City of Woodland

City Hall
300 First Street
Woodland, CA 95695

Meeting Agenda

City Council

Tuesday, March 7, 2017 | **6:00 PM** | **Council Chambers**

CITY COUNCIL
CLOSED SESSION
5:30PM

A. CALL TO ORDER

B. CLOSED SESSION

B.1 CONFERENCE WITH REAL PROPERTY NEGOTIATORS,
Pursuant to Section 54956.8
PROPERTY: Approximately 4.7 acres of land located at 1585 East Gibson Road, Woodland, CA 95776, known generally as the District's former Willow Spring School site
AGENCY NEGOTIATOR: City Manager, Community Development Director and City Attorney
NEGOTIATING PARTIES: Woodland Joint Unified School District (WJUSD)
UNDER NEGOTIATIONS: Price and Terms of Payment

JOINT REGULAR CITY COUNCIL/WOODLAND FINANCE AUTHORITY
MARCH 7, 2017
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.

17-0330 SUBJECT: Long Range Calendar

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

Attachments: 3-7-17 Council Long Range Calendar.docx

F. MINUTES

1. 17-16 SUBJECT: Historical Preservation Commission Annual Report and 2017-2018 Work Program

Recommendation for Action: Staff recommends that the City Council receive the Historical Preservation Commission Annual Update and approve the Commission's 2017-2018 Work Program

Attachments: 1 - 2017-2018 Historical Preservation Commission Work Program

G. PRESENTATIONS

H. CONSENT CALENDAR

2. 17-11 SUBJECT: Lease Purchase of two (2) Replacement Vac-Con Trucks for the Public Works Department

Recommendation for Action: Staff recommends that the City Council adopt Resolution No. _____, authorizing the City Manager to execute a lease purchase agreement for of two (2) replacement Vac-Con Trucks for the Public Works Department from National Cooperative Leasing for a total amount not to exceed $1,011,940.70 over a 7-year term.

Attachments: Sewer Vac-Con Proposal 020317

Water Vac-Con Proposal 020317

NCL Lease Proposal

Resolution.docx

3. 17-17 SUBJECT: Award Construction Contract for the 2017 Water and Sewer Repair and Replacement Project, CIP #15-22

Recommendation for Action:
Staff recommends that the City Council adopt Resolution No. _____ to:
1. Award a construction contract in the amount of $2,590,810 to Civil Engineering Construction, Inc. for CIP 15-22, 2017 Water and Sewer Repair and Replacement Project and authorize a contract contingency of up to 10% ($259,810); and

2. Approve a consultant agreement for construction management and inspection services with Psomas in an amount up to $343,975 and authorize a contingency of up to 10% ($34,398); and
3. Approve the reallocation of $2,850,000 of Water Enterprise Funds from Water System Leak Detection, Maintenance & Repair, CIP 09-23, to the 2017 Water and Sewer Repair and Replacement Project, CIP 15-22; and
4. Approve the reallocation of $500,000 of Sewer Enterprise Funds from Replacement of Orangeberg Sewer Laterals, CIP 14-03, to the 2017 Water and Sewer Repair and Replacement Project, CIP 15-22.

Attachments: A - Resolution
B - Proposal to Provide Construction Management & Inspection Services (Psom

4. 17-0319 SUBJECT: Second Amendment to the Lease Agreement with Elizabeth Restaurant for Operation of the Woodland Sports Park Concession Stand

Recommendation for Action: Staff recommends that the City Council authorize the City Manager to execute the Second Amendment to Lease Agreement between the City of Woodland and Elizabeth Restaurant for the operation of the Woodland Sports Park concession stand.

Attachments: Concessionstandagreement
RESOLUTION

5. 17-0312 SUBJECT: Spring Lake Park N1 Project (Phase 1), CIP 17-10; Award Construction Contract

Recommendation for Action: Staff recommends that the City Council adopt Resolution No. ______, to (1) award the construction contract to Procida Landscaping, Inc. in the amount of $448,731.96 for the base bid plus additive alternate 3 for the Spring Lake N1 Project CIP 17-10 and authorize a contingency not to exceed $22,437. And (2) Appropriate $95,000 of additional Parks SLIF Funds to the Project.

Attachments: A - Resolution
B - Master Plan Phasing Plan

6. 17-0321 SUBJECT: Approval of Funding Increases for FY 2016/17 Community Development Block Grant Projects

Recommendation for Action: Staff recommends that the City Council adopt Resolution No. ______, approving the following funding increases for FY 2016/17 Community Development Block projects: $8,750 for the Woodland Host Lions - Scouting Associates' Boy Scout Cabin ADA Ramp and $35,000 for the City of Woodland's ADA Accessibility Project.

Attachments: Addtl Funds Reso for March 7 CC 23Feb17

I. PUBLIC HEARINGS

7. 17-0322 SUBJECT: Public Hearing - Proposed Water Rate Increase

Recommendation for Action: Staff recommends that the City Council:
1) Conduct a public hearing and,
2) Upon close of the public hearing, tally the protest ballots, and
3) If the City does not receive a majority protest (7,837 protests), adopt the proposed “Urgency Ordinance of the City Council of Woodland, California, to take Effect Immediately, to Increase Rates for Water Service and to Adopt a Drought Charge,” to be effective immediately with increased water rates as of April 1, 2017, and
4) Introduce and waive the first reading of Ordinance No. ______, “Ordinance of the City Council of Woodland, California, to Increase Rates for Water Service and to Adopt a Drought Charge.”

Attachments: WOODLAND_ March 2017 Urgency Ordinance Increasing Water Rates-c1.docx
WOODLAND_ Ordinance Increasing Water Rates March 2017-c1.docx

J. REPORTS OF THE CITY MANAGER

8. 17-0323 SUBJECT: Reauthorization of Public Education and Government Fee on State Cable Franchisees

Recommendation for Action: Staff recommends that the City Council:
1.) Introduce Ordinance No. ______, an Ordinance of the City Council of the City of Woodland Amending Section 8A.650 of the Woodland Municipal Code Reauthorizing the Public Educational and Government Fee on State Cable Franchisees Operating within the City; and
2.) Adopt Ordinance No. ______, an Urgency Ordinance of the City Council of the City of Woodland Amending Section 8A.650 of the Woodland Municipal Code Reauthorizing the Public Educational and Governmental Fee on State Cable Franchisees Operating within the City.

Attachments: Woodland - Urgency Ordinance Reauthorizing PEG Fee-c2.DOCX
Woodland - Ordinance Reauthorizing PEG Fee-c2.DOCX

9. 17-0318 SUBJECT: Update on the Sustainable Groundwater Management Act and the Formation of the Yolo Subbasin Groundwater Authority

Recommended Action: Staff recommends that the City Council: 1) receive an update on current formation of the Yolo Subbasin Groundwater Authority and 2) provide direction to staff, as needed, to inform next steps.

Attachments: WEST-#1474090-v1-Yolo_Subbasin_JPA_Agreement_-_clean_copy_2-22-17.d
Critical Elements of the Proposed YSGA_Draft 20170223_w_ATT.pdf

K. ADJOURN

I declare under penalty of perjury that the foregoing Agenda for the Joint Regular City

Council/Woodland Finance Authority Regular Meeting of the City of Woodland scheduled for March 7, 2017 was posted on March 3, 2017 in the outside display case at City Hall, 300 First Street, Woodland, CA, and was available to the public during normal business hours.

____

Jennifer Robinson, Deputy City Clerk

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

City Hall
300 First Street
Woodland, CA 95695

Legislation Details (With Text)

File #:	17-0330 **Version:** 1	**Name:**	
Type:	Report of the City Manager	**Status:**	Agenda Ready
File created:	3/2/2017	**In control:**	City Council
On agenda:	3/7/2017	**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:	3-7-17 Council Long Range Calendar.pdf		

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: March 7, 2017
SUBJECT: Long Range Calendar

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

Staff Contact
Jennifer Robinson, Deputy City Clerk - (530) 661-5800, jennifer.robinson@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: Jennifer Robinson, Deputy City Clerk

Paul Navazio, City Manager

Attachment

UPDATED COUNCIL LONG RANGE CALENDAR

MARCH 21st REGULAR MEETING

Minutes
City Council Meeting Minutes for February 7, 2017 and February 21, 2017

Consent Calendar
2017 City Council Meeting Schedule/Calendar
2017 Road Maintenance Project, CIP 17-03; Approve Plans and Specifications, Authorize Bid Advertisement
2016/2017 ADA Improvement Project, CIP 17-12; Approve Plans and Specs, Authorize Bid Advertisement
Second Reading of Water Rate Ordinance – Prop 218 Public Hearing
Sutter Foundation – Getting to Zero / Regional Initiative to Address Homelessness

Regular Calendar
Community Choice Energy Advisory Committee update
Spring Budget Workshop

APRIL 4th REGULAR MEETING

Minutes
City Council Meeting Minutes of March 7 and March 21, 2017

Consent Calendar
Final Acceptance Beamer Trunk Sewer Lining, CIP #16-11
Final Acceptance for Recycled Water Project, CIP #16-01

Public Hearing
General Plan Public Meeting – GP, EIR, Climate Action Plan

Regular Calendar
Animal Shelter Project Update (Tentative)
Measure E spending Plan

APRIL 18th REGULAR MEETING

Consent Calendar
Sprink Lake Park N1 – Naming
Hiddleson Pool Demolition Contract

Public Hearing
Accessory Dwelling Unit Zoning Ordinance Update

Regular Calendar
General Plan
Parking Management Plan
Pool Feasibility Study - Update
Community Choice Energy (CCE) Adv Committee - Report and Recommendation

MAY 6th (Thursday) SPECIAL MEETING

Minutes
City Council Meeting Minutes for April 4, 2017 and April 18, 2017

FUTURE TOPICS / STUDY SESSIONS (TBD):
Regulatory Framework: Marijuana (Prop 64)
Affordable Housing Workshop– Part II
Street / Road Maintenance Program Overview
Downtown Parking Management Plan Update (April 18th – Tentative)
Habitat Conservation JPA (May)

City of Woodland

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300 First Street
Woodland, CA 95695

Legislation Details (With Text)

File #:	17-16	Version: 1	Name:		
Type:	Minutes		Status:	Agenda Ready	
File created:	2/13/2017		In control:	City Council	
On agenda:	3/7/2017		Final action:		
Title:	SUBJECT: Historical Preservation Commission Annual Report and 2017-2018 Work Program Recommendation for Action: Staff recommends that the City Council receive the Historical Preservation Commission Annual Update and approve the Commission's 2017-2018 Work Program				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	1 - 2017-2018 Historical Preservation Commission Work Program				

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: March 7, 2017
SUBJECT: Historical Preservation Commission Annual Report and 2017-2018 Work Program

Recommendation for Action: Staff recommends that the City Council receive the Historical Preservation Commission Annual Update and approve the Commission's 2017-2018 Work Program

Staff Contact

Erika Bumgardner, Senior Planner, (530) 661-5886, Erika.bumgardner@cityofwoodland.org

Council Goal

General Plan Guiding Principal: To preserve and enhance the historical and cultural resources of the Woodland area.

General Plan Goals:

- To preserve and maintain sites, structures, and landscape that serve as significant, visible reminders of the city's social, architectural, and agricultural history.
- To combine historic preservation and economic development so as to encourage owners of historic properties to upgrade and preserve their properties in a manner that will conserve the integrity of such properties in the best possible condition.
- To preserve the character and livability of Woodland's neighborhoods and strengthen civic pride through neighborhood conservation.

Fiscal Impact

Implementation of the described Historical Preservation Commission work program may impact the following:

- Development-based projects in which applicants will either pay a set fee or will utilize a deposit based system for more complex project proposals. Staff time associated with project review, report preparation, and necessary noticing will be funded.
- Training and Historical Preservation Commission initiated actions will be funded through the City's General Fund to cover staff time for research, report preparation, and public noticing.

Discussion

To assist in the discussion, this report will provide an overview of the functions of the Historical Preservation Commission, of application types and review authority, of past actions and projects, and a summary of possible future projects and work plan.

Functions of the Historical Preservation Commission

Municipal Code Section 12A-2-5, "Powers and duties," states the following: The historical preservation commission shall have the following powers and duties:

a) To undertake a comprehensive historic resource inventory and maintain a historic register;
b) To establish various criteria, guidelines and standards to carry out the intent of this ordinance;
c) To recommend to the city council the designation of historical landmarks and historical districts;
d) To participate in administration regulations pertaining to historical landmarks and historical districts;
e) To recommend to the city council ways to fund and to otherwise make financially feasible the protection of historical landmarks and historical districts in the city;
f) To recommend to the council the means to implement the historic preservation elements of the General Plan and the chapter by developing information and programs to increase awareness of, preservation of, and use of historical landmarks and historical districts in the city;
g) To perform such other duties as the city council may direct.

Projects reviewed by the Historical Preservation Commission in 2015 and 2016:

1. Presentation by Dino Gay regarding street sign enhancements for the historic areas of Woodland.
2. General Plan 2035 Update and Progress Report
3. Clark Field Preservation Award and Plaque
4. 2015 Heritage Home and Historic Preservation Award Ceremony
5. Survey of Post-World War II Ad Hoc Subcommittee
6. 1001 and 1017 Main Street Historic Survey Review
7. Historic Renovation of the Commercial Façade of the Diggs Building located at 514-518 Main Street
8. Review of Historic Preservation Goals and Policies in the 2002 General Plan in anticipation of the General Plan 2035 update
9. Renovation of the Commercial Façade at 702 Main Street
10. Work Program Review and Discussion
11. Revised Elevations for 702 Main Street (Commercial Façade Renovation)
12. 440-442 College Street - Recession of Historic Designation and Proposed Demolition
13. 2016 Heritage Home and Historic Preservation Awards Ceremony

Projects Anticipated to Come Before the Historical Preservation Commission in 2017 and 2018

1. Review of historic preservation goals and policies outlined in 2035 General Plan
2. Review and participation in Downtown Specific Plan Update
3. Review and participation in Zoning Ordinance Update
4. Review and recommend to City Council the designation of specific trees located on public land as "Landmark Trees"
5. 2017 and 2018 Heritage Home and Historic Preservation Awards Ceremony

2017-2018 Historical Preservation Commission Work Program

The proposed Historical Preservation Commission 2017-2018 Work Program was approved by the Historical Preservation Commission on February 15, 2017 (Attachment "**1**"). The Chairperson of the Historical Preservation Commission, Christine Casey, will provide a presentation of the proposed work plan to the City Council for their review and consideration.

Recommendation: Staff recommends that the City Council
(1) Receive a report from the Chairperson of the Historical Preservation Commission; and
(2) Approve the Historical Preservation Commission 2017-2018 Work Program;

Prepared by: Erika Bumgardner, Senior Planner

Reviewed by: Cindy Norris, Principal Planner
Stephen Coyle, Community Development Director

Paul Navazio, City Manager

ATTACHMENTS:
Attachment 1 - 2017-2018 Historical Preservation Commission Work Program

Work Program of the Historical Preservation Commission

2017-2018

Project/Program Name	Description	Frequency/Time Frame	Priority
Routine Ongoing and Annual Projects/Programs			
Historical Preservation Commission Meetings	Regular meeting of the Historical Preservation Commission as provided for in Ordinance 12A of the Municipal Code. Staff updates on ongoing and pending projects in the Downtown or with historical significance.	As needed to review proposed alterations to structures within the designated historical district and to carry out other duties and responsibilities as outlined in Ordinance 12A of the Municipal Code (Sec. 12A-2-5).	1
Heritage Home and Historic Preservation Awards	Annual awards ceremony, recognizing historic homes and properties that have been well preserved or cared for and/or those programs, business or individuals that further the goals of historic preservation or bring awareness to the City's cultural heritage.	Annual (The award ceremony typically takes place in September in-lieu of a regularly scheduled HPC meeting, with preparation for the event beginning the preceding April).	1
Historic Resources, Landmarks and Districts Designation	The Historical Preservation Commission recommends to the City Council the designation of historical resources (i.e. buildings, structures, trees), landmarks and districts (Ord 12A, Section 12A-2-5(c)).	As needed as specific resources, landmarks and/or districts are identified as significant to the City.	1

Commission Partnership with Stroll Through History	Volunteer members (and/or appointed ad-hoc subcommittee) of the Historical Preservation Commission to assistant Stroll Through History Committee with annual event and provide informational updates to the Commission and public regarding the event. Walking Tour Book sales.	Annual	2

Special Projects			
General Plan Update	The Historical Preservation Commission will actively engage in and provide feedback regarding the General Plan 2035 Update, specifically in regard to updates to the Historic Preservation Element.	Throughout the General Plan update process. Projects to follow may include updating the Downtown Specific Plan, Zoning Ordinance, Chapter 12A of the Municipal Code, and possibly Residential Design Guidelines for Historic Properties.	1

Downtown Specific Plan Amendments	The Historical Preservation Commission will actively engage in the Downtown Specific Plan Amendment process, including updates to the Design Guidelines, policies, standards and vision for the Downtown.	Throughout the specific plan update process.	1
Post-WWII Housing Survey	Student, thesis-level, project involving the creation of a historic context and evaluation guidelines for post-World War II housing in Woodland.	Project lead by two member ad-hoc subcommittee of the Commission with technical support from City staff. Projects to follow may include designation of honorary historic districts as appropriate.	1
Funds Allocation to Special Projects (Re-allocation of funds from "Walking Tour Book" project)	The Historical Preservation Work Program Subcommittee in partnership with the full Historical Preservation Commission, the Downtown Business Association as appropriate, and staff, will work to identify and prioritize projects (such as street sign toppers, downtown plaque program, façade rehab, etc.) for funding allocation. A recommendation for allocation of funds will be brought before the City Council for approval.	Goal to bring a recommendation to City Council in Fall 2017.	2

Historical Preservation Website Update/Interactive Walking Tour App	Ad-hoc subcommittee of the Historical Preservation Commission to work with staff to update the City's web site to include additional information regarding history of city, active preservation groups, links, inventory listing, walking tour maps and/or downloadable walking tour application for smart phone/mobile device.	Estimated one to two year timeframe as staff resources permit.	2
Recommend Heritage and Landmark Trees	Ad-hoc subcommittee of the Historical Preservation Commission to work with the Woodland Tree Foundation and the City's Park and Recreation Division/Commission to inventory trees eligible for "landmark tree" designation starting with those trees located on public property. Provide information and resources for ongoing maintenance and health of the trees.	Estimated one year timeframe.	2
	Possible Future Projects		
Designation of Historic Neighborhoods	Explore process and procedures, advantages and obstacles regarding the establishment of new historic neighborhood districts in Woodland. Make a recommendation to City Council regarding possible establishment of historic neighborhood district(s).	Estimated one to two year timeframe.	3

Residential Design Guidelines for Historic Neighborhoods	The Historical Preservation Commission will work with staff to develop design guidelines that protect the historic architectural character and heritage of the City's treasured historic neighborhoods.	Estimated two year timeframe. Project may dovetail and/or complement General Plan update process.	3
Certified Local Government (CLG)	The Historical Preservation Commission will work with Planning staff to explore the certification process to become recognized as a Certified Local Government through the National Park Service and State Historic Preservation Office.	Ongoing/As necessary to research and, at the discretion of the City Council, complete the application and certification process (estimated two year timeframe).	3

Legislation Details (With Text)

File #:	17-11	Version: 1	Name:		
Type:	Consent Item(s)		Status:	Agenda Ready	
File created:	2/7/2017		In control:	City Council	
On agenda:	3/7/2017		Final action:		

Title: SUBJECT: Lease Purchase of two (2) Replacement Vac-Con Trucks for the Public Works Department

Recommendation for Action: Staff recommends that the City Council adopt Resolution No. _____, authorizing the City Manager to execute a lease purchase agreement for of two (2) replacement Vac-Con Trucks for the Public Works Department from National Cooperative Leasing for a total amount not to exceed $1,011,940.70 over a 7-year term.

Sponsors:

Indexes:

Code sections:

Attachments: Sewer Vac-Con Proposal 020317
Water Vac-Con Proposal 020317
NCL Lease Proposal
Resolution.pdf

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: March 7, 2017
SUBJECT: Lease Purchase of two (2) Replacement Vac-Con Trucks for the Public Works Department

Recommendation for Action: Staff recommends that the City Council adopt Resolution No. _____, authorizing the City Manager to execute a lease purchase agreement for of two (2) replacement Vac-Con Trucks for the Public Works Department from National Cooperative Leasing for a total amount not to exceed $1,011,940.70 over a 7-year term.

Staff Contact

Troy Thompson, Fleet & Facilities Manager, troy.thompson@cityofwoodland.org, 530-661-5956

Council Goal

Maintain City Infrastructure - Ensure appropriate resources in support of City operations.

Fiscal Impact

The proposed lease cost of the new Sewer System truck is $69,522.22 per year, and the proposed lease amount for the new Water System truck is $68,156.80 per year. The combined total of all lease payments over the 7-years term of the two leases is $963,753.14. Staff is proposing a 5% contingency.

Staff determined the most cost-effective method for replacing the existing pieces of equipment is through a lease-purchase, as this approach would require no down payment, with the annual costs effectively resulting in a continuation of existing funding commitments for the expiring leases of the older equipment. Although the lease payments themselves are higher than what the department is currently paying, the annual maintenance costs are significantly reduced resulting in projected annual savings over the term of the new lease.

Lease payments would begin in FY2018/19, and the term schedule will continue through FY2024/25. Funding is provided from the Sewer Utility Fund (Program 220-086-7853) and Water Utility Fund (Program 210-086-7852). The City will be the titled owner throughout the term of the lease.

Below is an outline of the cost comparisons between the total costs of the older trucks and the total estimated costs of the new Vac-Cons. The lease payments are based on the results of a competitive bidding process staff underwent to obtain the lowest price.

Background

Fleet Services originally scheduled the Vac-Con trucks on a 15-year lifecycle. However, after consulting the manufacturer, and from our own experience, it has been determined that an 8-year lifecycle is more appropriate. The two older trucks, #689 and #696, are both 10 years old.

Both pieces of equipment have been experiencing very high downtime rates (37.43% and 27.96% respectively) due to their ages. The high downtime rates for these ‘mission critical’ vehicles have hindered the Department’s ability to meet regulatory requirements to maintain our utility infrastructure. Another negative impact of the high downtime has been the significant burden it has had on the Fleet Services workload, especially considering that there has been a 450% turnover rate in the Heavy Equipment Mechanic position over the past five years.

In an effort to resolve these operational issues, Public Works pursued bids for new trucks. The department considered two of the leading manufacturers of vacuum trucks in the industry: Vac-Con and Vactor. After thoroughly reviewing the specifications and capabilities of each model, Public Works staff decided on the Vac-Con truck as the best fit for its operational needs.

Public Works teamed with an authorized dealer of Vac-Con trucks, Municipal Maintenance Equipment (MME), to develop the design of the new Vac-Con trucks, and MME submitted a proposal under the National Joint Powers Alliance (NJPA) contract #022014-AMI. There are no local dealerships that sell this type of specialized equipment. Public Works also obtained a lease proposal through National Cooperative Leasing (NCL) under the NJPA contract #032615-NCL.

Discussion

NJPA’s cooperative contract purchasing leverages the national purchasing power of more than 50,000 member agencies while also streamlining the required purchasing process. As a municipal national contracting agency, NJPA establishes and provides nationally leveraged and competitively solicited purchasing contracts under the guidance of the Uniform Municipal Contracting Law. Joint Powers laws enable members to legally purchase through our awarded contracts.

The NJPA Vac-Con Contracting Documents can be found at the following website address:
<http://www.njpacoop.org/cooperative-purchasing/contracts-fleet/public-utility-airport-equipment/022014-ami1/>

The NJPA NCL Contracting Documents can be found at the following website address:
<http://www.njpacoop.org/cooperative-purchasing/contracts-general/professional-services/032615-ncl/>

Staff is proposing a 7-year lease commitment with payments commencing in FY2018/19. By authorizing this lease purchase, the Council is effectively committing to budget for lease payments for the 7-year term of the lease. The item is being recommended for Council action at this time due to the 'mission critical' operational need to replace the two trucks as soon as possible. If the Council acts on the staff recommendation, it is anticipated that the new trucks would be delivered by the end of June, 2017.

Conclusion

Staff recommends that the City Council adopt Resolution No. _____, authorizing the City Manager to execute a lease purchase agreement for of two (2) replacement Vac-Con Trucks for the Public Works Department from National Cooperative Leasing for a total amount not to exceed $1,011,940.70 over a 7-year term.

Prepared by: Troy Thompson, Fleet & Facilities Manager

Reviewed by: Gregor G. Meyer, Public Works Director

Paul Navazio, City Manager

Attachments: Vac-Con Proposal for Sewer
Vac-Con Proposal for Water
NCL Lease Proposal
Resolution

MUNICIPAL MAINTENANCE EQUIPMENT
MME
"Customer Satisfaction Is Our Goal"

2360 Harvard Street • Sacramento, CA 95815 • (916) 922-1101 • Fax: (916) 922-1034
1913 Nancita Circle • Placentia, CA 92870 • (714) 528-8770 • Fax: (714) 528-8744
4750 Caterpillar Rd., Unit D • Redding, CA 96003 • (530) 243-4856 • Fax: (530) 243-1447
1930 W. Winton Ave., Suite 8 • Hayward, CA 94545 • (510) 670-0230 • Fax: (510) 670-9003
www.source-mme.com • California State Contractor's License #980409 • DIR 1000004282

February 3, 2017

City of Woodland
655 North Pioneer Avenue
Woodland, CA 95776

Tel: 530-661-5956
Cell: 530-665-0382
Fax 530-661-1464
troy.thompson@cityofwoodland.org

Attention: Troy Thompson, FMP Fleet & Facilities Manager

We are pleased to provide the enclosed contract pricing sheet off the National Joint Powers Alliance Contract No. 022014-AMI (www.njpacoop.org), for the Vac-Con V311E/1300 Combination Sewer and Storm Drain Cleaner mounted on a new Freightliner Model 114SD 6x4 truck chassis for your review.

Summary:	Complete Unit per attached NJPA price sheet	
	Price F.O.B. Woodland, CA	$402,902.00
	8.0% Sales Tax	32,232.16
	Total	$435,134.16

- **County's Purchase Order to be prepared and sent directly to Atlantic Machinery, Inc.**
  2628 Garfield Avenue Silver Springs, MD 20910
  M.J. Dubois (301) 585-0800 mjdubois@atlanticmachineryinc.com
- Pricing includes delivery and on-site training.
- Delivery 120-150 days A.R.O., depending on chassis availability.
- Terms per NJPA Program.

Thank you for your interest in this fine product. Should you have any questions or need additional information, please let us know. We look forward to being of service.

Sincerely,
Municipal Maintenance Equipment, Inc.

