such periods, and were prepared in accordance with GAAP consistently applied, except as stated in the notes thereto. Since [__________], there has been no Material Adverse Change nor any increase in the City's Debt. The City has no material contingent liabilities or other material contracts or commitments payable from the Pledged Revenues which are not reflected in such financial statements, or in the notes thereto.

(j) *Accuracy and Completeness of Information*. All information, reports and other papers and data furnished by the City to the Bank were, at the time the same were so furnished, complete and correct in all material respects, to the extent necessary to give the recipient a true and accurate knowledge of the subject matter and were provided in expectation of the Bank's reliance thereon in issuing the Letter of Credit. No fact is known to the City which has had or, so far as the City can now reasonably foresee, may in the future have a Material Adverse Effect, which has not been set forth in the financial statements referred to in Section 4.01(i) or in such other information, reports or other data disclosed in writing to the Bank prior to the Closing Date. Any financial, budget and other projections furnished to the Bank by the City or its agents were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of the conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent the City's best estimate of its future financial performance. No document furnished nor any representation, warranty or other written statement made to the Bank in connection with the negotiation, preparation or execution of this Agreement or the Related Documents contains or will contain any untrue statement of a material fact or omits or will omit (as of the date made or furnished) to state any material fact necessary in order to make the statements contained herein or therein, in the light of the circumstances under which they were or will be made, not misleading.

(k) *Offering Circular*. The information concerning the City, the Commercial Paper Program and any of the Related Documents (but not including the Bank Disclosure and any Securities Depository Disclosure, as to which no representation is made) contained in the Offering Circular is, and any supplement or amendment thereto shall be, true and correct in all material respects for the purposes for which its use is, was or shall be, authorized.

(l) *Sovereign Immunity*. Under the laws of the State of California, the City, the Water System, and its and their revenues, assets and property is not exempt or immune from, whether on the basis of sovereign immunity or any similar legal or equitable principle, doctrine or rule of law and whether now or at any time hereafter arising, (i) jurisdiction, (ii) liability, suit or other legal or equitable remedy for the amounts due and payable under the Notes, the Bank Note, this Agreement or any of the other Related Documents or the performance of any of its other obligations hereunder or thereunder, and (iii) enforcement of any judgment, order or decree to which the City, the Water System, or its or their revenues, assets and property may be made subject.

(m) *Incorporation of Representations and Warranties*. The City hereby makes and remakes to the Bank, as of the date hereof, each of the representations and warranties made by the City in each Related Document to which it is a party, which representations and warranties, together with the related definitions of terms contained therein, are incorporated herein by this reference with the same effect as if each and every such representation and warranty and definition were set forth herein in its entirety. No amendment to or waiver of such representations, warranties or definitions made pursuant to the relevant Related Document shall be effective to amend such representations and warranties and definitions as incorporated by reference herein without the prior written consent of the Bank.

(n) *Insurance*. The City currently maintains insurance of such type and in such amounts or in excess of such amounts necessary to comply with the requirements of Section 5.19.

(o) *Notes*. The City will cause the Authority to duly and validly issue and deliver each Note under and pursuant to the Trust Agreement and each shall be entitled to the benefits thereof. The Notes constitute "Bonds" as such term is defined and used in the Trust Agreement and the other Related Documents.

(p) *Pension Plans*. (i) Each Pension Plan is in compliance in all material respects with the applicable provisions of the Code and other federal or state law; (ii) there are no pending or, to the best knowledge of the Issuer, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Pension Plan which has resulted or could reasonably be expected to result in a Material Adverse Effect; and there has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Pension Plan which has resulted or could reasonably be expected to result in a Material Adverse Effect; and (iii) each Pension Plan is a governmental plan as defined in Section 3(32) of ERISA.

(q) *Interest*. None of the Related Documents to which the City is a party (including this Agreement and the Bank Note) or the Notes provide for any payments that would violate any Applicable Law regarding permissible maximum rates of interest or the calculation or collection of interest upon interest. In particular, and not in limitation of the foregoing, under the laws of the State of California, the obligation of the City under this Agreement to pay interest at the Bank Rate (i) is, [under California Government Code §5922(c), as amended,] a valid, binding and enforceable contractual obligation and is not subject to any limitation, restriction or cap on the per annum rate of interest that may be charged or received by the Bank or paid by the City and (ii) constitutes Debt Service.

(r) *Investment Company Act*. The City is not an "investment company" or a company "controlled" by an "investment company," as such terms are defined in the Investment Company Act of 1940 (15 U.S.C. §80a-1 et seq.), as amended.

(s) *Federal Reserve Board Regulations*. The City is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock. The City will not use any part of the proceeds of the Notes or the funds advanced hereunder and has not incurred any Debt to be reduced, retired or purchased by the City or any Affiliate out of such proceeds, for the purpose of purchasing or carrying any Margin Stock.

(t) *No Proposed Legal Changes*. There is no amendment, or to the best knowledge of the City, proposed amendment certified for placement on a statewide ballot, to the Constitution of the State or any State law or any published administrative interpretation of the Constitution of the State or any State law, or any proposition or referendum (or proposed proposition or referendum) or other ballot initiative or any legislation that has passed either house of the legislature of the State, or any published judicial decision interpreting any of the foregoing, the effect of which could reasonably be expected to affect adversely (i) the execution or delivery of, or security for any of the Notes, (ii) the rights or remedies of the Bank or of any Owner of the Notes, or (iii) the existence of the City, the Water System or the City's power or ability to perform its obligations hereunder or under any of the other Related Documents including without limitation the City's ability to repay when due its obligations under this Agreement and the Bank Note.

(u) *Environmental Matters*. In the ordinary course of its business, the City conducts an ongoing review of the effect of Environmental Laws on the business, operations and properties of the City, in the course of which it identifies and evaluates associated liabilities and costs (including, without limitation, any capital or operating expenditures required for clean up or closure of properties presently or previously owned or operated, any capital or operating expenditures required to achieve or maintain compliance with environmental protection standards imposed by law or as a condition of any license, permit or contract, and related constraints on operating activities, and any actual or potential liabilities to third parties, including employees, and any related costs and expenses). Neither the City nor the Water System, nor its and their assets and property (i) has become subject to any Environmental Liability nor does the City know of any basis for any Environmental Liability or (ii) has received notice of any Environmental Claim or of any failure or alleged failure to comply with applicable federal, state or local health and safety statutes or regulations, except for notices of Environmental Claims or of failures or alleged failures to comply that, singly or in the aggregate, have not had and cannot have a Material Adverse Effect; and the City and the Water System, and its and their assets and property, is and are, to the best knowledge of the City, in compliance with all Environmental Laws and have obtained, maintained and complied with all permits, licenses and other approvals required under any Environmental Law.

(v) *Anti-Terrorism Representation*.

(i) Neither the City nor any of its Affiliates is in violation of any laws relating to terrorism or money laundering ("Anti-Terrorism Laws"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "Executive Order"), and the USA Patriot Act, Title III of Pub. L. 107-56, 115 Stat. 272 (the "Patriot Act");

(ii) Neither the City nor any of its Affiliates is any of the following:

(A) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(B) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(C) a Person with which the Bank is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(D) a Person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; or

(E) a Person that is named as a "specially designated national and blocked person" on the most current list published by the Office of Foreign Asset Control ("OFAC") or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list;

(iii) Neither the City nor any of its Affiliates (A) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (ii)(B) above, (B) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (C) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(w) *Valid Pledges and Liens*.

(i) The City's irrevocable pledge of the Net Revenues to secure the Installment Payments and City Revenue Bonds and the City's Pledge of the Pledged Revenues to and for the payment of the Bank Debt Service, in each case, as authorized under and in accordance with Applicable Law, is valid and binding as of the Date of Issuance;

(ii) All Net Revenues now or hereafter received by the City are immediately subject to the Lien of the Pledge and the Pledge creates for the benefit of the Bank a perfected Lien upon and security interest in the Funds and all of the Net Revenues (wherever deposited), subject to no Liens other than Permitted Liens;

(iii) The Revenues and the Installment Purchase Contract, have been irrevocably assigned and pledged by the Authority to the Trustee, and will be held by the Trustee under the Trust Agreement as the assignee and pledgee of the Authority, for the sole benefit of the Bank, each other Credit Bank and the Owners, free and clear of any pledge, security interest, claim or other Lien of any other Person, to secure the payment of the Bonds and the Reimbursement Obligations and such pledge and assignment constitutes a first Lien on the Revenues and the Installment Purchase Contract and is valid and binding as of the date hereof and subject to no further required act or delivery to complete or perfect such Lien;

(iv) The Pledge made in Section 2.12 hereof constitutes a first Lien on the Net Revenues (wherever deposited) and the Funds. The Pledge requires no act, instrument, approval, filing, registration, recording or publication of the Trust Agreement, this Agreement or any other Related Document or instrument nor any prior separation or physical delivery of the Pledged Revenues or notice to any Person, other than the filings and registrations accomplished by the City as of the Closing Date, to validly establish the Pledge, or to create, attach, perfect, protect or maintain the lien and security interest created thereby on and in the Pledged Revenues to secure the Bank Debt Service; and

(v) Neither the issuance, execution and delivery of the Notes, nor the making of the Pledge, requires any vote, approval of taxpayers or act of appropriation for the application thereof to the purposes for which executed, delivered and pledged, respectively.

(x) *This Agreement; Other Debt*.

(i) This Agreement constitutes a Contract and the City's obligations under the Bank Note and this Agreement to pay Bank Debt Service are on a parity with the City's obligations to pay Debt Service for Parity Obligations. The Bank Note and the Bank Debt Service under this Agreement are secured by the Pledge.

(ii) As of the Date of Issuance, (A) the City has not incurred, created or assumed any Debt which is senior in right of payment or security to the City's obligations under this Agreement or the Parity Obligations and (B) there is no Debt of the City payable from or secured by the Water Revenues, other than the SRF Contract, or payable from or secured by the Net Revenues, or any portion thereof, whether senior, parity or subordinate, other than the Contracts and City Revenue Bonds, respectively, existing as of the Date of Issuance and expressly listed in the definitions of "Contracts" and "City Revenue Bonds," respectively, in this Agreement.

(iii) All Required Payments other than Bank Debt Service constitute Operation and Maintenance Costs, payable from the Water Revenues ahead of the Parity Obligations and the other Permitted Indebtedness.

(y) *Trust Agreement; Installment Purchase Contract*. The provisions of the Trust Agreement, including without limitation the Supplemental Trust Indenture, constitute a contract by the Authority for the direct and intended benefit of the owners of the Bonds and the Bank as the Credit Bank. The Bank, subject to the provisions of the Trust Agreement and this Agreement, may at law or in equity, by suit, action, mandamus or other proceedings, enforce and compel the performance of all duties required to be performed by the Authority and the City, respectively, under this Agreement, the Trust Agreement, the Installment Purchase Contract and the other Related Documents to which the Authority or City, respectively, is a party.

Section 4.02. Representations of Authority. In order to induce the Bank to issue the Letter of Credit, the Authority represents, warrants and covenants to and with the Bank as of the Closing Date, as of each date on which the Bank honors a Drawing under the Letter of Credit and as of each day during any Term Amortization, as follows:

(a) ***Organization and Authorization***. The Authority is duly organized and validly existing as a joint exercise of powers agency of the State.

(b) ***Authority to Adopt or Execute Documents***. The Authority had, as of the date of adoption thereof, full power and authority to adopt the Authority Resolution authorizing the execution and delivery of this Agreement and the other Related Documents to which it is a party and the transactions contemplated hereby and thereby, and has, or had as of the date of execution and delivery, full power and authority to execute and deliver this Agreement and the other Related Documents to which it is a party, to issue, execute and deliver the Notes, to use the proceeds of the Notes as contemplated by the Installment Purchase Contract and has full power and authority to perform its obligations under each of the Related Documents.

(c) ***Obligations Legal, Valid and Binding***.

(i) The issuance, execution and delivery of the Notes have been duly authorized by all necessary action by the Authority and this Agreement and the other Related Documents to which the Authority is a party have been duly and validly authorized, executed and delivered, and each constitutes the legal, valid and binding obligation of the Authority enforceable against the Authority in accordance with their respective terms, except insofar as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights and remedies generally, and by general principles of equity.

(ii) The Authority is not in default hereunder, or under the other Related Documents to which it is a party or under any other material mortgage, indenture, contract, agreement or undertaking to which it is a party or which purports to be binding on the Authority or on any of its assets which default would adversely affect the ability of the Authority to perform its obligations hereunder or under any of the other Related Documents to which it is a party.

(d) ***Compliance of Agreement, Related Documents with Applicable Law, Organizational Documents, Etc***. The execution, delivery and performance of this Agreement, the Notes and each of the other Related Documents in accordance with its and their respective terms and the consummation of the Transactions do not and will not (i) contravene or conflict with the Authority's charter, bylaws or other organizational documents or with any provision of the Act, (ii) require any consent or approval of any creditor of the Authority, (iii) violate any Applicable Law (including, without limitation, Regulations T, U or X of the Board of Governors of the Federal Reserve System, or any successor regulations), (iv) conflict with, result in a breach of or constitute a default under any contract, indenture, agreement, instrument or other undertaking to which the Authority is a party or which purports to be binding on the Authority or on any of its properties or assets or (v) result in or require the creation or imposition of any charge, pledge, security interest, encumbrance or other Lien upon or with respect to any assets now owned or hereafter acquired by the Authority, except such Liens, if any, created under and pursuant to the Installment Purchase Contract or the Trust Agreement. The Authority Resolution has been adopted in compliance with all requirements of Applicable Law.

(e) ***Governmental Approvals***. All authorizations, consents, and other Governmental Approvals necessary for the Authority to issue, execute and deliver the Notes, and to enter into this Agreement and the other Related Documents and perform the transactions contemplated hereby and thereby, have been obtained and remain in full force and effect and are subject to no further administrative or judicial review. No other authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required for the due execution, delivery and performance by the Authority of this Agreement or the due execution, delivery or performance by the Authority of the other Related Documents to which it is a party.

(f) ***No Legal Bar***.

(i) The Authority is in compliance with and not in violation under any laws of the State which would adversely affect the Authority's existence or its powers and authority referred to in Section 4.02(b).

(ii) The Authority is not a party to, or otherwise subject to, any provision contained in any instrument evidencing Debt of the Authority, any agreement relating thereto or to the CP Project or any portion thereof, or any other contract or agreement which limits the amount of, or otherwise imposes restrictions on the incurring of, obligations of the Authority that would adversely affect the ability of the Authority to perform its obligations hereunder or under any of the other Related Documents to which it is a party.

(g) ***Litigation***. There is no action, suit, investigation or proceeding pending or, to the best of the Authority's knowledge after due inquiry, threatened against or affecting the Authority, in which an adverse determination could have an adverse effect on (i) the business, operations or condition (financial or otherwise) of the Authority or its ability to perform its obligations hereunder or under the other Related Documents to which it is a party or (ii) the validity or enforceability of the Notes, this Agreement or any of the other Related Documents.

(h) ***Disclosure***. The representations and statements made by the Authority herein or in any other Related Document, or made by the Authority in any other document furnished to the Bank in connection herewith or therewith are accurate and complete as of the date of this Agreement.

(i) ***No Immunity***. Under the laws of the State of California, the Authority and its revenues, assets and property are not exempt or immune from, whether on the basis of sovereign immunity or any similar legal or equitable principle, doctrine or rule of law and whether now or at any time hereafter arising, (i) jurisdiction, (ii) liability, suit or other legal or equitable remedy for the amounts due and payable under this Agreement or any of the other Related Documents or the performance of any of its obligations hereunder or thereunder, and (iii) enforcement of any judgment, order or decree to which the Authority or its revenues, assets and property may be made subject. To the extent that the Authority has or hereafter may acquire under Applicable Law any right to immunity from set-off or legal proceedings on the grounds of sovereignty, the Authority hereby irrevocably waives, to the extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to this Agreement or the other Related Documents to which it is a party.

(j) ***No Defaults***. No Default or Event of Default has occurred and is continuing under this Agreement, and no Default or Event of Default or condition, event or act which with notice or lapse of time or both would become or constitute a Default or Event of Default under, or as such term or terms is defined in, any other Related Document or agreements related thereto, has occurred and is continuing.

(k) ***Other Documents***. The representations and warranties made by the Authority in each of the other Related Documents to which it is a party are hereby incorporated herein by this reference and are hereby reaffirmed and restated by the Authority for the benefit of the Bank as if such representations and warranties were fully set forth herein. Except as otherwise provided herein, no amendment, modification, termination or replacement of any such representations, warranties, covenants and definitions contained in the Related Documents to which it is a party shall be effective to amend, modify, terminate or replace the representations, warranties, covenants and definitions incorporated herein by this reference, without the prior written consent of the Bank.

(l) ***Margin Stock***. The Authority is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock. The Authority will not use any part of the proceeds of the Notes or the funds advanced under the Letter of Credit and has not incurred any Debt to be reduced, retired or purchased by the Authority or any Affiliate out of such proceeds, for the purpose of purchasing or carrying any Margin Stock.

(m) ***Environmental Matters***. The Authority has not received notice to the effect that its operations are not in compliance with any of the requirements of any Environmental Laws or are the subject of any Environmental Claim or are subject to any Environmental Liability.

ARTICLE V

AFFIRMATIVE COVENANTS

The City covenants and agrees that until the principal of and interest on the Notes and all Required Payments have been indefeasibly paid in full and all other obligations of the City under this Agreement or with respect to the Bank Note have been paid and performed and the Bank shall have no further obligation or liability under or in respect of the Letter of Credit:

Section 5.01. Compliance With Laws and Regulations. The City and its Affiliates shall comply with all Applicable Laws, including Environmental Laws, to which it, they, the Water System, or its or their property may be subject; provided, however, that the City may contest the validity or application thereof and appeal or otherwise seek relief therefrom, so long as the City and each Affiliate continues to perform all of its obligations hereunder and under the Related Documents and provided such acts do not affect the City's or such Affiliate's power and authority to execute this Agreement and the Related Documents to which it is a party or to perform its obligations and pay all amounts payable by it hereunder and thereunder, or otherwise result in a Default or Event of Default hereunder (including without limitation Section 7.01(k)) or under any of the other Related Documents.

Section 5.02. Reporting Requirements. The City shall keep proper books of record and account in which full, true and correct entries will be made of all dealings or transactions of or in relation to the affairs, operations, transactions and activities of the City and the Authority in accordance with GAAP consistently applied. The City shall furnish to the Bank two copies of each of the following, provided, that, except with respect to the certificates specified in subsection (c) below, the City may satisfy its obligation to provide to the Bank copies of any items identified in this Section by posting an electronic copy of such item on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System, www.emma.msrb.org ("EMMA") within the timeframe for delivery identified below:

(a) ***Financial Statements***.

(i) *Annual Financial Statements*. As soon as available, and in any event within 180 days after the close of each Fiscal Year of the City (or by such earlier time as the same is provided to the Trustee under the Installment Purchase Contract), the complete audited financial statements of the City including the balance sheet as of the end of such Fiscal Year and the related statements of revenues, expenses and cash flows and changes in fund balance for such Fiscal Year, setting forth in each case in comparative form the corresponding figures for the preceding Fiscal Year, all in reasonable detail, and including a statement of compliance with the rate covenants contained in Section 5.20, all as certified to by the City's independent certified auditors as having been prepared in accordance with GAAP, consistently applied, such audit having been conducted in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

(ii) *Quarterly Financial Statements*. As soon as available and in any event within 45 days after the end of each fiscal quarter of each Fiscal Year of the City, the unaudited financial report of the Water System, including the balance sheet as of the end of such fiscal period and the related statements of revenues, expenses and cash flows and changes in fund balance for such fiscal period, setting forth in each case in comparative form the budgeted figures for such fiscal period, all in reasonable detail.

(b) ***Annual Certificate of Compliance***. As soon as available, and in any event within 60 days after each June 30, a certificate substantially in the form attached hereto as Exhibit D signed by the Authorized City Representative: (i) certifying compliance with the financial covenants set forth in Section 5.20 as of the last day of such Fiscal Year, together with an update of projected operating results for such Fiscal Year, including the report described in Section 5.20(b), if required pursuant to the terms of Section 5.20(b); and (ii) certifying (A) as to the matters set forth in Section 5.19, (B) that under his/her supervision the City has made a review of its activities during the preceding Fiscal Year for the purpose of determining whether or not the City has complied with all of the terms, provisions and conditions of this Agreement and the other Related Documents, (C) that to the best of his/her knowledge the City is not in Default in the performance or observance of any of the terms, covenants, provisions or conditions of this Agreement or any of the other Related Documents, or if the City shall be in Default, such certificate shall specify each such Default, the nature and status thereof and any remedial steps taken or proposed to correct each such Default and (D) whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 4.01(i) and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate.

(c) ***Auditors***. Concurrently with any delivery of financial statements under clause (a) above, a copy of any management letter or audit report provided to the City by such auditors.

(d) ***Other Reports***. Promptly upon request by the Bank, copies of any financial statement or report furnished to any other holder of any Bonds, City Revenue Bonds or Contracts pursuant to the terms of any Other Obligation and not otherwise required to be furnished to the Bank pursuant to any other clause of this Section 5.02.

(e) ***Budget***. As near as practicable to the beginning of each Fiscal Year, an annual budget of the City for such upcoming Fiscal Year which shall include, among other items, projected operating results for such Fiscal Year, including Operation and Maintenance Costs, Debt Service Payments and Water Revenues.

(f) ***Material Event Notices***. Immediately following any dissemination, distribution or provision thereof to any Person, a copy of any Material Event Notice disseminated, distributed or provided in satisfaction of or as may be required by the provisions of Rule 15c2-12 promulgated pursuant to the Securities Exchange Act of 1934, as amended (17 C.F.R. Sec. 240-15c2-12), or any successor or similar legal requirement.

(g) ***EMMA Filings***. Copies of all filings made by the Issuer with any Nationally Recognized Municipal Securities Information Repository (including EMMA) promptly after such filings are made.

(h) ***Certain Financial Matters***. Promptly upon request of the Bank, confirmation (by the City or by the Trustee at the written request of the City) of the amount of funds on deposit in any fund or account established or continued under the Trust Agreement, the Installment Purchase Contract or this Agreement and, promptly after the occurrence thereof, written notice of any material change in accounting policies or financial reporting practices by the City or its Affiliates.

(i) ***Additional Bonds, City Revenue Bonds and Contracts***. Promptly following the date of execution and delivery of any Bond, City Revenue Bond or Contract, written notice of the change in the aggregate principal amount of Bonds, City Revenue Bonds and Contracts outstanding, together with a copy of the final official statement or other final disclosure statement prepared with respect to such additional Bond, City Revenue Bond or Contract, if any, and a certification that any limitations or covenants with respect to the incurrence or issuance of such Bond, City Revenue Bond or Contract (including any debt service coverage test) have been met with respect thereto.

(j) ***Legal Proceedings***. Promptly after obtaining knowledge thereof, written notice of the filing or commencement of any legal proceeding or other action by any Person involving a demand, claim or cause of action (i) arising under any Contract, City Revenue Bond or Bond or (ii) which would be payable from the Water Revenues or any portion thereof.

(k) ***Insurance Report***. As soon as available, a copy of any report or certificate concerning the insurance coverages for the Water System that the City at any time may obtain from an insurance consultant as set forth in Section 5.19.

(l) ***Other Information***. Such other information respecting the business, properties or the condition or operations, financial or otherwise, of the City or the Authority as the Bank may from time to time reasonably request.

Section 5.03. Notices.

(a) ***Notice of Default***. The City shall provide to the Bank immediate notice by telephone, promptly confirmed in writing, of any Default or Event of Default or any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

(b) ***Pension Plan Notices***. As soon as practicable, notice of the occurrence of (i) any "prohibited transaction" (as such term is defined in Section 503 of the Code) in connection with any Pension Plan or any trust created thereunder; (ii) the adoption of, or commencement of contributions to, any defined benefit Pension Plan by the City, or (iii) the adoption of any amendment to a Pension Plan, if such amendment results in a material increase in Unfunded Pension Liability, (and in any such case, the City shall provide to the Bank telephonic notice specifying the nature thereof, and, no more than five Business Days after such telephonic notice, written notice again specifying the nature thereof and specifying what action the City or any of its

Affiliates is taking or proposes to take with respect thereto, and, when known, any action taken by the IRS or other Governmental Authority with respect thereto); and

(c) ***Litigation and other Notices***. The City shall provide to the Bank in writing, promptly upon learning thereof, notice of:

(i) any Material Litigation and any other action, suit, proceeding, inquiry or investigation that is commenced or threatened (A) which seeks an injunction or temporary restraining order against the City or the Authority, (B)which is asserted or instituted against any Pension Plan, its fiduciaries or its assets or against the City in connection with any Pension Plan, (C) which alleges criminal misconduct by the City or the Authority or any officer, board member, employee or agent of the City or the Authority, or (D) which alleges the violation of any law regarding, or seeks remedies in connection with, any Environmental Liabilities that singly or in the aggregate constitutes or could result in a Material Adverse Effect; and

(ii) (A) any criminal investigation or proceeding by a Governmental Authority involving the City, any Affiliate of the City or any officer, board member or managerial employee of the City or any Affiliate of the City; (B) written notice of a communication from any labor union of an intent to strike the City or any of its Affiliates at a future date with such notice to include a description of the action or actions that the City or its Affiliates propose to take with respect thereto; (C) the proposal of a bill or other legislation or the filing of any initiative or referendum which challenges the validity or enforceability of any of the Related Documents, the Act, or otherwise could annul, amend, modify or replace the Act or which could lead to a material diminution or reallocation of the Revenues or any portion thereof; and (D) any material development in any legal proceeding or other action affecting the City or its Affiliates which the City has, or should have, provided notice of to the Bank pursuant to Section 5.03(b) or clause (i) of this Section 5.03(c).

(d) ***Certain Notices under or in connection with the Related Documents***. The City shall furnish to the Bank a copy of any notice, certification, demand or other writing or communication given by the Dealer, the Trustee or the Paying Agent to the City or the Authority or by the City or the Authority to the Dealer, the Trustee or the Paying Agent under or in connection with any of the Related Documents, in each case promptly after the receipt or giving of the same.