James Wheeler,
General Manager

2/3/17 revised

COMBINATION JET/VACUUM SEWER CLEANER

NJPA CONTRACT: 022014-AMI

Customer: CITY OF WOODLAND Shipping: CALIFORNIA

Participating Dealer: MUNICIPAL MAINTENANCE EQUIPMENT

Requirement Specification	
Combination jet/vacuum sewer cleaner with all standard equipment V311E/1300	
Freightliner model 114SD Chassis 6 x 4, 370 HP Allison Auto transmission and Air conditioning, 66,000 GVWR	
Body mounting on Chassis	
10' Aluminum Telescoping boom with joy stick and remote pendant control (telescopes hydraulically 10' forward from the stowed position) -8" diameter intake hose and boom, travel tie down post with latch	
Front Articulating hydraulic hose reel with 600' X 1" Jet Hose capacity (swings 3' out beyond side of truck chassis) with manual hose rewind guide	
1300 Gallon polyethylene water tank capacity with 10 year warranty	
11 Cubic yard capacity debris tank 3/16" corten steel, (5 year warranty) with full opening rear door (minimum 50 degree debris tank dumping, power up and down	
Automatic vacuum breaker (prevents operation when full and contains debris when moving unit) and overfill protection	
800' of 3/4" x 3000 PSI jet hose, continuous	
Auxiliary engine (water pump operation) Ford Power Products, Gas V-10, 222HP @ 3200 RPM	
3-Stage centrifugal compressor creating 200" vacuum and 0-8000 CFM	
Hydraulic tail gate door latches with hydraulic door grabber and safety latch	
Hydrostatic drive of vacuum system with pump upgrade	
Front tow eyes	
Giant water pump rated 60 GPM @ 3000 PSI with smooth continuous pressure	
6" Knife valve with center post handle in lieu of 5" Standard butterfly valve	

Requirement Specification	
Built in body prop	
Gravity drain system	
Rear hydraulic pump off system, 400 GPM with 20' of layflat drain hose	
Rubber pad on standard deflector	
Two screen assemblies over drain port in debris tank	
1/4 turn ball valve water drain system	
50' Retractable hand gun hose reel with hose	
Air purge system	
Auxiliary engine driven hydraulics	
Centrifugal compressor fan flush out system	
Debris body power flushout system	
Hydro Excavation system	
Variable flow valve	
Water pump remote oil drain	
Aluminum dual roller level wind guide	
12 Volt DC auxiliary hydraulic pump	
Auxiliary engine remote oil drain	
Centrifugal compressor quiet silencer, constructed of stainless steel	
Two cone storage racks between bogies, tandem	
Heavy reinforced "wear back" elbow	
Rear bumper assembly	
Rear mounted tow hooks	
Remote boom grease zerk assembly	
Remote debris tank grease assembly	
Water cooler rack	

Requirement Specification	
Four strobes, 2 front bumper, 2 rear bumper	
LED Arrow board	
LED boom mounted flood lights	
LED level wind flood light	
LED Water pump work area	
LED rear mounted flood lights	
LED strobe light with guard, rear mounted	
Midbody LED strobes	
Two mirror mounted LED strobes with guards	
Low water alarm with light	
Traffic camera system	
Rear location for traffic camera	
Driver side camera location	
Curb side camera location	
Front hose reel camera location	
Omnibus -2 Electronic Controller system	
Wireless remote control system	
Tubro jet with single forward jet	
72" hydro lance with quick disconnects, ½ schedule 80 horizontal handle	
Two 48" Extensions for high pressure hand wand	
Extra 200' x 3/4" jet hose loaded on reel first before 800' section	
First aid kit	
Grease gun	
Lakos Sand separator	
Manhole cover lifting hook	

Requirement Specification	
Vanguard pathogen defense system	
3/4" x 20' leader hose	
Lazy Susan pipe rack for 5 tubes	
Folding pipe rack, mounted curb side (3 tubes)	
Two 24" x 18" x 18" steel tool boxes	
Aluminum Storage box behind cab, 16" x 42" x 96"	
Air ride passenger seat	
Heated motorized mirrors	
Remote chassis engine start	
Two standard ENZ nozzles, one sanitary (egg) and one Chisel point penetrator	
ICC lighting	
Hose guide (tiger tail) for hose protection, hydrant wrench, 25' of fill hose	
20 gpm @ 600 PSI wash down system with hand gun and 25' of ½" hand gun hose	
Paint : Body unit : DuPont Elite White Stripes: Green	
Local dealer pre delivery and inspection	
On site customer training	
Consignee Delivery	
TOTAL DISCOUNTED CONTRACT PRICE	$402,902.00
SALES TAX (8%)	$32,232.16
TOTAL DISCOUNTED PRICE WITH TAX	$435,134.16

Delivery is ___________ Days after receipt of order.

NJPA CONTRACT NO 022014-AMI

VENDOR/CONTRACT HOLDER: VAC-CON, INC/ATLANTIC MACHINERY, INC.
969 HALL PARK DRIVE
GREEN COVE SPRINGS, FL 32043

CONTACT: M.J. DUBOIS EMAIL MJDUBOIS@ATLANTICMACHINERYINC.COM

MUNICIPAL MAINTENANCE EQUIPMENT
MME
"Customer Satisfaction Is Our Goal"

2360 Harvard Street • Sacramento, CA 95815 • (916) 922-1101 • Fax: (916) 922-1034
1913 Nancita Circle • Placentia, CA 92870 • (714) 528-8770 • Fax: (714) 528-8744
4750 Caterpillar Rd., Unit D • Redding, CA 96003 • (530) 243-4856 • Fax: (530) 243-1447
1930 W. Winton Ave., Suite 8 • Hayward, CA 94545 • (510) 670-0230 • Fax: (510) 670-9003
www.source-mme.com • California State Contractor's License #980409 • DIR 1000004282

February 2, 2017

City of Woodland
655 North Pioneer Avenue
Woodland, CA 95776

Tel: 530-661-5956
Cell: 530-665-0382
Fax 530-661-1464
troy.thompson@cityofwoodland.org

Attention: Troy Thompson, FMP Fleet & Facilities Manager

We are pleased to provide the enclosed contract pricing sheet off the National Joint Powers Alliance Contract No. 022014-AMI (www.njpacoop.org), for the Vac-Con VX312LHE/1100 Hydro-Excavator mounted on a new Freightliner Model 114SD 6x4 truck chassis for your review.

Summary:	Complete Unit per attached NJPA price sheet	
	Price F.O.B. Woodland, CA	$394,989.00
	8.0% Sales Tax	31,599.12
	Total	$426,588.12

- **County's Purchase Order to be prepared and sent directly to Atlantic Machinery, Inc.**
  2628 Garfield Avenue Silver Springs, MD 20910
  M.J. Dubois (301) 585-0800 mjdubois@atlanticmachineryinc.com
- Pricing includes delivery and on-site training.
- Delivery 120-150 days A.R.O., depending on chassis availability.
- Terms per NJPA Program.

Thank you for your interest in this fine product. Should you have any questions or need additional information, please let us know. We look forward to being of service.

Sincerely,
Municipal Maintenance Equipment, Inc.

James Wheeler,
General Manager

VAC·CON MORE POWER TO YOU

2/3/17

HYDRO-EXCAVATOR

NJPA CONTRACT: 022014-AMI

Customer: CITY OF WOODLAND   Shipping: CALIFORNIA

Participating Dealer: MUNICIPAL MAINTENANCE EQUIPMENT

Requirement Specification	
Hydro-Excavator with all standard equipment VX312LHE/1100	
Freightliner Model 114SD, 6 x 4, 66,0000 GVWR, and A/C chassis	
Body mounting on Chassis	
8' X 8" Rear Power flex Telescoping boom with remote pendant control -boom extends 8' - 8" diameter intake hose and boom, travel tie down post with latch	
650 Gallon polyethylene water tank capacity with 10 year warranty	
Debris tank 3/16" corten steel, (5 year warranty) with full opening rear door (minimum 50 degree debris tank dumping, power up and down	
Automatic vacuum breaker (prevents operation when full and contains debris when moving unit) and overfill protection	
3-Stage centrifugal compressor creating 200" vacuum and 0-8000 CFM with cyclone separator	
Hydraulic tail gate door latches with hydraulic door grabber and safety latch	
Hydrostatic drive of vacuum system with pump upgrade	
Giant Water pump rated 20 GPM @ 4000 PSI with smooth continuous pressure	
6" Knife valve in lieu of 5" butterfly valve	
A flat style rear door in lieu of standard domed style door, **removes standard door grabber**	
Built in body prop	
Electric vibrator	
Two rear door drain valve flush out connections	

Requirement Specification	
Rear splash guard (2-10 O'Clock)	
Rear hydraulic pump off system, 575 GPM with 20' of layflat hose	
50' capacity retractable hand gun hose reel	
Air purge system	
Centrifugal compressor fan flushout	
Debris body Power Flush system	
Water pump remote oil drain	
HD level wind guide aluminum	
Automatic lube kit for centrifugal compressor	
Centrifugal compressor quiet silencer, stainless steel construction	
Two Cone storage racks, hinged style	
Two cone racks	
Two sets of Long handle storage, PVC	
Rear mounted tow hooks	
Remote boom grease zerk assembly	
Remote debris tank grease zerk assembly	
LED 4 strobes, 2 front bumper, 2 rear bumper	
LED arrow board	
LED boom mounted flood lights	
Two sets LED rear mounted flood lights	
Two LED flood lights - water pump work area	
LED rear mounted strobe light with guard	
Limb guard for flood light	
Two mirror mounted LED strobe lights with guards	
6 way pendant control	

Requirement Specification	
Traffic camera with color monitor	
Curb side camera placement	
Driver side camera placement	
Rear camera placement	
Wireless remote control system	
72" hydro X lance with quick disconnects	
5 Year MME annual service inspection program	
Allison and Cummins diagnostic software	
Chassis service and parts manual (paper)	
Lazy susan pipe rack	
LED tool box rope lights	
Low pressure quick disconnect at trash pump	
Vac-Con paper manual	
Passenger side Standard Aluminum Rear tool box 16" x 13" x 72"	
Two midbody mounted LED strobes, mounted in sub-frame	
Two roll out shelves for storage box behind cab	
16" x 42" x 48" aluminum storage box	
Mainframe deck coating	
Options Safety Striping package - Blue	
Heated motorized mirrors	
Silicone hoses	
Chassis parts catalog	
Chassis operator manual	
Chassis parts manual on CD	
Chassis service manual on CD	

Requirement Specification	
20' 6" aluminum intake pipe (1 - 3', 1 - 5' , 1 - 6' and 1 - 6.5' catch basin nozzle)	
ICC lighting	
Hydrant wrench, 25' of fill hose	
20 gpm @ 600 PSI wash down system with hand gun and 25' of ½" hand gun hose	
Paint Vac-Con unit White	
Local dealer pre delivery inspection and training at customer facility	
Consignee Delivery	
TOTAL UNIT COST PER CONTRACT	$394,989.00
Sales Tax 8%	$31,599.12
TOTAL UNIT COST WITH TAX	$426,588.12

Delivery is 90-120 Days after receipt of order.

NJPA CONTRACT NO 022014-AMI

CONTRACT HOLDER/VENDOR: VAC-CON, INC.
969 HALL PARK DRIVE
GREEN COVE SPRINGS, FL 32043

CONTACT: M.J. DUBOIS EMAIL MJDUBOIS@ATLANTICMACHINERYINC.COM

NATIONAL COOPERATIVE LEASING

220 22nd Avenue East, Suite 106, Alexandria, MN 56308 • Phone: 320-763-7600 • Fax: 320-763-9600

February 14, 2017

City of Woodland
Troy Thompson, FMP
Fleet & Facilities Manager
655 N. Pioneer Ave
Woodland, CA 95776
530-661-5956 (office)
troy.thompson@cityofwoodland.org

Re: Municipal Lease/Purchase Financing Proposal

Dear Troy:

Lease Servicing Center, Inc. dba National Cooperative Leasing ("NCL") is pleased to propose to the City of Woodland the following tax-exempt Lease/purchase transaction as outlined below. Under this transaction, the City of Woodland would enter into a municipal Lease/purchase agreement with NCL for the purpose of acquiring: 1-Vac-Con vx312LHE/100 Hydro-Excavator and 1-Vac-Con v311E/1300 Combination Sewer and Storm Cleaner. This transaction is subject to formal review and approval by both the Lessor and Lessee.

LESSEE:		City of Woodland		
LESSOR:		Lease Servicing Center, Inc. dba National Cooperative Leasing & it's assigns		
EQUIPMENT:		A.) 1-Vac-Con vx312LHE/100 Hydro-Excavator B.) 1-Vac-Con v311E/1300 Combination Sewer and Storm Cleaner		
EQUIPMENT COST:		**A.)** $426,588.12 **B.)** $435,134.16		
AMOUNT FINANCED:		$861,722.28		
TERM:		5 years	6 years	7 years
ANNUAL LEASE PAYMENTS:	**A.)**	$92,364.76	$78,209.32	$68,156.80
	B.)	$94,215.15	$79,776.13	$69,522.22
APR:		3.7%		
FIRST LEASE PAYMENT:		1 Month from Lease Commencement		
PURCHASE OPTION:		$1.00		
PRICING:		The Rates and Payments outlined above are locked, provided this proposal is accepted by the Lessee by February 28, 2017. After this date the final Rate and Payments shall be adjusted commensurately with market rates in effect at the time of funding and shall be fixed for the entire lease term.		

DOCUMENTATION:	Lessor shall provide all of the documentation necessary to close this transaction. This documentation shall be governed by the laws of the State of Minnesota.
TITLE / INSURANCE:	Lessee shall retain title to the equipment during the lease term. Lessor shall be granted a perfected security interest in the equipment and the Lessee shall keep the equipment free from any/all liens or encumbrances during the term. Lessee shall provide adequate loss and liability insurance coverage, naming Lessor as additional insured and loss-payee.
TAX STATUS:	Interest under the Financing will be tax-exempt and shall be designated by Lessee as a Qualified Tax Exempt Obligation pursuant to Section 265(b)(3) of the IRS Code.
NJPA CONTRACT: #032615-NCL	NCL has been competitively bid and awarded a contract through the National Joint Powers Alliance (NJPA). **NCL's NJPA Contract # is 032615-NCL.**

We appreciate this opportunity to offer an NCL Financing Solution. Please do not hesitate to contact me if you have any questions at (866) 763-7600. Acceptance of this proposal is required prior to credit underwriting by NCL. Upon acceptance of this proposal, please scan and e-mail to my attention. Thank you again.

Sincerely,

Chris Mayhew - (866) 763-7600
cmayhew@LscFinancial.com

ACCEPTANCE

As a duly authorized agent of the City of Woodland , I hereby accept the terms of this proposal as outlined above and intend to close this financing with NCL, subject to final approval.

ACCEPTED: ______________________________ DATE: ______________

NAME: ______________________________ TITLE: ______________

PHONE: ______________________________

WE ARE PROVIDING THE INFORMATION CONTAINED HEREIN FOR INFORMATIONAL PURPOSES ONLY IN CONNECTION WITH POTENTIAL ARMS-LENGTH COMMERCIAL BANKING TRANSACTIONS. IN PROVIDING THIS INFORMATION, WE ARE ACTING FOR OUR OWN INTEREST AND HAVE FINANCIAL AND OTHER INTERESTS THAT DIFFER FROM YOURS. WE ARE NOT ACTING AS A MUNICIPAL ADVISOR OR FINANCIAL ADVISOR TO YOU, AND HAVE NO FIDUCIARY DUTY TO YOUR OR ANY OTHER PERSON PURSUANT TO SECTION 15B OF THE SECURITIES EXCHANGE ACT OF 1934. THE INFORMATION CONTAINED IN THIS DOCUMENT IS NOT INTENDED TO BE AND SHOULD NOT BE CONSTRUED AS "ADVICE" WITHIN THE MEANING OF SECTION 15B OF THE SECURITIES EXCHANGE ACT OF 1934 AND THE MUNICIPAL ADVISOR RULES OF THE SEC. WE ARE NOT RECOMMENDING THAT YOU TAKE AN ACTION WITH RESPECT TO THE INFORMATION CONTAINED HEREIN. BEFORE ACTING ON THIS INFORMATION, YOU SHOULD DISCUSS IT WITH YOUR OWN FINANCIAL AND/OR MUNICIPAL, LEGAL, ACCOUNTING, TAX AND OTHER ADVISORS AS YOU DEEM APPROPRIATE. IF YOU WOULD LIKE A MUNICIPAL ADVISOR THAT HAS LEGAL FIDUCIARY DUTIES TO YOU, THEN YOU ARE FREE TO ENGAGE A MUNICIPAL ADVISOR TO SERVE IN THAT CAPACITY.

RESOLUTION NO. __________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND AUTHORIZING THE LEASE PURCHASE OF TWO REPLACEMENT VAC-CON TRUCKS

WHEREAS, the City of Woodland wishes to replace two older Vac-Con trucks for the Sewer and Water Systems due to their excessive downtime rates;

WHEREAS, the City of Woodland determined the best funding strategy for the new trucks to be lease purchasing;

WHEREAS, the City of Woodland received a proposal from Maintenance Municipal Equipment for the purchases of both trucks under the National Joint Powers Alliance (NJPA) contract #022014-AMI;

WHEREAS, the City of Woodland received a lease proposal from National Cooperative Leasing under the NJPA contract #032615-NCL in the amount of $963,753.14 over 7-years;

WHEREAS, the City of Woodland proposes including a 5% contingency above the lease proposal to account for any unforeseen cost increases which may occur until the lease agreement is signed;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WOODLAND: authorizes the City Manager to execute a lease-purchase agreement for two (2) replacement Vac-Con Trucks for the Public Works Department from National Cooperative Leasing under the NJPA contract #032615-NCL for a total amount not to exceed $1,011,940.70 over a 7-year term.

PASSED AND ADOPTED by the City Council on this 7th day of March 2017, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Angel Barajas, Mayor

APPROVED AS TO FORM:

____
Kara K. Ueda, City Attorney

ATTEST:

____
Ana Gonzalez, City Clerk

Legislation Details (With Text)

File #:	17-17 Version: 1	Name:	
Type:	Consent Item(s)	Status:	Agenda Ready
File created:	2/13/2017	In control:	City Council
On agenda:	3/7/2017	Final action:	

Title: SUBJECT: Award Construction Contract for the 2017 Water and Sewer Repair and Replacement Project, CIP #15-22

Recommendation for Action:
Staff recommends that the City Council adopt Resolution No. _____ to:
1. Award a construction contract in the amount of $2,590,810 to Civil Engineering Construction, Inc. for CIP 15-22, 2017 Water and Sewer Repair and Replacement Project and authorize a contract contingency of up to 10% ($259,810); and
2. Approve a consultant agreement for construction management and inspection services with Psomas in an amount up to $343,975 and authorize a contingency of up to 10% ($34,398); and
3. Approve the reallocation of $2,850,000 of Water Enterprise Funds from Water System Leak Detection, Maintenance & Repair, CIP 09-23, to the 2017 Water and Sewer Repair and Replacement Project, CIP 15-22; and
4. Approve the reallocation of $500,000 of Sewer Enterprise Funds from Replacement of Orangeberg Sewer Laterals, CIP 14-03, to the 2017 Water and Sewer Repair and Replacement Project, CIP 15-22.

Sponsors:

Indexes:

Code sections:

Attachments: A - Resolution
B - Proposal to Provide Construction Management & Inspection Services (Psomas)

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: March 7, 2017
SUBJECT: Award Construction Contract for the 2017 Water and Sewer Repair and Replacement Project, CIP #15-22

Recommendation for Action:
Staff recommends that the City Council adopt Resolution No. _____ to:
1. Award a construction contract in the amount of $2,590,810 to Civil Engineering Construction, Inc. for CIP 15-22, 2017 Water and Sewer Repair and Replacement Project and authorize a contract contingency of up to 10% ($259,810); and
2. Approve a consultant agreement for construction management and inspection services with Psomas in an amount up to $343,975 and authorize a contingency of up to 10% ($34,398); and
3. Approve the reallocation of $2,850,000 of Water Enterprise Funds from Water System Leak Detection, Maintenance & Repair, CIP 09-23, to the 2017 Water and Sewer Repair and Replacement Project, CIP 15-22; and

4. Approve the reallocation of $500,000 of Sewer Enterprise Funds from Replacement of Orangeberg Sewer Laterals, CIP 14-03, to the 2017 Water and Sewer Repair and Replacement Project, CIP 15-22.

Staff Contact

Ed Wisniewski, Associate Civil Engineer - (530) 661-5975; ed.wisniewski@cityofwoodland.org

Fiscal Impact

The 2017 Water and Sewer Repair and Replacement Project (CIP 15-22) is included in the approved Capital Improvement Program Budget under the following Capital Improvement Plan projects: CIP # 09-23, Water System Leak Detection, Maintenance & Repair and CIP #14-03, Replacement of Orangeberg Sewer Laterals. The name of the project was changed from the 2016 project to 2017. The project was authorized for bid on January 17, 2017 with an estimated project cost $3.4 million dollars. Currently, approved funding for CIP 15-22 consists of $150,000 of Water Enterprise Funds which were used to cover design costs. Funds for construction were not transferred at the time of bid authorization, as the intent was to transfer the funds from CIP 09-23 and CIP 14-03 once actual construction costs were available and transfer at the time of construction contract award.

The proposed contract award, plus construction contingency, construction management and inspection costs, design, and staff time results in an updated total project cost of $3.5 million dollars. Staff is requesting that $2,850,000 of available Water Enterprise Funds be reallocated from CIP 09-23 to CIP 15-22 to cover the cost of water related project expenses. To cover sewer related expenses, staff is requesting that $500,000 of available Sewer Enterprise Funds be reallocated from CIP 14-03 to CIP 15-22.

There are no impacts to the City’s General Fund.

Background

Approximately 40% of the water mains in the City are over 50 years old, with some even exceeding 100-years. Some of these water mains are in need of replacement due to frequent breaks and leaks. City engineering and operations staff identified several locations in the City that have the greatest occurrence of water main and lateral breaks and leaks and prioritized the areas for repair and replacement. This is part of an ongoing multi-year program to replace water mains and sewer pipes that have exceeded their service life.

Based on the prioritization, this project was designed to repair and replace water mains and laterals in the following areas:

- Buckeye Street between Cottonwood St. and West St.
- California Street between W. Beamer St. and Buckeye St.
- West Street between W. Beamer St. and Buckeye St.
- McKinley Avenue between Park Ave. and Lincoln Ave.
- Jefferson Street between West St. and McKinley Ave.
- Oak Avenue between West St. and Cleveland Ave.
- Park Avenue between West St. and Cleveland Ave.

Approximately 8,500 linear feet of pipe will be replaced. This is an area with two-inch (2”) cast iron water mains located behind sidewalks with a six-inch (6”) diameter main in the street. These mains are notorious for problems such as breaks and leaks. The project will construct new eight-inch (8”) diameter mains in the street and connect the residences with new polyethylene services. Once completed, the project will result in more reliable water pressure and uninterrupted water service for 200 residences. At the same time, the project has identified sewer lateral defects in the same area and will correct over one hundred sewer laterals.

Discussion

The City advertised for bids on January 24, 2017. On February 16, 2017, the City received 10 bids for CIP 15-22 in the amounts tabulated below:

	CONTRACTOR	BASE BID
1	Civil Engineering Construction, Inc.	$2,590,810.00*
2	McGuire Hester	$2,644,753.00
3	TerraCon Constructors, Inc.	$2,830,829.00
4	Lister Construction, Inc.	$2,880,088.00
5	R.J. Gordon Construction Inc.	$2,978,790.00
6	Lamon Construction Co., Inc.	$2,991,560.00
7	RaPiD Construction Inc.	$3,043,340.30
8	Lund Construction Co.	$3,065,917.00
9	California Trenchless, Inc.	$3,066,799.00
10	Martin Engineering, Inc.	$3,233,236.00*

* Bids adjusted due to minor errors in tabulation

The engineer's estimate for the project construction was $2,659,750. Staff has performed due diligence in reviewing the bids. Civil Engineering Construction, Inc. has been determined to be the lowest responsive, responsible bidder and has complied with all technical submittal requirements.

All necessary permits, easements and rights of way have been acquired to construct the project. The construction contract provides 150 working days for completion of the project which excludes weekends, holidays, delays due to weather and lead time for ordering pipe material. Staff anticipates completion of the project in the fall of 2017.

In September 2013, staff released a request for qualifications for consulting firms to perform construction management and inspection services for various pipeline projects throughout the City. A four member staff team reviewed, scored and ranked the statements of qualification received. The review team determined the top rated firm was Psomas. Psomas has now provided Construction Management and Inspection Services on a number of pipeline projects for the City of Woodland and is very familiar with the City's engineering and construction standards and specifications.

Conclusion

Staff recommends that the City Council adopt Resolution No. _____, to:

1. Award a construction contract in the amount of $2,590,810 to Civil Engineering Construction, Inc. for CIP 15-22, 2017 Water and Sewer Repair and Replacement Project and authorize a contract contingency of up to 10% ($259,810); and
2. Approve a consultant agreement for construction management and inspection services with Psomas in an amount up to $343,975 and authorize a contingency of up to 10% ($34,398); and
3. Approve the reallocation of $2,850,000 of Water Enterprise Funds from Water System Leak Detection, Maintenance & Repair, CIP 09-23, to the 2017 Water and Sewer Repair and Replacement Project, CIP 15-22; and

4. Approve the reallocation of $500,000 of Sewer Enterprise Funds from Replacement of Orangeberg Sewer Laterals, CIP 14-03, to the 2017 Water and Sewer Repair and Replacement Project, CIP 15-22.

Prepared by: Ed Wisniewski, Associate Civil Engineer

Reviewed by: Tim Busch, Principal Utility Engineer
Brent Meyer, City Engineer
Ken Hiatt, Assistant City Manager

Paul Navazio, City Manager

ATTACHMENTS:
Attachment A - Resolution
Attachment B - Proposal to Provide Construction Management & Inspection Services (Psomas)

RESOLUTION NO. ______

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND APPROVING A CONSTRUCTION CONTRACT WITH CIVIL ENGINEERING CONSTRUCTION, INC. IN THE AMOUNT OF $2,590,810 FOR CIP 15-22, THE 2017 WATER AND SEWER REPAIR AND REPLACEMENT PROJECT.

WHEREAS, the City of Woodland wishes to enter into a Construction Contract with Civil Engineering Construction, Inc. for CIP 15-22, the 2017 Water and Sewer Repair and Replacement Project; and

WHEREAS, the City Council wishes to approve a construction contract contingency of up to 10% ($259,081); and

WHEREAS, the City Council approved the plans and specifications and authorized advertisement for bids on January 17, 2017; and the City of Woodland advertised for bids on January 24, 2017; and

WHEREAS, on February 16, 2017 the City of Woodland received 10 bids, and Civil Engineering Construction, Inc. was determined to be the lowest responsive, responsible bidder with a base bid of $2,590,810; and

WHEREAS, the City Council wishes to approve the reallocation of $2,850,000 of Water Enterprise Funds from Water System Leak Detection, Maintenance & Repair, CIP 09-23, to the 2017 Water and Sewer Repair and Replacement Project, CIP 15-22; and

WHEREAS, the City Council wishes to approve the reallocation of $500,000 of Sewer Enterprise Funds from Replacement of Orangeberg Sewer Laterals, CIP 14-03, to the 2017 Water and Sewer Repair and Replacement Project, CIP 15-22; and

WHEREAS, the City Council wishes to approve a consultant agreement for construction management and inspection services with Psomas for an amount up to $343,975; and

WHEREAS, the City Council wishes to approve a Construction Contract with Civil Engineering Construction, Inc. and authorize its execution through adoption of this Resolution.

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

Section 1. The City Council hereby approves the Construction Contract with Civil Engineering Construction, Inc. in the amount of $2,590,810 and approves a ten (10%) percent construction contingency in the amount of $259,081. The City Manager is hereby authorized and directed to execute the contract, subject to City Attorney approval. The City Attorney is hereby authorized to make clarifying and confirming changes so long as the total dollar amount authorized herein does not change.

Section 2. The City Council hereby authorizes the reallocation of $2,850,000 of Water Enterprise Funds from Water System Leak Detection, Maintenance & Repair, CIP 09-23, to the 2017 Water and Sewer Repair and Replacement Project, CIP 15-22.

Section 3. The City Council hereby authorizes the reallocation of $500,000 of Sewer Enterprise Funds from Replacement of Orangeberg Sewer Laterals, CIP 14-03, to the 2017 Water and Sewer Repair and Replacement Project, CIP 15-22.

Section 4. The City Council hereby authorizes the City Manager to approve a consultant agreement with Psomas for construction management and inspection services for an amount up to $343,975 and a 10% contract contingency in the amount of up to $34,398.

Section 5. Copies of the Construction Contract and Consultant Agreement for Construction Management and Inspection Services are available and on file in the City Clerk's office, and are incorporated herein by reference and made a part of this Resolution.

PASSED AND ADOPTED this ________ day of ___________ 2017, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Angel Barajas, Mayor

ATTEST:

____
Ana B. Gonzalez, City Clerk

PSOMAS

February 13, 2017

Balancing the Natural and Built Environment

Mr. Tim Busch, PE
CITY OF WOODLAND
300 First Street
Woodland, CA 95695

Subject: Proposal to Provide Construction Management and Inspection Services for the 2017 Water and Sewer Repair and Replacement Project (CIP 15-22)

Dear Tim:

Psomas is pleased to submit our proposal to provide part-time construction management support and full-time inspection services on the above referenced project.

We understand that you would like Psomas to provide full-time inspection services and part-time construction management support services for the 2017 Water and Sewer Repair and Replacement project (CIP No. 15-22). We will assign Bill Starck as the inspector. Fred Tadewaldt, PE will provide resident engineering assistance and Kathy Huntziker certified payroll review on a part-time basis. Additional services will include Engeo for materials testing. It is assumed the management will be performed at the Psomas office or at space provided by the City at the City's office. We will document and monitor the progress of the construction activities during the period of construction and will verify the Contractor complies with the Contract Plans and City Standards.

Our Inspector's standard duties will include:

- Provide daily inspection and documentation of all job related activities.
- Prepare and maintain thorough Daily Inspection Reports.
- Provide accurate measured quantities, review Pay Estimates submitted by Contractor, and prepare and submit monthly payment to the City for processing.
- Coordinate material testing
- Provide photographs of construction activities.
- Report all discrepancies requiring corrective actions.
- Maintain separate "As-builts".
- Develop "Punch List" items and follow-up with corrective measures.
- Worker interviews per Davis-Bacon requirements

Areas of inspection include:

- Asphalt removal and trench paving
- Trench excavation and backfill
- Pipeline installation and testing
- SWPPP and erosion control
- Traffic control

1075 Creekside Ridge Drive
Suite 200
Roseville, CA 95678-3504

www.Psomas.com

RE Duties

- RFI response
- Submittal review
- Support to City Resident Engineer

Administrative Duties

- - Certified payroll reviews and record keeping

Materials Inspection, Engeo

- Compaction testing of backfill, includes preparing curves
- Concrete testing
- AC testing
- Special and supplemental inspection

Based on our conversation on December 9, our project assumptions are:

- Pre-Construction Phase - 10 working days (review plans, meet with contractor and design engineer, prepare contract file system)
- Construction Phase - 150 working days (9 months)
- Post-Construction Phase - 15 working days (punchlist review, contract closeout)
  TOTAL - 165 working days (WD)

- For budget purposes, we assume Inspection services at 8hrs/WD for a total of 1,320 hours. Additionally we assumed another 10% (132 hours) as overtime. We also assume management support services at 3 hrs/WD and administrative services at 1hrs/WD for a total of 495 and 165 hours of contract management respectively.

- We assume construction activity will occur during normal weekday hours at a standard 8 hour per day. The contractor will likely choose to work longer days on occasion based on activity requirements or to make up for delays.

- Notice to Proceed (NTP) expected April 1, 2017 or shortly thereafter. No time will be charged by Psomas until the City has issued the NTP and directed Psomas to begin services.

Predicated on the above, our opinion of probable cost is as shown below. Payment shall be based on an actual time & materials basis using the following rates:

DESCRIPTION	HOURS	RATE	TOTAL
Project Manager, Frank Martin	50	$200.00	$10,000
Inspector, Bill Starck (ST)	1,320	$150.00	$198,000
Inspector, Bill Starck (OT)	132	$202.50	$26,730
Project Assistance, Kim Yuson	32	$90.00	$2,880
Administrative, Kathy Huntziger	165	$86.00	$14,190
RE, Fred Tadewaldt	495	$165.00	$81,675
Engeo, materials testing			$10,000

Subcontractor Markup		5%	$500
Subtotal			**$343,975**
Contingency (0%)			**$0**
TOTAL			**$343,975**

*Overtime is charged at 135% of straight time to account for time and a half payment to the inspector.

Any contingency shown is intended to cover a limited amount of unplanned expenses such as extra costs due to delay and additional project manager hours if needed for disputes/negotiations. No contingency has been added for this proposal.

We appreciate this opportunity to serve the City of Woodland. Should you have any questions or comments, please call.

Sincerely,
PSOMAS

Frank C. Martin III, PE, QSP, ENV-SP
Project Manager
Cc: Ed Wisniewski, PE

If this proposal is acceptable, please sign below and return to Psomas. Thank you.

____
Tim Busch
Principal Utilities City Engineer, City of Woodland

City Hall
300 First Street
Woodland, CA 95695

Legislation Details (With Text)

File #:	17-0319	Version: 1	Name:	
Type:	Consent Item(s)		Status:	Agenda Ready
File created:	2/24/2017		In control:	City Council
On agenda:	3/7/2017		Final action:	

Title: SUBJECT: Second Amendment to the Lease Agreement with Elizabeth Restaurant for Operation of the Woodland Sports Park Concession Stand

Recommendation for Action: Staff recommends that the City Council authorize the City Manager to execute the Second Amendment to Lease Agreement between the City of Woodland and Elizabeth Restaurant for the operation of the Woodland Sports Park concession stand.

Sponsors:

Indexes:

Code sections:

Attachments: Concessionstandagreement
RESOLUTION

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: March 7, 2017
SUBJECT: Second Amendment to the Lease Agreement with Elizabeth Restaurant for Operation of the Woodland Sports Park Concession Stand

Recommendation for Action: Staff recommends that the City Council authorize the City Manager to execute the Second Amendment to Lease Agreement between the City of Woodland and Elizabeth Restaurant for the operation of the Woodland Sports Park concession stand.

Staff Contact

Dallas Tringali, Community Services Program Manager
(530) 661-2000; dallas.tringali@cityofwoodland.org

Fiscal Impact

Elizabeth Restaurant currently leases the concession stand at the Woodland Sports Park for $10,500 per year. This council action considers changing the monthly lease payment schedule but does not change the annual payment amount. Therefore, there is no fiscal impact.

Background

In April 2011, the City of Woodland entered into a three-year lease agreement with Elizabeth Restaurant to use the Woodland Sports Park concession stand to provide food and beverage services to sports park patrons. The agreement includes a provision to extend the term of the lease for three consecutive one-year terms.

In 2013, staff met with Elizabeth Restaurant to discuss business operations. Concerns were brought forward about the inability to generate sufficient revenue to cover monthly expenses during the months September through December. Field usage is significantly lower in the fall and winter months; therefore, the amount of money generated at the concession stand is minimal. Elizabeth Restaurant requested a reduction in the monthly lease payment to cover operating expenses and generate additional revenue. The City Council approved a new payment schedule with the payment of $1,050 from January-August, and $525 from September-December (annual payment of $10,500).

Discussion

As the term of the current agreement comes to an end, Elizabeth Restaurant discussed with staff an interest in further modifying the monthly payment schedule. Since the amount of patrons at the Woodland Sports Park decline during the fall and winter months, it would be advantageous for Elizabeth Restaurant to pay less during that time. The City would still collect $10,500 annually, but with a different monthly payment schedule The proposed payment schedule would include monthly payments of $1,100 from February-October, and $200 from November-January ($10,500 annually).

Conclusion

Staff recommends that the City Council authorize the City Manager to execute the Second Amendment to Lease Agreement between the City of Woodland and Elizabeth Restaurant for the operation of the Woodland Sports Park concession stand.

Prepared by: Dallas Tringali, Community Services Program Manager

Reviewed by: Christine Engel, Community Services Director

Paul Navazio, City Manager

Attachments:
1) Proposed Agreement
2) Resolution

SECOND AMENDMENT TO
LEASE AGREEMENT BETWEEN CITY OF WOODLAND
AND ELIZABETH RESTAURANT FOR WOODLAND
SPORTS PARK CONCESSIONS

THIS SECOND AMENDMENT TO LEASE AGREEMENT BETWEEN CITY OF WOODLAND AND ELIZABETH RESTAURANT FOR WOODLAND SPORTS PARK CONCESSIONS ("Second Amendment") is entered into this ___th day of March, 2017, by and between the CITY OF WOODLAND, a California municipal corporation ("City"), and MANUEL VALENZUELA, dba Elizabeth Restaurant ("Lessee"), on the terms and conditions set forth below. The City and Lessee are sometimes individually referred to as a "Party" and collectively referred to as the "Parties" in this Second Amendment.

WHEREAS, the City is the owner and/or operator of an approximately fifteen (15) acre park site located behind the Woodland Community Senior Center at 2001 East Street in the City of Woodland, California, which is more commonly known as the "Woodland Sports Park;" and

WHEREAS, the City and Lessee entered into that certain lease agreement dated April 18, 2011 ("Agreement"), which is incorporated by reference, to allow Lessee to be the exclusive operator of a concession trailer and designated beer garden (referred to collectively as the "Premises"), owned by the City and located at Woodland Sports Park; and

WHEREAS, the term of the Agreement expired on April 17, 2014, and the Parties entered into the First Amendment to make certain changes to, and extend the term of, the Agreement; and

WHEREAS, the First Amendment provided that the Agreement would expire on April 30, 2015, but that the Parties could extend the Agreement for three additional one-year terms, which would be documented in a written amendment to the Agreement; and

WHEREAS, the parties extended the Agreement in April 2015 and April 2016 by letter, not by an amendment to the Agreement, but the Parties desire to consider such letter extensions as permitted extensions to the Agreement and treated each other as if the extensions amended the Agreement; and

WHEREAS, as the Agreement will terminate on April 30, 2017, and the Agreement does not provide for any additional extensions, the Parties desire to enter into this Second Amendment; and

WHEREAS, pursuant to Section 3.6 of the Agreement, the Parties have mutually reevaluated and agreed upon adjusted payment amounts and schedules for an extension of the Agreement.

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which the Parties hereby acknowledge, the Parties agree as follows:

Section 1. **Incorporation of Recitals**. The recitals and all defined terms set forth above are hereby incorporated into this Second Amendment as though fully set forth herein.

Section 2. **Amendment to Section 2 of the Agreement.** As the Agreement is due to expire on April 30, 2017, Section 2 of the Agreement is amended to extend the term of the Agreement until April 30, 2020, unless earlier terminated pursuant to the provisions of the Agreement. The Parties may agree to extend the Agreement for three (3) additional one-year extensions. The agreement to extend the term shall be documented in a written extension by the parties and shall not require a separate amendment to this Agreement. The Parties shall determine whether to extend this Agreement by April 1st of each year prior to the expiration of the term or any extension thereof. Such extension terms shall be subject to the rental payment schedule set forth in Section 3.3 unless otherwise agreed to by the Parties.

Section 3. **Amendment to Section 3.3 of the Agreement.** Pursuant to Section 3.6 of the Agreement, Section 3.3 of the Agreement, entitled "Rent" is hereby deleted and replaced in its entirety to read as follows:

3.3 Rent. Lessee shall pay to the City, on the first day of each calendar month during the term of the Agreement (as amended by Second Amendment), the amounts set forth in this Section 3.3 as compensation for the concession rights, for use of the Premises, and for associated reasonable electrical and water costs. Each payment shall be delivered to the City at the address listed in Section 19.1 of the Agreement, or at such other place as designated by written notice from the City. The payment amount for any partial calendar months during the term of this Agreement shall be prorated on a daily basis. The rental payments set forth herein shall be in addition to all other costs and expenses set forth in the Agreement.

3.3.1 For that period from May 1, 2017 to October 31, 2017, a monthly payment of One Thousand One Hundred Dollars ($1,100.00).

3.3.2 For that period from November 1, 2017 to January 31, 2018, a monthly payment of Two Hundred Dollars ($200.00).

3.3.3 For that period from February 1, 2018 to October 31, 2018, a monthly payment of One Thousand One Hundred Dollars ($1,100.00).

3.3.4 For that period from November 1, 2018 to January 31, 2019, a monthly payment of Two Hundred Dollars ($200.00).

3.3.5 For that period from February 1, 2019 to October 31, 2019, a monthly payment of One Thousand One Hundred Dollars ($1,100.00).

3.3.6 For that period from November 1, 2019 to January 31, 2020, a monthly payment of Two hundred Dollars ($200.00).

3.3.7 For that period from February 1, 2010 to April 30, 2020, a monthly payment of One Thousand One Hundred Dollars ($1,100.00).

3.3.8 In addition to the foregoing, Lessee shall pay to the City a monthly payment equal to twenty-five percent (25%) of the gross revenue generated from the sale of draft beer. Copies of the register tapes shall be submitted by Lessee with the payment to the Recreation office at the Community and Senior Center.

Section 4. Amendment to Section 19.1. Section 19.1 of the Agreement is hereby amended to change the address for Lessee as follows:

Manuel Valenzuela
dba Elizabeth Restaurant
117 W. Miramonte Drive
Woodland, CA 95695

Section 5. No Other Changes. Except as amended by this Second Amendment, all other terms and conditions in the Agreement shall remain unchanged and shall continue on in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Second Amendment to the Agreement effective on the day and year first written above.

CITY OF WOODLAND	LESSEE
By: ______________________________	By: _________________________________
Paul Navazio City Manager	Manuel Valenzuela dba Elizabeth Restaurant
Date Signed: _____________________	Date Signed: __________________________

Attest:

____
Ana Gonzalez
City Clerk

Approved as to Form:

____
Kara K. Ueda
Best Best & Krieger LLP
City Attorney

FIRST AMENDMENT TO
LEASE AGREEMENT BETWEEN CITY OF WOODLAND
AND ELIZABETH RESTAURANT FOR WOODLAND
SPORTS PARK CONCESSIONS

THIS FIRST AMENDMENT TO LEASE AGREEMENT BETWEEN CITY OF WOODLAND AND ELIZABETH RESTAURANT FOR WOODLAND SPORTS PARK CONCESSIONS ("First Amendment") is entered into this 1st day of October, 2013, by and between the CITY OF WOODLAND, a California municipal corporation ("City"), and MANUEL VALENZUELA, dba Elizabeth Restaurant ("Lessee"), on the terms and conditions set forth below. The City and Lessee are sometimes collectively referred to as the "Parties" in this First Amendment.

WHEREAS, the City is the owner and/or operator of an approximately fifteen (15) acre park site located behind the Woodland Community Senior Center at 2001 East Street in the City of Woodland, California, which is more commonly known as the "Woodland Sports Park;" and

WHEREAS, the City and Lessee entered into that certain lease agreement dated April 18, 2011, ("Agreement"), attached as Exhibit "A" and incorporated by reference, to allow Lessee to be the exclusive operator of a concession trailer and designated beer garden (referred to collectively as the "Premises"), owned by the City and located at Woodland Sports Park; and

WHEREAS, the term of the Agreement expires on April 17, 2014, and the Parties wish to enter into this First Amendment to make certain changes to, and extend the term of, the Agreement; and

WHEREAS, pursuant to Section 3.6 of the Agreement, the Parties have mutually reevaluated and agreed upon adjusted payment amounts and schedules for an extension of the Agreement.

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which the Parties hereby acknowledge, the Parties agree as follows:

Section 1. **Incorporation of Recitals**. The recitals and all defined terms set forth above are hereby incorporated into this First Amendment as though fully set forth herein.

Section 2. **Amendment to Section 2 of the Agreement.** As the Agreement is due to expire on April 17, 2014, Section 2 of the Agreement is amended to extend the term of the Agreement until April 30, 2015, unless earlier terminated pursuant to the provisions of the Agreement. The Parties may agree to extend the Agreement for three (3) additional one-year extensions which agreement shall be documented in a written amendment to this Agreement. The Parties shall determine whether to extend this Agreement by April 1st of each year. Such extension terms shall be subject to the rental payment schedule set forth in Section 3.3 unless otherwise agreed to by the Parties.

Section 3. Amendment to Section 3.3 of the Agreement. Pursuant to Section 3.6 of the Agreement, Section 3.3 of the Agreement, entitled "Rent" is hereby deleted and replaced in its entirety to read as follows:

3.3 Rent. Lessee shall pay to the City, on the first day of each calendar month during the term of the Agreement (as amended by this First Amendment), the amounts set forth in this Section 3.3 as compensation for the concession rights, for use of the Premises, and for associated reasonable electrical and water costs. Each payment shall be delivered to the City at the address listed in Section 19.1 of the Agreement, or at such other place as designated by written notice from the City. The payment amount for any partial calendar months during the term of this Agreement shall be prorated on a daily basis. The rental payments set forth herein shall be in addition to all other costs and expenses set forth in the Agreement.

3.3.1 For that period from September 1, 2013 to December 31, 2013, a monthly payment of Five Hundred Twenty Five Dollars ($525).

3.3.2 For that period from January 1, 2014 to August 31, 2014, a monthly payment of One Thousand Fifty Dollars ($1050).

3.3.3 For that period from September 1, 2014 to December 31, 2014, a monthly payment of Five Hundred Twenty Five Dollars ($525).

3.3.4 For that period from January 1, 2015 to August 31, 2015, a monthly payment of One Thousand Fifty Dollars ($1050).

3.3.5 For that period from September 1, 2015 to December 31, 2015, a monthly payment of Five Hundred Twenty Five Dollars ($525).

3.3.6 For that period from January 1, 2016 to August 31, 2016, a monthly payment of One Thousand Fifty Dollars ($1050).

3.3.7 For that period from September 1, 2016 to December 31, 2016, a monthly payment of Five Hundred Twenty Five Dollars ($525).

3.3.8 For that period from January 1, 2017 to April 30, 2017, a monthly payment of One Thousand Fifty Dollars ($1050).

3.3.9 In addition to the foregoing, Lessee shall pay to the City a monthly payment equal to twenty-five percent (25%) of the gross revenue generated from the sale of draft beer. Copies of the register tapes shall be submitted by Lessee with the payment to the Recreation office at the Community and Senior Center.

Section 4. **<u>Amendment to Section 19.1</u>.** Section 19.1 of the Agreement is hereby amended to change the address for Lessee as follows:

Manuel Valenzuela
dba Elizabeth Restaurant
208 Teton Place
Woodland, CA 95695

Section 5. **<u>No Other Changes</u>.** Except as amended by this First Amendment, all other terms and conditions in the Agreement shall remain unchanged and shall continue on in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this First Amendment to the Agreement effective on the day and year first written above.

CITY OF WOODLAND

By: ______________________
Paul Navazio
City Manager

Date Signed: 10-7-13

LESSEE

By: ______________________
Manuel Valenzuela
dba Elizabeth Restaurant

Date Signed: 10-3-13

Attest:

____
Ana Gonzalez
City Clerk

Approved as to Form:

____
Kara K. Ueda
Best Best & Krieger LLP
City Attorney

LEASE AGREEMENT
BETWEEN CITY OF WOODLAND
AND ELIZABETH RESTAURANT
FOR WOODLAND SPORTS PARK CONCESSIONS

THIS AGREEMENT is entered into as of the 18th day of April, 2011 ("**Effective Date**") by and between THE CITY OF WOODLAND, a California municipal corporation ("**City**") and Elizabeth Restaurant ("**Lessee**"). City and Lessee are sometimes hereinafter referred to collectively as the "**Parties**" and individually as a "**Party.**"

RECITALS

A. City is the owner and/or operator of approximately fifteen (15) acre park site located behind the Woodland Community Senior Center at 2001 East Street in the City of Woodland, California, which is more commonly known as the "**Woodland Sports Park.**"

B. Lessee desires to be the exclusive operator of a concession trailer and designated beer garden area (referred to collectively as the "**Premises**") owned by the City and located at Woodland Sports Park for the purpose of providing food and beverage services to patrons of the Woodland Sports Park.

NOW, THEREFORE, in consideration of the above facts and for the covenants and agreements contained herein, the Parties hereto agree as follows:

TERMS

1. **Agreement.** City hereby grants to Lessee an exclusive leasehold interest in the Premises and the concession rights for the sale of food, such as hamburgers and hot dogs, snack food, such as candies, ice cream, popcorn, peanuts, and confections of all kinds, and beverages, such as coffee and soda, all known hereinafter collectively as "**Concessions.**" The Concessions shall be subject to the following restrictions:

1.1 No Concessions shall be dispensed in glass or metal containers.

1.2 No tobacco products, wine or other alcoholic beverage sale or disbursal, with the exception of beer pursuant to Section 1.4, shall be conducted on the Premises.

1.3 The City will specify certain Concessions that are prohibited at the Woodland Sports Park, such as sunflower seeds and chewing gum.

1.4 Draft beer will be sold by Lessee during hours of operation only as follows:

1.4.1 The City has set up a clearly designated beer garden area in the vicinity of the Premises for the consumption of draft beer.

1.4.2 Lessee shall, at its sole cost, provide sufficient security including, but not limited to, a security guard for the purpose of ensuring that persons who have purchased beer from Lessee are adhering to the rules and regulations of the beer garden. Security shall be present during all hours in which beer sold or disbursed by Lessee is available to and is being consumed by the public. Lessee shall be solely responsible for ensuring that there is sufficient security at all times and that such security is adequately enforcing any and all rules and regulations applicable to the beer garden.

1.4.3 Lessee shall, prior to the sale or disbursal of beer, obtain a valid permit from the City Parks and Recreation Department pursuant to Section 15-28 of the Woodland Municipal Code, as amended or renumbered from time to time. Lessee shall retain possession of the permit during all hours in which beer sold or disbursed by Lessee is available to and is being consumed by the public. Lessee shall post signage in and around the beer garden and the Premises notifying all persons in possession of alcoholic beverages that the beer garden is restricted to the consumption of beer obtained from Lessee and that no persons shall possess or consume beer outside the boundaries of the beer garden.

1.5 The City reserves the right in its sole and absolute discretion to make or enter into exclusive product marketing agreements, which agreements shall be binding on Lessee, and/or to reasonably restrict the sale of specific products.

1.6 This Agreement shall not inhibit or prevent City from authorizing other organizations to sell novelties (non-food items) at the Woodland Sports Park.

2. **Term**. The term of this Agreement shall begin on **April 18, 2011** and terminate on **April 17, 2014**, unless earlier terminated pursuant to the provisions contained herein. The Parties may extend this Agreement at any time by mutual written consent. During such extension, except as provided in Section 3, all terms and conditions of this Agreement shall remain in effect.

3. **Rental**.

3.1 Security Deposit. Lessee shall deposit with City the sum of Two Thousand Five Hundred Dollars ($2,500) ("**Security Deposit**") to secure Lessee's faithful performance of the terms, covenants and conditions of this Agreement. The deposit will be made according to the schedule below:

3.1.1 The amount of One Thousand Dollars due April 13, 2011.
3.1.2 The amount of One Thousand Dollars due May 1, 2011.

3.1.3 The amount of Five Hundred Dollars due June 1, 2011.

3.2 City's obligations with respect to the Security Deposit are solely that of creditor and not of trustee. City shall not be required to keep the Security Deposit separate from its general funds, and Lessee shall not be entitled to interest on the Security Deposit. City may use the Security Deposit, or any portion thereof, to cure a default or to compensate City for damages sustained by City resulting from Lessee's default or arising from Lessee's use of the Premises beyond normal wear and tear. If Lessee is not in default at the expiration or termination of this Agreement or if City has not used the Security Deposit for repairs, City shall return any unused portion of the Security Deposit to Lessee.

3.3 Rent. Lessee shall pay to City, on the first day of each calendar month during the term of this Agreement, the amounts set forth in this Section 3.3 as compensation for the concession rights, for the use of the Premises, and for associated reasonable electrical and water costs. Each payment shall be delivered to the City at the address listed in Section 19.1 or at such other place as designated by written notice from City. The payment amount for any partial calendar months during the term of this Agreement shall be prorated on a daily basis except for the initial payment for April 2011 which has been determined by both Parties. The rental payments set forth herein shall be in addition to all other costs and expenses set forth in this Agreement.

3.3.1 For that period from April 18, 2011 to April 30, 2011, the agreed-upon payment of Two Hundred Fifty Dollars ($250).

3.3.2 For that period from May 1, 2011 to March 31, 2012, a monthly payment of Eight Hundred Fifty Dollars ($850).

3.3.3 For that period from April 1, 2012 to March 31, 2013, a monthly payment of Nine Hundred Fifty Dollars ($950).

3.3.4 For that period from April 1, 2013 to March 31, 2014, a monthly payment of One Thousand Fifty Dollars ($1050).

3.3.5 For that period from April 1, 2014 to April 17, 2014, the prorated payment of Seven Hundred Thirty-Five Dollars ($595).

3.3.6 In addition to the foregoing, Lessee shall pay to City a monthly payment equal to twenty-five percent (25%) of the gross revenue generated from the sale of draft beer. Copies of the register tapes will be submitted with the payment to the Recreation office at the Community and Senior Center.

3.4 Special Events. Lessee shall pay to City an amount equal to ten percent (10%) of the gross revenue generated at special events, as described in

Section 4.2. Copies of the register tapes will be submitted with the payment to the Recreation office at the Community and Senior Center.

3.5 Penalties. If Lessee fails to deliver any payment(s) set forth above on or before the date specified, Lessee shall add ten percent (10%) of the unpaid amount, plus simple interest at a rate of one and a half percent (1.5%) per month, to the balance of the amount due from the date the payment(s) were due until the date the payment(s) are delivered to the City.

3.6 Extension of Agreement. Prior to approval of any extension of this Agreement pursuant to Section 2, the Parties shall mutually reevaluate and agree on a readjustment of the payment amount(s) and schedule(s) set forth herein.

4. **Hours of Operation.**

4.1 Regular Hours of Operation. Lessee shall operate the Premises from 4:00 p.m. to 10:00 p.m. Monday through Friday, 8:00 a.m. to 10:00 p.m. Saturday and Sunday, and during, as well as thirty (30) minutes prior to and following, all scheduled games, tournaments, and events at the Woodland Sports Park. To the extent practicable, the City shall provide a schedule to Lessee of the events scheduled for Woodland Sports Park at least one (1) month prior to the first event at which Lessee shall offer Concessions. The City shall forward changes to the scheduled events (additions or deletions) to the Lessee as soon as available, but no less than twenty-four (24) hours in advance of the scheduled event. All communications between the Parties pursuant to this Section 4.1 will be conducted via electronic mail for efficiency and for proper documentation.

4.2 Special Events. City may require Lessee to operate the Premises during certain special events and at other locations including, but not limited to, the 4th of July celebration at Woodland Senior High School. City shall notify Lessee via email at least thirty (30) days in advance of a special event of the required location and time(s) of operation of the Premises.

5. **Litter Pick-Up and Janitorial.** City, at its expense, shall provide garbage disposal facilities, including a metal dumpster with weekly scheduled pickups, for the Premises. Lessee will be responsible for litter pickup within a 100 feet radius of the Premises. Lessee shall be solely responsible for any costs incurred by the City in the collection and/or disposal of refuse that exceeds the garbage services provided by City pursuant to this Section 5 and shall pay the amount, in full, within ten (10) days of delivery of a bill for costs. The City will also provide receptacles for recyclable materials. The City encourages the Lessee to use recyclable materials and Lessee shall dispose of such materials in the appropriate receptacle. Lessee shall further comply with all applicable recycling and waste management policies, programs, laws and regulations applicable to the Premises and/or Woodland Sports Park.

6. **Maintenance.**

6.1 Ongoing Maintenance. Lessee shall be responsible for all repairs and upkeep on any and all equipment located within the Premises as well as the interior and exterior of the Premises. Lessee accepts the Premises in its current condition as of the Effective Date of this Agreement and shall maintain the Premises in the same or better condition during the term of this Agreement. Accordingly, Lessee shall, at its sole expense, be responsible for improvements (in accordance with Section 8), maintenance, repairs and daily cleaning of the Premises. Any damage to the Premises resulting or arising from the negligent operation by Lessee shall be repaired by the City at Lessee's expense.

6.1.1 Deep-cleaning. Lessee shall thoroughly and completely clean the Premises approximately once every six (6) months (each a "**Deep-cleaning**"). Deep-cleanings shall be scheduled by the City. The City may inspect the Premises after each Deep-cleaning as necessary to ensure compliance with this requirement.

6.2 Plumbing and Electrical Work. Lessee shall be solely responsible for any plumbing, electrical or mechanical repairs made to the Premises. The City shall in no way be obligated to pay for any plumbing, electrical or mechanical repairs made to the Premises without the prior written authorization of the City Parks and Recreation Director.

6.3 Storage. The City is not obligated to supply storage facilities or other facilities or equipment other than those available within the Premises.

6.4 Security. Lessee shall be solely responsible for the security of, and any costs associated with the repair or replacement of all equipment, supplies and materials located at and stored in the Premises.

7. **Improvements.**

7.1 Lessee shall not construct improvements to the Premises without the express written approval of the City Recreation Manager or designee. Such approval shall not be unreasonably withheld. A request to construct improvements to the Premises shall include a construction plan submitted to the City Recreation Manager or designee.

7.2 Construction of approved improvements shall both comply with City's construction standards and be subject to inspections by City staff. Approved improvements shall be constructed at Lessee's sole cost and expense. All such improvements shall become the property of City; provided, however, that Lessee may, upon termination of this Agreement, remove from the Premises all equipment belonging to and installed by

Lessee so long as such removal does not cause damage to or around the Premises or compromise the function of any existing City property.

8. **Additional Facilities.** Subject to City's prior written approval, Lessee may operate additional facilities including, without limitation, an expanded beverage service station and an additional facility for the preparation and/or service of Concessions at the Premises for no additional rental payment; provided, however, that Lessee may only hook up one (1) facility to the City's electrical and water services regardless of the number of facilities operated by Lessee at any time.

9. **Inspections.** The Premises shall be available at all times for safety inspections by authorized City representatives and other proper governmental authorities. Lessee expressly agrees to reasonably cooperate with any safety inspections and to comply with the findings of such inspections.

10. **Right to Repair and Maintain.** If City determines that a condition of vandalism, disrepair and/or improper maintenance exists on or in the Premises that is within Lessee's responsibilities as set forth in this Agreement, City shall notify Lessee of such condition. If such condition is not corrected as set forth below, City reserves the right to remedy the condition. In such instances, City shall contact Lessee prior to entry onto the Premises for repair and/or maintenance conducted pursuant to this Section 10.