(e) ***Amendments***. The City will not consent to or permit any amendment or supplement to or modification or waiver of any of the provisions of the Related Documents without the prior written consent of the Bank. The City will give the Bank notice as promptly as practicable (but in no event less than ten (10) Business Days) of any proposed amendments or supplements to or modifications or waivers of any provisions of any of the Related Documents and of any meeting of the City Council of the City at which any of the foregoing will be discussed or considered.

(f) ***Trust Agreement Information; Identity of Owners***. Copies of all notices, certificates, opinions and other reports or documents required to be filed pursuant to the Trust Agreement. The City shall, upon request, provide or cause to be provided, to the Bank the list of the name and address of the last known Owners of the Notes.

(g) ***Rating Agencies***. The City shall provide to the Bank promptly after any Rating Agency then maintaining an Obligor Rating shall have announced a change in, or suspension, removal, withdrawal or placement on ratings review or watch of, an Obligor Rating, written notice of such action.

(h) ***Governmental Authority Filings***. The City shall furnish to the Bank promptly following receipt, copies of all reports and other materials pertaining to, involving or affecting the Water System and which are filed or delivered by the City or by the Authority to or with any Governmental Authority which has jurisdiction over the financial affairs of the City or the Authority, which is a creditor of the City, or which issues debt on behalf of the City.

(i) ***Legislation or Proposed Legislation***. Copies of (i) any amendments or modifications to the Act and (ii) any other legislation of which the City has knowledge which could reasonably be expected to adversely impact the Water Revenues, the City's ability to perform its obligations under the Related Documents or the pledge of the Revenues and the Net Revenues to payments on the Notes and the Required Payments.

(j) ***Notices of Dispute***. The City shall promptly give written notice to the Bank of any material dispute which may exist between the City and any of the Dealer, the Authority, the Trustee, or the Paying Agent or any dispute in connection with any transaction contemplated under this Agreement or any Related Document.

Section 5.04. Further Assurances. The City will, and will cause the Authority to, from time to time promptly execute and deliver to the Bank (or as directed by the Bank) all further financing statements, amendments, confirmation statements and will register, record and file and re-register, re-record and re-file all such documents and instruments, at such time or times, in such manner and at such place or places, and shall take any and all other actions as may be necessary or reasonably required by the Bank to (a) perfect and protect, any lien, pledge or security interest or other right or interest given, or purported to be given to the Trustee, the Bank or any Owner under or in connection with the Trust Agreement, this Agreement or the other Related Documents, (b) enable the Trustee and the Bank to exercise and enforce its rights under this Agreement and its rights and the rights of the Owners of the Notes, as and in the manner provided in the Trust Agreement, this Agreement and the other Related Documents and (c) further and more fully vest in the Trustee and the Bank all rights, interests, powers, benefits, privileges, and advantages conferred or intended to be conferred upon them by any of the Related Documents. Except to the extent it is exempt therefrom, the City will pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of such instruments of further assurance. In the event that the Bank Note shall at any time be lost or destroyed, then upon the execution and delivery by the Bank to the City of a lost bank note affidavit, which shall include a representation by the Bank that it is unable to account for or locate the Bank Note (the "Original Bank Note") and an indemnification by the Bank to protect the City from liability arising under the Original Bank Note, the City shall duly execute and deliver a replacement Bank Note (the "Replacement Bank Note") which shall be identical to the Original Bank Note. The form of lost bank note affidavit to be provided by the Bank shall be mutually satisfactory to counsel for the Bank and counsel for the City.

Section 5.05. Right of Entry; Communication with Accountant.

(a) The City shall permit the agents or representatives of the Bank during normal business hours and, at any time a Default does not exist, upon reasonable prior notice, to enter the premises of the City, or any parts thereof, to examine and copy the City's and the Authority's financial and corporate books, records and accounts, and to discuss the affairs, finances, business and accounts of the City and the Authority with the City's and the Authority's officers, board members, employees and agents.

(b) (i) At any time that a Default exists, the City authorizes the Bank to communicate directly with its Accountant, including [____________________], and authorizes and shall instruct those accountants to communicate with, disclose and make available to, the Bank, any and all financial statements and other supporting financial documents, schedules and information relating to the City and the Authority with respect to the business, results of operations and financial condition and other affairs of the City and the Authority; and

(ii) at any time that no Default exists, the City shall upon receipt of written notice from the Bank, made with reasonable prior notice, instruct and authorize its Accountant, including [____________________], to jointly with the City communicate with, disclose and make available to, the Bank, any and all financial statements and other supporting financial documents, schedules and information relating to the City and the Authority with respect to the business, results of operations and financial condition and other affairs of the City and the Authority.

Section 5.06. Payment of Obligations; Removal of Liens. The City will, and will cause each of its Affiliates, to pay (a) all Debts and obligations of the City or such Affiliate payable from the Water Revenues in accordance with the terms thereof, (b) all amounts payable by it hereunder and under the Related Documents in accordance with the terms hereof or thereof and (c) all assessments or other governmental charges as the same respectively become due, all taxes, assessments (general or special) and governmental charges of any kind whatsoever that may be at any time lawfully assessed or levied against or with respect to any of the Water System or any interest thereon and promptly discharge or cause to be discharged all Liens (other than Permitted Liens), fees and charges on such property; provided that the City or such Affiliate may withhold payment of sums described under subpart (c) where (i) the validity or amount thereof is being contested in good faith by appropriate proceedings, (ii) the City or such Affiliate has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (iii) the failure to make payment pending such contest could not result in a Material Adverse Effect. Notwithstanding the foregoing, the City will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a Lien on the Water Revenues, the Water Revenue Fund, the Revenue Fund, the Rate Stabilization Fund or any other funds in the hands of the City, the Authority, the Trustee or the Paying Agent pledged to pay the Bank Debt Service or the Notes prior or superior to the Lien of the Parity Obligations or which might impair the security of the Parity Obligations.

Section 5.07. Incorporation of Covenants.

(a) The covenants of the City set forth in the Trust Agreement and each of the other Related Documents to which the City is a party, as well as related defined terms contained therein, and Sections 5.2, 5.3 and 7.2 of the Installment Purchase Contract and each other provision of the Installment Purchase Contract concerning the use and disposition of Water Revenues and the Revenue Fund and Rate Stabilization Fund, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety for the benefit of the Bank and shall be enforceable by the Bank against the City. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein. To the extent that any such incorporated provision permits any Person to waive compliance with or consent to such provision or requires that a document, opinion, report or other instrument or any event or condition be acceptable or satisfactory to any Person, the waiver or consent or approval, as applicable, of the Bank shall be required under this Agreement and such compliance shall be waived, or such provision shall be consented to, only if it is waived or consented to, as the case may be, by the Bank and such document, opinion, report or other instrument shall be acceptable or satisfactory to the Bank. No amendment to such covenants (or the defined terms relating thereto) made pursuant to any of the Related Documents shall be effective to amend such incorporated covenants without the written consent of the Bank. Notwithstanding the termination or expiration of any Related Document, the City shall, unless such Related Document has terminated or expired in accordance with its terms and has been replaced by a new Related Document, continue to observe the covenants therein until the termination of this Agreement.

(b) The City shall diligently and in good faith pursue enforcement of each of the Related Documents to which it is a party against each of the other parties thereto and shall in particular and not in limitation of the foregoing cause the Authority, the Trustee, the Paying Agent and the Dealer at all times to comply with the terms of the Related Documents to which they are a party.

Section 5.08. Maintenance of Governmental Approvals. The City shall, and shall cause the Authority to, at all times maintain in effect, renew and comply with all the terms and conditions of all consents, licenses, approvals, authorizations and other Governmental Approvals which are necessary or appropriate under Applicable Law to conduct the activities and operations of the Water System as of the Closing Date or at any time thereafter and for the execution, delivery and performance of this Agreement and the other Related Documents to which it is a party.

Section 5.09. Alternate Letter of Credit.

(a) The City covenants to employ its best efforts to obtain, as of the Termination Date, an Alternate Letter of Credit to replace the Letter of Credit unless the City terminates as of such date the Commercial Paper Program.

(b) The City agrees that any Alternate Letter of Credit will require, as a condition to the effectiveness of the Alternate Letter of Credit, that the provider of the Alternate Letter of Credit, or the City, will provide funds to the extent necessary, in addition to other funds available, on the date the Alternate Letter of Credit becomes effective, for the payment in full of all amounts owing under the Bank Note at par plus accrued interest. On such date all Required Payments owing to the Bank hereunder or under the Bank Note shall be paid in full to the Bank by the City.

(c) The City shall not permit an Alternate Letter of Credit as described in subparagraph (a) to become effective with respect to less than all of the Notes without the prior written consent of the Bank.

Section 5.10. Disclosure to Participants. The City agrees to permit the Bank to disclose any information received by the Bank in connection herewith, including without limitation the financial information described in Section 5.02, to any assignees or Participants of the Bank in this Agreement without notice to or further consent from the City.

Section 5.11. Maintenance of Existence. The City will preserve and maintain its existence as a municipal corporation and political subdivision of the State of California and maintain all rights, privileges and franchises necessary and desirable in the normal conduct and operation of the Water System and in the performance of its obligations under the Related Documents to which it is a party. The

City will continue to conduct in the ordinary course the activities in which it is presently engaged including its operation of the Water System and activities ancillary thereto.

Section 5.12. Use of Proceeds. The City shall (a) cause the proceeds from each Drawing made pursuant to the Letter of Credit and this Agreement to be used solely for the specific purpose set forth under [Section 53850 of the Government Code of the State of California], the City Resolutions and this Agreement and (b) use the proceeds of the Notes solely for the capital purposes set forth in an approved Fiscal Year budget or other approved planning documents, or as otherwise approved by the City Council of the City. The City will not use the proceeds of the Notes or the proceeds from Drawings in a manner which violates Regulation U, as it may be amended or interpreted from time to time by the Board of Governors of the Federal Reserve System.

Section 5.13. Issuance of Notes. The City covenants and agrees to cause the Authority to issue and sell Notes on the date and in the principal amount of maturing notes to the extent that there are not amounts otherwise available to reimburse the Bank for amounts drawn under the Letter of Credit by reason of such maturity. The City covenants and agrees that prior to the initial issuance and sale of any Notes by the Authority, the City shall obtain an opinion of nationally-recognized bond counsel to the effect that interest on all Notes shall be excluded from gross income for federal income tax purposes.

Section 5.14. Notice of Change in Depository Banks. The City shall provide the Bank written notice not less than thirty (30) days in advance of any change or intended change in the depository bank or banks for the Revenue Fund. The City shall not enter into any blocked account agreement or account control agreement with respect to any account or fund into which the City has deposited or invested or will deposit or invest all or any portion of the Water Revenues, except with or in favor of the Trustee and with the prior written consent of the Bank.

Section 5.15. CUSIP Numbers. The City shall at all times cause Notes to be assigned a CUSIP Number.

Section 5.16. Rating Maintenance. The City covenants that at all times from and including the Date of Issuance until the defeasance or indefeasible payment in full of all Notes and the indefeasible payment in full of all Required Payments it will (a) maintain a published Obligor Rating from at least one of S&P, Moody's and Fitch and (b) cause at least one of S&P, Moody's and Fitch to assign short term ratings to the Notes.

Section 5.17. Rating Reduction. The City covenants and agrees that if at any time any Obligor Rating is reduced by any of S&P, Fitch or Moody's to, or below, "BBB+" in the case of S&P or Fitch, or "Baa1" in the case of Moody's, then on or prior to the sixtieth (60th) day after such reduction is announced, the City shall pay to the Bank all amounts owed to the Bank in respect of any Drawings under the Letter of Credit and all other Required Payments owing to the Bank, including any Excess Interest Amount.

Section 5.18. Budget. The City covenants to prepare and adopt a budget prior to the beginning of each Fiscal Year, which budget shall provide for appropriations at levels required to make all payments of principal, interest, fees, reserves and any other expenditures required or contemplated under the Related Documents and Permitted Indebtedness, including all Debt Service Payments, and sufficient to pay in such Fiscal Year, to the extent the same becomes due in such Fiscal Year, all Operation and Maintenance Costs, O&M Obligations, the Required Payments under this Agreement and all Debt Service Payments on Permitted Indebtedness.

Section 5.19. Insurance.

(a) The City shall comply with the requirements set forth in the Installment Purchase Contract and with all requirements of Applicable Law with regard to the procurement and maintenance of insurance for the Water System and shall in any event procure through a public agency risk pool or commercial insurers rated at least "A" by A. M. Best or S&P, and maintain at all times such insurance coverages, policy limits, and deductibles with respect to its property, employees and operations as are sufficient to cover known and usual risks and customary as compared to that maintained by similarly situated entities including public liability, third party property damage and business interruption insurance coverages. The City shall deliver on or before the Date of Issuance and thereafter no less often than annually to the Bank and the Trustee, the certificate of an Authorized City Representative addressed to the Bank and the Trustee and certifying that such Person has reviewed the City's insurance coverages and that such coverages comply with the requirements of the Installment Purchase Contract and this subsection. To the extent that the City at any time retains an insurance consultant to review the City's insurance coverages including any self insurance program or self insured retention under any insurance policy as permitted by the Installment Purchase Contract, the City promptly shall provide to the Bank and the Trustee, a copy of any certificate or report of such insurance consultant in the form provided to the City, which certificate or report shall confirm that any such self insurance program and/or self insured retention is actuarially sound and is consistent with prudent risk management policies and that the City's insurance coverages and any such self insurance program and/or self insured retention fulfills each of the requirements of Applicable Law, the Installment Purchase Contract and this Agreement.

(b) All policies of insurance required to be maintained by the City under the Installment Purchase Contract or hereunder shall provide that the Trustee and the Bank shall be given thirty (30) days' prior written notice of any cancellation or termination thereof or reduction of coverage provided thereby.

Section 5.20. Rate Covenant; Collection of Rates and Charges.

(a) In any Fiscal Year in which the amount on deposit in the Rate Stabilization Fund on the first day of such Fiscal Year is less than Debt Service on O&M Obligations and Parity Obligations payable in such Fiscal Year, the City shall fix, prescribe and collect rates and charges for Water Service which will be at least sufficient to yield during such Fiscal Year Net Revenues (not including amounts transferred from the Rate Stabilization Fund pursuant to Section 5.25 in excess of twenty percent (20%) of Debt Service for such Fiscal Year) which will equal one hundred twenty percent (120%) of the Debt Service for such Fiscal Year.

(b) In any Fiscal Year in which the amount on deposit in the Rate Stabilization Fund on the first day of such Fiscal Year is at least equal to Debt Service on O&M Obligations and Parity Obligations payable in such Fiscal Year, the City shall fix, prescribe and collect Water Revenues, [other than connection fees], and which will be at least sufficient to yield during such Fiscal Year such Water Revenues (not including amounts transferred from the Rate Stabilization Fund pursuant to Section 5.25) equal to one hundred twenty percent (120%) of Operation and Maintenance Costs during such Fiscal Year.

(c) The City may make adjustments from time to time in such rates and charges and may make such classifications thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net Revenues or Water Revenues, as the case may be, from such reduced rates and charges will at all times be sufficient to meet the requirements of this section.

(d) The City will have in effect at all times by-laws, rules and regulations requiring each customer who purchases water from the City to pay the rates and charges applicable to the Water Service and providing for the billing thereof and for a due date and a delinquency date for each bill. In each case where such bill remains unpaid in whole or in part after it becomes delinquent, the City may disconnect such purchaser from the Water System, and such purchaser shall not thereafter be reconnected to the Water System except in accordance with City ordinances or rules and regulations governing such situations of delinquency.

Section 5.21. Parity Creditors and Covenants. In the event that the City or any Affliliate has previously entered into or hereafter shall enter into any agreement or instrument (or any amendment, supplement or modification thereto) providing for incurrence of or relating to Parity Debt (each a "Relevant Agreement"), which provides to the related Parity Creditor (a) any preference or priority with respect to the Water Revenues or Pledged Revenues or other collateral or the allocation of the Water Revenues or Pledged Revenues or other collateral as compared to the pledge and allocation to, in favor, or for the benefit, of the Bank or (b) any additional or materially different rights and remedies as compared to the rights and remedies of the Bank as set forth in the other Related Documents and this Agreement (the "Parity Covenants") than are provided to the Bank, the City shall promptly (but no later than thirty (30) days following the effective date of such Relevant Agreement and, in the case of a Relevant Agreement entered into prior to the Closing Date, no later than thirty (30) days following the Closing Date) provide the Bank by overnight delivery service with a copy of such Relevant Agreement.

Upon receipt by the City of a Notice of Incorporation of Parity Covenants (as hereinafter defined), such Parity Covenants shall be deemed incorporated into this Agreement (said incorporation to be deemed effective retroactively to the effective date of the related Relevant Agreement) and the Bank shall have the benefits of such Parity Covenants from the effective date of such Relevant Agreement (or from the Closing Date, if the Relevant Agreement was entered into prior to the Closing Date) as if said Parity Covenants were specifically set forth herein, and each and every amendment or waiver of such Parity Covenants made pursuant to such Relevant Agreement, or the release, termination or other discharge of such Relevant Agreement, shall not be effective to amend, release, terminate or discharge (as applicable) such Parity Covenants as incorporated by reference herein without the prior written consent of the Bank.

In order for any such Parity Covenants to be incorporated into this Agreement as described in the immediately preceding paragraph (provided that the Bank shall have the benefit of all Parity Covenants of any such Relevant Agreement from the effective date thereof until more formally incorporated herein as provided in this Section), the Bank shall deliver written notice to the City, within ninety (90) days after the date the Bank receives the related Relevant Agreement, specifying the Parity Covenants contained in (or incorporated by reference in) such Relevant Agreement that the Bank deems to be incorporated herein (each a *"Notice of Incorporation of Parity Covenants"*). Upon request of the Bank, the City shall promptly enter into an amendment to this Agreement to include the Parity Covenant (provided that the Bank shall maintain the benefit of such Parity Covenant even if the City fails to provide such amendment).

Section 5.22. Paired Obligation Provider Requirements. Notwithstanding any provision to the contrary in the Installment Purchase Contract or any other Parity Obligation financing document, for all purposes of this Agreement, the Installment Purchase Contract and any other Parity Obligation financing document, the City acknowledges and agrees to the following:

(a) A Paired Obligation Provider shall initially have a long-term, unenhanced rating of A or better by S&P and/or Fitch and A2 or better by Moody's;

(b) So long as the long-term, unenhanced rating of the Paired Obligation Provider is not reduced below A- by S&P or Fitch or A3 by Moody's (the "Minimum Rating Requirement"), the interest rate of such Paired Obligation shall be deemed to be equal to the irrevocable fixed interest rate attributable thereto for purposes of the calculation of Debt Service, as set forth in the definition of Debt Service.

(c) At any time that a Paired Obligation Provider does not maintain the Minimum Rating Requirement, (i) the City shall provide written notice thereof to the Bank within ten (10) Business Days of its having learned of such fact and (ii) interest with respect to any Paired Obligations shall be computed for purposes of the calculation of Debt Service, as set forth in the definition of Debt Service without regard to payments to be received from the Paired Obligation Provider.

Section 5.23. Dealer. The City shall at all times cause a Dealer acceptable to the Bank to be in place, under a Dealer Agreement in form and substance acceptable to the Bank. The Trust Agreement and Dealer Agreement shall contain at all times a provision or provisions under which the Dealer shall covenant to: (i) not resign except upon sixty (60) days' prior written notice to the Authority and the Bank, (ii) use its best efforts to place the Notes, and (iii) place the Notes at rates up to and including the maximum rate permitted under the Trust Agreement without regard to the rate payable to the Bank. If at any time the Dealer shall fail to perform its duties or shall fail to place the Notes for a period of thirty (30) consecutive days, the City shall cause the Authority to, at the direction of the Bank, appoint a successor Dealer who shall be acceptable to the Bank.

Section 5.24. Compliance with Contracts. The City will neither take nor omit to take any action under any Other Obligation if the effect of such act or failure to act would in any manner impair or adversely affect the ability of the City to pay the Required Payments; and the City will comply with, keep, observe and perform all agreements, conditions, covenants and terms, express or implied, required to be performed by it contained in all other contracts affecting or involving the Water System, to the extent that the City is a party thereto.

Section 5.25. Water Revenue Fund; Rate Stabilization Fund.

(a) ***Water Revenue Fund***. In order to carry out and effectuate the Pledge contained herein, the City agrees and covenants that all Water Revenues shall be received by the City in trust and shall be deposited when and as received in a special fund designated as the "Water Revenue Fund", which fund was previously established by the City under the Installment Purchase Contract and is hereby continued by the terms of this Section 5.25 and which fund the City agrees and covenants to maintain and to hold separate and apart from other funds so long as any Bank Debt Service or other Required Payments remain unpaid. Moneys in the Water Revenue Fund shall be used and applied by the City as provided in the Installment Purchase Contract and this Agreement. The City shall, from the moneys in the Water Revenue Fund, pay all Operation and Maintenance Costs as such Operation and Maintenance Costs become due and payable. All remaining moneys in the Water Revenue Fund shall be set aside by the City at the times and in the respective special funds, and in the order of priority, as set forth in the Installment Purchase Contract and all moneys in each of such funds shall be held in trust and shall be applied, used and withdrawn only for the purposes authorized in Section 5.2 of the Installment Purchase Contract as supplemented by this Section 5.25. In particular and in furtherance of the provisions of Section 5.2(A) of the Installment Purchase Contract, the City shall make such payments from the Water Revenue Fund to the Trustee for deposit in the Commercial Paper Fund as are necessary to pay all amounts due and owing for Bank Debt Service as required under this Agreement and the other Related Documents, with such payments to be on a parity with payments from the Water Revenue Fund into the [Installment Payment Fund] under the Installment Purchase Contract.

(b) ***Rate Stabilization Fund***. There is hereby continued a special fund designated as the "Rate Stabilization Fund" to be held by the City in trust, which fund the City agrees and covenants to maintain and to hold separate and apart from other funds so long as any Bank Debt Service or other Required Payments remain unpaid. Money transferred by the City from the Water Revenue Fund to the Rate Stabilization Fund in accordance with the provisions of Section 5.2 of the Installment Purchase Contract shall be held in the Rate Stabilization Fund and applied in accordance with the Installment Purchase Contract and this Agreement. The City may withdraw all or any portion of the amounts on deposit in the Rate Stabilization Fund and transfer such amounts to the Revenue Fund for application in accordance with Section 5.25(a) hereof.

Section 5.26. Payment From Other Sources. In the event that any Notes are not paid at maturity or any Required Payments shall not be paid when due, the City shall take all action reasonably necessary to allow payment from any lawfully available Water Revenues or to issue bonded indebtedness to satisfy such obligations hereunder.

Section 5.27. Certain Covenants Respecting the Authority.

(a) ***Authority to Maintain its Existence***. The Authority covenants, and the City covenants to cause the Authority, at all times to maintain the legal existence of the Authority as a joint exercise of powers agency duly organized and in good standing under the laws of the State of California, and not to consolidate with or merge into another Person or permit another Person to consolidate with or merge into the Authority, or sell, transfer, lease, assign or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all of the Authority's assets (in each case, whether now owned or hereafter acquired), or liquidate, wind-up or dissolve or suffer any liquidation or dissolution.

(b) ***Limited Purpose Covenants***. Each of the City and the Authority covenants that the Authority shall not, (i) enter into any business or activity, hold any assets, or contract for, incur or assume any Debt or other liability, in each case other than in connection with capital improvements for the City or other public agencies as permitted by the Authority's organizing documents, (ii) amend or permit the amendment of its organizing documents, except with the written consent of the Bank, (iii) fail to maintain its records, books of account and bank accounts separate and apart from those of any other Person, (iv) enter into any agreement with any Person except upon terms and conditions that are extrinsically fair, commercially reasonable and substantially similar to those that would be available on an arms' length basis with unrelated third parties, or (v) fail to hold itself out to the public as a legal entity separate and distinct from any other Person, except as required by GAAP as applied to public agencies such as the Authority.

ARTICLE VI

NEGATIVE COVENANTS AND COVENANTS ANCILLARY THERETO

The City covenants and agrees that until the principal of and interest on the Notes and all Required Payments have been indefeasibly paid in full and all other obligations of the City under this Agreement or with respect to the Bank Note have been paid and performed and the Bank shall have no further obligation or liability under or in respect of the Letter of Credit:

Section 6.01. Amendments; Assignment. The City shall not amend, modify or supplement, nor agree to any amendment or modification of, or supplement to, any of the Related Documents or consent to, or permit or suffer to occur any action, course of dealing or omission which results in, or is equivalent to, an amendment, supplementation, termination or, modification of any of the Related Documents, without obtaining the prior written consent of the Bank and any such amendment, supplementation, termination or modification made or entered into in violation of this Section shall be deemed a nullity and of no force and effect. The City shall not take any action, nor permit the Authority, nor cause the Paying Agent or the Trustee to take any action under any of the Related Documents, which is inconsistent with, or could reasonably be expected to impair, the City's obligations, or the rights of the Bank or the Trustee, under this Agreement or any of the other Related Documents including, without limitation, any right or remedy of the Bank upon an Event of Default, the City's obligations to make payments to the Bank under Article II of this Agreement, or the pledge of the Net Revenues under the Installment Purchase Contract or the Pledge under this Agreement and the priority of the Liens and security interests created thereby. Neither the City nor the Authority shall assign or delegate all or any portion of the Related Documents or their respective rights or duties thereunder, without the prior written consent of the Bank.

Section 6.02. Preservation of Existence, Etc. The City will not directly or indirectly liquidate, wind up, terminate, reorganize, dissolve, merge or consolidate with any other Person (or suffer any liquidation, winding up, termination, reorganization or dissolution), or form or acquire any subsidiary (other than in the ordinary course of business as conducted as of the Closing Date), nor shall it sell, lease, assign, transfer or otherwise dispose of (in a single transaction or a series of transactions) all or substantially all of its property. The City will not sell, transfer, dispose of or abandon any material portion of the Water System or the CP Project or condemn, or consent to any condemnation of, any material portion of the Water System or the CP Project. The City will at all times maintain or cause to be maintained the Water System in good repair and working order and in a safe, sound and operational condition and will pay all Operation and Maintenance Costs as they become due and payable.

Section 6.03. Certain Information. The City shall cause the Dealer not to include in an offering document or circular or reoffering supplement for the Notes any information concerning the Bank that is not supplied in writing, or otherwise approved in writing, by the Bank expressly for inclusion therein.