10.1 Notification of Hazardous Conditions: If the City notifies Lessee of vandalism/disrepair which presents a hazardous condition, the condition shall be corrected within three (3) operating days, or five (5) business days, whichever is less. If the condition is not repaired within this time, City staff will cause the repairs to be made. In such instances, Lessee shall be billed for the City's labor and materials. It is expressly agreed by the parties that Lessee will pay for such repairs within ten (10) days of delivery.

10.2 Notification of Non-Hazardous Conditions: If City notifies Lessee of a vandalism/disrepair other than a hazardous condition, the condition shall be corrected within fifteen (15) business days. If the condition is not repaired within this time, City staff may cause the repairs to be made. In such instances, Lessee shall be billed for City's labor and materials. It is expressly agreed by the parties that Lessee will pay for such repairs within ten (10) days of delivery.

11. **Call Outs for City Staff Assistance.** When, in response to calls after normal work hours by either Lessee or the general public, City repairs or resolves a problem at the Premises, payment for this "call out" shall be as follows:

11.1 If, according to this Agreement, the item is within the maintenance responsibility of City, City will pay for the call out.

11.2 If, however, the service is within the maintenance responsibility of Lessee, City shall bill Lessee for the services rendered by City staff. Lessee shall pay such bills issued by City within ten (10) days of delivery.

12. **Premises Obligations**. In exchange for the use of the Premises, it is expressly agreed by the Parties that Lessee shall:

12.1 Keep the Premises open for business during all hours of operation as set forth in Section 4.

12.2 Provide a menu of foods which is both varied and economical for the public and follow safe food preparation practices to ensure the safety of the food products served to the public. City staff reserves the right to review the menu items and prohibit any items as specified in City policy (i.e., sunflower seeds are prohibited at the Woodland Sports Park).

12.3 Keep the Premises free of all waste or refuse matter.

12.4 Maintain, at its own expense, regular pest control service for the Premises.

12.5 Conduct a criminal history background check in accordance with California Penal Code section 11105.3 on each employee or volunteer prior to allowing that employee or volunteer to work in or around the Premises. No person who has been convicted for any offense listed in California Public Resources Code section 5164(a)(2) shall be employed by or allowed to volunteer for Lessee, except as permitted by City. Lessee may apply to City for a waiver to permit an employee or volunteer who has not passed a background check to perform work in or around the Premises. Granting of waivers shall be in City's sole discretion and on a case-by-case basis. City shall in no way be liable for any actions or omissions by Lessee's employees, agents or volunteers, whether such actions are within or outside the scope of this Agreement, or whether such employee, agent or volunteer has passed a background check or received a waiver by City. Lessee shall not perform any work under this Agreement until it has provided to City a certification stating under penalty of perjury that all of Lessee's employees and volunteers, with the exception of those for whom the City has granted a waiver, have passed the requisite background check set forth herein. Lessee will also provide the City with an updated staff list whenever staff changes occur.

12.6 Provide City-approved security guard(s) during all hours of operation at which beer is sold and/or consumed on the Premises in accordance with this Agreement and City policies.

12.7 Maintain the following licenses and certifications:

12.7.1 A valid City of Woodland Business License.

12.7.2 A valid City of Woodland Health Inspection Certificate.

12.7.3 All necessary documentation required to comply with the Yolo County Food Protection Program including, without limitation, a valid Food Safety Certification. The City currently has a food health permit from Yolo County for the Premises. To the extent permitted by the County and applicable law, City will execute documentation necessary to transfer the City's food health permit to Lessee.

12.7.4 A valid Liquor License issued by the California Department of Alcoholic Beverage Control for the sale of beer on the Premises.

12.7.5 A valid permit from the City Parks and Recreation Department pursuant to Section 15-28 of the Woodland Municipal Code, as amended or renumbered from time to time.

12.8 Comply with all local, State and Federal regulations including, without limitation, all existing County health requirements, Occupational and Safety Health Administration (OSHA) standards, and local, State and Federal labor laws. All work shall be done by qualified personnel and Lessee shall provide copies of all Federal, State, County and City licenses or certificates to City upon request.

13. **Indemnification**. Lessee shall defend, indemnify and hold harmless City, its officers, officials, employees, agents and volunteers from and against all claims, damages, demands, liability, costs, losses and expenses, including, without limitation, court costs and reasonable attorney's fees, arising out of or in connection with any act or omission of Lessee, its officers, employees, agents, volunteers, contractors and subcontractors with respect to the use, enjoyment or improvement of the Premises, except such loss or damage which was caused by the sole negligence or willful misconduct of City. City shall not be liable for any theft, vandalism, or any other damages to Premises. The provisions of this Section shall survive the termination and/or expiration of this Agreement.

14. **Taxes and Assessments.** Lessee shall pay in a timely manner all lawful Federal, State and/or local taxes, assessments, fees, licenses or charges which may be levied based upon:

14.1 Lessee's interest in this Agreement.

14.2 Any possessory right which Lessee may have in or to the Premises or improvements thereon by reasons of its use or occupancy thereof.

14.3 Any goods, merchandise, fixtures, appliances and equipment owned, used or sold by Lessee on or about the Premises including, but not limited to, applicable sales taxes.

15. **Insurance.** Lessee and its contractor(s) and subcontractor(s) shall maintain in full force and effect during the term of this Agreement insurance policies for general liability, automobile liability and professional liability issued by a reputable insurance company acceptable to City. Each policy shall be in an amount of not less than $1,000,000 combined single limit for all bodily injury and property damage claims. Each insurance policy shall name City as an additional insured, protecting the interests of City, Lessee, its subcontractors and agents from all loss, damage or liability of whatever nature (including Lessee indemnification of City hereunder) arising out of or in connection with Lessee's use, enjoyment or improvement of the Premises. Lessee's insurance shall be a primary policy and not contributory to or in excess of any policy of City. Said insurance policy shall provide that it shall not be cancelled or reduced in amount of coverage until thirty (30) days written notice of cancellation or reduction in coverage has been mailed to City.

15.1 Lessee shall furnish City with an annual insurance endorsement prior to the exercise of any of the rights and privileges granted by this Agreement and each subsequent year of this Agreement. Upon request by City, Lessee shall provide City with a copy of its insurance policy evidencing the issuance of the foregoing policy.

15.2 If Lessee employs any individual on the Premises or contracts for services to be rendered by a contractor's employee on the Premises, any such employee on the Premises shall be covered by applicable workers' compensation insurance as required by law. Lessee shall submit proof of current, effective workers' compensation insurance to City both annually and upon request by City.

16. **Return of Premises.** Upon expiration or termination of this Agreement, Lessee shall return the Premises to the same or better condition than existed prior to the execution of this Agreement, with the exception of reasonable wear and tear. Any improvements made to the Premises by Lessee shall become the property of City. In the event Lessee holds over past the term of this Agreement with the consent of the City, either express or implied, such holding over shall be from month to month only and the consideration to be paid shall be based on the rate then prevailing under this Agreement.

17. **Hazardous Substances.** Lessee shall not generate, use, store or dispose of any hazardous substance on the Premises except in accordance with all applicable Federal, State and local laws and regulations. Lessee shall hold City harmless from and indemnify City against and from any damage, loss, expenses or liability resulting from any generation, use, storage or disposal by Lessee of any hazardous substance on the Premises. "Hazardous substance" shall be interpreted broadly to mean any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, or other similar term of any Federal, State or local environmental law, regulation or rule now in effect or promulgated in the future as such laws, regulation or rules may be amended from time to time; and it shall be interpreted to include, but not be limited to, gasoline and other fuel, oil, grease and battery acid, or any substance

which after release into environment will or may reasonably be anticipated to cause sickness, death or disease.

18. **Early Termination.** Either party may terminate this Agreement upon sixty (60) days written notice. Additionally, City may terminate this Agreement prior to the expiration of the term by providing Lessee with thirty (30) days written notice specifying the manner in which Lessee is in default of this Agreement. In the event such default is not remedied within the 30 day period, the Agreement shall terminate and be of no further force and effect except as expressly provided herein. City, upon the effective date of such termination, may take possession of the Premises, without further notice or demand to Lessee, unless Lessee has cured the default and notified City in writing prior to or by the effective date of the termination. The following matters shall constitute an event of default:

18.1 Lessee remains in arrears in any payment of rent required by Section 3 for a period of at least five (5) days following receipt of written notice of such arrearage from City.

18.2 Lessee fails or refuses to:

18.2.1 pay any fees required to be paid by it within fifteen (15) days following receipt of written notice of such arrearage from City.

18.2.2 obtain or maintain the insurance required by this Agreement.

18.2.3 maintain the Premises as set forth in this Agreement.

18.3 Lessee files a voluntary petition in any proceedings in Bankruptcy Court.

18.4 Abandonment of the Premises by Lessee.

19. **General Provisions.**

19.1 Notices. Any notices required under this Agreement shall be sent as follows:

If to the Lessee:

Elizabeth Restaurant
Attn: Manuel Valenzuela
437 First Street
Woodland, CA 95695

If to the City:

City of Woodland
Attn: Elle Murphy, Recreation Manager
2001 East Street
Woodland, CA 95776
Fax: (530) 666-7257
elle.murphy@cityofwoodland.org

Notices given pursuant to this Agreement shall be deemed received as follows:

(a) If sent by United States Mail – three (3) days after deposit into the United States Mail, first class postage paid.

(b) If by facsimile, electronic mail or by hand delivery – on the date of receipt by the receiving party.

The addresses set forth in this Section may be changed upon written notice of such change to either the Lessee or the City, as appropriate.

19.2 Authority to Enter Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

19.3 Construction; References; Headings. It being agreed the Parties or their agents have participated in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Unless otherwise provided, any term referencing time, days, or period for performance shall be deemed calendar days and not work days. All references to Lessee include all officers, employees, agents, volunteers and contractors of Lessee, except as otherwise specified in this Agreement. All references to City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The headings of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement..

19.4 Binding Effect. Each and all of the covenants and conditions shall be binding on and shall inure to the benefit of the Parties, and their successors, heirs, personal representatives, or assigns.

19.5 Assignment. Lessee shall not transfer or sublet the operation of the Premises without the express written consent of the City, which consent may be withheld in the City's sole discretion, notwithstanding sections 1995.260 and 1995.270 of the California Civil Code as they may be amended.

19.6 Relationship of the Parties. The parties expressly intend and agree that Lessee, in performing this Agreement, shall act as an independent contractor and shall have control over its work and the manner in which it is performed by Lessee and its employees. Lessee acknowledges that it is not an agent or employee of City and is not entitled to participate in any pension plans, bonus, stock or similar benefits that City provides for its employees.

19.7 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a

Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

19.8 Force Majeure. Neither City nor Lessee shall be deemed to be in breach of this Agreement if either is prevented from performing any of its obligations hereunder by reason of strike, boycott, labor dispute, embargo, shortage of energy or material, act of God, act of a public enemy, act of a superior governmental authority, weather conditions, rebellion, riot, sabotage, or any other circumstance for which it is not responsible, or which is not within its control.

19.9 Irreparable Damage. Unless as the result of a negligent or intentional act of Lessee, if during the term of this Agreement any portion of the Premises is damaged by fire or other catastrophic cause so as to render such portion of the Premises untenable, the obligations under this Agreement (including the obligation to pay rent) may be suspended while such portion of the Premises remains untenable. In the event of such damage, Lessee shall give City notice of such untenable conditions and the City shall elect, in its sole discretion and within thirty (30) days, whether to repair the Premises or to cancel this Agreement. In the event City elects not to repair the Premises, this Agreement shall be deemed terminated as of the date the damage occurred.

19.10 Choice of Law/Venue. This Agreement shall in all respects be interpreted, enforced and governed by and under the laws of the State of California. Should any judicial proceeding be brought relating to this Agreement, venue shall lie exclusively in a court of competent jurisdiction located in Yolo County, or if no such court can be found in Yolo County, a court of competent jurisdiction closest to Yolo County.

19.11 Severability. If any portion of this Agreement shall become illegal, null, void or against public policy for any reason, or shall be held by any court of competent jurisdiction to be illegal, null, void or against public policy, the remaining portions of this Agreement shall not be affected thereby and shall remain in force and effect to the full extent permissible by law.

19.12 Attorneys' Fees. If an action is brought to recover damages, obtain equitable relief, or both, to interpret or enforce any provision of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees as part of its costs from the other party.

19.13 Counterparts. This Agreement may be executed in counterpart originals, which taken together, shall constitute one and the same instrument.

19.14 Amendments. This Agreement constitutes the entire agreement between the Parties and supersedes any and all prior oral or written agreements.

No modification of, or addition to, this Agreement shall be effective unless set forth in writing and signed by authorized both the City and Lessee.

IN WITNESS THEREOF, each Party has executed this Agreement as of the date first set forth above.

CITY OF WOODLAND	**ELIZABETH RESTAURANT**
Mark Deven, City Manager	Manuel Valenzuela
	Elizabeth Perez

RESOLUTION NO. __________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND AUTHORIZING THE CITY MANAGER TO EXECUTE A SECOND AMENDMENT TO THE LEASE AGREEMENT WITH ELIZABETH RESTAURANT FOR OPERATION OF THE WOODLAND SPORTS PARK CONCESSION STAND

WHEREAS, the City of Woodland operates a sports park at the Woodland Community & Senior Center that includes a concession stand; and

WHEREAS, the City of Woodland has leased the concession stand to Elizabeth Restaurant to provide sports park patrons with the ability to purchase food and refreshments; and

WHEREAS, Elizabeth Restaurant desires to continue to operate the concession stand for the same annual lease payment with a different lease schedule than in the current agreement; and

WHEREAS, City of Woodland desires to continue to lease the concession stand to Elizabeth Restaurant; and

WHEREAS, the City Council wishes to approve the Second Amendment to the lease agreement and authorize its execution through the adoption of this resolution.

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

Section 1. The City Council authorizes the City Manager to execute the Second Amendment to the Lease Agreement with Elizabeth Restaurant.

Section 2. A copy of the Agreement is available and on file in the City Clerk's office, and is incorporated herein by reference and made a part of this Resolution.

PASSED AND ADOPTED this 7th day of March 2017, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Angel Barajas, Mayor

ATTEST:

____
Ana Gonzalez, City Clerk

APPROVED AS TO FORM:

____
Kara K. Ueda, City Attorney

Legislation Details (With Text)

File #:	17-0312 Version: 1	Name:	
Type:	Consent Item(s)	Status:	Agenda Ready
File created:	2/16/2017	In control:	City Council
On agenda:	3/7/2017	Final action:	
Title:	SUBJECT: Spring Lake Park N1 Project (Phase 1), CIP 17-10; Award Construction Contract Recommendation for Action: Staff recommends that the City Council adopt Resolution No. ______, to (1) award the construction contract to Procida Landscaping, Inc. in the amount of $448,731.96 for the base bid plus additive alternate 3 for the Spring Lake N1 Project CIP 17-10 and authorize a contingency not to exceed $22,437. And (2) Appropriate $95,000 of additional Parks SLIF Funds to the Project.		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	A - Resolution B - Master Plan Phasing Plan		

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: March 7, 2017
SUBJECT: Spring Lake Park N1 Project (Phase 1), CIP 17-10; Award Construction Contract

Recommendation for Action: Staff recommends that the City Council adopt Resolution No. ______, to (1) award the construction contract to Procida Landscaping, Inc. in the amount of $448,731.96 for the base bid plus additive alternate 3 for the Spring Lake N1 Project CIP 17-10 and authorize a contingency not to exceed $22,437. And (2) Appropriate $95,000 of additional Parks SLIF Funds to the Project.

Staff Contact

Clara Olmedo, Associate Engineer - (530) 661-5824, clara.olmedo@cityofwoodland.org

Fiscal Impact

The Spring Lake N1 Park Project, CIP 17-10 is funded in the Capital Budget in the amount of $500,000. Due to increased construction costs as reflected in the bids, the project requires an additional allocation of $95,000. This funding is available in the Parks SLIF fund balance. This amount of additional funding is consistent with the amount of funding that is being collected in the fee program. No General Fund dollars are allocated to this project

Background

Park N1 is located on Osborn Drive and Shellhammer Drive and is part of the Cal West subdivision west of

Harry Lorenzo Avenue.

The park improvements will be constructed in two phases with the first phase as shown in the attached Master Plan Phasing Plan developed with input of Spring Lake residents during several public meetings and approved by Council.

Phase 1 parking improvements included with this construction award include:

- 2-acre improvement area
- Multi-use turf area
- Playground area and equipment for young children (ages 2-5)
- Native planting mounds
- Small picnic area

Phase 2 improvements not part of this construction award:

- Playground area and equipment for elementary aged children
- Restroom and maintenance shed
- Group picnic shelter and other small picnic areas
- Native planting
- Paved and decomposed granite paths with connections to adjoining greenbelt
- Benches, pathway lighting, drinking fountains
- Softball size field
- Half-basketball court

At the December 20, 2016 Council meeting, several members of the Council expressed concern about the limited amount of active turf area as well as potential security concerns with the design of the current master plan. In response, staff returned to the January 17, 2017 Council meeting with a plan to address these concerns along with a proposal to seek additional public input from future Spring Lake residents as well as the Parks and Recreation Commission and the City Council prior to proceeding with the second phase. The specific actions adopted were as follows:

Direct staff to:

a) Evaluate refinements to the Master Plan for Park N1 that integrate more usable active turf space and reduce potential public safety concerns;
b) Solicit additional public input from Spring Lake residents after build out of the adjacent CalWest subdivision;
c) Ensure that any revisions to the Master Plan be reviewed by the Parks and Recreation Commission and approved by the City Council prior to commencing preparation of construction drawings for the remaining 6 acres (Phase 2) of the park project.

<u>Discussion</u>

On December 20, 2016 Council approved plans and specifications for the project. The Engineer’s estimate of construction cost for the base bid was $350,000.

On February 21, 2017 the City received 7 bids for construction of the Project. Staff has performed due diligence in reviewing the bids and all bids comply with the technical submittal requirements. The City received the following bids:

Bidder's Name	Base Bid +All Alternates	Base Bid
Procida Landscaping, Inc. (Low Bidder)	$511,253.06	$433,734.76
JM Slover, Inc.	$535,518.24	$431,465.21
Stockbridge General Contracting, Inc.	$573,855.90	$463,244.80
Saenz Landscape	$597,076.41	$508,135.19
Sierra Valley Construction, Inc.	$620,621.78	$521,496.39
Lister Construction, Inc.	$633,359.35	$517,922.05
Abide Builders, Inc.	$636,789.66	$528,186.58

Procida Landscaping, Inc. has been determined to be the lowest responsible, responsive bidder, which per the bidding documents, was determined by the base bid amount plus all additive alternates.

The project was bid with the following three additive alternates:

Base Bid: $433,734.76
Alternate 1: Turf from Sod ($34,690.66)
Alternate 2: Portion of the Decomposed Granite (DG) Trail ($27,830.44)
Alternate 3: Native Mounds ($14,997.20)
Staff is recommending that the contract award include the base bid plus bid Alternate 3 which equals $448,731.96. Alternate 3 is recommended by staff because it is a main feature that was requested by residents during the public process and it is part of the approved Master plan.

Alternates 1 and 2 are not recommended due to limited available project funding. Alternate 1 was added to the bid to speed the establishment of the grass if bids came in low. Alternate 2 was included to add a portion of the decomposed granite path that will be completed with Phase 2. The portion of the path is not necessary for Phase 1 since it runs along existing sidewalks. Once Phase 2 is constructed, the path will need to be constructed around the full perimeter of the park as shown in the Master plan phasing plan.

Staff anticipates construction starting in April with completion in the fall of 2017.

Recommendation for Action: Staff recommends that the City Council adopt Resolution No. ______, to (1) award the construction contract to Procida Landscaping, Inc. in the amount of $448,731.96 for the base bid plus additive alternate 3 for the Spring Lake N1 Project CIP 17-10 and authorize a contingency not to exceed $22,437. And (2) Appropriate $95,000 of additional Parks SLIF Funds to the Project.

Prepared by: Clara Olmedo, Associate Engineer

Reviewed by: Brent Meyer, City Engineer
Ken Hiatt, Assistant City Manager - Community and Economic Development

Paul Navazio, City Manager

ATTACHMENTS:
Attachment A - Resolution
Attachment B - Master Plan Phasing Plan

RESOLUTION NO. ______

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND APPROVING A CONSTRUCTION CONTRACT, FOR THE SPRING LAKE N1 PARK PROJECT, CIP 17-10

WHEREAS, the City of Woodland has funding in the Capital Budget to construct the project, referred to as the Spring Lake N1 Park Project, CIP 17-10 (the "Project"); and

WHEREAS, the City wishes to appropriate $95,000 of additional Parks SLIF funding to the Project which will raise the total project budget to $595,000; and

WHEREAS, the City opened bids on February 21, 2017 and received 7 bids. The lowest responsive, responsible bidder was Procida Landscaping, Inc. based on their base bid plus all additive alternates amount of $511,253.06; and

WHEREAS, the City wishes to award the construction contract amount of $448,731.96 based on the base bid plus bid alternate 3 and authorize a contingency up to $22,437; and

WHEREAS, the City wishes to approve the construction contract and authorize contract execution through adoption of this Resolution.

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

Section 1. The City Council hereby approves the Agreement with Procida Landscaping, Inc. in the amount of $448,731.96 and authorizes and directs the City Manager to execute the Agreement. The City Attorney is hereby authorized to make clarifying and conforming changes so long as the total dollar amount authorized in the Agreement does not change.

Section 2. The City Council also authorizes a maximum construction contingency of $22,437 and authorizes the City Manager to such an amendment to the agreement if such contingency is required.

Section 3. The City Council hereby authorizes the appropriation of $95,000 of additional Parks SLIF funding to the Spring Lake N1 Park Project, CIP 17-10.

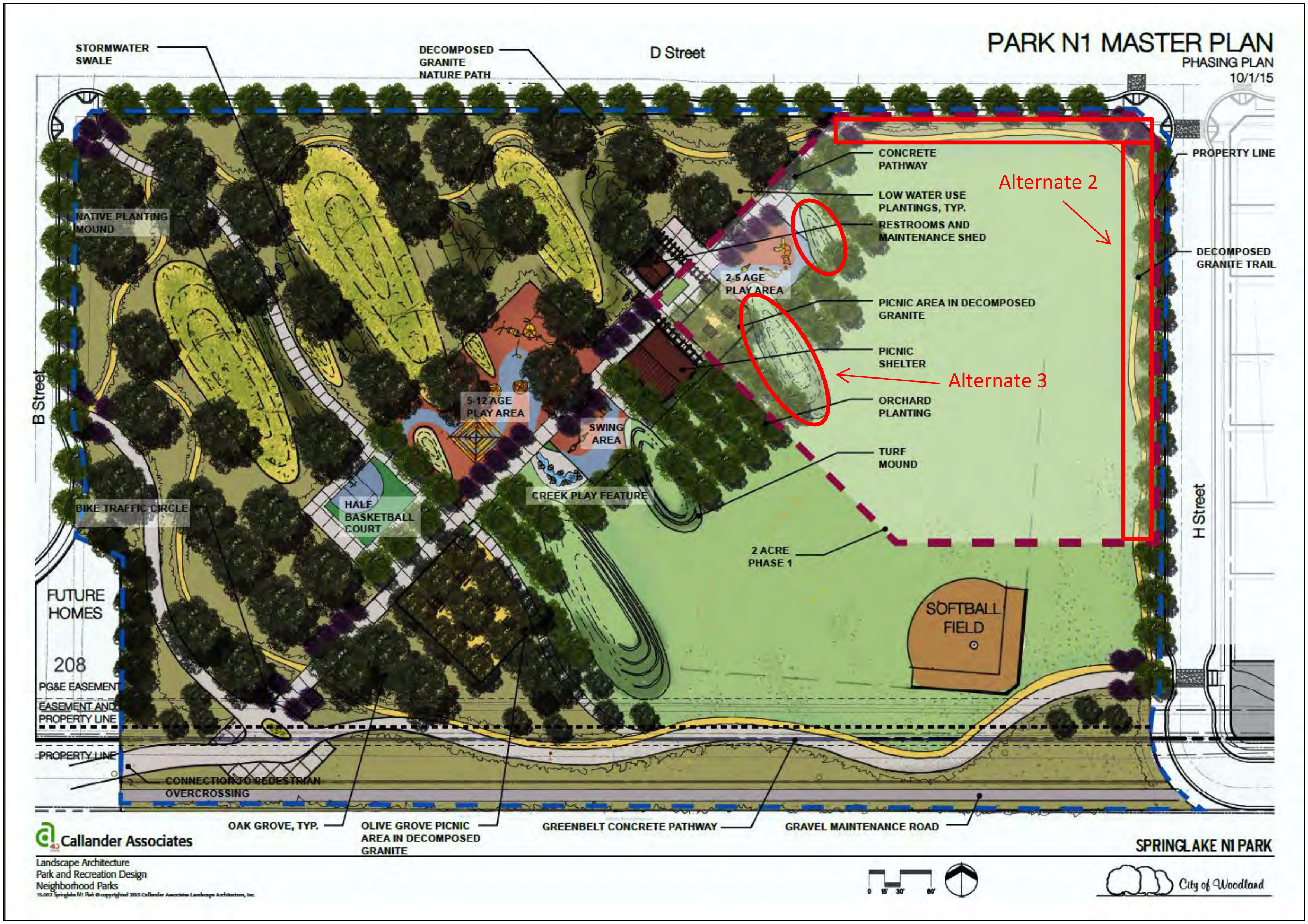
PASSED AND ADOPTED this ________ day of ___________ 2017, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Angel Barajas, Mayor

ATTEST:

____
Ana B. Gonzalez, City Clerk


PARK N1 MASTER PLAN
PHASING PLAN
10/1/15
D Street
B Street
H Street
STORMWATER SWALE
DECOMPOSED GRANITE NATURE PATH
CONCRETE PATHWAY
LOW WATER USE PLANTINGS, TYP.
RESTROOMS AND MAINTENANCE SHED
PROPERTY LINE
Alternate 2
DECOMPOSED GRANITE TRAIL
NATIVE PLANTING MOUND
2-5 AGE PLAY AREA
PICNIC AREA IN DECOMPOSED GRANITE
PICNIC SHELTER
Alternate 3
ORCHARD PLANTING
5-12 AGE PLAY AREA
SWING AREA
TURF MOUND
CREEK PLAY FEATURE
BIKE TRAFFIC CIRCLE
HALF BASKETBALL COURT
2 ACRE PHASE 1
FUTURE HOMES
208
PG&E EASEMENT
EASEMENT AND PROPERTY LINE
SOFTBALL FIELD
PROPERTY LINE
CONNECTION TO PEDESTRIAN OVERCROSSING
OAK GROVE, TYP.
OLIVE GROVE PICNIC AREA IN DECOMPOSED GRANITE
GREENBELT CONCRETE PATHWAY
GRAVEL MAINTENANCE ROAD
Callander Associates
Landscape Architecture
Park and Recreation Design
Neighborhood Parks
SPRINGLAKE N1 PARK
City of Woodland

Legislation Details (With Text)

File #:	17-0321	Version: 1	Name:		
Type:	Consent Item(s)		Status:	Agenda Ready	
File created:	2/25/2017		In control:	City Council	
On agenda:	3/7/2017		Final action:		

Title: SUBJECT: Approval of Funding Increases for FY 2016/17 Community Development Block Grant Projects

Recommendation for Action: Staff recommends that the City Council adopt Resolution No. _____, approving the following funding increases for FY 2016/17 Community Development Block projects: $8,750 for the Woodland Host Lions - Scouting Associates' Boy Scout Cabin ADA Ramp and $35,000 for the City of Woodland's ADA Accessibility Project.

Sponsors:

Indexes:

Code sections:

Attachments: Addtl Funds Reso for March 7 CC 23Feb17

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: March 7, 2017

SUBJECT: Approval of Funding Increases for FY 2016/17 Community Development Block Grant Projects

Recommendation for Action: Staff recommends that the City Council adopt Resolution No. _____, approving the following funding increases for FY 2016/17 Community Development Block projects: $8,750 for the Woodland Host Lions - Scouting Associates' Boy Scout Cabin ADA Ramp and $35,000 for the City of Woodland's ADA Accessibility Project.

Staff Contact

Dan Sokolow, Senior Planner - (530) 661-5927

Fiscal Impact

The Community Development Block Grant (CDBG) funds, a cumulative amount of $43,750, will be provided from CDBG funds remaining from previously funded and completed CDBG projects and CDBG projects that were canceled. The funds are included in the existing FY 2016/17 CDBG budget appropriation.