Section 6.04. Trustee; Paying Agent; Dealer. The Authority shall not remove the Trustee, the Paying Agent or the Dealer or appoint a successor to the Trustee, the Paying Agent or the Dealer without the written consent of the Bank, not to be unreasonably withheld, and the Authority shall contractually require that the resignation or removal of any Trustee, Paying Agent or Dealer (including each successor thereto) shall only be effective upon the appointment of a successor acceptable to the Bank and the acceptance of such appointment by such successor. The Authority shall provide the Bank written notice of any change in the identity of the Trustee, Paying Agent or Dealer upon becoming aware of the same. Upon written notice from the Bank that the Trustee, the Paying Agent, or the Dealer is failing to perform its respective duties in the manner contemplated by the Trust Agreement or the other Related Documents, the Authority shall replace or cause to be replaced the Trustee, Paying Agent or the Dealer, as the case may be, with a successor acceptable to the Bank. If the position of Trustee, Paying Agent or Dealer becomes vacant, the Authority shall promptly appoint a successor which is reasonably acceptable to the Bank.

Section 6.05. Accounting Methods; Fiscal Year; Entity Classification. The City will not adopt, permit or consent to any change in accounting practices other than as required by GAAP and will not adopt, permit or consent to any change in its Fiscal Year or take (or permit to be taken) any action that results in a change to its entity classification for U.S. federal income tax purposes.

Section 6.06. Exempt Status. The City shall not take any action or omit to take any action, respectively, that, if taken or omitted, respectively, could cause any revocation or adverse modification of its federal income tax exempt status or which would cause the interest on the Notes to be included in the gross income of the Owners thereof for purposes of federal income taxation under the Code.

Section 6.07. Defeasance. The City will not defease, nor allow the defeasance of, the Notes without (i) procuring a Verification Report and providing a copy thereof to the Bank and (ii) contemporaneously paying all Required Payments and satisfying all obligations of the City hereunder.

Section 6.08. Pension Plans. The City shall maintain each Pension Plan in compliance in all material respects with the applicable provisions of the Code and other federal, state or local law and shall make all required contributions to any Pension Plan. The City shall not permit, at any time, any Pension Plan to: (A) engage in any nonexempt "prohibited transaction" (as defined in Section 503 of the Code); (B) fail to comply with Applicable Laws; (C) incur any material increase in its Unfunded Pension Liability; or (D) terminate in any manner; which, in the case of any such event, has resulted, or could reasonably be expected to result, in a Material Adverse Effect.

Section 6.09. Additional Encumbrances; Additional Debt; Additional Subordinate Obligations.

(a) The City shall not create, suffer or permit to exist any Lien on or encumbering the Water System, the Water Revenues or the Pledged Revenues or any portion thereof, except Permitted Liens, in the case of the Water System, and as permitted under the Trust Agreement, the Installment Purchase Contract and this Agreement, in the case of the Pledged Revenues. The City shall not create, incur, assume, guarantee or permit to exist any Debt other than (i) Permitted Indebtedness other than Additional Subordinate Obligations, (ii) Debt that is payable on a subordinate basis from, and is secured by a subordinate pledge of and lien on, Net Revenues or any moneys in the Funds and that satisfies the requirements of subsection (c) of this Section 6.09 (each, an "Additional Subordinate Obligation") and (iii) Debt that is neither payable from nor secured by any Lien on the Water Revenues, Net Revenues or the Water Revenue Fund or any of the Funds or any portion of any of the foregoing, and the incurrence of which, or the requirement to pay principal and interest with respect thereto, or the contractual obligations assumed in connection therewith, could not reasonably be expected to result in a Material Adverse Effect. In particular and not in limitation of the foregoing, the City shall not issue, incur, assume, guarantee or otherwise become obligated under any Debt that is (x) payable from or secured by the Pledged Revenues or any portion thereof prior to the Parity Obligations or (y) other than O&M Obligations, payable from or secured by the Water Revenues or the Water Revenue Fund or any portion thereof, or, in either case, is otherwise preferred to the Parity Obligations, without the prior written consent of the Bank in its sole and absolute discretion.

(b) In addition to and without prejudice to its obligation to satisfy the requirements of the other subsections of this Section 6.09, the City will not issue or incur any (i) O&M Obligations (other than the SRF Contract), except upon compliance with Section 5.5 of the Installment Purchase Contract and subsection (d) of this Section 6.09, nor (ii) any Debt other than O&M Obligations except upon compliance with each of the Debt Service coverage tests set forth in subsection (d) of this Section 6.09.

(c) The City shall not issue or incur or permit to exist any Additional Subordinate Obligations unless and insofar as such Additional Subordinate Obligation (i) is issued or incurred at a time when no Default has occurred and is continuing under this Agreement and (ii) the Bank shall have given its prior written consent thereto (including, without limitation, to the subordination terms thereof).

(d) The City shall satisfy both the historical coverage test set forth in subpart (i) and the projected coverage test set forth in subpart (ii):

(i) The historical coverage test is satisfied if the Net Revenues for either the most recent Fiscal Year for which audited financial statements are available or a period of twelve (12) consecutive months during the eighteen (18) months immediately preceding the date of adoption (the "adoption date") by the City Council of the resolution authorizing the execution of such Contracts or the issuance of such City Revenue Bonds (the "measurement period"), as evidenced by both a calculation prepared by the City and a Coverage Report on such calculation on file with the City, shall have produced a sum equal to at least one hundred twenty per cent (120%) of Annual Debt Service on all Outstanding Contracts and City Revenue Bonds and the Contracts or City Revenue Bonds to be executed or issued in each of the five (5) full Fiscal Years next succeeding the adoption date or in each of the three (3) full Fiscal Years next succeeding the date through which interest with respect to the Contracts or City Revenue Bonds to be executed or issued has been capitalized, whichever period ends later. In calculating debt service coverage for this purpose, Net Revenues for the measurement period may be increased by:

(A) the estimated amount of additional Net Revenues that would have accrued to the Water System from each new connection to the Water System that was made after the commencement of the measurement period and prior to the adoption date had such connection been made at the commencement of the measurement period; and

(B) the estimated amount of additional Net Revenues that would have accrued to the Water System from any increases in rates and charges that became effective after the commencement of the measurement period and prior to the adoption date had such increases been in effect during the entire measurement period; and

(ii) The projected coverage test is satisfied if the projected Net Revenues for each of the five (5) full Fiscal Years next succeeding the earlier of (x) the date through which interest with respect to the Contracts or City Revenue Bonds to be executed or issued has been capitalized or the execution date or issue date if no interest has been capitalized and (y) the date on which all Projects are expected to commence operations shall be at least one hundred twenty per cent (120%) of Annual Debt Service in each such Fiscal Year on all Contracts and City Revenue Bonds to be Outstanding, as evidenced by both a calculation prepared by the City and a Coverage Report on such calculation on file with the City. In calculating debt service coverage for this purpose, projected Net Revenues may include:

(A) the estimated amount of additional Net Revenues to accrue to the Water System from any increases in rates and charges that have been finally approved as required by law and will be in effect in such Fiscal Year; and

(B) the estimated amount of additional Net Revenues to accrue to the Water System from new customers anticipated to be served during such five-year period by additions or improvements to or extensions of the Water System.

Capitalized terms used in this subsection (d) and not defined in this Agreement shall have the respective meanings assigned thereto in the Installment Purchase Contract.

Notwithstanding the foregoing, City Revenue Bonds issued or Contracts executed to refund City Revenue Bonds or Contracts may be delivered without satisfying the conditions set forth above if Debt Service in each Fiscal Year in which and after the Fiscal Year in which such City Revenue Bonds are issued or Contracts executed is not greater than Debt Service would have been in each such Fiscal Year prior to the issuance of such City Revenue Bonds or execution of such Contracts.

Notwithstanding any provisions contained in this Agreement to the contrary, so long as the Letter of Credit is in full force and effect and the Bank has not wrongfully dishonored a drawing thereunder, the City shall only be permitted to include federal subsidy payments actually received by the City in its calculation of Debt Service for the purposes set forth in this Section 6.09(d).

Notwithstanding satisfaction of the other conditions to the issuance of City Revenue Bonds or execution of Contracts set forth in this Section 6.09(d), so long as the Letter of Credit is in full force and effect and the Bank has not wrongfully dishonored a drawing thereunder, no such issuance or execution, as applicable, may occur if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon the issuance of such City Revenue Bonds or execution of such Contract.

Section 6.10. No Sovereign Immunity; Waiver of Related Defenses. To the fullest extent permitted by applicable law, each of the City and the Authority hereby waives any exemption or immunity, whether on the basis of sovereign immunity or any similar legal or equitable principle, doctrine or rule of law and whether now or at any time hereafter arising, of the City or the Authority with respect to its contractual obligations under this Agreement and the other Related Documents or with respect to any of its or their revenues, assets or property (irrespective of their use or intended use), from (a) jurisdiction, (b) liability, suit or other legal or equitable remedy for the amounts due and payable under the Notes, this Agreement or any of the other Related Documents or the performance of any of its other obligations hereunder or thereunder, and (c) enforcement of any judgment, order or decree to which it or its revenues, assets or property may be made subject. Each of the City and the Authority further hereby irrevocably agrees not to assert or to otherwise obtain the benefit of, in any civil action or other legal proceeding in any court of competent jurisdiction brought to enforce or collect upon the obligations of the City or the Authority under this Agreement, the Bank Note, the other Related Documents or in respect of the Transactions, (i) any defense to personal jurisdiction, and (ii) any defense against relief by writ of mandamus for the performance of its obligations.

Section 6.11. Material Contracts.

(a) The City covenants to perform each of its obligations and covenants under each of the Material Contracts and to enforce the material covenants and obligations of the respective contracting party to each Material Contract and not to consent, except with the prior written consent of the Bank, to any waiver of the timely performance of any material covenant by the respective contracting party thereto.

(b) Furthermore, the City covenants not to consent to or permit the amendment, cancellation, termination, non renewal, non continuation or rescission of, except with the prior written consent of the Bank, any Material Contract, nor to otherwise take or fail to take any action required or permitted to be taken by it under or in connection with a Material Contract, provided, however, that the City shall not be in breach of this subsection (b) to the extent that, in the case of any such cancellation, termination, non renewal, non continuation or rescission or other action or omission, such occurrence would not and could not reasonably be expected to (x) expose the City to any materially greater risks, costs or liabilities, or (y) impair or adversely affect the ability of the City (A) to pay the Permitted Indebtedness and all Contracts and City Revenue Bonds and to pay the Bank Note and the other Required Payments or (B) to comply with the rate covenants set forth in Section 5.20.

Section 6.12. Incurrence of Bonds, City Revenue Bonds and Contracts. The City shall not issue or enter into, or enter into any repayment, credit or liquidity obligation with respect to, as the case may be, any Bonds, City Revenue Bonds or Contracts (a) except in compliance with all requirements of the Installment Purchase Contract and this Agreement and (b) during any time that a Default exists hereunder or under any Related Document.

Section 6.13. Parity Creditors. The City represents and warrants to, and covenants with, the Bank, as follows: with respect to each Parity Obligation now or hereafter entered into by the City and the financing documents relating to any such Parity Obligation, that (a) no such Parity Obligation shall contain a pledge of Revenues, allocation of Revenues or rights and remedies to, in favor of or for the benefit of any trustee, credit facility provider or other obligee thereunder (each, a "Parity Creditor") which provides to such Parity Creditor (i) any preference or priority with respect to the Water Revenues or Net Revenues or the allocation of Water Revenues or Net Revenues, in each case, as compared to the pledge and allocation to, in favor, or for the benefit, of the Bank as a Credit Bank or the Trustee with respect to the Installment Payments (collectively, the "CP Creditors") or (ii) any additional or materially different rights and remedies with respect to the Water Revenues or Net Revenues or the City or the Water System as compared to the rights and remedies of the CP Creditors as set forth in the Trust Agreement, the Installment Purchase Contract and this Agreement and, in particular but not in limitation of the foregoing, in no event shall another Parity Creditor be granted, hold or exercise any right or remedy with respect to the Water Revenues, the Net Revenues, the City or the Water System that is not provided to the CP Creditors under the Trust Agreement, the Installment Purchase Contract or this Agreement, (b)(i) no Parity Creditor shall have the right to exercise any right or remedy with respect to the Water Revenues, the Net Revenues, the Revenue Fund or any other Fund except solely for the ratable benefit of all Parity Creditors including the CP Creditors, (ii) no Parity Creditor shall be granted any collateral or security except such collateral and security as is granted to all Parity Creditors and to the CP Creditors under the Installment Purchase Contract and this Agreement, and all payments from, and products and proceeds of, the Pledged Revenues or other amounts recovered from or paid by the City upon or following an Event of Default shall be allocated in accordance with the order of priority set forth in Section 7.2 of the Installment Purchase Contract and (iii) no right or remedy granted to a Parity Creditor shall impair or limit or interfere with the exercise of any of the rights and remedies granted to one or both of the CP Creditors in the various Related Documents. The City covenants to take all actions and execute all instruments that are not contrary to law and are within its power insofar as necessary to ensure the correctness and the performance of the foregoing representations, warranties and covenants.

Section 6.14. Investment of Funds. The City shall cause all moneys held in the Commercial Paper Fund and the CP Project Fund established under the Supplemental Trust Indenture and the Water Revenue Fund, the Revenue Fund and Rate Stabilization Fund established under the Trust Agreement and Installment Purchase Contract to be invested in Permitted Investments. Investment earnings on moneys in the Water Revenue Fund, the Revenue Fund and Rate Stabilization Fund shall be administered as provided in Section 5.6 of the Installment Purchase Contract. The City shall not after the Date of Issuance supplement or otherwise modify or amend (except by the removal of one or more investments which are Permitted Investments as of the Date of Issuance) the list of Permitted Investments without the prior written consent of the Bank in its discretion. Investments in the Water Revenue Fund, the Revenue Fund, the Rate Stabilization Fund and each of the other Funds shall be valued by the Trustee as frequently as reasonably deemed necessary by the City, but not less often than annually, at the lower of cost or market value, exclusive of accrued interest. The City covenants to restore any deficiencies in the amount on deposit in any fund or account resulting from a decline in market value no later than the succeeding annual valuation date. The City shall cause the Trustee to also value investments in any such funds in connection with the refunding or prepayment of the Notes.

Section 6.15. Hedge Agreements. The City will not enter into any Hedge Agreement hedging or otherwise relating to the Notes, the Bank Note or this Agreement without the prior written consent of the Bank. The City will not, and will not permit any of its Affiliates to, enter into any Hedge Agreement, except (a) Permitted Swap Agreements entered into to hedge or mitigate risks to which the City or any Affiliate has actual exposure and (b) Permitted Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest bearing liability or investment of the City or any Affiliate. The City will not permit or suffer to occur the assignment, transfer or delegation, in whole or in part, of a Hedge Agreement or of any rights, duties or obligations thereunder, by a counterparty to a Permitted Swap Agreement to any assignee, transferee or delegee that does not at the time of such assignment, transfer or delegation satisfy the requirements of subpart (a) of the definition of Permitted Swap Agreement.

Section 6.16. Transactions with Affiliates. Except as permitted in Section 6.19 below, neither the City nor the Authority will sell, lease or otherwise transfer any of its respective property to, or purchase, lease or otherwise acquire any property from, or otherwise engage in any other transactions with, any of its respective Affiliates, except in the ordinary course of business at prices and on terms and conditions not less favorable to the City or the Authority, respectively, than could be obtained on an arm's length basis from unrelated third parties.

Section 6.17. Investment Policy. The City shall maintain its Investment Policy dated [____________] (the "Investment Policy"), as submitted to the Bank, in compliance with the [California Government Code Section 53600 through 53609]. In the case of any amendment, the City shall provide the Bank with an updated Investment Policy.

Section 6.18. Bank Note Rating. In the event that there is at any time a Term Amortization outstanding, each of the City and the Authority covenant that, upon the request of the Bank, it will within five (5) Business Days after such request apply to at least one Rating Agency for a long-term unenhanced rating to be assigned to the Bank Note and use its best efforts to cause at least one Rating Agency to assign a long-term unenhanced rating to the Bank Note of at least investment grade within thirty (30) calendar days of receipt of such request.

Section 6.19. Against Sale or Other Disposition of Property.

(a) The City will not transfer, sell, lease, convey or otherwise dispose of, any interest in, the Water System, nor enter into any agreement or lease which impairs the operation of the Water System or any part thereof necessary to secure adequate Water Revenues for the payment of the Bank Note and the other Required Payments, Parity Obligations, other Permitted Indebtedness and Operation and Maintenance Costs, or which would otherwise impair the operation of the Water System. Any real or personal property which has become nonoperative or which is not needed for the efficient and proper operation of the Water System, or any material or equipment which has become worn out, may be sold if such sale will not impair the ability of the

City to pay the Bank Note and the other Required Payments and all other Debt Service and if the proceeds of such sale are deposited in the Water Revenue Fund.

(b) This Section 6.19 shall not restrict the ability of the City to sell any portion of the Water System if such portion is immediately repurchased by the City and if such arrangement cannot by its terms and does not: (A) result in the purchaser of such portion of the Water System exercising any remedy which would deprive the City of or otherwise interfere with its right to own and operate such portion of the Water System; or (B) impair or otherwise affect (1) the availability of the Water Revenues to pay Operation and Maintenance Costs and the availability of the Net Revenues to pay Debt Service or (2) the pledges of and Lien on the Net Revenues and the Water Revenue Fund securing the Bank Note and the other Permitted Indebtedness.

Section 6.20. Against Competitive Facilities. To the extent permitted by law, the City covenants that it will not acquire, construct, maintain or operate and will not, to the extent permitted by law and within the scope of its powers, permit any other public or private agency, corporation, City or political subdivision or any person whomsoever to acquire, construct, maintain or operate within the City any water system competitive with the Water System. The City will not permit any other utility system to be combined with the Water System as it exists on the date hereof.

Section 6.21. Tax Covenants. Notwithstanding any other provision of this Agreement, absent an opinion of Special Counsel that the exclusion from gross income of interest with respect to the Notes will not be adversely affected for federal income tax purposes, the City covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

(a) ***Private Activity***. The City will not take or omit to take any action or make any use of the proceeds of the Notes or of any other moneys or property which would cause the Notes to be "private activity bonds" within the meaning of Section 141 of the Code.

(b) ***Arbitrage***. The City will make no use of the proceeds of the Notes or of any other amounts or property, regardless of the source, or take or omit to take any action which would cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(c) ***Federal Guarantee***. The City will make no use of the proceeds of the Notes or take or omit to take any action that would cause the Notes to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(d) ***Information Reporting***. The City will take or cause to be taken all necessary action to comply with the informational reporting requirements of Section 149(e) of the Code.

(e) ***Hedge Bonds***. The City will make no use of the proceeds of the Notes or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the Notes to be considered "hedge bonds" within the meaning of Section 149(g) of the Code unless the City takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of interest on the Notes for federal income tax purposes.

(f) ***Miscellaneous***. The City will take no action, or omit to take any action, inconsistent with the expectations stated in any Tax Certificate executed with respect to the Notes and will comply with the covenants and requirements stated therein and incorporated by reference herein.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.01. Events of Default. The occurrence of any of the following events shall constitute an "Event of Default":

(a) Failure of the City to pay or cause to be paid when due any amount owed by the City under this Agreement or the Bank Note;

(b) Failure of the City to observe or perform the covenants set forth in any of Sections 5.02, 5.03, 5.06, 5.09, 5.11, 5.12, 5.13, 5.14, 5.16, 5.17, 5.19, 5.20, 5.21, 5.22, 5.23, 6.01, 6.02, 6.04, 6.06, 6.07, 6.08, 6.09, 6.10, 6.11, 6.12, 6.13, 6.15, 6.18, 6.19 or 6.20;

(c) Failure of the City or the Authority to observe or perform any covenant, condition or provision of this Agreement (other than as specified in (a) or (b) above) and such failure remains uncured 10 Business Days after written notice of such failure from the Bank to the City, the Authority and the Trustee, or failure to observe or perform any covenant, condition or provision contained in any Related Document and, in the case of any covenant incorporated by reference pursuant to Section 5.07 hereof which is not a payment or financial covenant, after the expiration of any applicable grace period contained in the relevant Related Document;

(d) Any representation or warranty made or deemed made by or on behalf of the City or the Authority in this Agreement or any other Related Document or in any amendment of, or waiver under, this Agreement or other Related Document, or in any certificate, financial statement or other document furnished by or on behalf of the City or the Authority pursuant to or in connection with this Agreement or any of the other Related Documents shall have been inaccurate or incomplete in any material respect when made or deemed to have been made;

(e) The occurrence and continuation of a default, event of default or termination event under the Trust Agreement or the Notes or any of the other Related Documents, irrespective of whether said default, event of default or termination event is declared, undeclared or has been waived under the terms of such respective document, or a mandatory prepayment or acceleration has occurred with respect to the Notes, any Parity Obligations or any other Permitted Indebtedness;

(f) Any Bond or Contract or other Permitted Indebtedness shall not be paid when due (whether at scheduled maturity, required prepayment, acceleration, demand or otherwise) and provided that any applicable notice or grace period shall not apply;

(g) (i) Failure by the City or any Affiliate to make any payment (whether of principal, interest or other amount) due in respect of any Debt owed to the Bank or any Affiliate of the Bank; or (ii) the occurrence or existence of a default or event of default (other than a payment default) or other similar condition by or on the part of the City (or its Affiliate), under any Other Obligation evidencing, issuing, securing or relating to such Debt and continuance of such default or event of default or similar condition beyond the period of grace, if any, allowed with respect thereto, which results in such Debt becoming, or being capable of becoming, due and payable prior to its scheduled maturity and regardless of whether any such right is exercised (or, with respect to any Hedge Agreement, an event which results in such Hedge Agreement being terminated early or being capable of being terminated early, other than in the case of an optional termination exercised by the City and without liability for payment by the City of any Settlement Amount);

(h) The entry or filing of one or more judgments or orders or of any similar decrees or decisions for the payment of money out of Water Revenues which, individually or in the aggregate, equals or exceeds $2,500,000 (each, a "Judgment") shall be rendered against the City or any of its Affiliates or against any of its or their respective properties or assets and (x) such Judgment shall be undischarged, unstayed or unbonded (by property other than any of the Water Revenues) for a period of 30 consecutive days, or (y) any action shall be taken by a judgment creditor by which such judgment creditor attaches, executes or levies upon any Water Revenues to enforce any such Judgment;

(i) The occurrence of an Event of Insolvency with respect to the City or the Authority;

(j) The Obligor Rating shall be removed, withdrawn or suspended by S&P or by any other Rating Agency then maintaining such rating;

(k) This Agreement, any other Related Document or any provision of this Agreement or any of the other Related Documents shall cease to be valid and binding on the City or the Authority, as applicable, or a Governmental Authority with jurisdiction to rule on the validity of this Agreement or any other Related Document shall so find, announce or rule, or the City, the Authority or any Person on its or their behalf shall (i) contest the validity or enforceability of the this Agreement or any other Related Document or any provision of this Agreement or any such other Related Document, (ii) deny that the City or the Authority, as applicable, has any further liability under one or more provisions of this Agreement or any other Related Document or (iii) seek an adjudication that (y) this Agreement or the Bank Note or (z) a provision of this Agreement or the Bank Note or of any other Related Document relating to, or the absence or invalidity of which could adversely affect, the security for the Notes, the Bank Note or any other Permitted Indebtedness or the City's ability to pay the Bank Note, any other Required Payments, the Notes or any of the other Permitted Indebtedness or perform its obligations under this Agreement or any of the other Related Documents or the rights and remedies of the Bank, is not valid and binding on the City or the Authority;

(l) Any Water Revenues or other funds or investments on deposit in, or otherwise to the credit of, any of the Water Revenue Fund, the Revenue Fund, the Rate Stabilization Fund, or any of the other funds or accounts established or continued under any of the Related Documents shall become subject to any writ, judgment, warrant or attachment, execution or similar process;

(m) A Determination of Taxability shall occur;

(n) (i) any Lien created by this Agreement or any of the other Related Documents in favor of the Trustee, any Owner or the Bank, at any time and for any reason (except as expressly permitted to be released by the terms of such governing document) shall not constitute a valid and perfected Lien or shall fail to have the priority required by this Agreement or such other Related Documents or, except as permitted under the Trust Agreement or this Agreement, the City shall so assert in writing, (ii) any legislation is enacted, repealed, reenacted, amended or otherwise modified, and such repeal, enactment, reenactment, amendment or modification, in the opinion of the Bank, has a Material Adverse Effect on the validity, enforceability or priority of the Lien on the Pledged Revenues in favor of the Trustee, any Owner or the Bank or (iii) any rescission of or amendment to or any other action under or in connection with any legislation, law or regulation relating to the Pledged Revenues which would (A) materially reduce the amount of the Pledged Revenues or the allocation of the Pledged Revenues to the payment of the Bank Note or the other Required Payments, the Notes or any of the other Permitted Indebtedness or (B) impair or adversely affect (x) the rights of the City to any or all of the Water Revenues or (y) the rights or security of the Trustee, for the benefit of the Owners or the Bank, under the Trust Agreement, the Installment Purchase Contract or this Agreement, respectively;

(o) An event or condition (separately or in the aggregate with other events or conditions) occurs which in the judgment of the Bank results in, or could reasonably be expected to result in, a Material Adverse Change;

(p) Any event (other than the exercise of an optional tender right by the holder thereof or of a right of optional prepayment by the City, in each case in the absence of a default or event of default) occurs or condition exists that results in any Permitted Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the trustee or any owner or holder, or any trustee or agent on its or their behalf, to exercise any right to accelerate any Permitted Indebtedness or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity;

(q) A repudiation by the City of the payment when due of the principal of or interest on any Parity Obligations or a repudiation of any other Debt of the City payable from the Water Revenues;

(r) Except with respect to any matters that, individually or in the aggregate, have not resulted, and could not reasonably be expected to result, in a Material Adverse Effect, the City or any Affiliate shall become subject to any Environmental Liability; or;

(s) (i) The breach by the City or the Authority of any material covenant of the Dealer Agreement or the Issuing and Paying Agency Agreement, respectively, or (ii)(A) the breach by the Dealer of any material covenant of the Dealer Agreement or (B) the breach by the Paying Agent of any material covenant of the Issuing and Paying Agency Agreement or (C) the suspension or termination by the Dealer of its obligations under the Dealer Agreement and, in any such case described under (A), (B) or (C), the failure of the City, within thirty (30) days after written direction by the Bank, to either cause such breach to be cured or to replace such Dealer or Paying Agent, respectively, with a successor acceptable to the Bank in accordance with Section 6.04 hereof.