Background

The City awarded FY 2016/17 CDBG funds Woodland Host Lions - Scouting Associates' Boy Scout Cabin ADA Ramp ($35,000 allocation and $45,000 funding request), and City of Woodland's ADA Accessibility

Project ($140,000 allocation, $200,000 funding request). Last year, the Cottonwood Meadows Re-Roof project (New Hope Community Development Corporation, FY 2015/16 funding award) was canceled and this made available more than $70,000 for re-programming to other construction activities. The remaining available funds (beyond the $43,750) will be allocated in an action plan amendment for the fiscal year 16/17 and/or made available for the fiscal year 17/18 action plan.

Discussion

The Boy Scout Cabin ADA Ramp will result in an ADA-compliant entrance to the Scout Cabin and ADA access to the rear yard of the Scout Cabin property. Increasing the funding to $43,750 is close to the $45,000 estimated cost of the project. If additional funds are needed beyond $43,750, the Woodland Host Lions - Scouting Associates intends to rely on fundraising efforts. For the City of Woodland's ADA Accessibility Project, the total funding would increase to $175,000. The additional budget may assist the City in receiving competitive bids and allows the City to add extra ramp locations.

Conclusion

Staff recommends that the City Council adopt Resolution No. _____, approving the following funding increases for FY 2016/17 Community Development Block projects: $8,750 for the Woodland Host Lions - Scouting Associates' Boy Scout Cabin ADA Ramp and $35,000 for the City of Woodland's ADA Accessibility Project.

Prepared by: Dan Sokolow
Senior Planner

Reviewed by: Christine Engel
CSD Director

Paul Navazio, City Manager

Attachment
Resolution

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND APPROVING $43,750 IN FUNDING INCREASES FOR TWO PROJECTS FUNDED THROUGH THE FISCAL YEAR 2016/17 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

WHEREAS, Woodland Host Lions – Scouting Associates (Boy Scout Cabin ADA Ramp) and City of Woodland (ADA Accessibility Project) received Community Development Block Grant (CDBG) funding allocations through Woodland's FY 2016/17 Action Plan;

WHEREAS, additional funds are needed for Woodland Host Lions – Scouting Associates, and City of Woodland projects in the cumulative amount of $43,750;

WHEREAS, the proposed CDBG funding increases will not trigger an amendment to Woodland's FY 2016/17 Annual Action Plan since the amounts for each project will not exceed the original CDBG funding allocations by more than 25 percent.

NOW THEREFORE, BE IT RESOLVED, as follows:

The City Council does hereby approve the following funding increases for the FY 2016/17 Community Development Block projects: $8,750 for the Woodland Host Lions – Scouting Associates' Boy Scout Cabin ADA Ramp and $35,000 for the City of Woodland's ADA Accessibility Project.

PASSED, APPROVED AND ADOPTED this _________ day of ____________, 2017 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Angel Barajas, Mayor

ATTEST:

____
Ana Gonzalez, City Clerk

APPROVED AS TO FORM:

____
Kara K. Ueda, City Attorney

City Hall
300 First Street
Woodland, CA 95695

Legislation Details (With Text)

File #:	17-0322	Version: 1	Name:		
Type:	Public Hearing Item		Status:	Agenda Ready	
File created:	2/27/2017		In control:	City Council	
On agenda:	3/7/2017		Final action:		

Title: SUBJECT: Public Hearing - Proposed Water Rate Increase

Recommendation for Action: Staff recommends that the City Council:
1) Conduct a public hearing and,
2) Upon close of the public hearing, tally the protest ballots, and
3) If the City does not receive a majority protest (7,837 protests), adopt the proposed "Urgency Ordinance of the City Council of Woodland, California, to take Effect Immediately, to Increase Rates for Water Service and to Adopt a Drought Charge," to be effective immediately with increased water rates as of April 1, 2017, and
4) Introduce and waive the first reading of Ordinance No. ______, "Ordinance of the City Council of Woodland, California, to Increase Rates for Water Service and to Adopt a Drought Charge."

Sponsors:

Indexes:

Code sections:

Attachments: WOODLAND_ March 2017 Urgency Ordinance Increasing Water Rates-c1.pdf
WOODLAND_ Ordinance Increasing Water Rates March 2017-c1.pdf

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: March 7, 2017
SUBJECT: Public Hearing - Proposed Water Rate Increase

Recommendation for Action: Staff recommends that the City Council:
1) Conduct a public hearing and,
2) Upon close of the public hearing, tally the protest ballots, and
3) If the City does not receive a majority protest (7,837 protests), adopt the proposed "Urgency Ordinance of the City Council of Woodland, California, to take Effect Immediately, to Increase Rates for Water Service and to Adopt a Drought Charge," to be effective immediately with increased water rates as of April 1, 2017, and
4) Introduce and waive the first reading of Ordinance No. ______, "Ordinance of the City Council of Woodland, California, to Increase Rates for Water Service and to Adopt a Drought Charge."

Staff Contact

Lynn Johnson, Senior Management Analyst - lynn.johnson@cityofwoodland.org

Fiscal Impact

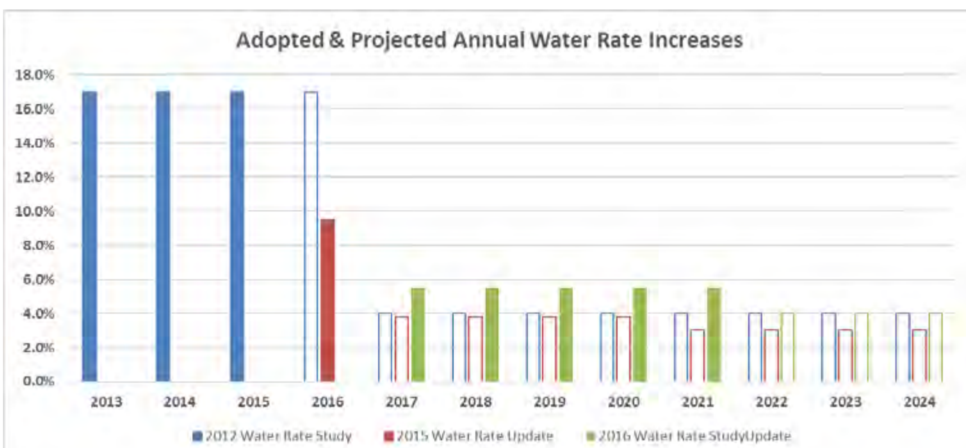
Adoption of the proposed water rate increases of 5.5%/year for five (5) years will generate sufficient revenue to meet the City's operational and capital needs through FY 2021 as well as meet the City's current debt service and debt coverage ratio requirements. Capital projects will be funded through reserves and rate revenue. No additional bond issuances are assumed in the proposed rate structure.

The option of adopting a supplemental drought surcharge has been included for Council consideration in case a severe water shortage necessitates mandated water conservation and the associated water revenue loss. This surcharge would only be implemented upon City Council direction and under severe drought conditions where the City has 25% less water available than City-wide demand for water. The drought charge would require City Council approval to be implemented and would be temporary in order to financially protect the water utility during times of water shortage.

Background

The City's last water rate ordinance was adopted in 2012, and provided for maximum annual increases of 17% per year from 2013 through 2016. The main reason for the need to implement the 2013-16 water rate increases was to cover costs associated with the city's proportionate share of the Davis-Woodland Surface Water Project, including regional and local treatment, distribution and storage facilities. At that time, it was anticipated that future annual water rate increases, beyond 2016, would be in the range of 3-4% per year.

However, as a result of favorable contract and financing terms associated with the Surface Water Project, the City Council did not implement the full 17% rate increase for 2016 and instead implemented a 9.5% water rate increase. All information known at that time indicated that only moderate rate increases (slightly below 4% per year) would be needed in the five-year forecast to account for inflation and any debt service changes. However, the continued drought and State-required water conservation mandates reduced water consumption even more substantially than had been assumed. As a result, rate revenue to the City's water utility in FY2015/16 was more than $2 million less than projected in our last rate analysis.



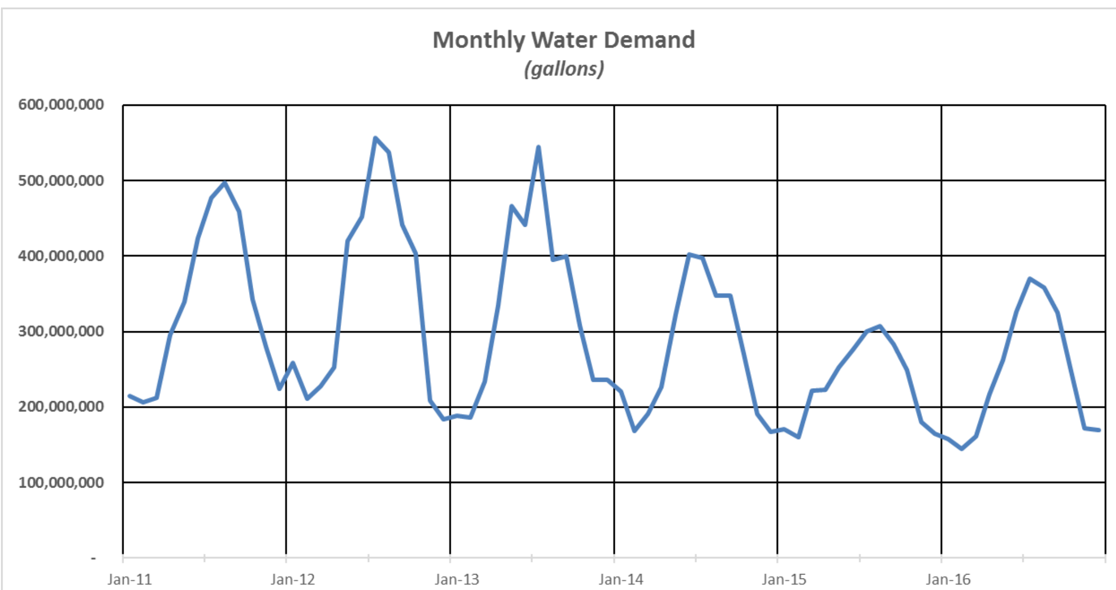
Discussion

Revenue Requirements - Water Rate Adjustments

Staff has been working with HDR Engineering, Inc. since last summer to complete the 2016 Water Rate Study. The rate setting process has three major parts: determining the revenue requirement for the water utility, analyzing the cost of service for the various customer classes, and creating the rate structure consistent with the strict requirements of Proposition 218.

The results of the water rate study propose water revenue increases of 5.5% beginning April 2017, January 2018, January 2019, January 2020, and January 2021. These increases are necessary to provide sufficient revenue to meet the following conditions:

- **Inflation**. Approximately 3.0% of the proposed annual increase is needed to meet the normal incremental inflation of costs associated with maintaining existing water infrastructure, including the distribution system, above ground water tanks, and water meters.
- **Ongoing Need for Infrastructure Improvements.** Approximately 0.5-1.0% of the rate adjustments support specific capital infrastructure projects needed to meet new State drinking water standards associated with Hexavalent Chromium. This newly-adopted state requirement would prohibit the City from relying on exiting groundwater wells to meet peak demand during the summer months.
- **Reduced Water Use**. City water customers have responded very well to the need to conserve water as a result of the protracted drought. On an annual basis, water use in the City has been reduced approximately 30% when compared to pre-drought (2013) levels. This level of conservation has exceeded earlier projections, and has reduced revenues to meet the requirements of the water utility. As a result, about 1.5% of the proposed rate increase each year is needed to partially offset the loss in water utility revenues resulting from conservation.



Drought Surcharge

The 2016 Water Rate Study includes - for the first time - an optional drought surcharge that could be included in the City's adoption of the water rate ordinance as a means of providing a water rate revenue "contingency plan" should the City face future State-mandated water conservation measures. While the drought surcharge was included in the staff recommendation at the outset of the current rate-setting process, and was therefore included in the notices required to be sent to all city water customers, the Council has the option of adopting a water rate ordinance that excludes the drought surcharge. Staff has prepared revised ordinances for Council action should the Council choose to forego establishing the drought surcharge at this time.

As water consumption drops as a result of conservation during a drought, so do the consumption based water revenues. The current rates, as well as the proposed rates, collect approximately 60% of the revenues through the consumption or variable charges. Accordingly, a decline in consumption can have a significant impact on revenues as noted previously. Many water utilities have begun to develop “drought rates” as a means to buffer against sharp revenue declines during periods of mandated conservation, thus allowing the utility to meet requirements of fixed costs (such as debt service payments).

The proposed drought rate would only be implemented if the City Council determines that there is a water crisis in the City of Woodland and the water shortage exceeds 25%. In other words, when the City has 25% less water available than demand for water the City Council would consider adopting the drought rate. The drought rate is intended to financially protect the water fund and allow the City to have sufficient revenues during times of water shortage or water emergency events. The drought rate is also intended to be temporary in nature and would be lifted or removed when the water shortage event is over. Additionally, the City Council would consider imposing the temporary drought rate at the same time it determined that it is in a water crisis, so there would not be an automatic trigger to implement the rate. The proposed drought surcharge would increase the cost per CF (cubic foot) of water by $.0208.

Ongoing Efforts to Manage Water Rate Impacts

It has been - and continues to be - the goal of the City to meet the requirements of providing safe, reliable and high quality water supply to our customers while being sensitive to the impact that water rate increases. Past efforts associated with the management and financing of the Davis-Woodland Surface Water Project enabled the City Council, in 2016, to forego enacting water rate increases at the maximum level authorized, effectively passing savings on to water customers.

On a going forward basis, there are several factors that will provide opportunities for the City Council to avoid implementing the full increases authorized under the proposed water rate ordinance. Some of these will be outside of the control of the City, while others will be aggressively pursued to the extent possible:

- Water Consumption - As referenced earlier in this report, city water customers have - collectively - reduced water consumption by over 30% since 2013. Some of this reduction is due to mandated water conservation measures implemented in response to the protracted drought, while some water conservation results from customers being generally more aware of their water use. To the extent that the water rate study is necessarily based on the most recent water consumption data available, and includes conservative assumptions about continued conservation, any increase in water consumption above the levels assumed in the water rate study will provide the City with the flexibility to reduce future water rate increases.

- Restructuring Water Utility Debt Payments - A significant portion of the fixed costs associated with the City’s water utility is the cost of loans secured to finance Woodland’s share of the Surface Water Project and related local capital infrastructure. The bulk of the financing was secured at very favorable interest rates (1.78%), with loan repayment amortized over a 20-year period. Staff has initiated discussions with the State Water Resources Control Board to consider the option of re-structuring the loan(s) to a 30-year amortization. While this option would ultimately result in higher long-term costs, it would also reduce annual loan re-payments by over $2.0 million per year, thus reducing pressure on our water rates in the near term.

- Restructuring Summer Water Rights Promissory Note - A critical component of the Surface Water Project is the securing of permanent rights to 10,000 acre-feet of summer water. This right is being paid for through a series of 24 annual payments, required to be covered through annual water rate revenues.

The City is planning to restructure the financing vehicle for the purchase of the summer water rights and is exploring means to do so in a way that reduces reliance on annual water rate revenues and therefore water rates.

- Excess Capacity - The overall water system (supply, distribution and storage) has been designed to serve the needs of the community now and well into the future.
    - As the City continues to grow, new water customers are required to buy-in to the city's water system and future utility revenue requirements will be able to be spread over more customers. This reduces the pressure for future increases to be borne entirely by "existing" customers.
    - The City is also exploring whether our water system could provide benefits to other communities, who lack the resources or ability to bring their water system into compliance with state standards or to meet growing demands for potable water. While there are significant constraints in expanding the customer base for the water utility beyond the city limits (i.e. water right permit restrictions and the City's own Urban Limit Line ordinance), staff continues to explore options that may yield significant revenues beyond consumption-based water rates.

- Regulatory Relief - among the factors driving the need for water rate increases is the accelerating of specific capital improvement projects needed to meet new State Safe Drinking Water requirements. The City continues to work collaboratively with other similarly-situated jurisdictions who are seeking relief from some of the most stringent requirements, specifically those where significant investments are needed to achieve (arguably) marginal public health and environmental benefits.

Public Outreach

In accordance with Proposition 218, notifications of the proposed water rate changes were mailed to property owners and customers of record on January 20, 2017. Utility bill inserts providing additional information and clarification on the proposed rate adjustments were included with all February utility bills. A Public Meeting was held on February 15, 2017 with notification going out through the Daily Democrat, Nextdoor.Com, Facebook, and the City's e-mail distribution list. Approximately 50 residents attended the informational session. Additionally, there has been a Water Rate Hotline available to the community for questions, and the City received 25 calls as of February 27. Staff has met with the Chamber of Commerce Public Policy Committee as well as submitted an article for publication in the Chamber of Commerce E-Newsletter.

Utility Assistance Program

The City's Utility Assistance Program currently provides $60/month for up to 6-months in a rolling 12-month period. The FY2016/17 budget includes $150,000 in Measure J funding in support of this program. As a result of the need to increase water rates, staff intends to recommend additional funding for the Utility Assistance program as part of the FY2017/18 budget process.

Commission/Committee Recommendation

- The Water Utility Advisory Committee (WUAC) met in September 2016 and again in December 2016 to review the draft Water Rate Study.

- The Council Infrastructure Sub-Committee met on January 12, 2017 and reviewed the proposed water rate study and proposed rate adjustments.

- Most recently, staff was invited to present and discuss the proposed water rate adjustments at a meeting of the Public Policy Committee of the Woodland Chamber of Commerce on March 2, 2017.

Conclusion

Staff recommends that the City Council:

1) Conduct a public hearing and,
2) Upon close of the public hearing, tally the protest ballots, and
3) If the City does not receive a majority protest (7,837 protests), adopt the proposed "Urgency Ordinance of the City Council of Woodland, California, to take Effect Immediately, to Increase Rates for Water Service and to Adopt a Drought Charge," to be effective immediately with increased water rates as of April 1, 2017, and
4) Introduce and waive the first reading of Ordinance No. ______, "Ordinance of the City Council of Woodland, California, to Increase Rates for Water Service and to Adopt a Drought Charge."

Prepared by: Lynn Johnson, Senior Management Analyst

Paul Navazio, City Manager

Attachments: (1) Urgency Ordinance of the City Council of Woodland California, to take Effect Immediately, to Increase Rates for Water Service and to Adopt a Drought Charge

(2) Ordinance of the City Council of the City of Woodland, California, to Increase Rates for Water Service and to Adopt a Drought Charge

ORDINANCE NO. ___________

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WOODLAND, CALIFORNIA, TO TAKE EFFECT IMMEDIATELY, TO INCREASE RATES FOR WATER SERVICE AND TO ADOPT A DROUGHT CHARGE

WHEREAS, the Woodland City Council has previously established water rates; and

WHEREAS, California law allows the City to recover the full cost of providing water service to customers, including the cost of sources of water, treatment facilities, pipelines, and other infrastructure, through the establishment of water rates; and

WHEREAS, the City has determined that the existing water rates do not adequately recover the City's costs of providing water serviced to customers and the City contracted with the firm HDR Engineering, Inc. to prepare a water rate study, which analyzed the city's water rate revenues and cost of water operations; and

WHEREAS, the City Council on January 17, 2017, authorized City staff to mail the notices required by Proposition 218 to all property owners and water customers and on that same date set March 7, 2017, as the date for a public hearing on the proposed adoption of increased water rates; and

WHEREAS, the City sent mailed notices to all property owners and water customers on January 20, 2017; and

WHEREAS, the City Council intends to establish water rates that do not exceed the cost to the City of providing the service for which the fees and charges are imposed and desires to have the ability to impose a drought surcharge in the event that the City experiences a water crisis and determines that imposition of such a surcharge is necessary in order to provide sufficient revenue to the water fund to continue to provide water to City water customers; and

WHEREAS, the City Council has held a public hearing and taken testimony from all interested persons and accepted written protests from all persons wishing to protest the adoption of the new water rates, as required by Article 13D, Section 6 of the California Constitution; and

WHEREAS, as of the close of the public hearing, the City Clerk attested that written protests against the proposed fee or charge were not presented by a majority of owners or customers of the affected parcels.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF WOODLAND DOES ORDAIN AS FOLLOWS:

Section 1. The City Council hereby adopts the recitals and findings set forth above and in the staff report prepared in connection with this ordinance.

Section 2. The City Council hereby adopts, by not less than a two-thirds vote pursuant to Government Code section 5471, the water rate schedule set forth in Exhibit "A", attached hereto and incorporated herein by reference.

Section 3. This Ordinance supersedes and voids all prior ordinances, resolutions, and other Council actions, which are inconsistent with its terms, including all prior ordinances and resolutions establishing or amending water rates.

Section 4. Adoption of this Ordinance is exempt from the California Environmental Quality Act pursuant to Section 15061(b)(3) of the CEQA Guidelines (14CCR 15061(b)(3)). CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. It is therefore found and declared that the adoption of the water rate schedule in this ordinance will not have a significant effect on the environment, as the consumption-based water rates herein adopted will encourage water conservation.

Section 5. This is an urgency ordinance necessary for the public health and safety, passed by a four-fifths vote of the City Council. An urgency ordinance is needed because there is an urgent need to provide additional funds to the City's water fund. Providing adequate water service to City residents and other customers is a matter of public safety, and the additional funds to the water fund are necessary to maintain the public health and safety.

Section 6. Severability. If any provision of this Ordinance or the application thereof to any person of circumstances I held invalid, such invalidity shall not affect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the Ordinance be enforced.

Section 7. Effective Date. This Ordinance shall go into effect immediately, and the increased water rates shall be effective as of April 1, 2017.

PASSED AND ADOPTED this 7th day of March, 2017 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Angel Barajas, Mayor

ATTEST:

APPROVED AS TO FORM:

Ana B. Gonzales, City Clerk

Kara K. Ueda, City Attorney

EXHIBIT "A"

Water Rate Schedule

The water rates and the effective dates for their implementation are as follows:

Monthly Rates

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
	4/1/2017	1/1/2018	1/1/2019	1/1/2020	1/1/2021
Meter Charge (All customer classes)					
3/4"	$44.85	$47.30	$49.95	$52.70	$55.65
1"	44.85	47.30	49.95	52.70	55.65
1 1/2"	44.85	47.30	49.95	52.70	55.65
2"	44.85	47.30	49.95	52.70	55.65
3"	84.25	88.90	93.80	99.00	99.00
4"	140.40	148.10	156.40	165.00	165.00
6"	280.35	295.70	312.20	329.40	329.40
Consumption (per CF)					
Residential -					
0 - 1200 CF	$0.0320	$0.0338	$0.0357	$0.0377	$0.0398
1201 - 3600 CF	0.0385	0.0407	0.0430	0.0454	0.0479
3600 + CF	0.0474	0.0500	0.0528	0.0558	0.0589
Multi-Family, Commercial, Institutional, Industrial, & City					
Uniform Rate	$0.0431	$0.0440	$0.0465	$0.0491	$0.0518
Landscape					
Uniform Rate	$0.0471	$0.0497	$0.0525	$0.0555	$0.0586

CF = Cubic Feet Most water meters are read in cubic feet which is equal to 7.48 gallons

Drought Rates – only effective if authorized by separate City Council action.

Drought Rate Additional Charge per CF - Water Shortage Greater than 25%					
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Residential					
0 - 1200 CF	0.0208	0.0219	0.0231	0.0244	0.0257
1201 - 3600 CF	0.0208	0.0219	0.0231	0.0244	0.0257
3600 + CF	0.0208	0.0219	0.0231	0.0244	0.0257
Multi-Family, Commercial, Institutional, Industrial, & City					
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Landscape					
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ORDINANCE NO. ___________

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WOODLAND, CALIFORNIA TO INCREASE RATES FOR WATER SERVICE AND TO ADOPT A DROUGHT CHARGE

WHEREAS, the Woodland City Council has previously established water rates; and

WHEREAS, California law allows the City to recover the full cost of providing water service to customers, including the cost of sources of water, treatment facilities, pipelines, and other infrastructure, through the establishment of water rates; and

WHEREAS, the City has determined that the existing water rates do not adequately recover the City's costs of providing water serviced to customers and the City contracted with the firm HDR Engineering, Inc. to prepare a water rate study, which analyzed the city's water rate revenues and cost of water operations; and

WHEREAS, the City Council on January 17, 2017, authorized City staff to mail the notices required by Proposition 218 to all property owners and water customers and on that same date set March 7, 2017, as the date for a public hearing on the proposed adoption of increased water rates; and

WHEREAS, the City sent mailed notices to all property owners and water customers on January 20, 2017; and

WHEREAS, the City Council intends to establish water rates that do not exceed the cost to the City of providing the service for which the fees and charges are imposed and desires to have the ability to impose a drought surcharge in the event that the City experiences a water crisis and determines that imposition of such a surcharge is necessary in order to provide sufficient revenue to the water fund to continue to provide water to City water customers; and

WHEREAS, the City Council has held a public hearing and taken testimony from all interested persons and accepted written protests from all persons wishing to protest the adoption of the new water rates, as required by Article 13D, Section 6 of the California Constitution; and

WHEREAS, as of the close of the public hearing, the City Clerk attested that written protests against the proposed fee or charge were not presented by a majority of owners or customers of the affected parcels.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF WOODLAND DOES ORDAIN AS FOLLOWS:

Section 1. The City Council hereby adopts the recitals and findings set forth above.

Section 2. The City Council hereby adopts, by not less than a two-thirds vote pursuant to Government Code section 5471, the water rate schedule and drought rate set forth in **Exhibit "A"**, attached hereto and incorporated herein by reference.

Section 3. This Ordinance supersedes and voids all prior ordinances, resolutions, and other Council actions, which are inconsistent with its terms, including all prior ordinances and resolutions establishing or amending water rates.

Section 4. Adoption of this Ordinance is exempt from the California Environmental Quality Act pursuant to Section 15061(b)(3) of the CEQA Guidelines (14CCR 15061(b)(3)). CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. It is therefore found and declared that the adoption of the water rate schedule in this ordinance will not have a significant effect on the environment, as the consumption-based water rates herein adopted will encourage water conservation.

Section 5..Severability. If any provision of this Ordinance or the application thereof to any person of circumstances I held invalid, such invalidity shall not affect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the Ordinance be enforced.

Section 6. Effective Date. The City Clerk shall certify to the adoption of this Ordinance and the City Clerk shall cause this Ordinance to be published within 15 days as required by law.

PASSED AND ADOPTED this **_________** day of March, 2017, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Angel Barajas, Mayor

ATTEST: **APPROVED AS TO FORM**:

____
Ana B. Gonzales, City Clerk

____
Kara K. Ueda, City Attorney

EXHIBIT “A”

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Uniform Rate	$0.0431	$0.0440	$0.0465	$0.0491	$0.0518
Landscape					
Uniform Rate	$0.0471	$0.0497	$0.0525	$0.0555	$0.0586

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Legislation Details (With Text)

File #:	17-0323 Version: 1	Name:	
Type:	Report of the City Manager	Status:	Agenda Ready
File created:	2/28/2017	In control:	City Council
On agenda:	3/7/2017	Final action:	

Title: SUBJECT: Reauthorization of Public Education and Government Fee on State Cable Franchisees

Recommendation for Action: Staff recommends that the City Council:
1.) Introduce Ordinance No. ______, an Ordinance of the City Council of the City of Woodland Amending Section 8A.650 of the Woodland Municipal Code Reauthorizing the Public Educational and Government Fee on State Cable Franchisees Operating within the City; and
2.) Adopt Ordinance No. ______, an Urgency Ordinance of the City Council of the City of Woodland Amending Section 8A.650 of the Woodland Municipal Code Reauthorizing the Public Educational and Governmental Fee on State Cable Franchisees Operating within the City.

Sponsors:

Indexes:

Code sections:

Attachments: Woodland - Urgency Ordinance Reauthorizing PEG Fee-c2.pdf
Woodland - Ordinance Reauthorizing PEG Fee-c2.pdf

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: March 7, 2017
SUBJECT: Reauthorization of Public Education and Government Fee on State Cable Franchisees

Recommendation for Action: Staff recommends that the City Council:
1.) Introduce Ordinance No. ______, an Ordinance of the City Council of the City of Woodland Amending Section 8A.650 of the Woodland Municipal Code Reauthorizing the Public Educational and Government Fee on State Cable Franchisees Operating within the City; and
2.) Adopt Ordinance No. ______, an Urgency Ordinance of the City Council of the City of Woodland Amending Section 8A.650 of the Woodland Municipal Code Reauthorizing the Public Educational and Governmental Fee on State Cable Franchisees Operating within the City.

Staff Contact

Lynn Johnson, Senior Management Analyst - lynn.johnson@cityofwoodland.org

Fiscal Impact

The City receives approximately $32,000/year in AT&T franchise fee that is set aside for Public, Educational and Government (PEG) uses. Additionally, we are entitled to receive approximately $45,000/year in WAVE

Broadband Franchise Fee for PEG uses. Both franchise fee agreements expire this year, and as such, the reauthorization of the PEG fee will ensure that the City of Woodland continues to receive these funds that can be used to expand and maintain the systems that support our government channels.