Section 7.02. Rights and Remedies.

(a) If an Event of Default occurs and is continuing, the Bank may, in its sole discretion:

(i) notify the Trustee, the Authority and the City that an Event of Default has occurred and is continuing,

(ii) (A) deliver to the Paying Agent a notice in the form of Schedule I to the Letter of Credit (a "No Issuance Notice") stating that on the maturity date for the last Note to mature which was issued prior to the delivery of such No Issuance Notice and upon the Bank's honoring Drawings under the Letter of Credit with respect to such Notes, the Letter of Credit shall terminate and be returned to the Bank, and any Notes issued after such No Issuance Notice shall constitute Excluded Notes, (B) deliver to the

Paying Agent a Restricted Issuance Notice and thereafter Notes issued in a principal amount in excess of the principal amount of Notes maturing on the date such Notes are issued shall constitute Excluded Notes, or (C) deliver a notice to the Paying Agent stating that an Event of Default has occurred hereunder, directing that no additional Notes be issued, and stating that the Letter of Credit will terminate 10 days after the Paying Agent's receipt of such notice, and any Notes issued after such notice shall constitute Excluded Notes,

(iii) at any time subsequent to any notice under subpart (ii) and if the Bank has not already directed such action, the Bank may give notice to the City declaring the principal of the Bank Note, and the accrued interest thereon, to be immediately due and payable,

(iv) by notice to the City, declare the entire unpaid principal and interest amount of any advances outstanding as a result of any Drawing (including any Term Amortization) together with accrued interest thereon, and all other amounts owing under the Bank Note or this Agreement, to be, whereupon the same shall become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the City; provided that in the case of any of the Events of Default specified in Section 7.01(i), 7.01(p) or 7.01(q) above, without any notice to the City or any other Person or any other act by the Bank, the principal amount of any advances outstanding as a result of any Drawing (including any Drawing thereafter occurring), together with accrued interest with respect thereto, and all other Required Payments owing to the Bank, and the Bank Note, shall be immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the City,

(v) (A) cure any default, event of default or event of nonperformance under this Agreement or under any of the Related Documents (in which event the City shall reimburse the Bank therefor pursuant to Section 2.11 hereof), (B) exercise its banker's lien, or right of set off, (C) proceed to protect its right by suit in equity, action at law or other appropriate proceedings, whether for specific performance of any covenant or agreement of the City herein contained or in the exercise of any power or remedy granted to the Bank under any of the Related Documents, (D) exercise its rights under the Pledge and exercise any right it or the Trustee or Paying Agent may have under the Trust Agreement or the Issuing and Paying Agency Agreement to take any action, including without limitation any right it or the Trustee or the Paying Agent may have to direct or cause the Trustee to collect, foreclose, marshal, dispose of or otherwise realize on the Funds, the Revenue Fund, the Rate Stabilization Fund and all of the Net Revenues of the City pursuant to and in compliance with the Related Documents, to cause the payment of Net Revenues and amounts on deposit in the Revenue Fund and the Rate Stabilization Fund in accordance with the provisions of Section 7.2 of the Installment Purchase Contract and payment to the Bank, and to otherwise direct or control the enforcement of remedies and proceedings taken under the Related Documents, and foreclose, marshal, dispose of and otherwise realize on any other collateral of the City pledged hereunder or under the Related Documents, on such terms and in such manner as the Bank may determine, or (E) exercise any other rights or remedies available under any Related Document, any other agreement or at law or in equity,

(vi) Upon receipt by the Trustee of a notice from the Bank pursuant to this Section 7.02(a) directing the acceleration of the CP Installment Payments, the Trustee, as assignee of the Authority under the Installment Purchase Contract, shall immediately declare the entire principal amount of the unpaid CP Installment Payments, and the interest accrued with respect thereto, immediately due and payable pursuant to the Trust Agreement, the Installment Purchase Contract and this Agreement and shall apply such CP Installment Payments and all products and proceeds of the CP Installment Payments and Net Revenues and other amounts recovered from or paid by the City upon or following an Event of Default as provided in the Installment Purchase Contract and this Agreement.

(b) The rights and remedies of the Bank specified herein are for the sole and exclusive benefit, use and protection of the Bank, and the Bank is entitled, but shall have no duty or obligation to the City, the Authority, the Trustee, the Paying Agent, the Owners of the Notes or any other Person, (i) to exercise or to refrain from exercising any right or remedy reserved to the Bank hereunder, or (ii) to cause the Trustee, the Paying Agent or any other Person to exercise or to refrain from exercising any right or remedy available to it under any of the Related Documents.

(c) From and after the occurrence of an Event of Default, all amounts owing to the Bank hereunder shall bear interest at the Default Rate.

Section 7.03. No Waiver; Remedies. No failure on the part of the Bank to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right; nor shall any single or partial exercise of any right under this Agreement preclude any other further exercise of such right or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law or equity.

ARTICLE VIII

NATURE OF OBLIGATIONS; INDEMNIFICATION

Section 8.01. Obligations Absolute. The obligations of the City to pay all Required Payments under this Agreement and the other Related Documents shall be absolute, unconditional and irrevocable, notwithstanding any other provision of this Agreement or any other Related Document, and shall not be subject to any right of setoff, recoupment or counterclaim against the Bank or any Participant and shall be paid and performed strictly in accordance with the terms of this Agreement under all circumstances whatsoever. Until the principal of and interest on the Notes and all Required Payments including the repayment of all Drawings, have been indefeasibly paid in full and all other obligations of the City hereunder and under the Related Documents have been performed and discharged, the City waives and covenants not to assert any right of setoff or recoupment against its obligation to make all payments of principal, interest and all other Required Payments due hereunder and under the other Related Documents in the amounts and at the times required hereby and thereby, and without abatement, diminution, deduction, counterclaim or defense for any reason, including, without limitation, in the following circumstances:

(a) any lack of validity or enforceability of the Letter of Credit or any of the Related Documents;

(b) any amendment or waiver of any provision, term or condition of any of the Related Documents;

(c) any failure of any portion of the CP Project to be delivered, constructed or completed, any defects, malfunctions, breakdowns or infirmities in the CP Project, any accident, condemnation, destruction or unforeseen circumstances, or any damage, destruction or condemnation of the Water System or any part thereof or any acts or circumstances that may constitute failure of consideration or commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State, or any political subdivision of either thereof;

(d) the existence of any dispute with, or any claim, right of setoff or recoupment, defense or other rights which the City or the Authority may have at any time against, the Trustee or the Paying Agent, any beneficiary or any transferee of the Letter of Credit (or any Persons for whom the Trustee or the Paying Agent, any such beneficiary or any such transferee may be acting), the Bank (other than the defense of payment to the Bank in accordance with the terms of this Agreement), any Participant or any other Person, whether in connection with this Agreement, the Related Documents or any transaction contemplated thereby or any unrelated transaction;

(e) any statement or any other document presented under the Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;

(f) payment by the Bank under the Letter of Credit against presentation of a sight draft or certificate which does not comply with the terms of the Letter of Credit; and

(g) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff or recoupment against, the City's obligations hereunder or under any of the other Related Documents.

The obligations of the City to pay the Required Payments under this Agreement are special obligations of the City payable solely from the Water Revenues and other funds described herein. None of the obligations of the City hereunder or under the Bank Note constitute a debt of the City or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Section 8.02. Continuing Obligation. All covenants, agreements, representations and warranties made by the City in this Agreement and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the Bank and shall survive the execution and delivery of this Agreement, the issuance of the Letter of Credit and any Drawings under the Letter of Credit, regardless of any investigation made by the Bank or on its behalf and notwithstanding that the Bank may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the Notes or any Required Payments remain outstanding and unpaid. The obligations of the City under this Agreement shall survive the expiration or termination of the Letter of Credit and continue until the date upon which all amounts due and owing to the Bank hereunder and under the Bank Note shall have been indefeasibly paid in full; provided, however, that the obligations of the City pursuant to Article II and Article VIII and Sections 10.14 and 10.15 hereof shall survive any expiration or termination of this Agreement.

Section 8.03. Liability of the Bank. With respect to the Bank, the City assumes any and all risks with respect to the acts or omissions of each of the Authority, the Trustee, the Paying Agent, the Dealer, any transferee of the Letter of Credit and any other Person in connection with its or their use of the Letter of Credit or of any amounts made available by the Bank thereunder. Neither the Bank, its Affiliates nor any Participant nor any of their respective officers, directors, employees or agents shall be liable or responsible for any of the following: (a) the use that may be made of the Letter of Credit or any amounts made available by the Bank thereunder or for any acts or omissions of the Authority, the Trustee, the Paying Agent, the City, the Dealer or any other Person in connection with the Letter of Credit or the use of its proceeds; (b) any of the acts, omissions, agreements, circumstances or conditions covered by the indemnification provided in Section 8.04 hereof; (c) any act or omission of the Bank; (d) the validity, sufficiency or genuineness of documents, or of any endorsement(s) thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged; (e) payment by the Bank against presentation of documents which do not comply with the terms of the Letter of Credit, including failure of any documents to bear any reference or adequate reference to the Letter of Credit; or (f) any other circumstances whatsoever in making or failing to make payment under the Letter of Credit; provided, that, the City shall have a claim against the Bank, and the Bank shall be liable to the City, to the extent, but only to the extent, of any direct, actual damages, but expressly not for any lost profits or any incidental, consequential, special, indirect or punitive damages (the right to recover or receive lost profits, incidental, consequential, special, indirect or punitive damages being hereby waived), suffered by the City and not required to be mitigated by the City, which direct, actual damages are determined by a final and nonappealable judgment of a court of competent jurisdiction to have been directly caused by (i) the Bank's willful misconduct or gross negligence in determining whether documents presented under the Letter of Credit comply with the terms thereof or (ii) the Bank's willful failure to pay under the Letter of Credit after the presentation to it by the Trustee (or a successor trustee under the Trust Agreement in accordance with its terms) of a draft and certificate strictly complying with the terms and conditions thereof; provided, however, that the maximum amount of damages recoverable by the City as provided above is expressly limited to the Stated Amount. In furtherance and not in limitation of the foregoing, the Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

Section 8.04. Indemnification; Taxes, Etc. In addition to any and all rights of reimbursement, indemnification, subrogation or any other rights pursuant hereto or under law or equity, the City hereby agrees to defend, indemnify and hold harmless each of the Bank, its Affiliates, each Participant and each of the respective officers, directors, employees and agents of the foregoing Persons (each an "Indemnified Party") from and against any and all claims, damages, losses, liabilities, reasonable costs or expenses whatsoever (including reasonable attorneys' fees) that an Indemnified Party may incur (or which may be claimed against an Indemnified Party by any Person whatsoever) that arises out of or in connection with any of the transactions contemplated by this Agreement or the Related Documents, including, without limitation, (i) any untrue statement or alleged untrue statement of any material fact contained or incorporated by reference in the Offering Circular or any other offering circular or document used in connection with the Notes or the Letter of Credit, or in any supplement or amendment thereof, or the omission or alleged omission to state therein a material fact necessary to make such statements, in the light of the circumstances under which they are or were made, not misleading or the failure to deliver the Offering Circular or any other offering circular or document to any offeree or purchaser of Notes (but excluding the Bank Disclosure or equivalent disclosure information relating to the Bank included in such other offering circular or document and provided in writing by the Bank for inclusion therein); (ii) the execution and delivery or transfer of, or payment or failure to pay under the Letter of Credit; (iii) the issuing, offering, sale, remarketing or resale of the Notes; (iv) the proposed or actual use of the proceeds of the Notes or of any amounts drawn under the Letter of Credit; (v) the untruth or material inaccuracy of any warranty or representation undertaken or given by the City in this Agreement or any Related Document or in any certificate furnished hereunder or thereunder or the breach or nonperformance by any Person of any covenant of this Agreement or any other Related Document; (vi) any act or omission of the City or any imposition arising from, burden imposed by, violation of, or failure to comply with, any Applicable Law by the City or any of its Affiliates; (vii) any Taxes or Other Taxes; or (viii)(A) any patent or latent condition of the Water System or the CP Project or any real property, land or structure owned, leased or occupied by the City, including without limitation, any Environmental Claim or Environmental

Liability, (B) the construction, reconstruction, improvement, use, occupancy, conduct or management of or any work or anything whatsoever done or omitted to be done in or about the Water System or the CP Project or any real property, land or structure owned, leased or occupied by the City or (C) any accident, injury or damage whatsoever to any person occurring in or about the Water System or the CP Project or any real property, land or structure owned, leased or occupied by the City; provided, in each case, that the City shall not be required to indemnify the Bank for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, directly caused by (1) the willful misconduct or gross negligence of the Bank or (2) the Bank's willful failure to pay under the Letter of Credit after the presentation to it by the Trustee of a draft and certificate strictly complying with the terms and conditions of the Letter of Credit, to the extent that there has been a final and nonappealable judgment of a court of competent jurisdiction that such claims, damages, losses, liabilities, costs and expenses were directly caused by the willful misconduct or gross negligence of the Bank. If any proceeding shall be brought or threatened against an Indemnified Party by reason of or in connection with the events described in (i), (ii), (iii), (iv), (v), (vi), (vii) or (viii), such Indemnified Party shall promptly notify the City in writing and the City shall assume the defense thereof, including the employment of counsel and the payment of all costs of litigation. The City will not settle or compromise any such action or claim without the prior written consent of the relevant Indemnified Party if the settlement or compromise would require any act or admission by such Indemnified Party or any of its Affiliates, or impose any cost or expense on the Indemnified Party or its Affiliates or impose any limitation on the business or future actions of the Indemnified Party or its Affiliates. Notwithstanding the preceding sentence, an Indemnified Party shall have the right to employ its own counsel and to determine its own defense of such action in any such case, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (x) the employment of such counsel has been authorized in writing by the City or (y) the City, after due notice of the action, shall not have employed counsel to have charge of such defense, in either of which events the reasonable fees and expenses of counsel for such Indemnified Party shall be borne by the City. The City shall not be liable for any settlement of any such action effected without its consent. Nothing under this Section 8.04 shall or shall be construed to limit the City's payment obligations under Article II.

The provisions of this Section 8.04 shall survive the termination of this Agreement and the payment in full of the Notes and the obligations of the City thereunder and hereunder.

Section 8.05. Facsimile Documents. At the request of the City, the Letter of Credit provides that Drawings thereunder may be presented to the Bank by, among other methods, facsimile. The City acknowledges and assumes all risks relating to the use of such facsimile demands for payment and agrees that its obligations under this Agreement and the Related Documents shall remain absolute, unconditional and irrevocable as provided in Section 8.01 above if the Bank honors such facsimile demands for payment.

ARTICLE IX

TRANSFER, REDUCTION OR REINSTATEMENT OF LETTER OF CREDIT

Section 9.01. Transfer, Reduction and Reinstatement. The Letter of Credit may be transferred, reduced and reinstated in accordance with the provisions set forth therein.

ARTICLE X

MISCELLANEOUS

Section 10.01. Right of Setoff. Upon the occurrence of an Event of Default, the Bank and its Affiliates may, at any time and from time to time, without notice to the City, the Authority or any other

Person (any such notice being expressly waived), set off and appropriate and apply, against and on account of, any obligations and liabilities of the City to the Bank or its Affiliates, whether or not arising under or connected with this Agreement or the Related Documents and without regard to whether or not the Bank shall have made any demand therefor and although such obligations and liabilities may be contingent or unmatured and regardless of currency, place of payment or booking office thereof, any and all deposits (general or special, including but not limited to Debt evidenced by certificates of deposit, but not including trust accounts) and any other Debt or other payment obligation at any time held or owing by the Bank or its Affiliates to or for the credit or the account of the City or the Authority, whether or not arising under or connected with this Agreement or the Related Documents, whether or not matured, whether or not contingent and regardless of the currency, place of payment or booking office thereof. The rights of the Bank under this Section are in addition to other rights and remedies (including other rights of setoff) which the Bank may have at law or in equity.

Section 10.02. Amendments and Waivers; Remedies Cumulative. No amendment or waiver of any provision of this Agreement nor any consent to any departure by the City or the Authority from any such provision shall in any event be effective unless the same shall be in writing and signed by the Bank. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. In the event any covenant or agreement contained in this Agreement should be breached by the City or the Authority and thereafter waived by the Bank, such waiver shall be limited to the particular breach so waived for the specific period set out in such waiver and such waiver shall not constitute a waiver of such breach for any other period and shall not waive any other or similar breach hereunder. Specifically and not in limitation of the foregoing, this Agreement may not be amended or modified by course of dealing, oral acknowledgement or agreement or by any writing, unless it is a writing which is expressly stated to constitute an amendment of this Agreement and is signed by an authorized officer of the Bank, and Authorized Authority Representative and an Authorized City Representative. The rights and remedies of the Bank hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have.

Section 10.03. Counterparts. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract.

Section 10.04. Notices. All notices, requests, demands, directions and other communications (collectively "notices") under the provisions of this Agreement shall be in writing (including facsimile communication), unless otherwise expressly permitted hereunder, and shall be properly addressed and sent by registered or certified mail or by express courier for next Business Day delivery and shall be deemed received as follows: (a) if by registered or certified mail, five (5) days after mailing; (b) if by express courier for next Business Day delivery, on the next Business Day; and (c) if by facsimile, when confirmation of transmission is obtained if prior to 5:00 p.m. local time on a Business Day, and otherwise, on the next Business Day; provided that service of a notice prescribed by any applicable statute shall be considered complete when the requirements of that statute are met. Notices by electronic mail (e-mail) shall not constitute notice under this Agreement and are only to be used in addition to notice given as prescribed under (a), (b) or (c) of this Section 10.04. All notices shall be sent to the applicable party at the following address or in accordance with the last unrevoked written direction from such party to the other parties hereto:

if to the City, addressed to the City at:

[____________________]
[____________________]
[____________________]
Attention: [____________________]
Telephone: [____________________]
Facsimile: [____________________]
E-Mail: [____________________]

if to the Authority, addressed to the Authority at:

300 First Street
Woodland, CA 95695
Attention: Treasurer/Controller
Telephone: [____________________]
Facsimile: [____________________]
E-Mail: [____________________]

or if to the Bank, addressed to if at:

For Administrative Matters:

Citibank, N.A., Delaware
1615 Brett Rd., OPS 3
New Castle, DE 19720
Attention: Adriene Jackson
Telephone: (302) 323-5888
Facsimile: (212) 994-0849
E-Mail: adriene.jackson@citi.com

With a copy to:

Citibank, N.A., Tampa
3800 Citibank Center Building
Tampa, FL 33610
Attention: Karen E. Kunze GTS Letter of Credit Operations
Telephone: (813) 604-7038
Facsimile: (813) 604-7187
E-Mail: Karen.e.kunze@citigroup.com

For Credit Matters:

Citibank, N.A.
390 Greenwich Street, 8th Floor
New York, NY 10013
Attention: Municipal Credit Surveillance
E-Mail: munisurveillance@citi.com

With a copy to:

Citigroup Global Markets, Inc.
390 Greenwich Street, 2nd Floor
New York, NY 10013
Attention: Rebekah McGuire
E-Mail: rebekah.mcguire@citi.com

or if to the Trustee, addressed to it at:

U.S. Bank National Association
One California Street, Suite 1000
San Francisco, CA 94111
Attention: Global Corporate Trust Services
Reference: Woodland Commercial Paper Notes
Telephone: (415) 677-3600
Facsimile: (415) 677-3769
E-Mail: francine.rockett@usbank.com

or if to the Paying Agent, addressed to it at:

[U.S. Bank National Association
100 Wall Street, 16th Floor
New York, NY 10005
Attention: Corporate Trust Services
Reference: Woodland Commercial Paper Notes
Telephone: (212) 361-2892
Facsimile: (212) 361-5217
E-Mail: millie.rolla@usbank.com]

or if to the Dealer, addressed to it at:

[Citigroup Global Markets Inc.
390 Greenwich Street, Suite 500
New York, NY 10013
Attention: Short-Term Trading
Telephone: (212) 723-7082
Facsimile: (212) 723-8809]

Section 10.05. Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or nonauthorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 10.06. GOVERNING LAW. THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND TOGETHER WITH ANY DISPUTES OR CONTROVERSIES ARISING OUT OF OR RELATING TO THIS AGREEMENT, AS WELL AS THE CAPACITY, AUTHORITY, RIGHTS, OBLIGATIONS AND REMEDIES OF THE CITY, THE AUTHORITY AND THE BANK, RESPECTIVELY, HEREUNDER, SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK AND APPLICABLE FEDERAL LAW, WITHOUT REGARD TO CHOICE OF LAW RULES OTHER THAN NEW YORK GENERAL OBLIGATIONS LAW SECTION 5-1401 (OR ANY SUCCESSOR STATUTE THERETO).

Section 10.07. Consent to Jurisdiction, Venue and Service of Process. Pursuant to, and in accordance with, Section 5-1402 of the New York General Obligations Law (or any successor statute thereto), the City, the Authority and the Bank, irrevocably (a) agree that any suit, action or other legal proceeding arising out of or relating to this Agreement shall be brought and filed in, and be subject to the exclusive jurisdiction of, a court of record of the State of New York located in the Borough of Manhattan or the United States City Court for the Southern District of the State of New York located in the Borough of Manhattan, (b) consent to the jurisdiction of each such court in any such suit, action or proceeding, and (c) waive any objection which it may have to the laying of venue of any such suit, action or proceeding in any of such courts and any claim that any such suit, action or proceeding has been brought in an inconvenient forum. The City, the Authority and the Bank also irrevocably consent to the service of any and all process in any such action or proceeding by the mailing of copies of such process to the respective address set forth for such party in Section 10.04. The City, the Authority and the Bank agree that a final judgment in any suit, action or proceeding shall be conclusive and may be enforced in appropriate jurisdictions by suit on the judgment or in any other manner provided by law. All mailings under this Section 10.07 shall be by certified mail, return receipt requested.

Nothing in this Section 10.07 shall affect the right of the Bank to serve legal process in any other manner permitted by law or affect the right of the Bank to bring any suit, action or proceeding against the City or the Authority or its or their property in the courts of any other jurisdiction.

Section 10.08. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not have any effect for purposes of interpretation or construction of the terms of this Agreement.

Section 10.09. Participations. Each of the City and the Authority acknowledges and agrees that the Bank may participate all or any portion of its obligations under the Letter of Credit and the obligations of the City under the Bank Note and under this Agreement and any other Related Documents (collectively, the “Participated Obligations”) to other financial institutions and waives any notice of such participations. The City agrees to provide to the Bank, promptly upon request, a copy of the most recent financial information concerning the City and the Authority in connection with any such participation or prospective participation. The Bank may disclose to any Participants or prospective Participants any information or other data or material in the Bank’s possession relating to this Agreement, the Offering Circular or any other Related Document, without the consent of or notice to the City or the Authority. The City and the Authority further acknowledges and agrees that upon any such participation the Participants will become owners of a pro rata portion of the Participated Obligations and the City waives any right of setoff it may at any time have against the Bank or any Participant with regard to the Participated Obligations. The grant of any participation interest in the Participated Obligations shall not impair the Bank’s obligation to honor Drawings made in accordance with the express terms of the Letter of Credit.

Section 10.10. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the City, the Authority, the Bank and their respective successors, endorsees and assigns, except that neither the City nor the Authority shall assign, transfer or delegate all or any portion of its rights or obligations hereunder without the prior written consent of the Bank. The Bank may grant interests in its rights hereunder as provided in Section 10.09; provided, however, that no such grant shall affect the obligations of the Bank under the Letter of Credit. Notwithstanding any other provision of this Agreement, the Bank may at any time pledge or grant a security interest in all or any portion of its rights (including, without limitation, rights to payment under this Agreement) to secure obligations of the Bank, including any pledge or assignment to secure obligations to a Federal Reserve Bank, without notice to or consent of the City or the Authority; provided that no such pledge or grant of a security interest shall release the Bank from any of its obligations hereunder, as the case may be, or substitute any such pledgee or grantee for the Bank as a party hereto, as the case may be.

Section 10.11. Complete and Controlling Agreement. This Agreement and the other Related Documents completely set forth the agreements between the Bank, the City and the Authority and supersede all prior and contemporaneous understandings, agreements and contracts, both written and oral, between the Bank, the City and the Authority relating to the issuance of the Letter of Credit and all matters set forth herein and in the Related Documents.

Section 10.12. Waiver of Rule of Construction. Each of the City and the Authority hereby waives any and all provisions of law to the effect that an ambiguity in a contract or agreement should be interpreted against the party responsible for its drafting.

Section 10.13. WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY LAW, THE CITY, THE AUTHORITY AND THE BANK EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION (WHETHER AS CLAIM, COUNTER CLAIM, AFFIRMATIVE DEFENSE OR OTHERWISE) BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH, THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE CITY, THE AUTHORITY OR THE BANK. EACH OF THE CITY AND THE AUTHORITY ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION AND RECOGNIZES AND AGREES THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE BANK ENTERING INTO THIS AGREEMENT AND ISSUING THE LETTER OF CREDIT. EACH OF THE CITY AND THE AUTHORITY REPRESENTS AND ACKNOWLEDGES THAT IT HAS REVIEWED THIS PROVISION WITH ITS LEGAL COUNSEL AND THAT IT HAS KNOWINGLY AND VOLUNTARILY WAIVED ANY JURY TRIAL RIGHTS IT MAY HAVE FOLLOWING CONSULTATION WITH SUCH LEGAL COUNSEL.

Section 10.14. Payments Set Aside. To the extent that any payment by or on behalf of the City is made to the Bank, or the Bank exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Bank in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred.