Background

The City Council previously adopted Woodland Municipal Code section 8A.650 which imposes a PEG fee on state cable franchisees operating within the City as authorized in the Digital Infrastructure and Video Competition Act of 2006 (DIVCA). The Public Utilities Code requires that the PEG fee be reauthorized upon the expiration of an applicable state franchise.

The state franchise for franchisees operating within the City, including WAVE Broadband and AT&T, will expire and are expected to be renewed this year.

Discussion

The City receives 5% of gross revenue franchise fee from both AT&T and WAVE Broadband that is considered General Fund revenue. Additionally, the City is supposed to receive 1% of gross revenue fee that is set aside for PEG uses. The City has been receiving these PEG funds from AT&T and is working with WAVE Broadband to collect this additional 1% PEG revenue.

Reauthorization of the PEG fee is now required to continue receiving the PEG fee revenue. Because the franchise contracts are expiring in March 2017, we are also recommending adopting an urgency ordinance to ensure an uninterrupted funding stream for City PEG channels. These channels provide public access, governmental and educational programming for the benefit of all City cable subscribers and other residents.

Conclusion

Staff recommends that the City Council:

1.) Introduce Ordinance No. ______, an Ordinance of the City Council of the City of Woodland Amending Section 8A.650 of the Woodland Municipal Code Reauthorizing the Public Educational and Government Fee on State Cable Franchisees Operating within the City; and

2.) Adopt Ordinance No. ______, an Urgency Ordinance of the City Council of the City of Woodland Amending Section 8A.650 of the Woodland Municipal Code Reauthorizing the Public Educational and Governmental Fee on State Cable Franchisees Operating within the City.

Prepared by: Lynn Johnson, Senior Management Analyst

Paul Navazio

Paul Navazio, City Manager

Attachments: (1) Urgency Ordinance of the City Council of the City of Woodland Amending Section 8A.650 of the Woodland Municipal Code Reauthorizing the Public Educational and Government Fee on State Cable Franchisees Operating Within the City of Woodland

(2) Ordinance of the City Council of the City of Woodland Amending Section 8A.650 of the Woodland Municipal Code Reauthorizing the Public Educational and Government Fee on State Cable Franchisees Operating Within the City

ORDINANCE NO. _____

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WOODLAND AMENDING SECTION 8A.650 OF THE WOODLAND MUNICIPAL CODE REAUTHORIZING THE PUBLIC EDUCATIONAL AND GOVERNMENT FEE ON STATE CABLE FRANCHISEES OPERATING WITHIN THE CITY

WHEREAS, the City Council previously adopted Woodland Municipal Code section 8A.650 which imposes a public, educational and governmental ("PEG") fee on state cable franchisees operating within the City as authorized in the Digital Infrastructure and Video Competition Act of 2006 ("DIVCA"); and

WHEREAS, Public Utilities Code section 5870(n) provides that the PEG fee be reauthorized upon the expiration of an applicable state franchisee; and

WHEREAS, the state franchise for franchisees operating within the City, including AT&T, Inc. and WAVE Broadband, will expire and are expected to be renewed this year; and

WHEREAS, AT&T's franchise will expire March 30, 2017; and

WHEREAS, the City Council wishes to adopt this Ordinance as an urgency measure to ensure that it applies to the renewal of AT&T's franchise; and

WHEREAS, doing so preserves the public peace, health and safety by ensuring an uninterrupted funding stream for City PEG channels, which provide public access, governmental and educational programming for the benefit of all City cable subscribers and other residents.

NOW, THEREFORE, the City Council of the City of Woodland does hereby ordain as follows:

SECTION 1. **Findings.** The above recitals are true and correct and are incorporated into this Ordinance by reference. These recitals are written findings justifying this Ordinance.

SECTION 2. **Amendment.** Subsection (d) is hereby added to Section 8A.650 of the Woodland Municipal Code to read in full as follows:

> "(d) The public, educational, and government access fee authorized by subsection (b) is hereby reauthorized to the extent required by Section 5870(n) of the California Public Utilities Code. As such, all state franchisees operating within the City whose state franchise is renewed after the March 1, 2017 shall continue to collect and remit the PEG channel facilities fee as set forth in this section."

SECTION 3. **Severability.** If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Ordinance that can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable.

SECTION 4. **Effective Date.** This Ordinance shall take immediately under Government Code section 36937.

SECTION 5. **Publication.** The City Clerk shall certify to the adoption of this Ordinance, and the City Clerk shall cause this Ordinance or a summary thereof to be published as required by law.

PASSED AND ADOPTED by the City Council of the City of Woodland on this _________ day of _______________, by the following four-fifths vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Angel Barajas
Mayor

ATTEST:

____
Ana Gonzalez
City Clerk

APPROVED AS TO FORM:

____
Kara Ueda
City Attorney

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WOODLAND AMENDING SECTION 8A.650 OF THE WOODLAND MUNICIPAL CODE REAUTHORIZING THE PUBLIC EDUCATIONAL AND GOVERNMENT FEE ON STATE CABLE FRANCHISEES OPERATING WITHIN THE CITY

WHEREAS, the City Council previously adopted Woodland Municipal Code section 8A.650 which imposes a public, educational and governmental ("PEG") fee on state cable franchisees operating within the City as authorized in the Digital Infrastructure and Video Competition Act of 2006 ("DIVCA"); and

WHEREAS, Public Utilities Code section 5870(n) provides that the PEG fee be reauthorized upon the expiration of an applicable state franchisee; and

WHEREAS, the state franchise for franchisees operating within the City, including AT&T, Inc. and WAVE Broadband, will expire and are expected to be renewed this year.

NOW, THEREFORE, the City Council of the City of Woodland does hereby ordain as follows:

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

SECTION 2. **Amendment.** Subsection (d) is hereby added to Section 8A.650 of the Woodland Municipal Code to read in full as follows:

> "(d) The public, educational, and government access fee authorized by subsection (b) is hereby reauthorized to the extent required by Section 5870(n) of the California Public Utilities Code. As such, all state franchisees operating within the City whose state franchise is renewed after the March 1, 2017 shall continue to collect and remit the PEG channel facilities fee as set forth in this section."

SECTION 3. **Severability.** If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Ordinance that can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. Moreover, the City Council previously adopted substantially similar provisions to those set forth in Section 2 in Ordinance No. XXXX. This Ordinance is not intended to repeal Ordinance No. XXXX but to also adopt these regulations by general ordinance.

SECTION 4. **Effective Date.** This Ordinance shall take thirty (30) days after its adoption.

SECTION 5. **Publication.** The City Clerk shall certify to the adoption of this Ordinance, and the City Clerk shall cause this Ordinance or a summary thereof to be published as required by law.

INTRODUCED on the _________ day of _____________, 2017, and **PASSED AND ADOPTED** by the City Council of the City of Woodland on this _________ day of _______________, 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Angel Barajas
Mayor

ATTEST:

____
Ana Gonzalez
City Clerk

APPROVED AS TO FORM:

____
Kara Ueda
City Attorney

Legislation Details (With Text)

File #:	17-0318	Version: 1	Name:		
Type:	Report of the City Manager		Status:	Agenda Ready	
File created:	2/24/2017		In control:	City Council	
On agenda:	3/7/2017		Final action:		

Title: SUBJECT: Update on the Sustainable Groundwater Management Act and the Formation of the Yolo Subbasin Groundwater Authority

Recommended Action: Staff recommends that the City Council: 1) receive an update on current formation of the Yolo Subbasin Groundwater Authority and 2) provide direction to staff, as needed, to inform next steps.

Sponsors:

Indexes:

Code sections:

Attachments: WEST-#1474090-v1-Yolo_Subbasin_JPA_Agreement_-_clean_copy_2-22-17.pdf
Critical Elements of the Proposed YSGA_Draft 20170223_w_ATT.pdf

Date	Ver.	Action By	Action	Result

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: March 7, 2017

SUBJECT: Update on the Sustainable Groundwater Management Act and the Formation of the Yolo Subbasin Groundwater Authority

Recommended Action: Staff recommends that the City Council: 1) receive an update on current formation of the Yolo Subbasin Groundwater Authority and 2) provide direction to staff, as needed, to inform next steps.

Staff Contact

Gregor G. Meyer, Public Works Director, (530) 661-5953, greg.meyer@cityofwoodland.org

Background

On January 3, 2017, Council received a presentation that gave the historical progression of the September 16, 2014 Sustainable Groundwater Management Act (SGMA) and how the Act has been managed to date within Yolo County. The legislative intent of SGMA is for groundwater to be administered sustainably in California's groundwater basins by local public agencies and newly-formed Groundwater Sustainability Agencies (GSAs).

The presentation outlined the four steps, or Phases, for developing and implementing the Sustainable Groundwater Management Act:

1. Formation of a Groundwater Sustainability Agency (GSA) - Involves realignment of basins and establishment of basin governance through formation of GSA's. **Must be complete by June 30, 2017**.
2. Develop a Groundwater Sustainability Plan (GSP) for the GSA Basin - Involves the development and adoption of a GSP by the GSA within the statutory 5-year milestone date. **Must be complete by June 30, 2022**.

3. Review and evaluation of the GSP by the Department of Water Resources (DWR). The DWR staff will review and evaluate the GSP to determine adequacy.

4. Implement the GSP and provide required reports over 20 years with Annual and 5-year updates. This is a locally-driven activity that provides annual reports and a GSP assessment every 5 years to the DWR.

Phase 1, formation of a GSA, is the current focal point of a large working group of local eligible entities. These water and land use agencies throughout the Subbasin have been working under the leadership of the Water Resources Association of Yolo County as the lead agency. This GSA formation advisory group also includes, and receives input from, other key stakeholders within the Subbasin. Such stakeholders include individual landowners (agricultural and domestic) that have private wells, environmental users of groundwater, tribes, private water companies, and disadvantaged communities.

The real driver behind this process is the regulatory timeline that requires completion of the Agency formation by June 30, 2017. Failure to accomplish this task prior to July 1, 2017 would precede the State Water Resources Control Board initiating probationary status for the Subbasin, which could then lead to the State assuming responsibility for the Subbasin in the future. This would signify the loss of local control of the groundwater resource… not something anyone, including the State, wants to have happen.

Discussion

Tonight's update is intended to provide the City Council with the current status of the Draft JPA Agreement and give a concise overview of the specific critical elements that are being proposed in the formation of the Yolo Groundwater Sustainability Agency (or the Yolo Subbasin Groundwater Authority - YSGA.) Two documents are attached that provide details that fill in any 'gaps' in tonight's brief update:

1. A Draft JPA Agreement
2. 'Critical Elements of the Proposed YSGA' whitepaper

The current draft of the JPA document (2/22/2017) has been reviewed and revised several times over multiple meetings of the working group and sub-committees. It is now in a format that the group feels is ready for legal review by eligible entity's legal staff. To that end, a conference of all entity lawyers is being scheduled to go over the language together, as opposed to the more linear path of having to send a draft to each lawyer, receive comments back, combine those comments, and send back out to all lawyers again. With as many as 18 to 24 eligible entities participating, it would be doubtful if that process could be completed within the June 30, 2017 timeline. This meeting is currently being scheduled.

In the meantime, the draft is attached for Council's review and comments/questions.

Because the working group felt an organized explanation of some of the proposed critical elements in the creation of the YSGA would be beneficial for those interested in the formation of the Authority but not in attendance at all the meetings, a white paper was developed for general distribution. Some of the key topics are:

- JPA Formation
  - The Yolo GSA Working Group recommends forming a new Joint Powers Authority to serve as the Yolo Subbasin Groundwater Authority. The proposed boundary of the Yolo Subbasin Groundwater Authority is shown in Attachment A.
- YSGA Governance Structure and Voting
  - Use an equal partners approach, particularly during the formation of this management structure. This is intended to help this subbasin-wide management agency be successful and result in the multiple signatories feeling mutually respected by each other.

  - The recognition and inclusion of select non-eligible entities as Affiliated Parties.
  - Grant one voting board seat per signatory (both JPA + Affiliated Parties).
  - Voting issues, including scope and typical matters that would require a two-thirds supermajority to pass.

- YSGA Fee Structure
  - Rationale for proposed startup fee structure.
  - Compare the collaborative approach to fees with the potential costs for each entity to develop their own independent GSA.
  - Review the fee schedule as shown in Attachment B to provide a budget for administration and program development costs for the first two years of the YSGA.

The JPA is being crafted to have a “re-opener” clause after two years, or at the completion of the initial phases of a Groundwater Sustainability Plan (GSP), whichever comes first. The reopener will allow voting and fee structures (along with any other relevant JPA articles of formation, purpose, or powers, etc.) to be revised or tuned according to the initial findings of the GSP work, and/or changes to SGMA regulatory implementation

<u>Conclusion</u>

Staff supports forming a GSA with a basic governance structure similar to the WRA and plans to bring a final JPA document back to Council in the next two months, with the goal of formally establishing the Yolo Subbasin Groundwater Authority prior to the June 30, 2017 deadline.

Staff recommends that the City Council: 1) receive an update on current formation of the Yolo Subbasin Groundwater Authority and 2) provide direction to staff, as needed, to inform next steps.

Prepared by: Gregor G. Meyer
Public Works Director

Paul Navazio, City Manger

Attachments:

1) Draft JPA Agreement
2) ‘Critical Elements of the Proposed YSGA’ whitepaper

JOINT EXERCISE OF POWERS AGREEMENT

ESTABLISHING THE YOLO GROUNDWATER AUTHORITY

Draft 2/22/17

THIS AGREEMENT is entered into and effective this _________ day of ______, 2016 ("**Effective Date**"), pursuant to the Joint Exercise of Powers Act, Cal. Government Code §§ 6500 *et seq*. ("**JPA Act**") by and among the entities listed in Exhibit A attached hereto and incorporated herein (collectively "**Members**").

RECITALS

A. On August 29, 2014, the California Legislature passed comprehensive groundwater legislation contained in SB 1168, SB 1319 and AB 1739. Collectively, those bills, as subsequently amended, enacted the "Sustainable Groundwater Management Act." Governor Brown signed the legislation on September 16, 2014 and it became effective on January 1, 2015.

B. Each of the Members and Affiliated Parties overlies the Yolo Subbasin of the Sacramento Valley Groundwater Basin, California Department of Water Resources Basin No. 5-21.67 as its boundaries may be modified from time to time in accordance with Cal. Water Code Section 10722.2.

C. Each of the Members is authorized by the Sustainable Groundwater Management Act to become, or participate in, a Groundwater Sustainability Agency under SGMA through a joint exercise of powers agreement.

D. The Members desire, through this Agreement, to form the Yolo Groundwater Authority, a separate legal entity, for the purpose of acting as the Groundwater Sustainability Agency for the Basin. The boundaries of the Authority are depicted on the map attached hereto as Exhibit A and incorporated herein.

E. The mission of the Authority is to provide a dynamic, cost-effective, flexible and collegial organization to ensure compliance with SGMA within the Basin.

F. The Authority will serve primarily a coordinating and administrative role in order to provide for sustainable groundwater management of the Basin. Each of the Members and Affiliated Parties (or groups of Members and Affiliated Parties) will have primary authority and responsibility to implement SGMA within the Management Areas or the individual jurisdictions managed by Members or Affiliated Parties or groups of Members and Affiliated Parties.

THEREFORE, in consideration of the mutual promises, covenants and conditions herein set forth, the Members agree as follows:

ARTICLE 1: DEFINITIONS

1.1 **Definitions**. As used in this Agreement, unless the context requires otherwise, the meaning of the terms hereinafter set forth shall be as follows:

a. "**Agreement**" shall mean this Joint Exercise of Powers Agreement Establishing the Yolo Groundwater Authority.

b. "**Affiliated Parties**" shall mean those entities that are legally precluded from becoming members of this Agreement but that, after entering into a memorandum of understanding with the Authority, will be granted a voting seat on the Board of Directors pursuant to the terms of this Agreement. The Affiliated Parties as of the Effective Date are listed in Exhibit D. The Board of Directors may, in its sole and absolute discretion, add Affiliated Parties after the Effective Date in accordance with Articles 4.7.g and 6.1 of this Agreement.

c. "**Authority**" shall mean the Yolo Groundwater Authority established by this Agreement.

d. "**Basin**" shall mean the Yolo Subbasin of the Sacramento Valley Groundwater Basin, California Department of Water Resources Basin No. 5-21.67 as its boundaries may be modified from time to time in accordance with Cal. Water Code Section 10722.2.

e. "**Board of Directors**" or "**Board**" shall mean the governing body formed to implement this Agreement as established herein.

f. "**DWR**" shall mean the California Department of Water Resources.

g. "**Effective Date**" shall be as set forth in the Preamble of this Agreement.

h. "**Groundwater Sustainability Agency**" or "**GSA**" shall mean an agency enabled by SGMA to regulate portion of the Subbasin cooperatively with all other Groundwater Sustainability Agencies in the Basin, in compliance with the terms and provisions of SGMA.

i. "**Groundwater Sustainability Plan**" or "**GSP**" shall have the definition set forth in SGMA.

j. "**GSA Boundary**" shall mean those lands located within the Member and Affiliated Party boundaries that overlie the Subbasin and are depicted in Exhibit A.

k. "**JPA Act**" shall mean the Joint Exercise of Powers Act, Cal. Government Code §§ 6500 et seq.

l. "**Management Area**" shall mean the areas depicted in Exhibit B.

m. "**Member**" shall mean any of the signatories to this Agreement and "Members" shall mean all of the signatories to this Agreement, collectively. Each of the

Members shall be authorized to become, or participate in, a Groundwater Sustainability Agency under SGMA.

n. "**SGMA**" shall mean the California Groundwater Management Act of 2014 and all regulations adopted under the legislation (SB 1168, SB 1319 and AB 1739) that collectively comprise the Act, as that legislation and those regulations may be amended or supplemented from time to time.

ARTICLE 2: ORGANIZING PRINCIPLES

2.1 The Members and Affiliated Parties intend to work together in mutual cooperation to develop and implement a GSP for the Basin in compliance with SGMA.

2.2 To the extent any Member determines, in the future, to become a GSA separate and apart from the Authority, the Authority will allow such Member to become a GSA and the Authority will work cooperatively with such Member to coordinate implementation of SGMA within the Basin.

2.3 The Members intend through this Agreement to obtain cost-effective consulting services for the development and implementation of a GSP, in particular for the development of water balances.

ARTICLE 3: FORMATION, PURPOSE AND POWERS

3.1 **Recitals:** The foregoing recitals are incorporated by reference.

3.2 **Certification.** Each Member certifies and declares that it is a legal entity that is authorized to be a party to a joint exercise of powers agreement and to contract with each other for the joint exercise of any common power under Article 1, Chapter 5, Division 7, Title 1, of the Government Code, commencing with section 6500 or other applicable law including but not limited to Cal. Water Code § 10720.3(c).

3.3 **Creation of the Authority.** Pursuant to the JPA Act, the Members hereby form and establish a public entity to be known as the "Yolo Groundwater Authority."

3.4 **Purposes of the Authority**. The purposes of the Authority are to:

a. Provide for the joint exercise of powers common to each of the Members and powers granted pursuant to SGMA (subject to the restrictions contained in this Agreement);

b. Cooperatively carry out the purposes of SGMA;

c. Become a GSA for purposes of management of the Basin in accordance with SGMA; and

d. Develop, adopt and implement a legally sufficient GSP for the Basin, subject to the limitations set forth in this Agreement.

3.5 **Powers of the Authority.** To the extent authorized through the Board of Directors, and subject to the limitations set forth in this Agreement, the Authority shall have and may exercise any and all powers commonly held by the Members in pursuit of the Authority's purposes, as described in Article 3.4, including but not limited to the power:

a. To exercise all powers granted to a Groundwater Sustainability Agency under SGMA;

b. To take any action for the benefit of the Members and Affiliated Parties necessary or proper to carry out the purposes of the Authority as provided in this Agreement and to exercise all other powers necessary and incidental to the exercise of the powers set forth herein;

c. To borrow funds and to apply for grants and loans for the funding of activities within the purposes of the Authority;

d. To adopt rules, regulations, policies, bylaws and procedures related to the purposes of the Authority; and

e. To sue and be sued.

3.6 **Powers Reserved to Members.**

Each of the Members reserves the right, in its sole and absolute discretion, to become a GSA and to exercise the powers conferred to a GSA within the Member's boundaries in accordance with Article 6.7 of this Agreement.

3.7 **Term.** This Agreement shall be effective as of the Effective Date and shall remain in effect until terminated in accordance with Article 6.5 of this Agreement.

3.8 **Boundaries of the Authority**. The geographic boundaries of the Authority and that portion of the Basin that will be managed by the Authority pursuant to SGMA are depicted in Exhibit A**.**

3.9 **Role of Members and Affiliated Parties.** Each Member and Affiliated Party agrees to undertake such additional proceedings or actions as may be necessary in order to carry out the terms and intent of this Agreement. The support of each Member and each Affiliated Party is required for the success of the Authority. This support will involve the following types of actions:

a. The Members and Affiliated Parties will provide support to the Board of Directors and any third party facilitating the development of the GSP by making available staff time, information and facilities within available resources.

b. Policy support shall be provided by the Members and Affiliated Parties to either approve, or respond quickly to, any recommendations made as to funding shares, operational decisions, fare structures, and other policy areas.

c. Each Member and Affiliated Party shall contribute its share of operational fund allocations, as established by the Board of Directors in the annual budget, as approved by the Board of Directors.

d. Contributions of public funds and of personnel, services, equipment or property may be made to the Authority by any Member or Affiliated Party for any of the purposes of this Agreement, provided that no repayment will be made for such contributions.

3.10 **Other Officers and Employees**. The Members do not anticipate that the Authority will have any employees. However, the Authority may do the following:

a. Provide that any employee of a Member or Affiliated Party, with the express approval of that Member or Affiliated Party, may be an *ex officio* employee of the Authority, and shall perform, unless otherwise provided by the Board, the same various duties for the Authority as for his or her other employer in order to carry out this Agreement.

b. The Board shall have the power to employ competent registered civil engineers and other consultants to investigate and to carefully devise a plan or plan to carry out and fulfill the objects and purposes of SGMA, and complete a GSP.

3.11 **Participation of Affiliated Parties**. The Authority shall allow Affiliated Parties to participate in the governance of the Authority and on its Board of Directors in the same manner as Members, provided that each Affiliated Party agrees, through a memorandum of understanding with the Authority, to adhere to all applicable terms of this Agreement, including the payment of the Affiliated Party's assigned share of operational fund allocations, as established by the Board of Directors in the annual budget. The designated representative of an Affiliated Party shall join the Board of Directors as soon as that Affiliated Party has entered a Memorandum of Understanding with the Authority. Affiliated Parties shall have the right to withdraw from participation in the governance of the Authority and on the Board of Directors, subject to the provisions of the memorandum of understanding between the Authority and that Affiliated Party. Entities not listed in Exhibit D may request to be included as Affiliated Parties, and the Board of Directors shall decide whether to allow such entities to become Affiliated Parties in accordance with Article 6.1 below.

ARTICLE 4: GOVERNANCE

4.1 **Board of Directors**. The business of the Authority will be conducted by a Board of Directors that is hereby established and that shall be initially composed of one representative from each of the Members and from each of the Affiliated Parties. Without amending this Agreement, the composition of the Board of Directors shall be altered from time to time to reflect the withdrawal of any Member or Affiliated Party and/or the admission of any new Member or Affiliated Party. Each Member and each Affiliated Party will appoint one member of the Authority Board of Directors. Each member of the Authority Board of Directors shall be a member of the governing board of the appointing Member or an appropriately authorized executive or official of the appointing Affiliated Party. Each Member and each Affiliated Party may designate one alternate to serve in the absence of that Member's or Affiliated Party's appointed Director. Such alternate need not be a member of the governing board of the Member and need not be an executive or official of the Affiliated Party. All members of the Authority Board of Directors and all alternates will be required to file a Statement of Economic Interests (FPPC Form 700). Each Member and each Affiliated Party shall notify the Authority in writing of its designated representative on the Authority Board of Directors.

4.2 **Term of Directors.** Each member of the Authority Board of Directors will serve until replaced by the appointing Member or Affiliated Party.

4.3 **Officers.** The Board of Directors shall elect a chairperson, a vice chairperson, a secretary and a treasurer. The chairperson and vice-chairperson shall be directors of the Board and the secretary and treasurer may, but need not, be directors of the Board. The chairperson shall preside at all meetings of the Board and the vice-chairperson shall act as the chairperson in the absence of the chairperson elected by the Board. The treasurer shall meet the qualifications set out in Government Code section 6505.5 as a depositary of funds for the Authority.

4.4 **Powers and Limitations**. All the powers and authority of the Authority shall be exercised by the Board, subject, however, to the rights reserved by the Members and Affiliated Parties as set forth in this Agreement.

4.5 **Quorum.** A majority of the members of the Authority Board of Directors will constitute a quorum.

4.6 **Voting.** Except as to actions identified in Article 4.7, the Authority Board of Directors will conduct all business by majority vote. Each member of the Board of Directors will have one (1) vote. Prior to voting, the Members and Affiliated Parties shall endeavor in good faith to reach consensus on the matters to be determined such that any subsequent vote shall be to confirm the consensus of the Members and Affiliated Parties. If any Member or Affiliated Party strongly objects to a consensus-based decision prior to a vote being cast, the Members and Affiliated Parties shall work in good faith to reasonably resolve such strong objection, and, if the same is not resolved collaboratively, then the matter will proceed to a vote for final resolution under this Article 4.6 or Article 4.7, below, as applicable.

4.7 **Supermajority Vote Requirement for Certain Actions.** The following actions will require a two-thirds (2/3) vote by the directors present:

a. Approval of the Authority's annual budget;

b. Decisions related to the levying of taxes, assessments or property-related fees and charges;

c. Decisions related to the expenditure of funds by the Authority beyond expenditures approved in the Authority's annual budget;

d. Adoption of rules, regulations, policies, bylaws and procedures related to the function of the Authority;

e. Decisions related to the establishment of the Members' percentage obligations for payment of the Authority's operating and administrative costs as provided in Article 5.1;

f. Approval of a GSP; and

g. With respect to the addition of Affiliated Parties other than those listed in Exhibit D, approval of (i) a memorandum of understanding between the Authority and any such Affiliated Parties, and (ii) Affiliated Parties having a voting seat on the Authority Board of Directors.

4.8 **Meetings.** The Board shall provide for regular and special meetings in accordance with Chapter 9, Division 2, Title 5 of Government Code of the State of California (the "Ralph M Brown Act" commencing at section 54950), and any subsequent amendments of those provisions.

4.9 **By-Laws.** The Board may adopt by-laws to supplement this Agreement. In the event of conflict between this Agreement and the by-laws, the provisions of this Agreement shall govern.

4.10 **Administrator.** The Members hereby designate Yolo County Flood Control and Water Conservation District to serve as administrator of, and keeper of records for, the Authority.

ARTICLE 5: FINANCIAL PROVISIONS

5.1 **Contributions and Expenses:** Members and Affiliated Parties shall share in the general operating and administrative costs of operating the Authority in accordance with the funding amounts set forth in Exhibit C attached hereto and incorporated herein. Each Member and Affiliated Party will be assessed quarterly, beginning on January 1 of each year. Members and Affiliated Parties shall pay assessments within thirty (30) days of receiving assessment notice from the Treasurer. Each Member and each Affiliated Party will be solely responsible for raising funds for payment of the Member's or Affiliated Party's share of operating and administrative costs. The obligation of each Member and each Affiliated Party to make payments under the terms and provision of this Agreement is an individual and several obligation and not a joint obligation with those of the other Members and Affiliated Parties. Each Member and each Affiliated Party shall be individually responsible for its own covenants, obligations, and liabilities under this Agreement. No Member or Affiliated Party shall be under the control of or shall be deemed to control any other Member or Affiliated Party. No Member or Affiliated Party shall be precluded from independently pursuing any of the activities contemplated in this Agreement. No Member or Affiliated Party shall be the agent or have the right or power to bind any other Member or Affiliated Party without such Member's or Affiliated Party's express written consent, except as expressly provided in this Agreement. Contributions of grant funding, state, federal, or county funding may be provided as funding or a portion of funding on behalf of Members and Affiliated Parties.

5.2 **Indemnification.** The Authority shall hold harmless, defend and indemnify the Members and their officers, employees and agents, and members of the Authority Board of Directors, from and against any and all liability, claims, actions, costs, damages or losses of any kind, including death or injury to any person and/or damage to property arising out of the activities of the Authority or its Board, officers, employees or agents under this Agreement. These indemnification obligations shall continue beyond the Term of this Agreement as to any acts or omissions occurring before or under this Agreement or any extension of this Agreement.

5.3 **Repayment of Funds**. No refund or repayment of the initial commitment of funds specified in Article 5.2 will be made to a Member or Affiliated Party ceasing to be a Member or Affiliated Party, whether pursuant to removal by the Board of Directors or pursuant to a voluntary withdrawal. The refund or repayment of any other contribution shall be made in accordance with the terms and conditions upon which the contribution was made, the terms and conditions of this Agreement or other agreement of the Authority and withdrawing Member or Affiliated Party.

5.4 **Budget**. The Authority's fiscal year shall run from January 1 through December 31. Each fiscal year, the Board shall adopt a budget for the Authority for the ensuing fiscal year. Within ninety (90) days of the effective date of this Agreement, the Board shall adopt a budget. Thereafter, a budget shall be adopted no later than December 1 of the preceding fiscal year. The budget must be adopted by unanimous vote of the Board.

5.5 **Alternate Funding Sources.** The Board may obtain State of California or federal grants.

5.6 **Depositary.** The Board shall designate a Treasurer of the Authority, who shall be the depositary and have custody of all money of the Authority, from whatever source, subject to the applicable provisions of any indenture or resolution providing for a trustee or other fiscal agent. All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with funds of any Member or Affiliated Party or any other person or entity. The Treasurer shall perform the duties specified in Government Code sections 6505 and 6505.5.

5.7 **Accounting.** Full books and accounts shall be maintained for the Authority in accordance with practices established by, or consistent with, those utilized by the Controller of the State of California for like public entities. The books and records of the Authority shall be open to inspection by the Members and Affiliated Parties at all reasonable times, and by bondholders and lenders as and to the extent provided by resolution or indenture.

5.8 **Audit.** A qualified firm, serving in the capacity of auditor, shall audit the records and the accounts of the Authority annually in accordance with the provisions of section 6505 of the Law. Copies of such audit reports shall be filed with the State Controller and each Member and each Affiliated Party within six months of the end of the Fiscal Year under examination.

5.9 **Expenditures.** All expenditures within the designations and limitations of the applicable approved budget shall be made upon the approval of any officer so authorized by the

Authority Board of Directors. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the approval and written order of the Board. The Board shall requisition the payment of funds only upon approval of claims or disbursements and requisition for payment in accordance with policies and procedures adopted by the Board.

5.10 **Reconsideration of Voting Structure and Expense Allocation.** No later than the first Board meeting following the two-year anniversary of the Effective Date of this Agreement, the Board of Directors shall consider whether to recommend to the Members that the voting structure described in Article 4.6 and/or the expense allocation provisions described in Article 5.1 should be modified in any respect. If the Board of Directors recommends modification of Article 4.6 or Article 5.1, the governing body of each Member and each Affiliated Party shall consider the modifications recommended by the Board of Directors and, within 45 days following the Board recommendation, shall report back to the Board of Directors regarding the Member's or Affiliated Party's position regarding the recommended modifications.

5.11 **Initial Staffing Contributions.** The Authority initially intends to contribute to the goals and objectives identified in this Agreement by utilizing the staff at the Members' and Affiliated Parties' own cost to pursue those operations, investigations and programs.

ARTICLE 6: CHANGES TO MEMBERSHIP, WITHDRAWAL AND TERMINATION

6.1 **Changes to Membership and Affiliated Parties.** The Authority Board of Directors may, in its sole and absolute discretion, (1) approve the addition of new members or Affiliated Parties to the Authority, and (2) remove a Member or Affiliated Party involuntarily, in accordance with this Article. In the event of the approval of new Members or Affiliated Parties or the involuntary removal of an existing Member or Affiliated Party, the Authority's Board (and any new Members) shall execute an addendum or amendment to this Agreement describing all changes in Members and Affiliated Parties. In the event of the involuntary removal of a Member or Affiliated Party, the removed Member or Affiliated Party shall remain fully responsible for its proportionate share of all liabilities incurred by the Authority prior to the effective date of the removal.

6.2 **Noncompliance**. In the event any Member or Affiliated Party (1) fails to comply with the terms of this Agreement, or (2) undertakes actions that conflict with or undermine the functioning of the Authority or the preparation or implementation of the GSP, such Member or Affiliated Party shall be subject to the provisions for involuntary removal of a Member or Affiliated Party set forth in of Article 6.3 of this Agreement. Such actions of a Member or Affiliated Party shall be as determined by the Board of Directors and may include, for example, failure to pay its agreed upon contributions when due, refusal to participate in GSA activities or to provide required monitoring of sustainability indicators; refusal to enforce controls as required by the GSP; refusal to implement any necessary actions as outlined by the approved GSP minimum thresholds that are likely to lead to "undesirable results" under SGMA.

6.3 **Involuntary Termination**. The Members and Affiliated Parties acknowledge that SGMA requires that multiple GSAs within a given Bulletin 118 groundwater basin must coordinate, and are required to use the same data and consistent methodologies for certain required technical assumptions when developing a GSP, and that the entire Basin must be implementing a GSP for the Basin to be deemed in compliance with SGMA. As a result, upon the determination by the Board of Directors that the actions of a Member or Affiliated Party (1) fail to comply with the terms of this Agreement, or (2) conflict with or undermines the functioning of the Authority or the preparation and implementation of the requirements of the GSP, the Board of Directors may, in its sole and absolute discretion, terminate that Member's or Affiliated Party's participation in this Authority, provided that, prior to any vote to remove a Member or Affiliated Party involuntarily, all of the Members and Affiliated Parties shall meet and confer regarding all matters related to the proposed removal.

6.4 **Withdrawal of Members and Affiliated Parties.** A Member or Affiliated Party may, in its sole discretion, unilaterally withdraw from participation in the Authority, effective upon ninety (90) days' prior written notice to the Authority, provided that (a) the withdrawing Member or Affiliated Party will remain responsible for its proportionate share of any obligation or liability duly incurred by the Authority, in accordance with Article 5.1. A withdrawing Member or Affiliated Party will not be responsible for any obligation or liability that the Member or Affiliated Party has voted against or has voiced its disapproval on at a Board meeting, providing the Member or Affiliated Party gives notice of its withdrawal from the Authority as soon thereafter as is practicable. In the event the withdrawing Member or Affiliated Party has any rights in any property or has incurred obligations to the Authority, the Member or Affiliated Party may not sell, lease or transfer such rights or be relieved of its obligations, except in accordance with a written agreement executed by it and the Authority. The Authority may not sell, lease, transfer or use any rights of a Member or Affiliated Party who has withdrawn without first obtaining the written consent of the withdrawing Member or Affiliated Party.

6.5 **Termination**. This Agreement and the Authority may be terminated by a majority vote of the Board of Directors. However, in the event of termination, each of the Members and Affiliated Parties will remain responsible for its proportionate share of any obligation or liability duly incurred by the Authority, in accordance with Article 5.1. Nothing in this Agreement will prevent the Members or Affiliated Parties from withdrawing as provided in this Agreement, or from entering into other joint exercise of power agreements.

6.6 **Disposition of Property Upon Termination**. Upon termination of this Agreement, the assets of the Authority shall be transferred to the Authority's successor, provided that a public entity will succeed the Authority, or in the event that there is no successor public entity, to the Members and Affiliated Parties in proportion to the contributions made by each Member or Affiliated Party. If the successor public entity will not assume all of the Authority's assets, the Board shall distribute the Authority's assets between the successor entity and the Members and Affiliated Parties in proportion to the any obligation required by Articles 5.1 or 5.6.

6.7 **Rights of Member to Become GSA in Event of Withdrawal or Termination.** Upon withdrawal or involuntary termination of a Member, or termination of this Agreement pursuant to Article 6.5, whether occurring before or after June 30, 2017, the withdrawing or terminated Member or Affiliated Party will retain all rights and powers to become or otherwise participate in a GSA for the lands within its boundaries. In such event, the Authority and its remaining Members and Affiliated Parties (i) shall not object to or interfere with the lands in the withdrawing or terminated Member's or Affiliated Part's boundaries being in a GSA, as designated by the withdrawing or terminated Member or Affiliated Party or otherwise, (ii) shall facilitate such transition to the extent reasonably necessary, and (iii) shall withdraw from managing that portion of the Basin within the boundaries of the withdrawing or terminating Member or Affiliated Party and so notify the California Department of Water Resources.

6.8 **Use of Data**. Upon withdrawal, any Member or Affiliated Party shall be entitled to use any data or other information developed by the Authority during its time as a Member or Affiliated Party. Further, should a Member or Affiliated Party withdraw from the Authority after completion of the GSP, it shall be entitled to utilize the GSP for future implementation of SGMA within its boundaries.

ARTICLE 7: SPECIAL PROJECTS

7.1 **Special Project Agreements.** Fewer than all of the Members and Affiliated Parties may enter into a special project agreement to achieve any of the purposes or activities authorized by this Agreement, and to share in the expenses and costs of such special project, for example, to share in funding infrastructure improvements within the boundaries of only those Members and Affiliated Parties and their Management Areas. Special project agreements must be in writing and documentation and must be provided to each of the Members and Affiliated Parties.

7.2 **Expenses.** Members and Affiliated Parties that enter into special project agreements agree that any special project expenses incurred for each such special project are the costs of the special project participants, respectively, and not of any other Members or Affiliated Parties not participating in the special project, and the special project expenses shall be paid by the parties to the respective special project agreements.

7.3 **Indemnification of Other Members.** Members and Affiliated Parties participating in special project agreements if conducted by the Authority, shall hold other Members and Affiliated Parties who are not parties to the special project agreement free and harmless from and indemnify each of them against any and all costs, losses, damages, claims and liabilities arising from the special project agreement. The indemnification obligation of Members and Affiliated Parties participating in special project agreements shall be the same as specified in Article 5.1 for Members and Affiliated Parties in general, except that they shall be limited to liabilities incurred for the special project.

ARTICLE 8: ACTIONS BY THE AUTHORITY WITHIN MANAGEMENT AREAS AND INDIVIDUAL JURISDICTIONS

8.1 **Role of the Authority.** Except to the extent requested by a Member or Affiliated Party with respect to lands within its boundaries, the Authority will serve primarily a coordinating and administrative role in order to provide for sustainable groundwater management of the Basin in a manner that does not limit any Member's or Affiliated Party's rights or authority over its own water supply matters, including, but not limited to, a Member's or Affiliated Part's surface water supplies, groundwater supplies, facilities, operations, water management and financial affairs. Subject to the provisions, limitations and restrictions contained in this Agreement, activities unrelated to coordinating and administrative tasks necessary for groundwater management shall not be undertaken by the Authority.

8.2 **Members' and Affiliated Parties' Authority within Management Areas and Individual Jurisdictions.** Except as otherwise expressly provided in Article 8.5, each of the Members and Affiliated Parties (or groups of Members and Affiliated Parties) will have primary authority and responsibility to implement SGMA and the GSP adopted by the Authority within the Management Area or the individual jurisdictions managed in whole or in part by such Member or Affiliated Party or groups of Members and Affiliated Parties, as designated in the GSP.

8.3 **Water Budgets.** The GSP will provide for the preparation of water budgets by Members or Affiliated Parties or groups of Members and Affiliated Parties for the Management Areas or the individual jurisdictions managed in whole or in part by such Members or Affiliated Parties or groups of Members and Affiliated Parties. The GSP will specify the elements to be included in water budgets and the timing for completion.

8.4 **Sustainability.** In the event a water budget prepared in accordance with Article 8.3 shows that groundwater pumping within a Management Area or an individual jurisdiction exceeds such area's sustainable yield, as defined in Cal. Water Code § 10721(v) and (w), or an "undesirable result," as defined in Cal. Water Code § 10721(x), exists, the Member or Affiliated Party or group of Members and Affiliated Parties with groundwater management responsibility over such area shall develop and implement a plan to achieve sustainability or eliminate the undesirable result within that area. The GSP will specify the elements to be included in the plan and timing for implementation.

8.5 **Reservation of Authority**. In the event of a failure by a Member or Affiliated Party or group of Members and Affiliated Parties to develop and implement a plan to achieve sustainability or eliminate an undesirable result within a Management Area or individual jurisdiction as provided in Article 8.4, the Authority reserves and retains all requisite authority to develop and implement a plan to achieve sustainability or eliminate an undesirable result within such Management Area. The GSP will specify the procedures for development and implementation of a plan under such circumstances.

ARTICLE 9: MISCELLANEOUS PROVISIONS

9.1 **Amendments**. This Agreement may be amended from time to time by a unanimous vote of the Members, following discussion by the Board of Directors.

9.2 **Binding on Successors**. Except as otherwise provided in this Agreement, the rights and duties of the Members and Affiliated Parties may not be assigned or delegated without a unanimous vote by the Members, following discussion by the Board of Directors. Any approved assignment or delegation shall be consistent with the terms of any contracts, resolutions, indemnities and other obligations of the Authority then in effect. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Members hereto.

9.3 **Notice**. Any notice or instrument required to be given or delivered under this Agreement may be made by: (a) depositing the same in any United States Post Office, postage prepaid, and shall be deemed to have been received at the expiration of 72 hours after its deposit in the United States Post Office; (b) transmission by facsimile copy to the addressee; (c) transmission by electronic mail; or (d) personal delivery, as follows:

[To be added]

9.4 **Counterparts**. This Agreement may be executed by the Members in separate counterparts, each of which when so executed and delivered shall be an original. All such counterparts shall together constitute but one and the same instrument.

9.5 **Choice of Law**. This Agreement shall be governed by the laws of the State of California.

9.6 **Severability**. If one or more clauses, sentences, paragraphs or provisions of this Agreement is held to be unlawful, invalid or unenforceable, it is hereby agreed by the Members that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provisions shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

9.7 **Headings**. The paragraph headings used in this Agreement are intended for convenience only and shall not be used in interpreting this Agreement or in determining any of the rights or obligations of the Members to this Agreement.

9.8 **Construction and Interpretation**. This Agreement has been arrived at through negotiation and each Member has had a full and fair opportunity to revise the terms of this Agreement. As a result, the normal rule of construction that any ambiguities are to be resolved against the drafting Member shall not apply in the construction or interpretation of this Agreement.

9.9 **Entire Agreement.** This Agreement constitutes the entire agreement among the Members and supersedes all prior agreements and understandings, written or oral. This Agreement may only be amended by written instrument executed by all Members.

IN WITNESS WHEREOF, the Members have executed this Agreement on the day and year first above-written.

[Signature blocks]

CRITICAL ELEMENTS OF THE PROPOSED YOLO SUBBASIN GROUNDWATER AUTHORITY

BACKGROUND

Water interests in the Yolo groundwater subbasin have been working together over the last three years to develop an efficient and effective groundwater governance structure in order to fully comply with and implement the basin-scale Sustainable Groundwater Management Act (SGMA). The overarching principle behind our approach to regulation under SGMA is to **continue and extend the cooperative, collaborative approach practiced for the past three decades** by the Water Resources Association of Yolo County (WRA). The purpose of this white paper is to explain in a concise manner the specific critical elements that are being proposed in the formation of the Yolo Groundwater Authority (YGA).

History of WRA

The WRA was established in 1993 to serve as a collaborative, consensus-based regional forum to plan, coordinate, and facilitate solutions to water management issues in Yolo County. In 2007, the WRA developed the Yolo Integrated Regional Water Management Plan (IRWMP), which serves as the road map for water resource planning in the region and is a component of the Westside-Sacramento IRWMP. The WRA has succeeded in securing millions of dollars of funding for its member agencies in areas of water efficiency, groundwater management, water quality, and environmental and recreational protection and enhancement.

Local implementation of the Sustainable Groundwater Management Act

In 2014, the California Legislature and Governor Brown signed into legislation the Sustainable Groundwater Management Act (SGMA). This Legislation called for local management of groundwater basins to achieve and ensure groundwater sustainability. From the beginning, Yolo county interests have approached this implementation process in a collaborative fashion that takes advantage of the existing relationships among the parties and the robust groundwater monitoring network that has been in place for over 40 years. Recognizing and building on these values, local Yolo subbasin eligible entities have achieved the following;

- Partnered with the Yolo County Farm Bureau to inform and educate the local landowners and Cities about the Legislation (“Year of Groundwater”).
- Submitted a basin boundary modification request to the California Department of Water Resources (DWR) to consolidate the original four Bulletin 118 groundwater subbasins into a single Yolo Subbasin.
- Developed a conceptual governance structure to maintain governance and decision making at the lowest (grassroots) level allowed by the Legislation while protecting and preserving the autonomy and authorities of local agencies
- Collaborated in developing a single GSA for managing groundwater in the Yolo subbasin in order to meet the June 30, 2017 deadline.

- Proposed a fee and voting structure for the GSA that attempts to equitably distribute the roles and responsibilities of implementing agencies and interested parties.
- Planned on utilizing the GSA to write the Groundwater Sustainability Plan (GSP) for the Yolo subbasin in order to meet the January 1, 2022 deadline

The proposed approach provides economies of scale to all participants, honors our regional community, recognizes the value of county partnerships, and creates shared accountability for the shared water resources on which we all depend. The approach provides regulatory coverage, preserves local control, and serves as a leadership model in the state.

RECOMMENDATIONS OF THE YOLO GSA WORKING GROUP

I. JPA Formation

- The Yolo GSA Working Group recommends forming a new Joint Powers Authority to serve as the Yolo Subbasin Groundwater Authority. The proposed boundary of the Yolo Subbasin Groundwater Authority is shown in Attachment A.

II. YGA Governance Structure and Voting

- Use an equal partners approach, particularly during the formation of this management structure, to help this subbasin-wide management agency be successful and result in the multiple signatories feeling mutually respected by each other.
- **Grant one voting board seat per signatory (both JPA + MOU)**

III. YGA Fee Structure

- Adopt the fee schedule as shown in Attachment B to provide a budget for administration and program development costs for the first two years of the YGA.

PROPOSED ENTITY STRUCTURE AND VOTING

Entity Structure

- While each eligible entity is entitled to form a GSA on its own, the intent behind a Yolo-wide GSA is to **build on the Water Resources Association's successful history of collaboratively and cooperatively managing water resources**.
- Each eligible entity desiring to participate will sign to form a Joint Exercise of Powers Agreement (JPA), creating the YGA, a subbasin-wide management structure.
- Non-eligible entities are addressed separately, depending upon type of entity.

Non-eligible Entities

- Affiliated Parties are not eligible entities under the strict definition in Water Code §10724, but do have water supply, water management or land use authority, and are invited to sign MOUs with the JPA and have a voting board seat.

    - Current listed Affiliated Parties are: UC Davis, California American Water, and the Colusa Drain Mutual Water Company
- Yocha Dehe Wintun Nation may elect to join the JPA or to sign an MOU with the JPA and have a voting board seat.
- The "white areas" (see map in Attachment A) will be represented by an eligible entity (a water district, reclamation district, or the county).
- The Yolo Bypass and Putah Creek areas managed by CDFW will be treated as "white areas," at least at the outset of the GSA formation and GSP preparation process.
- Private pumpers will be represented through a voting seat appointed by the Farm Bureau.
- Environmental concerns will be represented through a voting seat.
    - The environmental seat is expected to represent environmental justice, land-based, and ecosystem issues.
    - The structure for addressing fees/dues payment by the environmental seat still needs to be decided upon.
    - The process for determining the environmental seat is being developed; three possible mechanisms are under consideration:
        i. Ask the Yolo County HCP/NCCP to appoint the seat
        ii. Ask the Yolo County Resource Conservation District to appoint the seat
        iii. Offer the seat as an open call to applicants, in a manner similar to city or county commissions like the Planning Commission.
- The JPA may need to have a clause to determine who could be an additional Affiliated Party, or have a voting seat on the board, unless this is covered already in Article 6 of the JPA.
    - Identify the initial parties in the JPA.
    - A possible governance process could include an application "test" for parties applying for membership in the JPA and representation on the board.
    - New members would need to be approved by a supermajority of the seated board.

Re-opener Clause

- The JPA is being crafted to have a "re-opener" clause after two years, or the completion of the initial phases of a Groundwater Sustainability Plan (GSP), whichever comes first.
- The reopener will allow voting and fee structures, along with any other relevant JPA articles of formation, purpose or powers, to be revised or tuned according to the initial findings of the GSP work, and/or changes to SGMA regulatory implementation.

Voting Issues

The main issues requiring a vote are expected to be largely administrative. The focus will be on budget, contracts, staffing, and general GSA liaison with other governmental agencies. In addition, the Board will provide intra-management area support and coordination as well as maintain the overall GSA data repository. For the most part, these votes will be based on a majority basis, but all efforts for consensus-based decisions will be made.

The overall scope and sustainability criteria for the GSA which include items such as rules, regulations, ordinances, etc. will come before the Board as the need arises during the formative first two years. These votes of the Board would require a two-thirds supermajority in order to pass. As in the majority vote above, all efforts for consensus-based decisions will be made. Other issues that would/could require a supermajority would/could be:

- Approval of the Authority's annual budget;
- Decisions related to the levying of taxes, assessments or property-related fees and charges;
- Decisions related to the expenditure of funds by the Authority beyond expenditures approved in the Authority's annual budget;
- Adoption of rules, regulations, policies, bylaws and procedures related to the function of the Authority;
- Decisions related to the establishment of the Members' percentage obligations for payment of the Authority's operating and administrative costs; and
- Approval of a GSP.

The voting issue shall be subject to a re-opener after the establishment of the GSA and not later than 2 years from that date. At that time, a more formal voting structural framework will be established and approved by the whole GSA membership. Attachment C includes a list of all eligible entities, affiliated parties, and interested parties that have participated in the YGA JPA process.

FEES FOR IMPLEMENTATION

For three decades, members of the WRA have paid dues to cover expenses associated with collaboratively planning and managing water resources in Yolo County. The YGA proposes continuing to collect dues, or fees, to collectively:

- Share the costs and achieve economies of scale through collaborating on expensive water balance modeling and GSP preparation
    - See spreadsheet of required GSP components (Attachment D)
- Plan for and assure the future resilience of our water resources, including:
    - Stewardship for groundwater availability during periods when surface water resources are limited
    - Ability to collectively undertake development of new resources
- Pool resources to be poised to take advantage of cost-sharing grants for preparing and implementing the GSP

While there is a large degree of uncertainty as to how much revenue will be needed in the first two years of the YGA existence, a budget of $400,000 to $500,000 per year for two years has been proposed as a starting point. Approximately $100,000 per year will be needed for general administrative services (administrative support, office supplies, etc.), $100,000 per year will be needed for general project management (including maintaining and enhancing the existing groundwater monitoring program), and $200,000 per year for GSP development. Attachment B includes a table of proposed fees for entities wishing to formally participate in the YGA JPA.

Fee Structure Rationale

- The proposed fee structure assumes a roughly 50/50 split between the Rural and Urban interests. Rural interests will be assessed approximately $0.50 per acre for land within their service areas, while the Urban interests will be assessed a total of $200,000 in a ratio roughly equivalent to their current WRA dues. The organizations without a defined "GSA-boundary" such as the Yolo County Farm Bureau, the environmental interests, and California American Water Company have their proposed fees listed.
- These initial costs are likely to be lower by obtaining grants. Two grants (USDA and Storm Water Planning) have already been secured in order to complete the water balance requirements portion of the GSP, and the CA Department of Water Resources has indicated that the YGA is in a strong position to receive future grants.
- Regardless of the final fee schedule that will be adopted, there is unanimous support for reopening the fee schedule within two years to review and adjust the fee schedule as appropriate. That review and adjustment will include devising a method for collecting fees going forward that ties fees collection to some underlying use or performance basis rationale.
- The re-opener clause will state that the review will happen within two years after Agreement date (not starting in two years).
- Other fee mechanisms were considered, such as using acreage, population, extraction, groundwater conditions, assessed valuation, a consensus process, or a combination of the proceeding. Population and acreage statistics of Yolo County are included in Attachment E.

Potential Costs for Developing an Independent GSA

It is generally recognized and accepted that a collaborative approach for forming a GSA is more cost-effective than "going alone" in forming a GSA. Some example costs are listed here. An additional cost estimate can be derived from the State Water Resources Control Board (State Water Board) draft fee schedule for administering probationary basins. The State Water Board's draft fee schedule information can be found in Attachment F.

- Other GSA cost examples:
  - Solano JPA High Estimates
    - GSA Management = $565,000
    - GSP Development = $1.65M
    - GSP Ongoing/Annual/5-Year updates = $550,000
  - Solano Irrigation District (as single GSA) Estimates
    - GSA Management = $50,000
    - GSP Development = $500,000

        - GSP Ongoing / Annual / 5-Year updates = $160,000
    - Fox Canyon Groundwater Management Agency
        - GSP Development within one year = $1M
    - Martis Valley Groundwater Basin
        - GSP Development = $1M
    - Colusa County
        - SGMA Implementation for first year = $800-$900,000 (studies to characterize current conditions and relate to sustainability indicators)

LIST OF ACRONYMS
GSA - Groundwater Sustainability Agency
GSP - Groundwater Sustainability Plan
JPA - Joint Exercise of Powers Agreement
MOU - Memorandum of Understanding
SGMA - Sustainable Groundwater Management Act
WRA - Water Resources Association of Yolo County
YGA - Yolo Groundwater Authority

ATTACHMENTS

ATTACHMENT A: MAP OF PROPOSED YOLO SUBBASIN GROUNDWATER AUTHORITY (YOLO SUBBASIN)
Attachment A includes a map of the proposed Yolo Subbasin Groundwater Authority boundary along with the Yolo Subbasin extents, and a hyperlink to DWR's basin boundary website.

ATTACHMENT B: SPREADSHEET OF PROPOSED FEES
Attachment B includes a draft table of proposed fees for entities wishing to participate in the YGA JPA.

ATTACHMENT C: LIST OF ELIGIBLE ENTITIES, AFFILIATED PARTIES, AND INTERESTED PARTIES
Attachment C includes a draft list of all eligible entities, affiliated parties, and interested parties that have participated in the YGA JPA process. Eligible entities are defined by SGMA as those local governments that are eligible to independently apply for GSA status. Not all eligible entities will choose to be a member of the YGA JPA. Affiliated parties include mutual water companies, private utilities, and certain interested parties that wish to enter into an MOU with the JPA that would allow them to have a voting seat on the Board of Directors. Interested parties include those beneficial uses and users of groundwater listed in Water Code Section 10723.2.

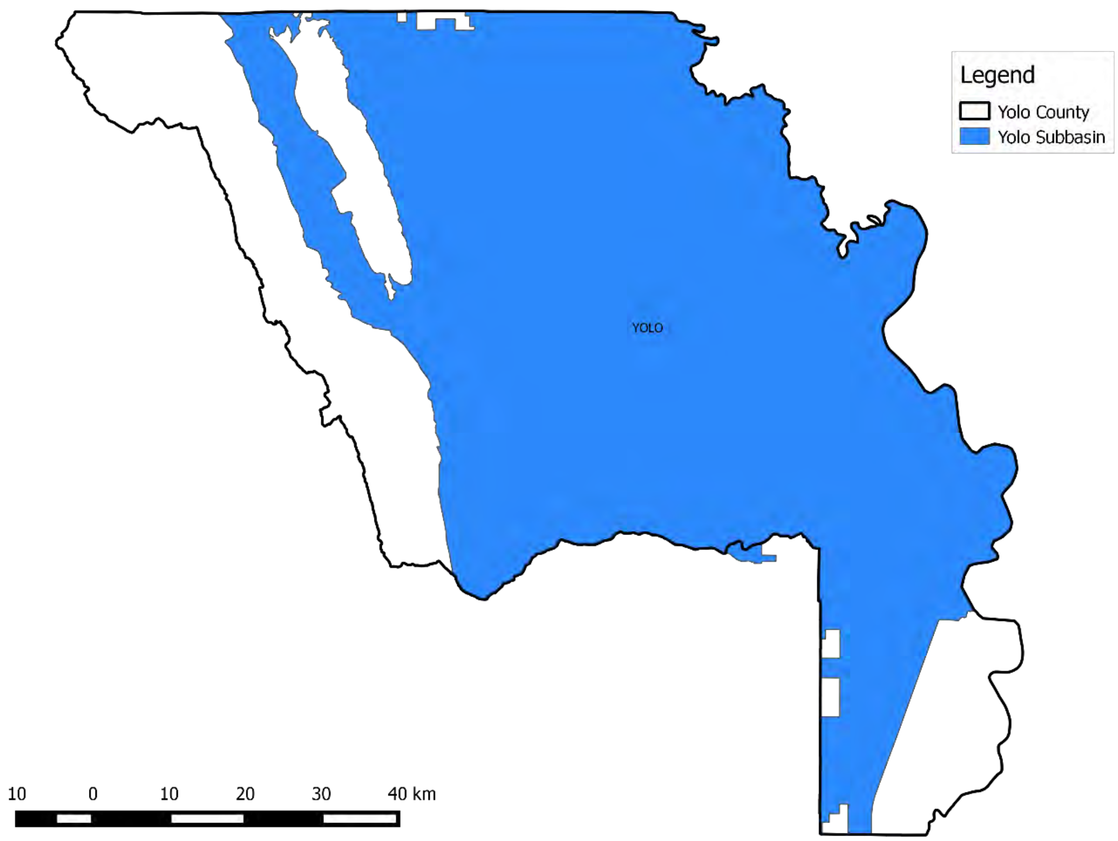
ATTACHMENT D: MATRIX OF GROUNDWATER SUSTAINABILITY PLAN COMPONENTS
Attachment D includes a draft summary table of DWR's GSP Emergency Regulations. Within the table, draft information has been provided to estimate the level of effort, responsible parties, and estimated associated cost.