Section 10.15. Usury. If notwithstanding the application of Section 2.03 of this Agreement, Applicable Law shall be interpreted by a court of competent jurisdiction to render usurious any amount or amounts payable to the Bank under this Agreement or under the Notes, or contracted for, charged or received by the Bank with respect to the obligations of the City hereunder or under the Notes, or if any acceleration or optional or extraordinary prepayment results in the City having paid any interest (together with any Charges) in excess of that permitted by Applicable Law, then it is the Bank's express intent that all excess amounts theretofore collected by the Bank shall be credited against the principal balance of the City's obligations to the Bank and the provisions of this Agreement and the other Related Documents shall immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder modified, without the necessity of the execution of any new documents, so as to comply with the Applicable Law, but so as to permit the recovery of the fullest amount otherwise called for hereunder or thereunder. All sums paid or agreed to be paid to the Bank, which may be characterized as interest under Applicable Law shall, to the extent permitted thereby, be amortized, prorated, allocated, and spread throughout the full stated term of the Notes or other obligations of the City until payment in full so that the rate or amount of interest on account of such obligations does not exceed the Maximum Lawful Rate from time to time in effect and applicable to such obligations for so long as the obligations are outstanding.

Section 10.16. Voluntary Termination; Extension.

(a) ***Voluntary Termination***. Subject to the provisions of Article II with respect to the payment of a Termination Fee, the City shall have the right to effect a Voluntary Termination of the Letter of Credit at any time upon not less than ten (10) Business Days' prior written notice to the Bank and to the Trustee. The City may not exercise its right to effect a Voluntary Termination unless it can be demonstrated to the reasonable satisfaction of the Bank that immediately after such Voluntary Termination there shall be sufficient funds on deposit with the Trustee to pay to the Bank all amounts owing pursuant to this Agreement (and the Bank Note).

(b) ***Extension***. At any time not earlier than three hundred sixty (360) days, and not later than one hundred eighty (180) days, prior to the Stated Expiration Date, the City may by written notice to the Bank request that the Stated Expiration Date of the Letter of Credit and of this Agreement be extended on terms and conditions to be mutually agreed to by the City and the Bank. The Bank may, in its sole and absolute discretion, decide to accept or reject any such proposed extension and no extension shall become effective unless the Bank shall have consented thereto in writing within sixty (60) days of the Bank's receipt of such written notice. The Bank's consent shall be conditioned upon the preparation, execution and delivery of documentation in form and substance satisfactory to the Bank and its counsel. The Bank's failure to so respond to a requested extension of the Stated Expiration Date shall constitute the Bank's denial of such request. If the Stated Expiration Date is extended, the City shall, except as otherwise agreed to in writing by the Bank, be deemed to have made the representations and warranties contained herein on and as of the date on which the Stated Expiration Date is so extended.

Section 10.17. Electronic Signature; Electronically Signed Document. For purposes hereof, "electronic signature" means a manually signed original signature that is then transmitted by electronic means; "transmitted by electronic means" means sent in the form of a facsimile or sent via the Internet as a pdf (portable document format) or other replicating image attached to an e mail message; and "electronically signed document" means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature. The parties agree that the electronic signature of a party to this Agreement (or any amendment or supplement of this Agreement) shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (a) to be "written" or "in writing," (b) to have been signed, and (c) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or "printouts", if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

Section 10.18. No Advisory or Fiduciary Responsibility. In connection with all aspects of the transactions contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Related Document), each of the City and the Authority acknowledges and agrees that: (a)(i) any arranging, structuring and other services regarding this Agreement provided by the Bank and any of its Affiliates are arm's length commercial transactions between the City and its Affiliates, on the one hand, and the Bank and its Affiliates, on the other hand, (ii) the City and the Authority has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the City and the Authority is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Related Documents; (b)(i) the Bank and each of its Affiliates is and has been acting solely as a principal and has not been, is not, and will not be acting as an advisor, agent or fiduciary for the City or any of its Affiliates, or any other Person and (ii) neither the Bank nor any of its Affiliates has any obligation to the City or any of its Affiliates with respect to the Transactions, except those obligations expressly set forth herein; and (c) the Bank and each of its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the City and its Affiliates, and neither the Bank nor any of its Affiliates has any obligation to disclose any of such interests to the City or its Affiliates. To the fullest extent permitted by Applicable Law, each of the City and the Authority hereby waives and releases any claims that it may have against the Bank and each of its Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

[Remainder of page intentionally left blank]

[Signature Page to Letter of Credit Reimbursement Agreement]

IN WITNESS WHEREOF, the parties hereto have caused this Letter of Credit Reimbursement Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

CITY OF WOODLAND

By ____
Name ______________________________________
Title _______________________________________

[Signatures continued on next page]

[Signature Page to Letter of Credit Reimbursement Agreement]

WOODLAND FINANCE AUTHORITY

By ____
Name ______________________________________
Title _______________________________________

[Signatures continued on next page]

[Signature Page to Letter of Credit Reimbursement Agreement]

CITIBANK, N.A.

By ______________________________________
Name ____________________________________
Title _____________________________________

EXHIBIT A

FORM OF LETTER OF CREDIT

EXHIBIT B

FORM OF PAYING AGENT'S LETTER

[____________], 2014

Citibank, N.A.

Re: Irrevocable Transferable Direct Pay Letter of Credit No. [_________________]

Dear Ladies and/or Gentlemen:

We refer to the above referenced Irrevocable Transferable Direct Pay Letter of Credit (the "Letter of Credit") issued pursuant to the Letter of Credit Reimbursement Agreement dated [___________], 2014 (the "Reimbursement Agreement") by and among the City of Woodland (the "City"), Woodland Finance Authority (the "Authority") and Citibank, N.A.

We have read and understand our obligations under the Reimbursement Agreement. We hereby further agree to provide notice to you in the form of Exhibit E to the Letter of Credit when so instructed by the City or when payment for all of the Notes has been made pursuant to the Trust Agreement. Subject to the terms and conditions of the Trust Agreement and the Issuing and Paying Agency Agreement regarding performance of the duties set forth therein by the Paying Agent, we agree to perform our duties set forth in Article II of the Reimbursement Agreement and the Letter of Credit.

Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Reimbursement Agreement.

Very truly yours,

[Signature on next page]

[Signature Page to Letter of Paying Agent of [___________], 2014]

U.S. Bank National Association, as Paying Agent

By ____
Name ______________________________________
Title _______________________________________

EXHIBIT C

COMPLIANCE WITH LAW DISCLOSURES

[None]

EXHIBIT D

FORM OF COMPLIANCE CERTIFICATE

To: Citibank, N.A. (the "Bank")

This Compliance Certificate is furnished pursuant to that certain Letter of Credit Reimbursement Agreement dated [___________], 2014, (as amended, modified, renewed or extended from time to time, the "Agreement") by and among the City of Woodland (the "City"), Woodland Finance Authority (the "Authority") and the Bank. Unless otherwise defined herein, capitalized terms used in this Compliance Certificate have the meanings ascribed thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the _______________ of the City;

2. This Compliance Certificate is provided with respect to the Fiscal Year ending on [__________] (the "Relevant Period").

3. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the City during the Relevant Period; and

4. The examinations described in paragraph 3 did not disclose, and I have no knowledge of, the existence of any condition or event which constitutes a Default during or at the end of the Relevant Period or as of the date of this Compliance Note, except as set forth below.

Described below are the exceptions, if any, to paragraph 4 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the City has taken, is taking, or proposes to take with respect to each such condition or event:

____

____

____

____

5. In accordance with Section 5.02 of the Agreement, I certify on behalf of the City the following as of __________, 20_ for the Relevant Period:

(a) Pursuant to Section 5.20(___), Revenues are equal to [___]% of [Debt Service Payments] [Operation and Maintenance Costs].

(b) Annex __ attached hereto sets forth financial data and computations evidencing the City's compliance with the above covenants of the Agreement, all of which data and computations are true, complete and correct.

6. I have reviewed the City's insurance coverages and certify that the City is in compliance with the insurance coverage requirements of the Installment Purchase Contract and this Agreement.

7. [OTHER REPORTING ITEMS, INCLUDING 5.02(C)(IV), AS APPLICABLE].

The foregoing certifications, together with any financial data and computations provided herewith, are made and delivered this _________ day of _________, ____.

CITY OF WOODLAND

By ____
Name ______________________________________
Title _______________________________________

EXHIBIT E

FORM OF BANK NOTE

CUSIP NUMBER: [___________]

$[____________]
Woodland Finance Authority Water Revenue
Commercial Paper Notes

[_____________], 2014

Citibank, N.A.
New York, New York

For value received, CITY OF WOODLAND (the "City"), promises to pay to the order of CITIBANK, N.A. (the "Bank"), the lesser of (a) $[___________] and (b) the unpaid aggregate principal and interest amounts due and owing to the Bank under that Letter of Credit Reimbursement Agreement dated as of [___________], 2014 (the "Reimbursement Agreement") by and among the City, Woodland Finance Authority (the "Authority") and the Bank. The City promises to pay interest on the unpaid principal amount of this Bank Note on the dates and at the rate or rates provided for in the Reimbursement Agreement. All such payments of principal and interest shall be made in lawful money of the United States in immediately available funds to the Bank as provided in the Reimbursement Agreement.

All Principal Drawings and Term Amortizations made by the Bank, the maturities thereof and all repayments of the principal thereof shall be recorded by the Bank and, prior to any transfer hereof, appropriate notations to evidence the foregoing information with respect to each such Principal Drawing and Term Amortization then outstanding shall be endorsed by the Bank on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; provided, however, that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the City hereunder or under the Reimbursement Agreement.

This Note is secured by and entitled to all the benefits of the Reimbursement Agreement and the other Related Documents. Reference is made to the provisions of Article II of the Reimbursement Agreement as well as Sections 8.01, 8.02, 10.14, 10.15 and the other provisions thereof relating to the payment of Bank Debt Service and such provisions are incorporated by reference herein. Whenever an event of default under the Reimbursement Agreement shall have occurred and, as a result thereof, the principal owing thereunder and interest accrued thereon, shall have been declared to be immediately due and payable, the unpaid principal amount of and accrued interest on this Note and all other amounts payable hereunder shall also be due and payable on the date of such acceleration, provided that the annulment of a declaration of acceleration shall also constitute an annulment of any corresponding declaration of acceleration with respect to this Note.

This Note shall be subject to mandatory and optional prepayment in accordance with the provisions of the Reimbursement Agreement.

Each payment of principal of and any premium and interest on this Note shall at all times be sufficient to pay when due the total amount of principal (whether at maturity or upon acceleration) or prepayment price of, and interest payable under this Note (whether at mandatory or optional prepayment, maturity or upon acceleration) and such other amounts required by the Reimbursement Agreement.

All payments hereunder shall be payable in lawful money of the United States of America in immediately available funds. The obligation of the City to make payments hereunder shall be absolute and unconditional and the City shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim which the City may have or assert against the Bank, the Authority, the Paying Agent, the Trustee, the Dealer or any other person.

The City hereby promises to pay all costs of collection and fees in the event of a default of this Note including, without limitation, reasonable arbitration, paralegals', attorneys' and experts' fees and expenses, whether incurred without the commencement of a suit, in any trial, arbitration, or administrative proceeding, or in any appellate or bankruptcy proceeding.

The City hereby waives presentment, notice of prepayment or acceleration, notice of dishonor and protest and all other notices, except for such notices (if any) of Default required to be given under the Related Documents, protest, diligence in collecting or bringing suit against the City or any other party liable hereon and waives all rights to the benefit of any moratorium, reinstatement, marshaling, forbearance, valuation, stay, extension, redemption, appraisement, and exemption now provided, or which may hereafter be provided by the Constitution and laws of the United States of America and of any state thereof, both as to itself and in and to all of its property, real and personal, against the enforcement and collection of the obligations evidenced by this Note. The City further agrees to any and all extensions, renewals, modifications, partial payments, substitutions of evidence of indebtedness, and the taking or release or impairment of any collateral with or without notice before or after demand by the Bank for payment hereunder.

The failure of the holder hereof to exercise any of its rights hereunder in any particular instance shall not constitute a waiver of the same or any other right in that or any subsequent instance. Time is of the essence for this Note and all of the City's obligations hereunder.

This Note shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, legal representatives, successors and assigns. The Bank's interests in and rights under this Note are freely assignable, in whole or in part, by the Bank. In addition, nothing in this Note or any of the other Related Documents shall prohibit the Bank from pledging or assigning this Note or any interest herein to any Federal Reserve Bank. The City shall not assign its rights and interest hereunder without the prior written consent of the Bank, and any attempt by the City to assign without the Bank's prior written consent is null and void. Any assignment shall not release the City from its obligations hereunder and under the other Related Documents.

Capitalized terms used in this Bank Note and not defined herein shall have the meaning assigned in the Reimbursement Agreement and the Trust Agreement.

[remainder of page intentionally left blank; signature and authentication on following pages]

IN WITNESS WHEREOF, the City has issued this Bank Note and caused the same to be signed by its Mayor and attested by its [Secretary Treasurer].

Attested:

By ___________________________________
Name _________________________________
Title _________________________________

CITY OF WOODLAND

By ____
Name ____
Title ____

SCHEDULE 4.01(x)

EXISTING PARITY DEBT

1. [________________________________].
2. [________________________________].
3. [________________________________].
4. [________________________________].

AMENDMENT TO INSTALLMENT PURCHASE CONTRACT

This Amendment to Installment Purchase Contract, dated March 1, 2014 (the "Amendment"), is between the CITY OF WOODLAND (the "City"), a municipal corporation duly organized and existing under and by virtue of the laws of the state of California, and the WOODLAND FINANCE AUTHORITY, a public agency duly established and existing under the laws of the State of California (the "Authority");

W I T N E S S E T H:

WHEREAS, the Authority has issued commercial paper notes (the "Notes") pursuant to the provisions of the Trust Indenture dated May 1, 2011 (the "Indenture"), between U.S. Bank National Association, as trustee (the "Trustee"), and the Authority, which Indenture constitutes a Supplemental Trust Agreement (the "Second Supplement") under the Trust Agreement dated February 1, 2011 (the "Trust Agreement"), between the Trustee and the Authority;

WHEREAS, pursuant to the Installment Purchase Contract dated February 1, 2011, as amended by the Second Supplemental Installment Purchase Contract dated May 1, 2011 (together, the "Installment Purchase Contract"), both between the Authority and the City, the City acquired certain water system improvements for the payments detailed therein;

WHEREAS, the Letter of Credit dated May 12, 2011, issued by Union Bank, N.A., which supports payment of the principal of and interest on the Notes, will terminate on [April 1], 2014, and will be replaced by a letter of credit dated [April 1], 2014 (the "Alternate Letter of Credit"), issued by Citibank, N.A. (the "Bank");

WHEREAS, the Bank has required that certain amendments be made to the Installment Purchase Contract as a condition of its delivery of the Alternate Letter of Credit; and the Authority and the City have determined to enter into this Amendment in order to facilitate the delivery of the Alternate Letter of Credit;

WHEREAS, Section 8.2 (Contract Represents Complete Agreement; Amendments) of the Installment Purchase Contract authorizes the Authority and the City to amend the Installment Purchase Contract, but only with the consent of the Trustee given in accordance with the provisions of the Trust Agreement;

WHEREAS, subsection (a) of Section 7.04 (Amendments to the Installment Purchase Contract) of the Trust Agreement allows the Trustee to give such written consent if such supplement, amendment, modification or termination will not materially adversely affect the interests of the Owners or result in any material impairment of the security given by the Trust Agreement for the payment of the Bonds;

WHEREAS, the Authority has determined that the amendments made hereby will not materially adversely affect the interests of the Owners or result in any material impairment of the security given by the Trust Agreement for the payment of the Bonds;

WHEREAS, all acts, conditions, and things required by law to exist, to have happened, and to have been performed to constitute this Amendment a valid and binding agreement of the parties hereto for the uses and purposes herein set forth in accordance with its terms, do exist, have happened, and have been performed in regular and due time, form, and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Amendment;

NOW, THEREFORE, the parties hereto agree as follows:

I. Definitions. Capitalized terms used herein and not defined herein shall have the definitions ascribed to such terms by the Installment Purchase Contract or the Trust Agreement. Unless the context otherwise requires, the additional terms defined below shall for all purposes hereof and of any amendment hereof or supplement hereto and any certificate, opinion, or other document herein mentioned have the meanings specified herein.

II. Amendments to Installment Purchase Contract. The following amendments are hereby made to the Installment Purchase Contract. Additions are denoted by double underlining and deletions by strikethrough:

Section 1. Amendment to Section 1.6. Section 1.6 (Benefits of Installment Purchase Contract) of the Installment Purchase Contract is hereby revised to read as follows:

> Nothing contained herein, expressed or implied, is intended to give to any person other than the City or the Authority any right, remedy or claim under or pursuant hereto, and any agreement or covenant required herein to be performed by or on behalf of the City or the Authority shall be for the sole and exclusive benefit of the other party. Notwithstanding the foregoing terms, the Credit Provider shall be an express and direct third party beneficiary hereof, entitled, but not obligated, to enforce each of the provisions and covenants of this Installment Purchase Contract against the City and the Authority.

Section 2. Amendment to Section 2.4. Section 2.4(A)(5) of the Installment Purchase Contract is hereby revised to read as follows:

> (5) Other Amounts. for the payment of any other amounts owed by the Authority to the ~~Insurer~~ Credit Provider hereunder or under the Trust Agreement.

Section 3. Amendment to Section 5.6. Section 5.6 (Investments) of the Installment Purchase Contract is hereby revised to read as follows:

> SECTION 5.6. Investments. Any moneys held by the City in the Water Revenue Fund shall be invested in ~~Investment Securities~~ Permitted Investments that will, as nearly as practicable, mature on or before the dates when such moneys are anticipated to be needed for disbursement hereunder. All investment earnings from moneys on deposit in the Water Revenue Fund shall be retained in such fund (except as provided in the Tax Certificate). All investment earnings from moneys on deposit in the Rate Stabilization Fund shall be deposited in accordance with Section 5.3 (Rate Stabilization Fund) hereof.

The City may commingle any of the funds or accounts (except for funds held in the Rebate Fund, which shall be held separately) established pursuant hereto into a separate fund or funds for investment purposes only; provided, however, that all funds or accounts held by the City hereunder shall be accounted for separately notwithstanding such commingling. For the purpose of determining the amount in any such fund or account, all ~~Investment Securities~~ Permitted Investments credited to such fund or account shall be valued at their market value.

Section 4. Amendment to Section 10.3. Section 10.3(D) of the Installment Purchase Contract is hereby revised to read as follows:

(D) Reimbursement Obligations. To the extent the principal of and interest on the Notes is paid from a Drawing on the Letter of Credit and the Drawing is not reimbursed to the Credit Bank from the proceeds of the sale of Notes, the City shall pay CP Installment Payments in the amounts and at the times necessary to pay the Reimbursement Obligations, as described in ~~Section 2.4 (Advances; Term Loan)~~ Article II (Reimbursement, Fees and Payment Provisions) of the Reimbursement Agreement.

Section 5. Amendments to Section 6.9. Subsections (A) and (D) of Section 6.9 of the Installment Purchase Contract are hereby revised to read as follows:

(A) Casualty Insurance. The City will procure and maintain or cause to be procured and maintained insurance on the Water System with responsible insurers in such amounts and against such risks (including accident to or destruction of the Water System) as are usually covered in connection with water systems similar to the Water System so long as such insurance is available from reputable insurance companies. In the event of any damage to or destruction of the Water System caused by the perils covered by such insurance, the Net Proceeds thereof shall be applied to the reconstruction, repair, or replacement of the damaged or destroyed portion of the Water System. The City shall begin such reconstruction, repair, or replacement promptly after such damage or destruction shall occur; shall continue and properly complete such reconstruction, repair, or replacement as expeditiously as possible; and shall pay out of such Net Proceeds and, if necessary, out of all other funds available to it, all costs and expenses in connection with such reconstruction, repair, or replacement so that the same shall be completed and the Water System shall be free and clear of all claims and liens. The City will reconstruct, repair or replace the damaged or destroyed portions of the Water System promptly and in any event prior to the time that a failure to reconstruct, repair or replace such portions would impair or adversely affect the ability of the City to pay Installment Payments. If such Net Proceeds exceed the costs of such reconstruction, repair, or replacement, then the excess Net Proceeds shall be applied in part to the prepayment of Installment Payments as provided in Article 3 (Prepayment of Installment Payments) and in part to such other fund or account as may be appropriate and used for the retirement of City Revenue Bonds and Contracts in the same proportion that the aggregate unpaid principal balance of Installment Payments then bears to the aggregate unpaid principal amount of such City Revenue Bonds and Contracts. If such Net Proceeds are sufficient to enable the City to retire the entire obligation evidenced hereby prior to the final due date of the Installment Payments as well as the entire obligations evidenced by City Revenue Bonds and Contracts then remaining unpaid prior to their final respective due dates, the City may elect not to reconstruct, repair, or replace the damaged or destroyed portion of the Water System, and thereupon such Net Proceeds shall be applied to the prepayment of Installment Payments as provided in Article 3 (Prepayment of Installment Payments) and to the retirement of such City Revenue Bonds and Contracts.

(D) Notice of Cancellation. All policies of insurance required to be maintained herein shall provide that the Authority, the Trustee, and the Credit Bank shall be given thirty (30) days' written notice of any intended cancellation thereof or reduction of coverage provided thereby.

Section 6. Amendment to Section 6.13. Subsection A of Section 6.13 of the Installment Purchase Contract is hereby revised to read as follows:

(A) If (1) the City obtains and files with the Authority, the Trustee, and the Credit Bank an Engineer's Report or Accountant's Report addressed to each of them showing (i) the estimated loss of annual Net Water Revenues, if any, suffered or to be suffered by the City by reason of such eminent domain proceedings, (ii) a general description of the additions, betterments, extensions, or improvements to the Water System proposed to be acquired and constructed by the City from such Net Proceeds, and (iii) an estimate of the additional annual Net Water Revenues to be derived from such additions, betterments, extensions, or improvements, and (2) the City, on the basis of such Engineer's Report or Accountant's Report filed with the Authority, determines that the estimated additional annual Net Water Revenues will sufficiently offset the estimated loss of annual Net Water Revenues resulting from such eminent domain proceedings so that the ability of the City to pay the Installment Payments as and when required and to meet its other obligations hereunder will not be substantially impaired (which determination shall be final and conclusive) then the City shall promptly proceed with the acquisition and construction of such additions, betterments, extensions, or improvements substantially in accordance with such Engineer's Report or Accountant's Report and such Net Proceeds shall be applied for the payment of the costs of such acquisition and construction, and any balance of such Net Proceeds not required by the City for such purpose shall be deposited in the Water Revenue Fund.

Section 7. Amendment to Section 7.1. Section 7.1 of the Installment Purchase Contract is hereby revised to read as follows:

SECTION 7.1. Installment Purchase Contract Defaults and Acceleration of Maturities. If one or more of the following Installment Purchase Contract Defaults shall happen, that is to say:

(A) if default shall be made in the due and punctual payment of any Installment Payment or any Contract or City Revenue Bond when and as the same shall become due and payable;

(B) if default shall be made by the City in the performance of any of the other agreements or covenants required herein to be performed by it, and such default shall have continued for a period of sixty (60) days after the City shall have been given notice in writing of such default by the Authority; ~~or~~

(C) if the City shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the City seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the City or of the whole or any substantial part of its property;

(D) if payment of the principal of any Installment Payments or any Contract or City Revenue Bond is accelerated in accordance with its terms;

(E) if an event of default occurs under any Contract or City Revenue Bond and a Person seeks to exercise any right or remedy with respect to the City, the Water Revenues or the Water Revenue Fund as a result thereof, or

(F) the Credit Provider, if any, shall have notified the Trustee (as assignee of the Authority), the Authority and the City, that an "Event of Default" (as described in the Credit Facility or Reimbursement Agreement) has occurred and is continuing under the Credit Facility or Reimbursement Agreement;

then and in each and every such case during the continuance of such Installment Purchase Contract Default specified in clauses (D), (E) or (F) (in the case of (F), if such notification by the Credit Provider includes written directions to accelerate the Installment Payments), without any notice to the City or any other Person or any other act by any Person, the entire principal amount of the unpaid Installment Payments and the accrued interest thereon shall be immediately due and payable; and, during the continuance of an Installment Purchase Contract Default specified in clause (A) above, the Authority shall, and for any other such Installment Purchase Contract Default the Authority may, in either case only with the written consent of the Credit Provider, by notice in writing to the City, declare the entire principal amount of the Installment Payments and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything contained herein to the contrary notwithstanding. This section, however, is subject to the condition that if, at any time after the entire principal amount of the unpaid Installment Payments and the accrued interest thereon shall have been so declared due and payable and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the City shall deposit with the Authority a sum sufficient to pay the unpaid principal amount of the Installment Payments or the unpaid payment of any other Contract or City Revenue Bond referred to in clause (A) above due prior to such declaration and the accrued interest thereon, with interest on such overdue installments, at the rate or rates applicable to the remaining unpaid principal balance of the Installment Payments or such Contract or City Revenue Bond if paid in accordance with their terms, and the reasonable expenses of the Authority, and any and all other defaults known to the Authority (other than in the payment of the entire principal amount of the unpaid Installment Payments and the accrued interest thereon due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Authority or provision deemed by the Authority to be adequate shall have been made therefor, then and in every such case the Authority, by written notice to the City, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

Section 8. Amendment to Section 7.3. Subsection C of Section 7.3 of the Installment Purchase Contract is hereby revised to read as follows:

(C) by suit in equity upon the happening of an Installment Purchase Contract Default to require the City and its Councilmembers, officers, and employees to account as the trustee of an express trust.

Section 9. New Section 7.6. A new Section 7.6 is hereby added to the Installment Purchase Contract, which reads as follows:

SECTION 7.6. Exercise of Remedies. Notwithstanding any other provision of this Article VII, (i) as provided in Section 8.1 hereof, all of the Authority's rights and remedies under this Installment Purchase Contract have been assigned to the Trustee, and (ii) the exercise by the Trustee of such rights and remedies shall be subject to the provisions of Section 11.02 of the Trust Agreement (which is incorporated herein by this reference and made a part hereof), which authorizes the Credit Provider to exercise all such rights and remedies.

III. Provisions of the Installment Purchase Contract. Except as in this amendment expressly provided, every term and condition contained in the Installment Purchase Contract shall apply to this Amendment with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Amendment.

This Amendment and all the terms and provisions herein contained shall form part of the Installment Purchase Contract as fully and with the same effect as if all such terms and provisions had been set forth in the Installment Purchase Contract. The Installment Purchase Contract is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby.