ATTACHMENT E: YOLO COUNTY DEMOGRAPHICS AND ACREAGE
Attachment E includes draft information on Yolo County demographics and acreage; the remainder will be developed in the near future.

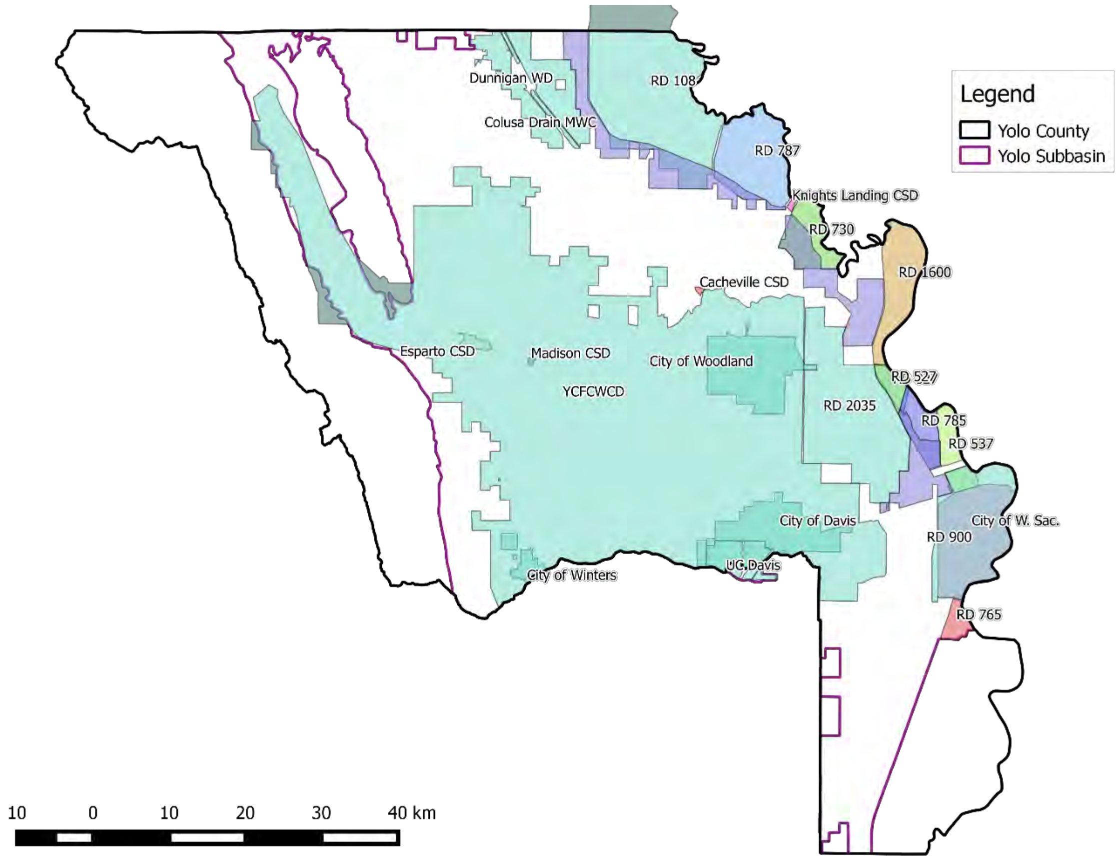
ATTACHMENT F: STATE WATER BOARD DRAFT FEE SCHEDULE

Attachment F includes information on the State Water Board's draft fee schedule for administering basins that are probationary from lack of GSA coverage.

ATTACHMENT A. MAP OF PROPOSED YOLO SUBBASIN GROUNDWATER AUTHORITY



Map of Yolo Subbasin



Draft Map of Yolo Subbasin, Entities, and White Areas

DWR's Map of Basin Boundary Modifications can be found on their Groundwater Basin Boundary Assessment Tool: https://gis.water.ca.gov/app/bbat/.

DRAFT FOR DISCUSSION PURPOSES ONLY

YOLO GSA Voting Members and Fee Structure

Key
Blue = Existing WRA member
Orange = Others

There will be two types of fees.

1. *"Administrative fees"* to cover GSA administrative overhead, all types of regional monitoring, water balance development, reporting, etc.
2. *"Project Fees"* to cover specific sustainability projects. Project fees to be paid by the project beneficiaries.

It is proposed that administrative fees in the range of approximately $400,000 to $500,000 per year be collected for the first two years of the GSA. **After two years, the fee structure will be revisited and adjusted as appropriate.**

Current Annual WRA Dues

	Potential Entity Contributions			WRA	GWM		
	Urban Agencies	1 Base	**$**	**Dues**	**Contribution**	**Total**	**Difference**
1	City of Davis		$40,000	$25,500	$8,126	$33,626	$6,374
2	City of Woodland		$40,000	$25,500	$8,126	$33,626	$6,374
3	City of West Sacramento		$40,000	$25,500	$956	$26,456	$13,544
4	City of Winters		$20,000	$6,660	$2,390	$9,050	$10,950
5	Esparto CSD		$5,000	$0	$0	$0	$5,000
6	Madison CSD		$5,000	$0	$0	$0	$5,000
			$150,000	$83,160	$19,598	$102,758	

	Potential Entity Contributions			WRA	GWM		
	Rural Agencies ($0.50/acre) 0.5	**Acres**	**$**	**Dues**	**Contribution**	**Total**	**Difference**
10	Yolo County Flood Control & WCD	200,000	$100,000	$20,500	$49,936	$70,436	$29,564
11	Yolo County (White Areas)*	160,000	$40,000	$25,000	$8,126	$33,126	$6,874
12	Direct Contributions (White Areas)**	40,000	$20,000	$0	$0	$0	$20,000
13	Other Contributions from Rural Agencies***		$40,000	$0	$0	$0	$40,000
14	Dunnigan Water District	10,700	$5,350	$2,020	$956	$2,976	$2,374
15	RD 108	23,200	$11,600	$7,575	$1,434	$9,009	$2,591
16	RD 2035	18,000	$9,000	$7,575	$4,780	$12,355	-$3,355
17	RD 787	9,400	$4,700	$0	$0	$0	$4,700
		461,300	$230,650	$62,670	$65,232	$127,902	

**Yolo County is not $0.50/acre*
***Direct Contributions from private pumpers currently residing in "white areas"*
****RD 108, RD 787, RD 2035, and YCFCWCD ($10k/ea)*

	Affiliated Parties with Board Voting Seats			WRA	GWM		
		1 Base	**$**	**Dues**	**Contribution**	**Total**	**Difference**
18	University of California, Davis		$40,000	$25,500	$4,780	$30,280	$9,720
19	Yocha Dehe Wintun Nation		$10,000	$0	$0	$0	$10,000
20	Colusa Drain Mutual Water Company		$10,000	$0	$0	$0	$10,000
21	California American Water Company - Dunnigan		$5,000	$0	$0	$0	$5,000
22	Yolo County Farm Bureau		$10,000	$0	$0	$0	$10,000
23	Environmental Party - TBD			$0	$0	$0	$0
			$75,000	$25,500	$4,780	$30,280	

Sub Total: $455,650

Annual expenses of new GSA and WRA combined entity	
Administrative	$110,000
SGMA Implementation Project Management	$110,000
Consultant (Water Balances, GSP development)	$110,000
Real-time GWM sensors (6X)	$80,000
WSVIRWMP Coordinating Committee	$20,000
Other projects	
Totals	$430,000

Other Income	
Associate Memberships	$1,200
Interest Earned on bank accounts	$650
Water Calendar Donations	$3,200
Subsidence Monitoring	*$93,000*
SGMA Implementation	*$35,000*
Subtotal:	$133,050
Totals	$363,710

ATTACHMENT C: LIST OF ELIGIBLE ENTITIES, AFFILIATED PARTIES, AND INTERESTED PARTIES

LIST OF ELIGIBLE ENTITIES AND AFFILIATED PARTIES
Eligible Entities
City of Davis
City of West Sacramento
City of Winters
City of Woodland
Dunnigan Water District
Esparto CSD
Madison CSD
Reclamation District (RD) 108
RD 787
RD 2035
Yolo County
Yolo County Flood Control & Water Conservation District

Affiliated Parties
California American Water Company -- Dunnigan
Colusa Drain Mutual Water Company
Environmental Party**
University of California, Davis
Yocha Dehe Wintun Nation
Yolo County Farm Bureau

**To be determined.

Eligible Entities Potentially Not Interested
Cacheville Community Service District (CSD)
Colusa Basin Drainage District
Knights Landing CSD
Knights Landing Drainage District***
North Delta Water Agency
RD 537
RD 730
RD 765
RD 785
RD 827
RD 900
RD 827
RD 1600
Yolo County Housing Authority***
Woodland Davis Clean Water Agency***

***Eligible entity, but likely not to participate because of redundancy

INTERESTED PARTIES Beneficial Uses and Users of Groundwater (SGMA Section 10723.2)
Holders of overlying groundwater rights
Municipal well operators
Public water systems
Local land use planning agencies
Environmental users of groundwater
Surface water users, if there is a hydrologic connection between surface and groundwater bodies.
The federal government, including the military and managers of federal lands.
California Native American tribes
Disadvantaged communities, including those served by private domestic wells or small community water systems.
Entities listed in Section 10927 of SGMA that are monitoring and reporting groundwater elevations in all or a part of a groundwater basin managed by the groundwater sustainability agency.

ATTACHMENT D: MATRIX OF GSP REGULATIONS

Phase 1: GSA Formation and Coordination – realignment of basins and establishment of basin governance through formation of GSAs

Phase 2: GSP Preparation and Submission – development and adoption of GSPs by GSAs

Phase 3: GSP Review and Evaluation – DWR staff review and evaluation of GSPs to determine adequacy

Phase 4: Implementation and Reporting – locally-driven effort, which includes development of annual reports and GSP assessments completed every 5 years during implementation of GSPs

SGMA defines sustainable groundwater management as the "management and use of groundwater in a manner that can be maintained during the planning and implementation horizon without causing undesirable results".

Undesirable results are defined in SGMA and summarized as any of the following effects caused by groundwater conditions occurring throughout the basin:

1. Chronic lowering of groundwater levels indicating a significant and unreasonable depletion of supply
2. Significant and unreasonable reduction of groundwater storage
3. Significant and unreasonable seawater intrusion
4. Significant and unreasonable degraded water quality
5. Significant and unreasonable land subsidence
6. Surface water depletions that have significant and unreasonable adverse impacts on beneficial uses of the surface water

Sustainability Indicator: refers to any of the effects caused by groundwater conditions occurring through the basin that, when significant and unreasonable, cause undesirable results, as described in Water Code Section 10721(x).

GSP Components (DWR Regs May 18, 2016)	Detail (DWR Regulations adopted May 18, 2016)	Done or Not Done?	Expected Level of Effort (1), (2), or (3) (Low → High)	Anticipated Responsible Party	Est. Associated Cost ($950k-$1.25M) ($), ($$), or ($$$)	State Financial Assistance Needed?
Technical and Reporting Standards (Article 3)	▪ Monitoring protocols ▪ Data and reporting stds ▪ Develop/maintain DMS		(1)	Staff and consultants	Protocols and standards – $10,000 DMS Upgrade – $40,000	
Description of Plan Area (Article 5, Subarticle 1, §354.8)	▪ Maps of the basin (density of wells/mi²) ▪ Description of existing water resource and mgt. programs and land use elements		(1)	Primarily consultants	$35,000	
Notice and Communication (Article 5, Subarticle 1, §354.10)	▪ Communication section ▪ Agency's decision-making process ▪ Public engagement opportunities ▪ Overall public process		(1)	Primarily staff	$15,000 Need to consider separate annual public process budget	
Hydrogeologic Conceptual Model (Article 5, Subarticle 2, §354.14)	▪ Geologic and structural setting of the basin ▪ Lateral basin boundaries ▪ Definable bottom of the basin ▪ Principal aquifers and aquitards ▪ Topographic information ▪ Surficial geology ▪ Soil characteristics ▪ Delineation of existing recharge areas ▪ Significant surface water bodies ▪ Source and point of delivery for imported water supplies		(2)	Staff and consultants	$25,000; most work will need to identify and define the new boundaries and extents of the basin boundary modification	
Groundwater conditions (1/1/15 on) as relate to Undesirable Results (Article 5, Subarticle 2, §354.16)	▪ GW elevation data (flow directions, lat/vert gradients, and regional pumping patterns) ▪ Graph of annual and cumulative change in stored GW volume ▪ Seawater intrusion ▪ Groundwater quality issues ▪ Extent, total, and annual rate of land subsidence ▪ ID of interconnected SW systems, estimated quantity, and timing of system depletions ▪ ID of GW dependent ecosystems		(1)/(2)	Staff and consultants	$250,000	
Water Budget (Article 5, Subarticle 2, §354.18)	▪ Accounting and assessment of total annual GW volume and surface water in/out of basin ▪ Estimate of sustainable yield ▪ Quantify current, historical, and projected water budget		(3)	Primarily consultants	$250,000	
Management Area (MA) Description (Article 5, Subarticle 2, §354.20)	▪ Reason for creation of and map delineating each MA ▪ Minimum Thresholds (MT) and Measurable Objectives (MO) established for each MA ▪ Level of Monitoring and Analysis appropriate for each MA ▪ Explanation of how MA can operate under diff MT and MO without causing Undesirable Results outside the MA		(2)	Management level staff	$100,000 + Management staff in-kind contributions during working sessions	
Sustainable Management Criteria Description (Article 5, Subarticle 3)	▪ Sustainability Goal, Undesirable Results, MT, and MO for each applicable sustainability indicator over the 20-year Plan implementation ▪ Supported by basin conditions, basin setting, and maps		(2)/(3)	Staff and consultants	$150,000 + Management staff in-kind contributions during working sessions	
Monitoring Networks (Article 5, Subarticle 4)	▪ Develop network for collecting sufficient data to demonstrate short-term, seasonal, and long-term trends in groundwater and related surface conditions ▪ Monitor changes in groundwater conditions relative to MO and MT ▪ Demonstrate progress toward achieving MO and evaluate sustainability indicator and undesirable results ▪ Monitor impacts to the beneficial uses and users ▪ Scientific rationale for the monitoring site selection process ▪ Description of assessment and improvement of monitoring network (in GSP and 5-year assessment reports) – data gaps, local issues and circumstances that limit or prevent monitoring		(1)/(2)	Staff and consultants	$50,000-$350,000	
Projects and Management Actions (Article 5, Subarticle 5)	▪ Tied to each MO and implemented to achieve sustainability goal ▪ Details, status, benefits, and cost of each project and management action		(1)/(2)	Staff, farmers, and local knowledge	$25,000 primarily the collation of all potential projects	

**Coordination Agreements shall be submitted to the Department together with the Plans for the basin and if approved, shall become part of the Plan for each Participating Agency.

ATTACHMENT E. YOLO COUNTY DEMOGRAPHICS AND ACREAGE – DRAFT INFORMATION; WILL CONTINUE TO BE DEVELOPED

Yolo County Demographics and Acreage

- 650,000 acres (1,021 sq. mi / 653,549 acres)
  - Could have table here of eligible entities and affiliated parties by acreage
- 225,000 people

Population Distribution

Table 1. Total Population by City

Jurisdiction	Population
City of Davis	66,656
City of West Sacramento	50,836
City of Winters	6,979
City of Woodland	57,223
Unincorporated County	24,687
Total Population	**206,381**

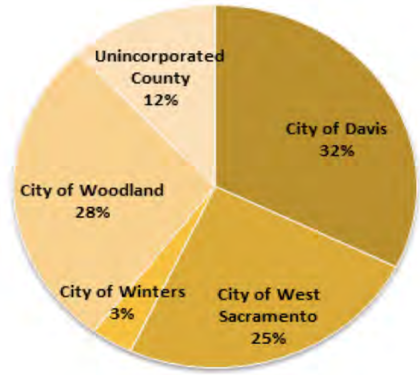


Figure 2. Percent of Population by City

(Acreage will continue to be developed)

LIST OF ELIGIBLE ENTITIES AND AFFILIATED PARTIES

Eligible Entities	Acreage
City of Davis	7,669
City of West Sacramento	14,618
City of Winters	1,504
City of Woodland	10,017
Dunnigan Water District	10,875
Esparto CSD	530
Madison CSD	62
Reclamation District (RD) 108	23,663
RD 787	9,764
RD 2035	21,099
Yolo County	656,989
Yolo County Flood Control & Water Conservation District	193,563
Affiliated Parties	**Acreage**
California American Water Company -- Dunnigan	
Colusa Drain Mutual Water Company	
Environmental Party	
University of California, Davis	
Yocha Dehe Wintun Nation	

Yolo County Farm Bureau

Eligible Entities Potentially Not Interested	Acreage
Cacheville Community Service District (CSD)	
Colusa Basin Drainage District	
Knights Landing CSD	
Knights Landing Drainage District***	
North Delta Water Agency	
RD 537	
RD 730	
RD 765	
RD 785	
RD 827	
RD 900	
RD 827	
RD 1600	
Yolo County Housing Authority***	
Woodland Davis Clean Water Agency***	

***Eligible entity, but likely not to participate because of redundancy

ATTACHMENT F: STATE WATER BOARD DRAFT FEE SCHEDULE

Proposed Sustainable Groundwater Management Act (SGMA) Fee Schedule

INTRODUCTION

The State Water Resources Control Board (State Water Board) is conducting a series of stakeholder meetings throughout summer and fall 2016 to assist in the development of a groundwater extraction reporting fee schedule, as required by the Sustainable Groundwater Management Act (SGMA). The objectives of the stakeholder meetings are as follows:

- Engage stakeholders in the SGMA fee schedule development process.
- Explain issues considered in drafting the proposed fee schedule.
- Gain a better understanding of stakeholder interests and concerns.

Following the stakeholder meetings, State Water Board staff will develop and release a draft fee schedule emergency regulation for public comment and hold at least one public meeting to receive public comment on the draft emergency regulation. The State Water Board will consider adoption of the proposed fee schedule emergency regulation in spring 2017. The fee schedule must be effective by July 1, 2017.

BACKGROUND

SGMA requires the formation of local groundwater sustainability agencies (GSAs) in California's high- and medium-priority groundwater basins. Sustainability agencies are required to develop groundwater sustainability plans that will bring basins into sustainability within 20 years of plan implementation. If locals are unable or unwilling to sustainably manage their basin, the State Water Board is authorized to intervene. State intervention can only be triggered by one of the following events:

Date	Trigger
July 1, 2017	Failure to form a GSA.
January 31, 2020	Failure to adopt and/or adequately implement a groundwater sustainability plan for a basin in a critical condition of overdraft.
January 31, 2022	Failure to adopt and/or adequately implement a groundwater sustainability plan in all other high- or medium-priority basins.
January 31, 2025	There are significant depletions of interconnected surface waters and the sustainability plan is not being implemented adequately.

STATE WATER BOARD FEE AUTHORITY

Portions of basins that are not within the management area of a GSA by July 1, 2017, are considered unmanaged areas. Groundwater extractors in unmanaged areas are required to file an annual groundwater extraction report with the State Water Board. (Wat. Code §5202, subd. (a)(2).) If locals fail to form a GSA, fail to develop an adequate sustainability plan, or fail to implement the plan adequately (based on the deadlines outlined above), the State Water Board may designate the basin as probationary and step in to directly manage groundwater extractions in the basin. (Wat. Code §§ 10735.2 & 10735.8.) All extractors in a probationary basin are required to submit an annual groundwater extraction report, although the State Water Board has discretion to exempt certain probationary extractors from reporting if appropriate. (Wat. Code §5202(a)(1).) Each annual extraction report must be accompanied by a fee to cover associated programmatic costs. (Wat. Code §§ 1529.5 & 5202, subd. (f).)

The State Water Board is required to adopt, by emergency regulation, a fee schedule to cover SGMA-related costs. (Wat. Code §1530.) The emergency regulation format allows the State Water Board to update the fee schedule annually to reflect changing conditions and programmatic costs. It also important to note that the fees described below will not be applicable if local implementation of SGMA is successful.

PROPOSED FEE SCHEDULE

There are three “levels” of State Water Board intervention, each level is associated with greater staff workloads and associated costs.

1. Unmanaged Area Intervention. Unmanaged areas are portions of basins that are outside of a GSA service area. Groundwater extractors in unmanaged areas are required to submit an annual report to the State Water Board detailing monthly groundwater extraction volumes, place of use, and purpose of use, and may be required to submit other information necessary to evaluate the basin.
2. Probationary Basin Intervention. A probationary basin is a basin that the State Water Board has designated to be probationary in accordance with the procedures described in Chapter 11 of SGMA. (Wat. Code §10735, et. seq.) The State Water Board will evaluate conditions in the basin and may designate the basin once one of the probationary triggers described by Water Code section 10735.2 has occurred. Probationary status will result in an increased amount of staff activities as solutions to deficiencies in basin management are developed or additional information necessary for basin management is acquired.
3. Interim Plan Intervention. The State Water Board may need to manage groundwater conditions in a probationary basin if the deficiencies that resulted in probation are not corrected. In such a scenario, the State Water Board will develop and implement an interim plan to manage groundwater extractions. (Wat. Code §10735.8.) The development and implementation of interim plans will require significant staff time, in addition to technical studies or data collection performed under contract.

The draft fee schedule ties the fees to the type of Board activity occurring in the basin, as follows:

<table>
<tr><th>Fee Category</th><th>Applicable Parties – Reporting Extractors</th><th>Fee Amount</th></tr>
<tr><td>Base Filing Fee[(a)]</td><td>Any extractor submitting an extraction report</td><td>$100 per well</td></tr>
<tr><td colspan="3">Fees based on intervention status[(a)]</td></tr>
<tr><td rowspan="2">1. Unmanaged Area Rate</td><td rowspan="2">Extractors in an unmanaged area.</td><td>$10 per acre-foot per year, if metered</td></tr>
<tr><td>$25 per acre-foot per year, if unmetered</td></tr>
<tr><td>2. Probationary Basin Rate</td><td>Extractors in a probationary basin.</td><td>$40 per acre-foot per year</td></tr>
<tr><td>3. Interim Plan Rate</td><td>Extractors in a probationary basin after the time period identified by § 10735.4 or § 10735.6 (180 days or one year, accordingly).</td><td>$55 per acre-foot per year</td></tr>
<tr><td colspan="3">Fees independent of intervention status[(b)]</td></tr>
<tr><td>Late Fee</td><td>Extractors that do not file reports by the due date.</td><td>25% of total fee amount, accrued monthly</td></tr>
<tr><td>Special Studies Fee</td><td colspan="2">May apply to extractors when basin-specific special studies are required and the probationary or interim plan rates are insufficient. The additional cost of developing special technical studies such as groundwater investigations or modeling will be apportioned to extractors based on volume of water extracted.</td></tr>
</table>

(a) Can apply to de minimis extractors in probationary basins at the Board’s discretion.
(b) These fees are paid in addition to the “Fees based on intervention status.

CHALLENGES TO DEVELOPING THE SGMA FEE SCHEDULE

There are two primary challenges in developing the SGMA fee schedule that create difficulties in anticipating programmatic costs: 1) uncertainty regarding the number and scope of unmanaged areas and probationary basins, and 2) the level of reporting compliance.

1) Staff workload, and resulting fees, are contingent on the number and scope of unmanaged areas and probationary basins. However, at this time there is significant uncertainty regarding the number and scope of unmanaged areas and probationary basins. In addition, the State Water Board's authority to designate probationary basins is phased in over a 10-year period and is ongoing from that point forward. Because the Board cannot pre-determine the number of unmanaged areas and probationary basins, it must rely on estimating the level of program activities.
2) State Water Board staff anticipate 30 to 50 percent reporting and fee submittal compliance in the first year of collecting fees; 50 to 60 percent in the second year; and 70 to 80 percent through year five. This anticipated compliance rate is applicable to the total number of extractors that must report, not the number of basins or areas generally in compliance with SGMA deadlines. SGMA authorizes the State Water Board to recover costs over a period of years, which will allow staff to create a workload history to better estimate future fees.

As a note, although there is uncertainty regarding the magnitude of program actions, the nature of the emergency regulations allows the State Water Board to update its fee schedule as the challenges described above are better understood over time.

DISCUSSION ON PROPOSED FEE CATEGORIES

The following questions are aimed at focusing input on elements of the draft fee schedule.

Establishing the Fee Structure

1. What are other options the State Water Board should consider? Examples include a cap on the maximum fee amount, a larger base fee, or tiered rates.

2. Is it appropriate to scale the fees based on volumes of water used? Examples of other options include scaling by irrigated acreage, service area size, or crop type.

Incorporating Incentives

1. Will the late fee incentivize report submittal compliance?

2. Are there are other incentives the State Water Board should consider?

3. Will the metering discount for unmanaged areas incentivize more accurate data reporting?

Fee Stability

1. Is it appropriate to apply the Special Studies Fee to individual basins?

2. Do you have suggestions on how the State Water Board can recover programmatic costs resulting from activities in specific basins during probationary or interim plan periods?

SUPPORTING INFORMATION AND CLARIFICATIONS

Fee Example Scenarios

1. The following table provides examples of how the proposed probationary fee rates for eight hypothetical farms would approximately relate to a fee based on irrigated acreage:

Crop	Irrigated Acreage	Acre Feet of Water Applied Annually Per Acre (DWR(b))	Probationary Rate	Cost per Acre	Total Cost
Alfalfa	150	5.05	$40	$202	$30,300
Almonds	150	3.54	$40	$142	$21,240
Corn	150	2.83	$40	$113	$16,980
Cotton	150	3.09	$40	$124	$18,540
Grapes	150	1.86	$40	$74	$11,160
Misc. Fruit Trees	150	3.3	$40	$132	$19,800
Pistachios	150	3.54	$40	$142	$21,240
Rice	150	4.56	$40	$182	$27,360

(b) State-wide averages, Department of Water Resources, Agricultural Land and Water Use Estimates, 2010

2. The following table provides examples of how the proposed probationary fee rates would apply to a municipal water supplier and industrial user:

Purpose of Use	Example Volume	Probationary Rate	Total Cost
Municipal Water Supply	3,600 acre-feet	$40	$144,000
Semiconductor Factory (Industrial)	5,200 acre-feet	$40	$208,000

De Minimis Extractors

Water Code Section 10721, subdivision (e), defines a de minimis extractor as "a person who extracts, for domestic purposes, two-acre feet or less per year." A person who extracts two acre-feet or less per year for a non-domestic purpose will not be considered a de minimis extractor. Domestic purposes do not include growing commercial crops or supporting commercial livestock. De minimis users are exempt from reporting in unmanaged areas. However Water Code Section 10735.2, subdivision (c)(2), authorizes the State Water Board to require de minimis extractors to report in a probationary basin if necessary. De minimis extractors that are required to report in a probationary basin will only pay the base filing fee and, if applicable, the late fee, but will not pay a per acre-foot rate.

Interim Plans and Groundwater Sustainability Plans

State intervention is intended to be a temporary measure to address conditions of long-term overdraft or significant depletions of interconnected surface waters. An interim plan is not intended for permanent management of a basin. Local efforts to address the deficiencies that caused state intervention will need to be funded by local agencies while groundwater extractors are also paying intervention fees to the State Water Board, likely resulting in the potential scenario of extractors paying both local and state fees.

State Water Board Flexibility during Intervention

SGMA provides the State Water Board flexibility in how intervention proceeds in three important ways:

1. Areas in compliance with the sustainability goal will be excluded from probation. (Wat. Code §10735.2, subd. (e).);
2. Extractors may be exempted from probationary reporting and related fees if appropriate. (Wat. Code §10735.2, subd. (c).); and
3. Successful elements of a GSP will be incorporated into an interim plan. (Wat. Code §10735.8, subd. (e).)