IV. **Separability of Invalid Provisions**. If any one or more of the provisions contained in this Amendment shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Amendment and such invalidity, illegality, or unenforceability shall not affect any other provision of this Amendment, and this Amendment shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority and the City each hereby declares that it would have adopted this Amendment and each and every other Section, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Amendment may be held illegal, invalid, or unenforceable.

V. **Effect of Headings and Table of Contents**. The headings or titles of the several Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, or effect of this Amendment.

VI. **Execution in Counterparts**. This Amendment may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment by their officers thereunto duly authorized as of the day and year first written above.

CITY OF WOODLAND

By:___________________________________
Paul Navazio, City Manager

ATTEST:

____
Ana Gonzalez, City Clerk

WOODLAND FINANCE AUTHORITY

By:___________________________________
Paul Navazio , Administrator

ATTEST:

____
Ana Gonzalez, Secretary

APPROVED AS TO FORM:

____
____________, City Attorney

The Trustee hereby consents to the execution of this Amendment to Installment Purchase Contract.

U.S. Bank National Association

By: ________________________________
Authorized Officer

AMENDMENT TO ISSUING AND PAYING AGENCY AGREEMENT

This Amendment to Issuing and Paying Agency Agreement dated March 1, 2014 (this "Amendment"), is between the WOODLAND FINANCE AUTHORITY, a public agency duly established and existing under the laws of the State of California (the "Authority") and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America (the "Issuing and Paying Agent");

W I T N E S S E T H:

WHEREAS, the Authority has issued commercial paper notes (the "Notes") pursuant to the provisions of the Trust Indenture dated May 1, 2011 (the "Trust Indenture"), between U.S. Bank National Association, as trustee (the "Trustee"), and the Authority, which Trust Indenture was executed as and constitutes the second Supplemental Trust Agreement to the Trust Agreement dated February 1, 2011 (the "Trust Agreement"), between the Trustee and the Authority;

WHEREAS, the Issuing and Paying Agency Agreement dated May 1, 2011 (the "Agreement") between the Authority and the Issuing and Paying Agent provides for the issuance and delivery of the Notes from time to time;

WHEREAS, the Letter of Credit dated May 12, 2011, issued by Union Bank, N.A., which supports payment of the principal of and interest on the Notes, will terminate on [April 1], 2014, and will be replaced by a letter of credit dated [April 1], 2014 (the "Alternate Letter of Credit"), issued by Citibank, N.A. (the "Bank");

WHEREAS, the Bank has required that certain amendments be made to the Agreement as a condition of its delivery of the Alternate Letter of Credit; and the Authority and the City have determined to enter into this Amendment in order to facilitate the delivery of the Alternate Letter of Credit;

WHEREAS, Section 14(g) (Amendment and Waiver) of the Agreement authorizes the Authority and the Issuing and Paying Agent to amend the Agreement, provide that such amendment is permitted by the Trust Indenture;

WHEREAS, the Authority has determined that the amendment provided for hereby is permitted by the Indenture;

WHEREAS, all acts, conditions, and things required by law to exist, to have happened, and to have been performed to constitute this Amendment a valid and binding agreement of the parties hereto for the uses and purposes herein set forth in accordance with its terms, do exist, have happened, and have been performed in regular and due time, form, and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Amendment;

NOW, THEREFORE, the parties hereto agree as follows:

I. **Definitions**. Capitalized terms used herein and not defined herein shall have the definitions ascribed to such terms by the Agreement or the Trust Agreement. Unless the context otherwise requires, the additional terms defined below shall for all purposes hereof and of any amendment hereof or supplement hereto and any certificate, opinion, or other document herein mentioned have the meanings specified herein.

II. Amendments to Agreement. The following amendments are hereby made to the Issuing and Paying Agency Agreement . Additions are denoted by double underlining and deletions by strikethrough:

Section 1. Amendment to Section 3. The first paragraph of Section 3 is hereby revised to read as follows:

> ~~Union Bank, N.A.~~ Citibank, N.A. (the "Credit Bank"), has agreed to issue an irrevocable letter of credit (the ~~initial~~ "Letter of Credit") to support payment of the principal of and interest due on the Notes. The Letter of Credit shall be substantially the form of ~~Appendix I~~ Exhibit A to the Reimbursement Agreement dated as of ~~May 1, 2011~~ [________,] 2014, among the City of Woodland (the "City"), the Authority and the Credit Bank (~~and together with the Fee Letter dated May 12, 2011, referred to collectively herein as~~ the "Reimbursement Agreement"). The Issuing and Paying Agent shall act in accordance with the provisions of this Agreement and the Indenture with respect to amounts drawn by it under the Letter of Credit and certain funds and accounts held hereunder.

Section 2. Amendment to Section 8. The third paragraph of Section 8(d) of the Agreement is hereby revised to read as follows:

> Notwithstanding anything herein to the contrary, the Issuing and Paying Agent shall not issue or deliver Notes pursuant to Instructions if the Issuing and Paying Agent has received (i) instructions from the Credit Bank to cease issuing Notes ("No-Issuance Instructions), until the Issuing and Paying Agent receives written notice from the Credit Bank revoking the No-Issuance Instructions or (ii) a Final Drawing Notice. The Issuing and Paying Agent shall have no responsibility for the correctness or validity of any No-Issuance Instructions or Final Drawing Notice nor liability for complying with them, notwithstanding any contrary instructions received from the Authority or the Dealer. The Issuing and Paying Agent shall immediately notify the Authority of the receipt of any No-Issuance Instructions or Final Drawing Notice. Upon receipt of a Restricted Issuance Notice from the Credit Bank under the Reimbursement Agreement, the Issuing and Paying Agent will not thereafter deliver any additional Notes in a principal amount in excess of the Notes maturing on the date of delivery of the additional Notes, without the prior written consent of the Credit Bank.

Section 3. Amendments to Section 11. Subsections (e) and (h) of Section 8 of the Agreement is hereby revised to read as follows:

> (e) Payments from Revenues. So long as the Trustee is U.S. Bank National Association, the Trustee will provide the Authority access to the Securities Processing Automated Note System ("SPANS"), which allows online access to the Authority to view Note activity. The SPANS system allows the Authority to view

the amount of Notes outstanding, maturities, issuances, interest amounts and allows the Authority to customize reports as the Authority may need, and the Trustee shall provide such reports to the Credit Bank. On the same day upon which any principal of and interest on Notes is due and payable, the Authority shall arrange for the payment by the City through the Trustee of (i) the principal of and interest on all Notes due and payable on such day for reimbursement of the Credit Bank for amounts drawn under the Letter of Credit or (ii) the principal of and interest on all Notes due and payable on such day for direct payment by the Authority to the extent the amount required to pay such principal or interest exceeds the proceeds of draws available for such purpose and the proceeds of Notes available in the Revenue Fund to make such payment. The Issuing and Paying Agent shall deposit the amounts paid in the Revenue Account. The Issuing and Paying Agent shall apply such amounts for the payment of principal of and interest on maturing Notes.

(h) No Set-Off. The Issuing and Paying Agent hereby waives all rights of set-off or banker's lien that it may have under applicable law against the sums on deposit in the Commercial Paper Fund or otherwise obtained pursuant to this Agreement as a result of any indebtedness due to the Issuing and Paying Agent by ~~any of the parties hereto in any capacity~~ any Person and for whatever reason.

Section 4. Amendment to Section 14. The address of the Credit Bank in subsection (a) is hereby revised to read as follows:

~~Union Bank, N.A.~~
~~445 South Figueroa Street~~
~~G08-268J~~
~~Los Angeles, CA 90071~~
~~Attention: Christine Armani~~
~~Telecopy No.: (213) 236-6917~~

For Administrative Matters:

Citibank, N.A., Delaware
1615 Brett Rd., OPS 3
New Castle, DE 19720
Attention: Adriene Jackson
Telephone: (302) 323-5888
Facsimile: (212) 994-0849
E-Mail: adriene.jackson@citi.com

With a copy to:

Citibank, N.A., Tampa
3800 Citibank Center Building
Tampa, FL 33610
Attention: Karen E. Kunze GTS Letter of Credit Operations
Telephone: (813) 604-7038
Facsimile: (813) 604-7187
E-Mail: Karen.e.kunze@citigroup.com

For Credit Matters:

Citibank, N.A.
390 Greenwich Street, 8th Floor
New York, NY 10013
Attention: Municipal Credit Surveillance
E-Mail: munisurveillance@citi.com

With a copy to:

Citigroup Global Markets, Inc.
390 Greenwich Street, 2nd Floor
New York, NY 10013
Attention: Rebekah McGuire
E-Mail: rebekah.mcguire@citi.com

Section 5. Amendment to Section 14. A new subsection (l) is hereby added to Section 14 of the Agreement, which reads as follows:

(l) Notwithstanding anything herein to contrary, the Credit Bank shall be an express and direct third party beneficiary hereof, entitled, but not obligated, to enforce each of the provisions of this Agreement.

III. Provisions of the Agreement. Except as in this amendment expressly provided, every term and condition contained in the Agreement shall apply to this Amendment with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Amendment.

This Amendment and all the terms and provisions herein contained shall form part of the Agreement as fully and with the same effect as if all such terms and provisions had been set forth in the Agreement. The Agreement is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby.

IV. Separability of Invalid Provisions. If any one or more of the provisions contained in this Amendment shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Amendment and such invalidity, illegality, or unenforceability shall not affect any other provision of this Amendment, and this Amendment shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have adopted this Amendment and each and every other Section, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Amendment may be held illegal, invalid, or unenforceable.

V. **Effect of Headings and Table of Contents**. The headings or titles of the several Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, or effect of this Amendment.

VI. **Execution in Counterparts**. This Amendment may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment by their officers thereunto duly authorized as of the day and year first written above.

WOODLAND FINANCE AUTHORITY

By:_________________________________
Paul Navazio , Administrator

U.S. BANK NATIONAL ASSOCIATION,
as Issuing and Paying Agent

By:_________________________________
Authorized Officer

SH DRAFT #1
02/26/2014

OFFERING MEMORANDUM DATED _______, 2014

Not to exceed $38,000,000 principal amount of

WOODLAND FINANCE AUTHORITY
WATER REVENUE COMMERCIAL PAPER NOTES

Citigroup

Dealer for the Commercial Paper Notes

TABLE OF CONTENTS

NOT TO EXCEED
$38,000,000
WOODLAND FINANCE AUTHORITY
WATER REVENUE COMMERCIAL PAPER NOTES

GENERAL INFORMATION CONCERNING THE OFFERING

This Offering Memorandum is not to be construed as a contract between the Authority and the purchasers of the Commercial Paper Notes. Prospective purchasers of the Commercial Paper Notes are expected to conduct their own review and analysis before making an investment decision.

This Offering Memorandum provides general information in connection with the issuance and sale by the Woodland Finance Authority (the "Authority") of its Woodland Finance Authority Water Revenue Commercial Paper Notes (the "Commercial Paper Notes").

The Commercial Paper Notes are authorized and issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Bond Act"), a Trust Agreement dated February 1, 2011 (the "Trust Agreement"), as supplemented by a Trust Indenture dated February 1, 2011, a Trust Indenture dated May 1, 2011 was executed as and constitutes the second Supplemental Trust Agreement, and a Third Supplemental Trust Agreement dated March 1, 2014, each between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), and an Issuing and Paying Agency Agreement dated May 1, 2011, as amended by an Amendment to the Issuing and Paying Agency Agreement dated ___________, 2014 (together, the "Issuing and Paying Agency Agreement"), between the Authority and U.S. Bank National Association, as Issuing and Paying Agent (the "Issuing and Paying Agent"). The Trust Agreement as so supplemented is referred to as the "Trust Indenture." The Commercial Paper Notes will be executed and delivered as fully registered securities in the name of Cede & Co. as nominee for The Depository Trust Company, New York, New York ("DTC"). See APPENDIX C–"DTC AND THE BOOK-ENTRY ONLY SYSTEM."

The Commercial Paper Notes are secured by a pledge of Revenues, consisting of CP Project Installment Payments (defined herein) made by the City of Woodland (the "City") to the Authority pursuant to an Installment Purchase Contract dated February 1, 2011, as amended by the First Supplemental Installment Purchase Contract dated February 1, 2011, the Second Supplemental Installment Purchase Contract dated May 1, 2011 and the [Third] Amendment to Installment Purchase Contract dated March 1, 2014 (collectively, the "CP Project Installment Purchase Contract") for the purchase from time-time of certain improvements (the "CP Project") made to the water system of the City (the "Water System"). The obligation of the City to make the CP Project Installment Payments from Net Water Revenues (defined herein) is absolute and unconditional and, until the Commercial Paper Notes are paid in full, may not be abated, discontinued or suspended whether or not any part of the CP Project or any part thereof is operating or operable or has been completed, or its use suspended, interfered with, reduced curtailed or terminated, in whole or in part. **No funds or properties of the City, other than the Net Water Revenues, are pledged to pay the CP Project Installment Payments**. See "SECURITY FOR THE COMMERCIAL PAPER NOTES–Pledge of Revenues under the Trust Indenture."

The Commercial Paper Notes are further supported by an irrevocable direct-pay letter of credit, substantially in the form attached hereto as APPENDIX A (the "Letter of Credit") issued by Citibank, N.A. (the "Bank") on _____ __, 2014, pursuant to a Reimbursement Agreement, dated as of _____ __, 2014 (the "Reimbursement Agreement"), among the Authority, the City and the Bank. In accordance with the terms thereof, the Letter of Credit expires at 5:00 p.m., New York City time, on _____ __, 2017, unless the expiration date is extended or unless the Letter of Credit terminates earlier in accordance with its terms. See "THE LETTER OF CREDIT."

The Authority does not expect that it would have on hand, on any maturity date for Commercial Paper Notes, moneys sufficient to pay maturing Commercial Paper Notes. Timely payment of principal and interest on maturing Commercial Paper Notes is therefore dependent on the Letter of Credit and on the ability of the Authority to sell rollover Commercial Paper Notes. Prospective investors therefore should base their investment decision on the credit standing of the Bank, rather than on that of the Authority.

The information in this Offering Memorandum has been obtained from the Commission, the Banks and other sources believed to be reliable. The references herein to the Senior Bond Resolution, the Note Resolution, the Notes, the Letters of Credit, the Reimbursement Agreements (as defined herein) and the Issuing and Paying Agent Agreement (as defined herein) do not purport to be complete or definitive, do not constitute summaries thereof, and are qualified in their entirety by reference to the provisions thereof. The information and expressions of opinion in this Offering Memorandum are subject to change without notice after the date hereof and future use of this Offering Memorandum shall not otherwise create any implication that there has been no change in the matters referred to in this Offering Memorandum since the date hereof. Copies of any of the foregoing documents may be obtained from the Authority through: Citigroup Global Markets Inc., (the Dealer") for the Commercial Paper Notes at 390 Greenwich Street, 2nd Floor, New York, New York 10013; Attention: Short Term Tax Exempt Trading; phone: 212-723-7082.

If for any reason the Bank fails to honor a drawing under the Letter of Credit the Authority cannot provide any assurance that it will have sufficient funds on hand and available to make such payment of principal of and/or interest on the Commercial Paper Notes supported by the Letter of Credit or to make such payments in a timely manner. Prospective investors therefore should base their investment decision primarily on their analysis of the ability of the Bank to make payments when due, rather than on that of the Authority.

THE COMMERCIAL PAPER NOTES

The Commercial Paper Notes are authorized and issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Bond Act”), and the Trust Indenture.

The proceeds of the Commercial Paper Notes will be used by the Authority to finance the costs of the CP Project, which consists of planning, designing, engineering, acquiring and constructing certain improvements to the Water System of the City. The Authority will sell the CP Project to the City pursuant to the terms of the CP Project Installment Purchase Contract.

The Commercial Paper Notes will be dated as of their date of issuance and shall bear an effective interest rate per annum computed on the basis of a 365- or 366-day year, as applicable, for actual days elapsed, and shall mature and become due and payable on such dates as determined by the Dealer in accordance with the Dealer Agreement dated May 1, 2011 (the “Dealer Agreement”) among the Dealer, the Authority and the City.

No Commercial Paper Note shall (i) mature on a day that is not a Business Day (defined as a day other than a Saturday or Sunday or a day on which banks in each of the cities in which the principal offices of the Authority, the Trustee, the Issuing and Paying Agent and the Dealer and the office of the Credit Bank at which demands for payment under the Letter of Credit are to be presented are located are authorized by law or executive order to remain closed or a day on which the New York Stock Exchange is closed); (ii) mature after the date that is five Business Days prior to the Expiration Date of the Letter of Credit; (iii) have a term in excess of 270 days; (iv) bear interest at a rate in excess of the Maximum Rate (defined as the lesser of 12% per annum and the maximum rate of interest on the relevant obligation permitted by applicable law); or

(v) result in the aggregate principal amount of Commercial Paper Notes Outstanding together with interest thereon exceeding the Stated Amount of the Letter of Credit. See "THE LETTER OF CREDIT."

The Commercial Paper Notes will be issued, sold, executed and delivered from time to time as proposed by the Dealer and approved by the Authority as fully-registered notes, in book-entry only form, in the name of Cede & Co., as registered owner and nominee for DTC. The Commercial Paper Notes will be issued in Authorized Denominations of $100,000 and in integral multiples of $1,000 in excess of $100,000. Beneficial ownership interests in the Commercial Paper Notes will be available in book-entry form only, and purchasers of the Commercial Paper Notes will not receive certificates representing their interests in the Commercial Paper Notes purchased. While held in book-entry only form, the Issuing and Paying Agent, will make all payments of principal of and interest on the Commercial Paper Notes by wire transfer to DTC or its nominee as the sole registered owner of the Commercial Paper Notes. Payments to the beneficial owners are the responsibility of DTC and its participants. See APPENDIX C–"DTC AND THE BOOK-ENTRY ONLY SYSTEM."

THE LETTER OF CREDIT

General Terms

The Letter of Credit will be issued by the Bank pursuant to the Reimbursement Agreement. The following summarizes certain provisions of the Letter of Credit and the Reimbursement Agreement, to which documents reference is made for the complete provisions thereof. All capitalized terms used, but not otherwise defined, under this heading "THE LETTER OF CREDIT" shall have the respective meanings given thereto in the Letter of Credit or the Reimbursement Agreement, as applicable. Investors should obtain and review a copy of the Reimbursement Agreement and the Letter of Credit in order to understand all of the terms thereof.

The Commercial Paper Notes are payable from and supported by an irrevocable direct-pay Letter of Credit issued by the Bank in favor of the Issuing and Paying Agent. The Letter of Credit is issued pursuant to the terms and conditions of the Reimbursement Agreement in the stated amount of $__________ (the "Stated Amount") consisting of a principal component equal to $__________ and an interest component equal to $__________, representing 270 days' interest on the Commercial Paper Notes calculated at an assumed maximum interest rate of 12% per annum, calculated on the basis of the actual number of days elapsed in a year of 365 days. The Stated Amount of the Letter of Credit may be reduced and/or reinstated from time to time as described in the Reimbursement Agreement. The Issuing and Paying Agent is required to draw upon the Letter of Credit in an amount sufficient to pay both principal of and interest on the Commercial Paper Notes when due. See also, APPENDIX A–"FORM OF LETTER OF CREDIT."

Termination

The Letter of Credit will terminate on the earliest of: (i) 5:00 P.M. (New York time) on _____ __, 2017 (the "Stated Expiration Date"); (ii) the date on which the Bank receives an appropriately completed certificate from the Issuing and Paying Agent stating that that the principal amount of and interest with respect to all of the Commercial Paper Notes has been paid in full or deemed paid in full and that the Issuing and Paying Agent elects to terminate the Letter of Credit; (iii) the date on which the Bank receives an appropriately completed certificate stating that an Letter of Credit has been substituted for the Letter of Credit is accordance with the Trust Indenture, or (iv) the first to occur of (a) the 10th calendar day after the date on which the Issuing and Paying Agent receives the Final Drawing Notice (as defined in the Reimbursement Agreement) or (b) the date on which the Issuing and Paying Agent has made such Drawing and the proceeds of the Drawing have been distributed to the Issuing and Paying Agent. The Letter of Credit Expiration Date may be extended as provided in the Reimbursement Agreement. The Letter of Credit may not be terminated while any Commercial Paper Notes are Outstanding.

THE BANK

The following information relates to and has been obtained from the Bank. The information concerning the Bank contained herein is provided solely to provide limited introductory information regarding the Bank and does not purport to be comprehensive. Such information is qualified in its entirety by the detailed information appearing the documents and financial statements referenced below. The information containing the Bank herein has not been independently confirmed or verified by the Authority, the City or the Dealer. No representation is made by the Authority, the City or the Dealer as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information given below or incorporated herein by reference is correct as of any time subsequent to its date.

Citibank, N.A

Citibank was originally organized on June 16, 1812, and now is a national banking association organized under the National Bank Act of 1864. Citibank is an indirect wholly owned subsidiary of Citigroup Inc. ("Citigroup"), a Delaware holding company. As of December 31, 2012, the total assets of Citibank and its consolidated subsidiaries represented approximately 70% of the total assets of Citigroup and its consolidated subsidiaries.

The long-term ratings of Citibank and its consolidated subsidiaries are as follows:

Rating Agency	Long-Term	Short-Term	Outlook
Moody's	A2	P-1	Stable
S&P	A	A-1	Stable
Fitch	A	F1	Stable

Citibank is a commercial bank that, along with its subsidiaries and affiliates, offers a wide range of banking and trust services to its customers throughout the United States and the world. As a national bank, Citibank is a regulated entity permitted to engage only in banking and activities incidental to banking. Citibank is primarily regulated by the Office of the Comptroller of the Currency (the "Comptroller"), which also examines its loan portfolios and reviews the sufficiency of its allowance for credit losses.

Citibank's deposits at its U.S. branches are insured by the Federal Deposit Insurance Corporation (the "FDIC") and are subject to FDIC insurance assessments. The Letter of Credit is not insured by the FDIC or any other regulatory agency of the United States or any other jurisdiction. Citibank may, under certain circumstances, be obligated for the liabilities of its affiliates that are FDIC-insured depository institutions.

Under U.S. law, deposits in U.S. offices and certain claims for administrative expenses and employee compensation against a U.S. insured depository institution which has failed will be afforded a priority over other general unsecured claims, including deposits in non-U.S. offices and claims under non-depository contracts in all offices, against such an institution in the "liquidation or other resolution" of such an institution by any receiver. Such priority creditors (including the FDIC, as the subrogee of insured depositors) of such FDIC-insured depository institution will be entitled to priority over unsecured creditors in the event of a "liquidation or other resolution" of such institution.

For further information regarding Citibank, reference is made to the Annual Report on Form 10-K of Citigroup and its subsidiaries for the year ended December 31, 2012, filed by Citigroup with the Securities and Exchange Commission (the "SEC"). Copies of Citigroup's 10-K may be obtained, upon payment of a duplicating fee, by writing to the SEC at 100 F Street, N.E., Washington, D.C. 20549. In addition, Citigroup's 10-K is available at the SEC's web site (http://www.sec.gov).

In addition, Citibank submits quarterly to the Comptroller certain reports called "Consolidated Reports of Condition and Income for a Bank With Domestic and Foreign Offices" ("Call Reports"). The Call Reports are on file with, and publicly available at, the Comptroller's offices at 250 E Street, SW, Washington, D.C. 20219 and are also available on the web site of the FDIC (http://www.fdic.gov). Each Call Report consists of a Balance Sheet, Income Statement, Changes in Equity Capital and other supporting schedules at the end of and for the period to which the report relates.

Any of the reports referenced above are available upon request without charge from Citi Document Services by calling toll-free at (877) 936-2737 (outside the United States at (716) 730-8055), by e-mailing a request to docserve@citi.com or by writing to: Citi Document Services, 540 Crosspoint Parkway, Getzville, New York 14068.

SECURITY FOR THE COMMERCIAL PAPER NOTES

General

In addition to the Letter of Credit, the Commercial Paper Notes are secured by a pledge of Revenues and other assets under the Trust Indenture.

Pursuant to the Trust Indenture, the Authority pledges all of the Revenues and any other amounts (including proceeds of the sale of Commercial Paper Notes) held in any fund or account established pursuant to the Trust Agreement, other than amounts on deposit in the Rebate Fund, and transfers, assigns, and sets over to the Trustee all of the CP Project Installment Payments and any and all rights and privileges it has under the CP Installment Purchase Contract. The term "Revenues" is defined in the Trust Indenture to mean all CP Project Installment Payments paid by the City and received by the Authority pursuant to the CP Project Installment Purchase Contract and all interest or other income from any investment of any money in any fund or account (other than the Rebate Fund established under the Trust Indenture).

The obligation of the City to make the CP Project Installment Payments under the CP Project Installment Purchase Contract from Net Water Revenues is absolute and unconditional and, until the Commercial Paper Notes are paid in full, may not be abated, discontinued or suspended whether or not the CP Project or any part thereof is operating or operable or has been completed, or its use suspended, interfered with, reduced or curtailed or terminated in whole or in part.

The payments made by the City under the CP Project Installment Purchase Contract are scheduled in both time and amount to provide sufficient funds to pay, when due, the principal of and interest on the Commercial Paper Notes. No funds or properties of the City, other than the Net Water Revenues, are pledged to pay the CP Project Installment Payments.

The obligation of the City to make the CP Project Installment Payments is limited to Net Water Revenues. The CP Project Installment Payments are not secured by a legal or equitable pledge of, or charge or lien upon, any property of the City or any of its income or receipts, except the Net Water Revenues. Neither the faith and credit nor the general taxing power of the City, the County of Yolo, the State of California, or any political subdivision thereof is pledged to the payment of the Commercial Paper Notes. The obligation of the City to make CP Project Installment Payments is a special obligation payable solely from Net Water Revenues and certain other legally available funds as provided in the CP Project Installment Purchase Contract and does not constitute a debt, liability or obligation of the City for which it is obligated to levy or pledge, or for which it has levied or pledged, any form of taxation. The Commercial Paper Notes do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The Authority has no taxing power. No tax or other sources of funds, other than the Net Water Revenues, is pledged to pay CP Project Installment Payments.

Defined Terms

Capitalized terms used in this Offering Memorandum and not otherwise defined, shall have the meanings set forth below:

"*CEC Loan*" is defined in the Trust Agreement as Loan Number 025-03-ECB in the principal amount of $2,150,000 made by the California Energy Resources Conservation and Development Commission to the City pursuant to the Energy Conservation Assistance Account Loan Agreement executed by the City on March 25, 2004.

As of ____, 2014, the outstanding principal balance of the CEC Loan was [$944,848]. Principal payments on this loan commenced in Fiscal Year 2007-08 and are scheduled to end in Fiscal Year 2016-17, with annual payments in the amount of $_______, $_______, $_______ and $________ for Fiscal Years 2013-14, 2014-15, 2015-16 and 2016-17, respectively, ranging from $210,139.88 to $210,139.94.

"Net Water Revenues" is defined in the Trust Agreement as, for any Fiscal Year, the Water Revenues during such Fiscal Year less Operation and Maintenance Costs during such Fiscal Year.

"*O&M Obligation*" is defined in the Trust Agreement as a contract entered into by the City with the State or the United States of America the payments under which are secured by a pledge of Water Revenues but that does not include a covenant restricting the issuance of additional obligations or require the City to maintain rates and charges in amounts any greater than required to meet the repayment obligations under such contract. The CEC Loan and the SRF Contract are each deemed to be an O&M Obligation under the Trust Agreement.

"Operation and Maintenance Costs" is defined in the Trust Agreement as (i) the reasonable and necessary costs paid or incurred by the City for maintaining and operating the Water System, determined in accordance with Generally Accepted Accounting Principles, including all reasonable expenses of management and repair and other expenses necessary to maintain and preserve the Water System in good repair and working order, and including all administrative costs of the City that are charged directly or apportioned to the operation of the Water System, such as salaries and wages of employees, overhead, taxes (if any) and insurance premiums, and including all other reasonable and necessary costs of the City or charges required to be paid by it to comply with the terms of the Trust Agreement or of any resolution authorizing the issuance of additional bonds, or of any resolution authorizing the execution of any Trust Agreement, indenture or contract secured by a pledge of Net Water Revenues, such as compensation, reimbursement and indemnification of the trustee for any such Trust Agreement, indenture or contract and fees and expenses of Independent Certified Public Accountants and Independent Engineers, Insurance Consultants and the financial advisor to the City; and (ii) all payments under an O&M Obligation, but excluding in all cases (A) depreciation, replacement and obsolescence charges or reserves therefor, amortization of intangibles losses or gains on subsidiaries accounted for on any equity basis, or other bookkeeping entries of a similar nature, (B) intergovernmental transfers by the City that are not reimbursements or payments for overhead or other administrative expenses incurred by the City, and (C) all interest charges and charges for the payment of principal or amortization of bonded or other indebtedness of the City.

"*SRF Contract*" is defined in the Trust Agreement as any contract between the State of California Department of Public Health and the City.

There is one outstanding SRF Contract. That SRF Contract (Funding Agreement No. AR09FP04) was made in the original principal amount of $3,933,420, of which $________ was outstanding as of ________, 2014. Principal payments on this loan in the amount of $236,878.41 are payable on March 1 and September 1, of each year, commencing September 1, 2013 and are scheduled to end on March 1, 2033.

"*Water Revenues*" means all gross income and revenue received or receivable by the City from the ownership or operation of the Water System, determined in accordance with Generally Accepted Accounting Principles ("*GAAP*"), including, without limiting the generality of the foregoing: (i) all rates, fees and charges (including connection fees and charges) received by the City for the Water Service and the other services of the Water System and all other income and revenue howsoever derived by the City from the ownership or operation of the Water System or arising from the Water System (including developer impact fees for Water System facilities), (ii) the earnings on and income derived from the investment of all such income, rates, fees, charges, or other moneys to the extent that the use of such earnings and income is limited to the Water System by or pursuant to law, (iii) the proceeds derived by the City directly or indirectly from the sale, lease, or other disposition of a part of the Water System, (iv) the payments received under a Financial Products Agreement, and (v) all income from the deposit or investment of any money in the Water Revenue Fund and the Rate Stabilization Fund and (vi) deposits to the Water Revenue Fund from amounts on deposit in the Rate Stabilization Fund, but only as and to the extent specified in the Installment Purchase Contract, but excluding in all cases any proceeds of taxes and any refundable deposits made to establish credit and advances or contributions in aid of construction. See "–Rate Covenant under the Trust Agreement; Collection of Rates and Charges" and "–Rate Stabilization Fund."

Rate Covenant Under the Trust Agreement; Collection of Rates and Charges

The City covenants in the Installment Purchase Contract to fix, prescribe and collect rates and charges for the Water Service during each Fiscal Year that are reasonably fair and nondiscriminatory that will be at least sufficient to yield: (i) Net Water Revenues that, together with other revenues of the City (including special taxes and assessments not pledged to debt service on other obligations of the City) equal to 120% of Debt Service payable on the Commercial Paper Notes, (ii) any amounts necessary to replenish the Reserve Fund, and any similar reserve fund established with respect to any City Revenue Bonds or Contracts to the required amounts; and (iii) any amounts necessary to pay all amounts owed to any issuer of a Reserve Facility and any similar credit instrument obtained with respect to any City Revenue Bonds or Contracts. The City may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net Water Revenues from such reduced rates and charges will at all times be sufficient to meet the requirements described in the preceding sentence.

Rate Stabilization Fund

The City may, but is not required to, establish a Rate Stabilization Fund which is held and maintained by the City. From time to time the City may deposit in the Rate Stabilization Fund from any available funds, including such Net Water Revenues as the City determines are not needed to make Installment Payments, provided that deposits for each Fiscal Year may be made until (but not after) 120 days following the end of such Fiscal Year. The City may withdraw amounts from the Rate Stabilization Fund for inclusion in Water Revenues for any Fiscal Year, such withdrawals to be made until (but not after) 120 days following the end of such Fiscal Year. All interest or other earnings on deposits in the Rate Stabilization Fund will be withdrawn therefrom and accounted for as Water Revenues.

Outstanding Water System Obligations

On March 3, 2011, the Authority issued $18,815,000 principal amount of Woodland Finance Authority Water Revenue Bonds, Series 2011 (the "Series 2011 Bonds") that are payable from installment payments (the "Series 2011 Installment Payments") made by the City to the Authority on a parity with the obligation of the City to make CP Project Installment Payments to the Authority to pay the Commercial Paper Notes. As of __________, 2014, $_______ principal amount of Series 2011 Bonds were outstanding.

In addition, the City may at any time execute Contracts or issue City Revenue Bonds (each as defined in the Trust Agreement) that are payable from and secured by a pledge of Net Water Revenues that are on a parity with the obligation to make the CP Project Installment Payments and the Series 2011 Installment Payments from Net Water Revenues.

The City received a Notice of Acceptance of Application from the State of California Health and Human Services Agency, California Department of Public Health (the "CDPH") that its application for funding under the Safe Drinking Water State Revolving Fund (the "SRF") for a loan in the amount of $31,503,088 had been accepted and funds in that have been reserved on behalf of the City. This loan, payable over 20 years at an interest rate equal to 1.7875%, will be available to the City following execution of a funding agreement between the CDPH and the City (which execution is expected on or before June 30, 2014), and will be an SRF Contract under the Trust Agreement.

THE AUTHORITY

The Authority is a joint powers authority, organized pursuant to a Joint Exercise of Powers Agreement, dated as November 1, 1996 (the "JPA Agreement"), between the City and the Redevelopment Agency of the City of Woodland. The JPA Agreement was entered into pursuant to the California Government Code, commencing with Section 6500. The Authority is a separate entity constituting a public instrumentality of the State of California and was formed for the public purpose of assisting in financing and refinancing projects for the benefit of the City.

The Authority is governed by a five-member Board. The City Council constitutes the Board of the Authority. The Administrator and Secretary of the Authority are the City Manager and the City Clerk, the Treasurer/Controller of the Authority is the Finance Officer of the City. The Authority's powers include, but are not limited to, the power to issue bonds and to sell such bonds to public or private purchasers at public or by negotiated sale. The Authority is entitled to exercise the powers common to its members and necessary to accomplish the purposes for which it was formed. These powers include the power to make and enter into contracts; to employ agents and employees; to acquire, construct, manage, maintain and operate buildings, works or improvements; to acquire, hold or dispose of property within the City; and to incur debts, liabilities or obligations.

The Commercial Paper Notes are limited obligations of the Authority and are not secured by a legal or equitable pledge of, or charge or lien upon, any property of the Authority or any of its income or receipts, except the Net Water Revenues. The full faith and credit of neither the Authority nor any of its members, including the City, is pledged for the payment of the interest on or principal of the Commercial Paper Notes nor for the payment of Base Rental Payments. Neither the payment of the principal of or interest on the Commercial Paper Notes nor the obligation to make Base Rental Payments constitutes a debt, liability or obligation of the Authority, the City or any other member of the Authority for which any such entity is obligated to levy or pledge any form of taxation or for which any such entity has levied or pledged any form of taxation. The Authority has no taxing power.

THE CITY

The City of Woodland (the "City") is a general law city and the county seat of Yolo County (the "County"). It is located approximately 85 miles northeast of San Francisco and approximately 18 miles northwest of Sacramento at the intersection of Interstate 5 and State Route 113. The City has been the seat of government for the County since 1862 and is also the industrial and agricultural center of the County. The

City encompasses approximately 14.5 square miles near the center of the California's Central Valley. The City enjoys a mean temperature of 61.5 degrees and an annual average rainfall of 17.28 inches.

The City has a diversified economic base that has its origins in agriculture. However, due to the proximity of the City to major transportation arteries (Interstate 5 and State Route 113), and major waterways, the City has also become increasingly important as a manufacturing and distribution center of products including, food processing, plastics, farm machinery and mobile homes.

THE ISSUING AND PAYING AGENT

The Authority has appointed U.S. Bank National Association to serve as Issuing and Paying Agent for the Commercial Paper Notes pursuant to the terms and conditions of the Trust Indenture and the Issuing and Paying Agency Agreement.

THE DEALER

The Authority has appointed Citigroup Global Markets Inc. as the exclusive dealer pursuant to the terms and conditions of the Dealer Agreement with respect to the offering and sale of the Commercial Paper Notes pursuant to the terms and conditions of the Dealer Agreement.

FINANCIAL ADVISOR

Del Rio Advisors, LLC, Modesto, California, has served as Financial Advisor to the City with respect to the sale of the Commercial Paper Notes. The Financial Advisor has assisted the City in the review of this Offering Memorandum and in other matters relating to the planning, structuring, execution and delivery of the Commercial Paper Notes. The Financial Advisor has not independently verified any of the data contained herein or conducted a detailed investigation of the affairs of the City to determine the accuracy or completeness of this Offering Memorandum. Due to its limited participation, the Financial Advisor assumes no responsibility for the accuracy or completeness of any of the information contained herein. The Financial Advisor will receive compensation from the City contingent upon the sale and delivery of the Commercial Paper Notes.

TAX MATTERS

[To be Revised by Bond Counsel]

In the opinion of Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, Sacramento, California, Bond Counsel, based on existing statutes, regulations, rulings and judicial decisions and assuming, among other things, the accuracy of certain representations and compliance with certain covenants, compliance with the certain covenants interest on the Commercial Paper Notes, when issued in accordance with the Trust Indenture, is excludable from gross income for federal income tax purposes and is exempt from State of California personal income taxes. In the opinion of Bond Counsel, interest on the Commercial Paper Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. A copy of the proposed form of opinion of Bond Counsel is attached hereto as APPENDIX B.

The Internal Revenue Code of 1986 (the "Code") imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Commercial Paper Notes. The Authority and the City have made certain representations and have covenanted to comply with certain restrictions designed to assure that interest on the

Commercial Paper Notes will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Commercial Paper Notes being included in federal gross income, possibly from the date of issuance of the Commercial Paper Notes. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Commercial Paper Notes may affect the tax status of interest on the Commercial Paper Notes.

Although Bond Counsel has rendered an opinion that interest on the Commercial Paper Notes is excludable from gross income for federal income tax purposes and is exempt from California personal income taxes, the ownership or disposition of the Commercial Paper Notes or the accrual or receipt of interest on the Commercial Paper Notes may otherwise affect the owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the owner's particular tax status or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

In addition, no assurance can be given that any future legislation, including amendments to the Code, if enacted into law, or changes in interpretation of the Code, will not cause interest on the Commercial Paper Notes to be subject, directly or indirectly, to federal or State income taxation or otherwise prevent owners of Commercial Paper Notes from realizing the full current benefit of the tax status of such interest. Prospective purchasers of Commercial Paper Notes should consult their own tax advisers regarding any pending or proposed federal or State tax legislation, regulation, or litigation. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any action of the Internal Revenue Service ("IRS"), including but not limited to regulation, ruling, or selection of the Commercial Paper Notes for audit examination, or the course or result of any IRS examination of the Commercial Paper Notes, or obligations that present similar tax issues, will not affect the market price or liquidity of the Commercial Paper Notes.

CERTAIN LEGAL MATTERS

The proceedings in connection with the issuance of the Commercial Paper Notes are subject to the approval as to their legality by Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, Sacramento, California, Bond Counsel. A copy of the proposed form of Bond Counsel opinion is contained in Appendix B to this Offering Memorandum. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Offering Memorandum. Certain legal matters will be passed upon for the Authority and the City by the City Attorney and by Schiff Hardin, LLP, San Francisco, California, Disclosure Counsel. Payment of the fees of Bond Counsel and Disclosure Counsel are contingent upon the issuance and delivery of the Commercial Paper Notes.

ABSENCE OF MATERIAL LITIGATION

At the time of delivery of and payment for the Commercial Paper Notes, Counsel to the Authority and the City Attorney will deliver opinions to the initial Underwriter at the time of original delivery of the Commercial Paper Notes each certifying that there is no action, suit, litigation, inquiry or investigation before or by any court, governmental agency, public board or body served, or to the best knowledge of the City or the Authority threatened, against the City or the Authority in any material respect affecting the existence of the City or the Authority or the titles of their officers to their respective offices or seeking to prohibit, restrain or enjoin the sale or delivery of the Commercial Paper Notes, the enforcement of the Trust Indenture, the Installment Purchase Contract or the payment of CP Project Installment Payments or challenging, directly or indirectly, the proceedings under which the Commercial Paper Notes are to be issued.

The Authority

No litigation is pending with service of process having been accomplished or, to the knowledge of the Counsel to the Authority, threatened, concerning the validity of the Trust Agreement, the Trust Indenture, the Commercial Paper Notes, the CP Project or the Installment Purchase Contract, and Counsel to the Authority will issue an opinion to that effect.

The City

No litigation is pending with service of process having been accomplished or, to the knowledge of the City Attorney, threatened, concerning the validity of the Commercial Paper Notes, the CP Project Installment Purchase Contract or the CP Project and the City Attorney will issue an opinion to that effect. The City Attorney is not aware of any litigation, pending or threatened, questioning the political existence of the City or contesting the City's ability to appropriate or make CP Project Installment Payments.

Various legal actions are pending against the City. The aggregate amount of the uninsured liabilities of the City which may result from all legal claims currently pending against it will not, in the opinion of the City, materially affect the City's finances or impair its ability to make CP Project Installment Payments under the CP Project Installment Purchase Contract.

RATINGS

Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. ("S&P") has assigned its rating of "___" to the Commercial Paper Notes and Fitch Inc. ("Fitch") has assigned its rating of "___" to the Commercial Paper Notes.

On March 3, 2011, S&P assigned an underlying rating of "AA-" to the Woodland Finance Authority Water Revenue Bonds, Series 2011. S&P affirmed its "AA-" rating on those bonds on February 18, 2014. See "SECURITY FOR THE COMMERCIAL PAPER NOTES."

Each rating reflects only the view of the agency giving such rating and is not a recommendation to buy, sell or hold the Commercial Paper Notes. An explanation of the significance of the rating may be obtained from Standard & Poor's Ratings Services, 25 Broadway, New York, New York 10004, 212-208-8000 and Fitch Inc., One State Street Plaza, New York, New York 10004. Certain information was supplied by the Authority and the City to the rating agencies to be considered in evaluating the Commercial Paper Notes.

There is no assurance that any rating will continue for any given period of time or that any rating will not be reduced or withdrawn entirely by the rating agency, if in its, judgment, circumstances so warrant. The Authority, the City and the Issuing and Paying Agent undertake no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal may have an adverse effect on the market price of the Commercial Paper Notes.

INFORMATION INCORPORATED BY REFERENCE

Pursuant to Rule 15c2-12 ("Rule 15c2-12") promulgated by the United States Securities and Exchange Commission (the "SEC"), the City entered into a written undertaking, for the benefit of the holders of the Series 2011 Bonds, to provide certain disclosure information from time to time. Such disclosure information consists of: (i) a report (an "Annual Filing") containing certain updated disclosure information to be filed not later than seven months after the end of the fiscal year of the City (which currently ends June 30) with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (the

"MSRB") site; and (ii) notices (a "Specified Event Notice") of each occurrence of certain enumerated events, to be filed with the MSRB.

The Authority includes in this Offering Memorandum by this reference the following materials in their entirety: (i) as of any particular date, the then most recent official statement, offering memorandum or Annual Filing that has been filed by the Authority with the MSRB (including any supplemental filing(s) with respect thereto), as such official statement, offering memorandum or Annual Filing is modified, superseded or supplemented by any applicable update information; and (ii) each Specified Event Notice filed by or on behalf of the Authority, except to the extent any such Specified Event Notice is superseded by a subsequent Specified Event Notice or a subsequent official statement, offering memorandum or Annual Filing. Upon the filing by or on behalf of the Authority with the MSRB of any official statement, offering memorandum or Annual Filing, such document (including any supplemental filing(s) with respect thereto), as modified, superseded or supplemented by any applicable update information, shall be included by reference herein in the stead of such prior document. All references in this Offering Memorandum to any official statement, offering memorandum or Annual Filing, including cross references to particular sections of such document, shall, as of any particular time, refer to the official statement, offering memorandum or Annual Filing then most recently filed with the MSRB (including any supplemental filing(s) with respect thereto).

Copies of such documents may be obtained or reviewed from the MSRB, or by contacting the Authority or the Dealer as provided below:

Woodland Finance Authority
300 First Street
Woodland, California 95695
Attention: Finance Officer
Email: Kimberly.mckinney@cityofwoodland.org
Phone: 530-661-5849

Citigroup Global Markets Inc.
390 Greenwich Street, 2nd Floor
New York, New York 10013
Attention: Short Term Tax Exempt Trading
Phone: 212-723-7082

APPENDIX A

FORM OF LETTER OF CREDIT

[To be Attached]

APPENDIX B

PROPOSED FORM OF BOND COUNSEL OPINION

[To be Provided by Bond Counsel]

APPENDIX C

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The information in this Appendix C concerning The Depository Trust Company, New York, New York ("DTC") and DTC's book-entry system has been obtained from DTC and the City takes no responsibility for the completeness or accuracy thereof. The City cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Commercial Paper Notes, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Commercial Paper Notes, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Commercial Paper Notes, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Commercial Paper Notes. The Commercial Paper Notes will be issued as fully-registered Commercial Paper Notes registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Commercial Paper Notes certificate will be issued for each maturity of the Commercial Paper Notes, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Commercial Paper Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Commercial Paper Notes on DTC's records. The ownership interest of each actual purchaser of each Commercial Paper Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction.

Transfers of ownership interests in the Commercial Paper Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Commercial Paper Notes, except in the event that use of the book-entry system for the Commercial Paper Notes is discontinued.

To facilitate subsequent transfers, all Commercial Paper Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Commercial Paper Notes with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Commercial Paper Notes. DTC's records reflect only the identity of the Direct Participants to whose accounts such Commercial Paper Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Commercial Paper Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Commercial Paper Notes, such as redemptions, tenders, defaults, and proposed amendments to the Commercial Paper Notes. For example, Beneficial Owners of Commercial Paper Notes may wish to ascertain that the nominee holding the Commercial Paper Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Commercial Paper Notes within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Commercial Paper Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Commercial Paper Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of and interest on the Commercial Paper Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the City or the Trustee on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Commercial Paper Notes at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Commercial Paper Note certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Commercial Paper Note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

THIRD SUPPLEMENTAL TRUST AGREEMENT

between the

WOODLAND FINANCE AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION, as Trustee

Dated March 1, 2014

relating to
Woodland Finance Authority
Water Revenue Commercial Paper Notes

(supplemental to the Trust Agreement dated February 1, 2011)

THIRD SUPPLEMENTAL TRUST AGREEMENT

Woodland Finance Authority
Water Revenue Commercial Paper Notes

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THIRD SUPPLEMENTAL TRUST AGREEMENT

This Third Supplemental Trust Agreement (the "Third Supplement"), dated March 1, 2014, between U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States (the "Trustee"), and the WOODLAND FINANCE AUTHORITY, a public agency duly established and existing under the laws of the State of California (the "Authority");

W I T N E S S E T H:

WHEREAS, the Authority has issued commercial paper notes (the "Notes") pursuant to the provisions of the Trust Indenture dated May 1, 2011 (the "Trust Indenture"), between the Trustee and the Authority, which Trust Indenture was executed as and constitutes the second Supplemental Trust Agreement to the Trust Agreement dated February 1, 2011 (the "Trust Agreement"), between the Trustee and the Authority;

WHEREAS, the Letter of Credit dated May 12, 2011, issued by Union Bank, N.A., which supports payment of the principal of and interest on the Notes, will terminate on [April 1], 2014, and will be replaced by a letter of credit dated [April 1], 2014 (the "Alternate Letter of Credit"), issued by Citibank, N.A. (the "Bank");

WHEREAS, the Bank has required that certain amendments be made to the Trust Indenture and the Trust Agreement as a condition of its delivery of the Alternate Letter of Credit; and the Authority has determined to enter into this Third Supplement in order to facilitate the delivery of the Alternate Letter of Credit;

WHEREAS, subsection (F) of Section 10.01 (Supplemental Trust Agreements without Consent of Owners), authorizes the Authority and the Trustee to amend the Trust Agreement, without the consent of the Owners but with the consent of the City, to make modifications or adjustments necessary, appropriate, or desirable to accommodate Credit Facilities, Reserve Facilities, and Liquidity Facilities delivered in connection with a Series of Bonds;

WHEREAS, the Alternate Letter of Credit is a Credit Facility and the Notes are a Series of Bonds;

WHEREAS, all acts, conditions, and things required by law to exist, to have happened, and to have been performed to constitute this Third Supplement a valid and binding agreement of the parties hereto for the uses and purposes herein set forth in accordance with its terms, do exist, have happened, and have been performed in regular and due time, form, and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Third Supplement;

NOW, THEREFORE, the parties hereto agree as follows:

I. **Definitions**. Capitalized terms used herein and not defined herein shall have the definitions ascribed to such terms by the Trust Agreement. Unless the context otherwise requires, the additional terms defined below shall for all purposes hereof and of any amendment hereof or supplement hereto and any certificate, opinion, or other document herein mentioned have the meanings specified herein.

II. **Amendments to Trust Indenture**. The following amendments are hereby made to the Trust Indenture, effective as of the date the Alternate Letter of Credit is issued:. Additions are denoted by double underlining and deletions by strikethrough:

Section 1. Additional Definition. Unless the context otherwise requires, the additional term defined below shall for all purposes hereof and of any amendment hereof or supplement hereto and any certificate, opinion, or other document herein mentioned have the meaning specified herein.

> **"Letter of Credit Account** has the meaning ascribed thereto in Section 11 of the Issuing and Paying Agency Agreement."

Section 2. Amendments to Definitions**.** The following terms, which are defined in Section 1.01 of the Trust Indenture, are hereby revised to read as follows:

> **Installment Payment Date** means any date on which Installment Payments are scheduled to be paid by the City under and pursuant to any Contract or on which Installment Payments are required to be paid following acceleration.

> **Interest Payment Date** with respect to Bonds of any Series means the date or dates specified in such Bonds on which interest on such Bonds is due and payable or on which interest is required to be paid following acceleration of such Bonds.

> **Reimbursement Agreement** means~~, initially,~~ the Letter of Credit Reimbursement Agreement dated as of [__________], 2014, among the City, the Authority, and Citibank, N.A., as the Credit Bank, as it may be amended and supplemented in accordance with its terms, and any similar reimbursement agreement that may be entered into in the future among the City, the Authority, and the Credit Bank with respect to the Letter of Credit.

> **Reimbursement Obligations** means the obligations of the City and/or the Authority to make payments to the Credit Bank in reimbursement of or as interest on (which interest may be higher than the interest rate on the related Notes) any Drawing or other advance, loan or other payment made by ~~such provider~~ the Credit Bank for the purpose of paying the principal of or interest on ~~Commercial Paper~~ the Notes, together with obligations of the City or the Authority to pay any fees, expenses, or other similar obligations under the ~~Fee Letter dated May 12, 2011, between the City and the Credit Bank~~ Reimbursement Agreement, as supplemented and amended from time to time. Reimbursement Obligations are evidenced by a promissory note issued pursuant to and in accordance with the Reimbursement Agreement and having the terms and characteristics contained therein.

Section 3. Amendment to Section 1.04. Section 1.04(A) of the Trust Indenture is hereby revised to read as follows:

> (A) Pledge of Revenues and Assignment of Installment Purchase Contract to Secure Reimbursement Obligations. Notwithstanding anything to the contrary contained in Article VI (Revenues) or Section 7.03 (Against Encumbrances) of the Trust Agreement, or any other provisions thereof, the Authority hereby (a) pledges

all of the Revenues and any other amounts (including proceeds of the sale of Bonds) held in any fund or account established pursuant to the Trust Agreement, other than amounts on deposit in the Rebate Fund, and (b) transfers, assigns, and sets over to the Trustee all of the Installment Payments and any and all rights and privileges it has under the Installment Purchase Contract as security for the Reimbursement Obligations. This pledge and assignment shall constitute a first pledge of and charge and lien upon such assets for the payment of the Reimbursement Obligations on parity with the pledge and assignment made in Article VI (Revenues) of the Trust Agreement and shall be valid and binding from and after issuance of the Notes, without any physical delivery thereof or further act. The pledge and assignment herein made shall be irrevocable until all of the Reimbursement Obligations have been paid in full.

Section 4. Amendment to Section 1.06. Section 1.06 of the Trust Indenture is hereby revised to read as follows:

SECTION 1.06. Notices, etc., to Credit Bank and Dealer. Any notice or other communications hereunder to the Credit Bank or the Dealer shall be sufficiently given and shall be deemed given when delivered or mailed by first-class mail, postage prepaid, to:

~~Credit Bank: Union Bank, N.A.~~
~~445 South Figueroa Street, G08-268J~~
~~Los Angeles, CA 90071~~
~~Attention: Christine Armani~~

Credit Bank: For Administrative Matters:

Citibank, N.A., Delaware
1615 Brett Rd., OPS 3
New Castle, DE 19720
Attention: Adriene Jackson
Telephone: (302) 323-5888
Facsimile: (212) 994-0849
E-Mail: adriene.jackson@citi.com

With a copy to:

Citibank, N.A., Tampa
3800 Citibank Center Building
Tampa, FL 33610
Attention: Karen E. Kunze GTS Letter of Credit Operations
Telephone: (813) 604-7038
Facsimile: (813) 604-7187
E-Mail: Karen.e.kunze@citigroup.com

For Credit Matters:

Citibank, N.A.
390 Greenwich Street, 8th Floor
New York, NY 10013
Attention: Municipal Credit Surveillance
E-Mail: munisurveillance@citi.com

With a copy to:

Citigroup Global Markets, Inc.
390 Greenwich Street, 2nd Floor
New York, NY 10013
Attention: Rebekah McGuire
E-Mail: rebekah.mcguire@citi.com

Dealer: Citigroup Global Markets Inc.
Public Finance Division
390 Greenwich Street, 2nd floor
New York, New York 10013
Attention: Manager, Short-Term Finance Group

The Credit Bank and the Dealer may, by notice given hereunder, designate any further or different address to which subsequent notices shall be sent.

Section 5. Amendment to Section 2.01. Section 2.01(A) of the Trust Indenture is hereby revised to read as follows:

(A) Details of the Notes. Notes may be issued, sold, executed and delivered from time to time in such principal amounts as determined by the Dealer in minimum denominations of $100,000 and integral multiples of $1,000 in excess thereof, numbered from CP-1 upwards in the order of their issuance, or in any other manner deemed appropriate by the Issuing and Paying Agent and maturing and becoming due and payable on such dates as the Dealer shall determine in accordance with the Dealer Agreement; provided, however, that no Note shall (i) mature on a day that is not a Business Day; (ii) mature after the date that is five (5) Business Days prior to the Stated Expiration Date; (iii) have a term in excess of two hundred seventy (270) days; (iv) bear interest at a rate in excess of the Maximum Rate; or (v) result in the aggregate principal amount of Notes Outstanding together with interest thereon exceeding the ~~Stated Amount~~ Principal Portion of the Stated Amount or the Maximum Principal Amount of Notes.

Section 6. Amendment to Section 3.01. Section 3.01(G) of the Trust Indenture is hereby revised to read as follows:

(G) Limitations on Note Issuance. In addition to the limitations set forth in Section 2.01(A), no Notes shall be issued if (i) an Event of Default shall have occurred and be continuing under and as defined in Section 8.01 of the Trust Agreement or (ii) the Issuing and Paying Agent (x) shall have received an instruction from the Credit Bank pursuant to the Reimbursement Agreement to cease issuing Notes (and such instruction shall not have been rescinded in writing by the Credit Bank) or (y) shall have received a Final Drawing Notice. Upon receipt of a Restricted Issuance Notice from the Credit Bank under the Reimbursement Agreement, the Issuing and Paying Agent will not thereafter deliver any additional Notes in a principal amount in excess of the Notes maturing on the date of delivery of the additional Notes, without the prior written consent of the Credit Bank.

Section 7. Amendments to Section 4.01. Sections 4.01(A) and 4.01(B) of the Trust Indenture are hereby revised to read as follows:

(A) Covenant to Maintain Letter of Credit. The Authority shall maintain a Letter of Credit in effect ~~through the Final Maturity Date~~ as long as any Notes remain Outstanding in an amount sufficient to pay principal of and interest on all Notes issued from time to time as such Notes come due.

(B) Draws to Pay Maturing Notes. Not later than 11:30 a.m. on each day on which Notes mature, the Issuing and Paying Agent shall determine the amount of principal of and interest coming due on such maturing Notes and shall make a Drawing under the Letter of Credit in accordance with the terms thereof in such amount (by submitting to the Credit Bank all such documents as are required for such purpose). Upon receipt of the proceeds of such Drawing, the Issuing and Paying Agent shall deposit such proceeds in the Letter of Credit Account of the Commercial Paper Fund and shall use such amounts to pay the principal of and interest on the Notes maturing on such day. Any amount drawn under the Letter of Credit which is in excess of the amount of principal and interest needed to pay Notes maturing on such day shall be returned on the same Business Day to the Credit Bank and shall be held in trust for the Credit Bank until so returned.

Section 8. Amendment to Section 5.02. Section 5.02 of the Trust Indenture is hereby revised to read as follows:

SECTION 5.02. Commercial Paper Fund. Concurrently herewith, a Commercial Paper Fund has been established to be held by the Issuing and Paying Agent on behalf of the Trustee. On each maturity date of Notes, the Issuing and Paying Agent shall draw on the Letter of Credit an amount equal to the principal of and interest on the Notes coming due on such date, pursuant to the terms of the Letter of Credit, and deposit such Drawing proceeds in the Letter of Credit Account of the Commercial Paper Fund. The Issuing and Paying Agent shall pay from the proceeds of such Drawing on deposit in the Letter of Credit Account of the Commercial Paper Fund the principal of and interest on the Notes then due. Amounts on deposit in the Commercial Paper Fund constituting proceeds from the sale of Notes shall be applied by the Issuing and Paying Agent first to pay amounts due to the Credit Bank under the Reimbursement Agreement for Drawings under the Letter of Credit paid by the Credit Bank and then shall be used to pay principal and interest on the Notes only if the Credit Bank has not paid a related Drawing under the Letter of Credit. The proceeds of all Drawings on deposit in the Commercial Paper Fund shall be used to pay principal of and interest on the Notes prior to the use of Revenues for such purpose.

Section 9. Amendment to Section 5.03. Section 5.03 of the Trust Indenture is hereby revised to read as follows:

SECTION 5.03. Unclaimed Moneys. Except as may otherwise be required by applicable law, in case any moneys deposited with the Issuing and Paying Agent for the payment of the principal of or interest on any Note, which amounts shall be held uninvested, remain unclaimed for two (2) years after such principal or interest has become due and payable, the Issuing and Paying Agent shall pay such amounts to the Credit Bank to the extent any amounts are then owing to the Credit Bank and shall pay over to the Authority the remaining amount so deposited in immediately available funds, without additional interest, and thereupon the Issuing and Paying Agent and the ~~Authority~~ Trustee shall be released from any further liability with respect to the payment of principal or interest and the Owner of such Note shall be entitled (subject to any applicable statute of limitations) to look only to ~~the Letter of Credit or~~ the Authority~~, as applicable~~, as an unsecured creditor for the payment thereof.

III. Amendments to Trust Agreement. The following amendments are hereby made to the Trust Agreement, effective as of the date the Alternate Letter of Credit is issued:

Section 1. Amendment to Definition**.** The following term, which is defined in Section 1.01 of the Trust Agreement, is hereby revised to read as follows:

Mandatory Sinking Account Payment means, with respect to Bonds of any Series and maturity, the amount required by a Supplemental Trust Agreement hereto to be deposited by the ~~Agency~~ Authority in a Sinking Account for the payment of Term Bonds of such Series and maturity.

Section 2. Amendment to Section 1.09. Section 1.09 of the Trust Agreement is hereby revised to read as follows:

SECTION 1.09. Benefits of the Trust Agreement. Nothing contained herein, expressed or implied, is intended to give to any person other than the Authority, the City, the Trustee and the Owners any right, remedy or claim under or by reason of this Trust Agreement or any covenant, condition or provision herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the City, the Trustee, and the Owners of the Bonds. Notwithstanding the foregoing terms, the Credit Provider shall be an express and direct third party beneficiary hereof, entitled, but not obligated, to enforce each of the provisions and covenants of this Trust Agreement.

Section 3. Amendment to Section 6.05. Section 6.05 of the Trust Agreement is hereby revised to read as follows:

> SECTION 6.05. Application of Interest Fund. All money in the Interest Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity); provided that, to the extent of any Drawing on a Credit Facility or Liquidity Facility to pay interest on the Bonds, amounts on deposit in the Interest Fund shall be used to reimburse the Credit Provider or Liquidity Provider, as applicable, for the funds advanced to pay interest on the Bonds and to pay any other Reimbursement Obligations due and owing.

Section 4. Amendment to Section 6.06. Section 6.06(A) of the Trust Agreement is hereby revised to read as follows:

> (A) Use of Amounts in Principal Fund. All amounts in the Principal Fund shall be used and withdrawn by the Trustee solely for the purposes of paying the principal of the Bonds when due and payable, except that all amounts in the Sinking Account shall be used and withdrawn by the Trustee solely to purchase or redeem or pay Bonds at maturity, as provided herein; provided that, to the extent of any Drawing on a Credit Facility or Liquidity Facility to pay the principal or the Redemption Price of the Bonds, amounts on deposit in the Principal Fund shall be used to reimburse the Credit Provider or Liquidity Provider, as applicable, for the funds advanced to pay the principal or the Redemption Price of the Bonds and to pay any other Reimbursement Obligations due and owing.

Section 5. Amendment to Section 6.14. Section 6.14(B) of the Trust Agreement is hereby revised to read as follows:

> (B) Notwithstanding anything contained herein to the contrary, all provisions hereof regarding consents, approvals, directions, waivers, appointments, requests or other actions by the Credit Providers shall be deemed not to require or permit such consents, approvals, directions, waivers, appointments, requests or other actions and shall be read as if the Credit Providers were not mentioned therein (1) during any period during which there is a payment default under the related Credit Facility, or (2) after the related Credit Facility shall at any time for any reason ~~cease to be valid and binding on the related Credit Provider in the reasonable judgment of the Agency, or shall~~ be declared to be null and void by final non-appealable judgment of a court of competent jurisdiction; provided, however, that the payment of amounts due to the related Credit Provider pursuant to the terms hereof shall continue in full force and effect. The foregoing shall not affect any other rights of such Credit Provider.

Section 6. Amendment to Section 6.15. Section 6.15(A) of the Trust Agreement is hereby revised to read as follows:

> (A) The Trustee shall hold and maintain each Liquidity Facility for the benefit of the Owners until the Liquidity Facility expires in accordance with its terms. The Trustee shall enforce all terms, covenants and conditions of each Liquidity Facility, including drawing on a Liquidity Facility as required to provide for the purchase price of Bonds (other than Liquidity Provider Bonds or Bonds owned by the ~~Agency~~ Authority), and the provisions relating to the payment of draws on, and reinstatement of amounts that may be drawn under, a Liquidity Facility, and will not consent to, agree to or permit any amendment or modification of a Liquidity Facility that would materially adversely affect the rights or security of the Owners of the Bonds. If at any time during the term of any of the Liquidity Facilities any successor Trustee shall be appointed and qualified under this Trust Agreement, the successor Trustee shall succeed to the rights of the resigning or removed Trustee under the Liquidity Facility. The resigning or removed Trustee shall request that the Liquidity Providers take any action necessary to effect the assignment to the successor Trustee.

Section 7. Amendment to Section 6.16. Section 6.16(B) of the Trust Agreement is hereby revised to read as follows:

> (B) Liquidity Facility Account. The Trustee shall create within the Revenue Fund a separate account called the "Liquidity Facility Account," into which all moneys drawn under the Liquidity Facilities shall be deposited and disbursed (with separate sub-accounts for different Series of the Bonds and Liquidity Facilities). The ~~Agency~~ Authority shall not have any right title or interest in the Liquidity Facility Account. The Liquidity Facility Account shall be established and maintained by the Trustee and held uninvested and in trust apart from all other moneys and securities held under this Trust Agreement or otherwise, and over which the Trustee shall have the exclusive and sole right of withdrawal for the exclusive benefit of the Owners of the Bonds with respect to which such drawing was made.

Section 8. Amendment to Section 8.01. Sections 8.01(B) and 8.01(D) of the Trust Agreement are hereby revised to read as follows:

> (B) Breach of Covenant. Default by the Authority in the observance or performance of any covenant, condition, agreement, or provision in this Trust Agreement on its part to be observed or performed, for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, has been given to the Authority by the Trustee or the Credit Provider.
>
> (D) Bankruptcy. A declaration of bankruptcy by the Authority or the City.

Section 9. Addition to Section 8.01. Subsection (E) is hereby added to Section 8.01 of the Trust Agreement as follows:

> (E) Credit Facility Event of Default. An Event of Default shall have occurred and be continuing under the Credit Facility or Reimbursement Agreement as set forth in a written notice by the Credit Provider to the Trustee, the Authority and the City.

Section 10. Amendment to Section 9.03. Section 9.03 of the Trust Agreement is hereby revised to read as follows:

> SECTION 9.03. Notice of Defaults. Within forty five (45) days after the occurrence of any default hereunder, the Trustee shall transmit by mail to all Owners of Bonds as their names and addresses appear on the Bond Register notice of such default hereunder known to the Trustee, unless such default shall have been cured or waived; provided, however, that, except in the case of a default in the payment of the principal of or premium, if any, or interest on any Bond or in the payment of any sinking fund installment, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors and/or Responsible Officers of the Trustee in good faith determine that the withholding of such notice is in the interests of the Owners; and provided further that in the case of any default of the character specified in Section 8.01(B) (Events of Default -- Breach of Covenant) no such notice to Owners shall be given until at least thirty (30) days after the occurrence thereof. For purposes of this Section, the term "default" means any event that is, or after notice or lapse of time or both would become, an Event of Default. Notwithstanding the foregoing terms, the Trustee shall not withhold the giving of written notice to any Credit Provider of any default or Event of Default hereunder.

Section 11. Amendment to Section 9.12. Section 9.12 of the Trust Agreement is hereby revised to read as follows:

> SECTION 9.12. Preservation and Inspection of Documents. So long as any of the Bonds are Outstanding, all documents received by the Trustee under the provisions of this Trust Agreement shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, the City, the Credit Provider, and any Owner, and their agents and representatives duly authorized in writing, at reasonable times and under reasonable conditions.

Section 12. Amendment to Section 10.01. Section 10.01 of the Trust Agreement is hereby revised to read as follows:

> SECTION 10.01. Supplemental Trust Agreements without Consent of Owners. This Trust Agreement and the rights and obligations of the Authority, of the Trustee, and of the Owners of the Bonds may be modified or amended from time to time and at any time by a Supplemental Trust Agreement, which the Authority and the Trustee may enter into without the consent of any Owners but only with the

consent of the City and each Credit Provider and only to the extent permitted by law and only for any one or more of the following purposes:

Section 13. Amendment to Section 10.02. Section 10.02(B) of the Trust Agreement is hereby revised to read as follows:

(B) Consent of Credit Providers. This Trust Agreement and the rights and obligations of the City and of the Owners of the Bonds and of the Trustee may also be modified or amended at any time by a Supplemental Trust Agreement entered into by the Authority and the Trustee, which shall become binding when the written consents of the City and each Credit Provider shall have been filed with the Trustee~~, provided that at such time the payment of all the principal of and interest on all Outstanding Bonds shall be insured by a Credit Facility the Credit Provider of which shall be a financial institution or association having unsecured debt obligations rated, or insuring or securing other debt obligations rated on the basis of such insurance or letters of credit, in one of the two highest Rating Categories of Moody's and Standard & Poor's~~.

Section 14. Amendment to Section 11.02. Section 11.02 of the Trust Agreement is hereby revised to read as follows:

SECTION 11.02 Credit Provider Remedies. **Error! Bookmark not defined.**Anything in this Trust Agreement to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default as defined herein, each Credit Provider shall be entitled to exercise all rights and remedies, with respect to acceleration, or rescission or annulment of acceleration, of the Bonds, any waiver of an Event of Default, and the direction, enforcement and control of proceedings, that have been (a) granted or assigned to the Trustee under the provisions of the Installment Purchase Contract or this Trust Agreement or (b) granted to the Owner of any Bond ~~insured by it~~ for which it has provided credit enhancement or liquidity, as if it were such Owner and ~~for the benefit~~ in the stead of such Owner under this Trust Agreement and for the benefit of such Owners and the Credit Provider. In addition to the foregoing, (A) each Credit Provider shall be entitled to the payment of its costs and expenses on the same basis and priority as any such Owner as set forth in Section 8.03 (Application of Funds Upon Acceleration), First, and (B) provided any Credit Provider shall have given (or received from the Trustee) notice of an Event of Default as defined in Section 8.01 (Events of Default) hereunder, such Credit Provider shall not be subject to the limitations of Section 8.08 and shall have the right to institute any suit, action or proceeding with respect to the Bonds for which it has provided credit enhancement or liquidity without first requesting Trustee to institute the same.

IV. Provisions of the Trust Agreement. Except as in this Third Supplement expressly provided, every term and condition contained in the Trust Agreement shall apply to this Third Supplement with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Third Supplement.

This Third Supplement and all the terms and provisions herein contained shall form part of the Trust Agreement as fully and with the same effect as if all such terms and provisions had been set forth in the Trust Agreement. The Trust Agreement is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby.

V. **Separability of Invalid Provisions**. If any one or more of the provisions contained in this Third Supplement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Third Supplement and such invalidity, illegality, or unenforceability shall not affect any other provision of this Third Supplement, and this Third Supplement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority and the Trustee each hereby declares that it would have adopted this Third Supplement and each and every other Section, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Third Supplement may be held illegal, invalid, or unenforceable.

VI. **Effect of Headings and Table of Contents**. The headings or titles of the several Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, or effect of this Third Supplement.

VII. **Execution in Counterparts**. This Third Supplement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Third Supplemental Trust Agreement by their officers thereunto duly authorized as of the day and year first written above.

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By:___________________________________
Authorized Officer

WOODLAND FINANCE AUTHORITY

By:___________________________________
Paul Navazio , Administrator

ATTEST:

____
Ana Gonzalez, Secretary

The City of Woodland hereby consents to the execution of this Third Supplemental Trust Agreement.

CITY OF WOODLAND

By:___________________________________
Paul Navazio, City Manager

DRAFT

CALIFORNIA JUDICIAL REFERENCE AGREEMENT

This CALIFORNIA JUDICIAL REFERENCE AGREEMENT (this "***Agreement***") is entered into in connection with that certain LETTER OF CREDIT REIMBURSEMENT AGREEMENT dated as of [__________], 2014, by and among the City of Woodland (the "***City***") Woodland Finance Authority (the "Authority") and Citibank, N.A. (together with its successors and assigns, the "***Bank***") (the "***Reimbursement Agreement***"), by and among: (i) U.S. Bank National Association, a national banking association, acting in its capacity as trustee (in such capacity and together with its successors and assigns, the "***Trustee***") under that certain Trust Agreement by and between the Trustee and the Authority, dated as of February 1, 2011, as amended and supplemented by the Trust Indenture by and between the Authority and the Trustee, dated as of May 1, 2011 (the "***Trust Agreement***"); (ii) the Bank, as the provider of a letter of credit in connection with the $[_________] Woodland Finance Authority Water Revenue Commercial Paper Notes (the "***Notes***"), provided pursuant to the Reimbursement Agreement; (iii) the Authority; and (iv) the City.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Trustee and the Bank (each, a "***Secured Party***" and together, the "***Secured Parties***"), the City and the Authority (with the Secured Parties, each a "***Party***" and collectively, the "***Parties***") agree as follows:

1. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION (WHETHER AS CLAIM, COUNTER-CLAIM, AFFIRMATIVE DEFENSE OR OTHERWISE) BASED ON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH, THE REIMBURSEMENT AGREEMENT. EACH OF THE CITY AND THE AUTHORITY ACKNOWLEDGES AND AGREES THAT THIS PROVISION CONSTITUTES PART OF THE CONSIDERATION FOR THE BANK ISSUING THE LETTER OF CREDIT. EACH OF THE PARTIES REPRESENTS AND ACKNOWLEDGES THAT IT HAS REVIEWED THIS PROVISION WITH ITS LEGAL COUNSEL.

2. Any and all disputes, claims, causes of action and controversies arising out of the Reimbursement Agreement or the transactions contemplated thereby (including, but not limited to, actions arising in contract or tort and any claims by a Party against another Party related in any way to the Reimbursement Agreement) (individually, a "***Dispute***") that are brought in a court of competent jurisdiction (a "***Court***") in which pre-dispute waivers of the right to trial by jury are invalid under applicable law shall be subject to the terms of this Agreement in lieu of the jury trial waiver set forth in the Reimbursement Agreement and in lieu of the jury trial waiver set forth in this Agreement.

3. Any and all Disputes shall be heard by a referee selected in accordance with the provisions of this Agreement (the "***Referee***") and resolved by judicial reference pursuant to California Code of Civil Procedure Sections 638 et seq.

4. The Referee shall be a retired California state court judge. No Party shall appoint as the Referee a person that may be disqualified pursuant to California Code of Civil Procedure Section 641 or 641.2 without the prior written consent of all Parties.

5. The Parties shall have a period of ten (10) calendar days to agree upon the Referee after one Party serves a written notice of intent for judicial reference upon the other Party or Parties. If the Parties are unable to agree upon the Referee within said ten (10) calendar days, then the Referee will be selected by the Court in accordance with California Code of Civil Procedure Section 640(b).

6. The Referee shall render a written statement of decision and shall conduct the proceedings in respect of the applicable Dispute(s) in accordance with the California Code of Civil Procedure, the Rules of Court, and the California Evidence Code, except as otherwise specifically agreed to by the Parties and approved by the Referee. The Referee's statement of decision shall set forth findings of fact and conclusions of law. The decision of the Referee shall be entered as a judgment in the Court in accordance with the provisions of the California Code of Civil Procedure Sections 644 and 645. The decision of the Referee shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of a Superior Court of the State of California.

7. Nothing in this Agreement shall be deemed to apply to or limit, the right of any Secured Party (a) to exercise self help remedies such as (but not limited to) rights of setoff or to obtain from a court provisional or ancillary remedies (including, but not limited to, injunctive relief, a writ of possession, prejudgment attachment, or a protective order), or (b) to foreclose judicially or nonjudicially against any real or personal property collateral, or to exercise judicial or nonjudicial power of sale rights or to apply for the appointment of a receiver; or the right of any Party (c) to pursue rights against another Party in a third-party proceeding in any action brought against such first Party (including actions in bankruptcy court) involving disputes, claims, causes of action or controversies which do not constitute a Dispute. Neither the exercise of self help remedies nor the institution or maintenance of any remedy described in the preceding sentence, or the opposition to any such remedy, shall constitute a waiver of the right of any Party, including, but not limited to, the right of any Party acting as the claimant in any such action, to require submission to judicial reference as herein provided of the merits of the Dispute occasioning resort to such remedies. No provision in the Reimbursement Agreement, the Trust Agreement, the Installment Purchase Agreement or any other document or instrument regarding submission to jurisdiction and/or venue in any court is intended or shall be construed to be in derogation of the provisions of this Agreement providing for judicial reference of any Dispute.

8. If a Dispute includes multiple claims, some of which are found to be not subject to this Agreement, the Parties shall stay the proceedings of the Disputes or part or parts thereof not subject to this Agreement until all other Disputes or parts thereof are resolved in accordance with this Agreement. If there are Disputes by or against multiple parties, some of whom are neither subject to this Agreement nor willing to agree to be bound by the terms of this Agreement with respect to such Disputes, the Parties shall sever the Disputes subject to this Agreement and resolve them in accordance with this Agreement.

9. During the pendency of any Dispute which is submitted to judicial reference in accordance with this Agreement, the fees charged and costs incurred by the Referee in performing the services described in this Agreement, which shall not exceed the prevailing rate for like services, along with the reasonable court costs and legal fees, including customary attorneys' fees, expert witness fees, and other reasonable costs of the respective Secured Parties, shall be paid and reimbursed to the respective Secured Parties by the City on and subject to the terms of the Reimbursement Agreement and the Trust Agreement, as applicable.

10. In the event of any challenge to the legality or enforceability of this Agreement, the prevailing Party or Parties shall be entitled to recover the costs and expenses from the non-prevailing Party or Parties, jointly or severally, including reasonable attorneys' fees, incurred by it in connection therewith.

11. THIS AGREEMENT CONSTITUTES A "REFERENCE AGREEMENT" BETWEEN OR AMONG THE PARTIES WITHIN THE MEANING OF AND FOR PURPOSES OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California.

12. References herein to a statutory provision shall include, in each instance and without limitation, each respective amendment thereto and each successor provision thereof.

13. In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The Parties agree to reform this Agreement pursuant to good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

14. No failure or delay on the part of any Party in exercising any power or right hereunder shall operate as a waiver thereof. No waiver of any provision of this Agreement or consent to any departure by any Party therefrom shall in any event be effective except if in writing and signed by each of the other Parties, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

15. This Agreement may be executed in counterparts (and by different Parties on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract.

16. For purposes hereof, "electronic signature" means a manually-signed original signature that is then transmitted by electronic means; "transmitted by electronic means" means sent in the form of a facsimile or sent via the Internet as a pdf (portable document format) or other replicating image attached to an e-mail message; and, "electronically signed document" means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature. The Parties agree that the electronic signature of a Party to this

Agreement (or any amendment or supplement of this Agreement) shall be as valid as an original signature of such Party and shall be effective to bind such Party to this Agreement (or such amendment or supplement of this Agreement). The Parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be "written" or "in writing," (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or "printouts", if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the Parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. No Party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

[Signatures on next page]

IN WITNESS WHEREOF, the parties hereto have duly executed this California Judicial Reference Agreement to be effective as of [__________], 2014.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By____
Name______________________________________
Title_______________________________________

IN WITNESS WHEREOF, the parties hereto have duly executed this California Judicial Reference Agreement to be effective as of [__________], 2014.

CITIBANK, N.A., as Bank

By____
Name______________________________________
Title: Vice President

IN WITNESS WHEREOF, the parties hereto have duly executed this California Judicial Reference Agreement to be effective as of [__________], 2014.

CITY OF WOODLAND

By____
Name______________________________________
Title_______________________________________

WOODLAND FINANCE AUTHORITY

By____
Name______________________________________
Title_______________________________________