



**CITY OF CORNING
CITY COUNCIL CLOSED SESSION AGENDA**

**TUESDAY, JULY 8, 2014
CITY COUNCIL CHAMBERS
794 THIRD STREET**

The City of Corning welcomes you to our meetings, which are regularly scheduled for the second and fourth Tuesdays of each month. Your participation and interest is encouraged and appreciated.

In compliance with the Americans with Disabilities Act, the City of Corning will make available to members of the public any special assistance necessary to participate in this meeting. The public should contact the City Clerk's office (530/824-7033) to make such a request. Notification at least 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

This is an Equal Opportunity Program. Discrimination is prohibited by Federal Law. Complaints of discrimination may be filed with the Secretary of Agriculture, Washington, D.C. 20250.

A. CALL TO ORDER: 6:30 p.m.

B. ROLL CALL:

Council:

**Darlene Dickison
Dave Linnet
Tony Cardenas
Willie Smith
Gary Strack**

Mayor:

The **Brown Act** requires that the Council provide the opportunity for persons in the audience to briefly address the Council on the subject(s) scheduled for tonight's closed session. Is there anyone wanting to comment on the subject(s) the Council will be discussing in closed session? If so, please come to the podium, identify yourself and give us your comments.

C. PUBLIC COMMENTS:

D. ADJOURN TO CLOSED SESSION:

- 1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION PURSUANT TO SUBDIVISION (b) OF SECTION 54956.9.
1 Case**

E. RECONVENE SPECIAL MEETING AND REPORT ON CLOSED SESSION: 7:30 p.m.

POSTED: THURSDAY, JULY 3, 2014



**CITY OF CORNING
CITY COUNCIL AGENDA
TUESDAY, JULY 8, 2014
CITY COUNCIL CHAMBERS
794 THIRD STREET**

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A. CALL TO ORDER: 7:30 p.m.

B. ROLL CALL:

Council:

**Darlene Dickison
Dave Linnet
Tony Cardenas
Willie Smith
Gary Strack**

Mayor:

C. PLEDGE OF ALLEGIANCE: Led by the City Manager.

D. INVOCATION: Led by Mayor Gary Strack.

Persons of no religious persuasion will not be expected in any manner to stand or to participate other than to remain quiet out of respect for those who do choose to participate.

E. PROCLAMATIONS, RECOGNITIONS, APPOINTMENTS, PRESENTATIONS:

F. BUSINESS FROM THE FLOOR:

G. CONSENT AGENDA: It is recommended that items listed on the Consent Agenda be acted on simultaneously unless a Councilmember or members of the audience requests separate discussion and/or action.

- 1. Waive reading, except by title, of any Ordinance under consideration at this meeting for either introduction or passage, per Government Code Section 36934.**
- 2. Waive the reading and approve the Minutes of the June 24, 2014 City Council Meeting with any necessary corrections.**
- 3. July 2, 2014 Claim Warrant - \$337,207.39.**
- 4. July 2, 2014 Business License Report.**
- 5. June 2014 Wages and Salaries: \$349,316.01**
- 6. June 2014 Treasurer's Report.**
- 7. June 2014 Building Permit Valuation Report: \$93,520.64**
- 8. Accept the June 2014 City of Corning Wastewater Operation Summary Report.**
- 9. Approve a three-year Accounting Services Agreement for Audit Services with Donald R. Reynolds, CPA.**

H. ITEMS REMOVED FROM THE CONSENT AGENDA:

I. PUBLIC HEARINGS AND MEETINGS:

10. Adopt Resolution No. 07-08-2014-01, a Resolution of the City Council of the City of Corning declaring its intent to levy and collect annual assessment of \$63.08 for the City of Corning Lighting and Landscape District 1, Zone 1.
11. Adopt Resolution No. 07-08-2014-02, a Resolution of the City Council of the City of Corning declaring its intent to levy and collect annual assessment of \$142.10 for the City of Corning Lighting and Landscape District 1, Zone 3.
12. Adopt Resolution No. 07-08-2014-03, a Resolution of the City Council of the City of Corning declaring its intent to levy and collect annual assessment of \$4,772.90 for the City of Corning Lighting and Landscape District 1, Zone 4.

J. REGULAR AGENDA:

13. Approve amended Land Lease Agreement with Verizon Wireless for the placement of a 120 ft. Monopole and accessory equipment in a 30' X 30' Lease area at Estil Clark Park. APN #: 73-260-30; Address: 103 E. Fig Lane.

K. ITEMS PLACED ON THE AGENDA FROM THE FLOOR:

L. COMMUNICATIONS, CORRESPONDENCE AND INFORMATION:

- M. REPORTS FROM MAYOR AND COUNCIL MEMBERS:** City Councilmembers will report on attendance at conferences/meetings reimbursed at City expense (Requirement of Assembly Bill 1234).

Dickison:

Linnet:

Cardenas:

Smith:

Strack:

N. ADJOURNMENT!:

POSTED: THURSDAY, JULY 3, 2013



**CITY OF CORNING
CITY COUNCIL MINUTES
TUESDAY, JUNE 24, 2014
CITY COUNCIL CHAMBERS
794 THIRD STREET**

This is an Equal Opportunity Program. Discrimination is prohibited by Federal Law. Complaints of discrimination may be filed with the Secretary of Agriculture, Washington, D.C. 20250.

A. CALL TO ORDER: 7:30 p.m.

B. ROLL CALL:

Council:

**Darlene Dickison
Dave Linnet
Tony Cardenas
Willie Smith
Gary Strack**

Mayor:

All members were present except Mayor Gary Strack and Councilor Dave Linnet.

C. PLEDGE OF ALLEGIANCE: Led by the City Manager.

D. INVOCATION: Led by City Council Member Tony Cardenas

E. PROCLAMATIONS, RECOGNITIONS, APPOINTMENTS, PRESENTATIONS: None.

F. BUSINESS FROM THE FLOOR:

Jerry Lequia thanked the Council and City Staff for their efforts in addressing the problem of people living in travel trailers on a neighboring property.

G. CONSENT AGENDA: It is recommended that items listed on the Consent Agenda be acted on simultaneously unless a Councilmember or members of the audience requests separate discussion and/or action.

- 1. Waive reading, except by title, of any Ordinance under consideration at this meeting for either introduction or passage, per Government Code Section 36934.**
- 2. Waive the reading and approve the Minutes of the June 10, 2014 City Council Meeting with any necessary corrections.**
- 3. June 18, 2014 Claim Warrant - \$191,067.68.**
- 4. June 18, 2014 Business License Report.**
- 5. Award Bids for Public Works Fuel, Gravel, Asphalt, Oil/Grease for a three-year period.**

Councilor Smith moved to approve Consent Items 1-5. Councilor Cardenas seconded the motion. **Ayes: Dickison, Cardenas and Smith. Opposed/Abstain: None. Absent: Strack and Linnet. Motion was approved by a 3-0 vote with Strack and Linnet absent.**

H. ITEMS REMOVED FROM THE CONSENT AGENDA: None.

I. PUBLIC HEARINGS AND MEETINGS: None.

J. REGULAR AGENDA:

- 6. Adopt Resolution 06-10-2014-01, A Resolution extending the Abandoned Vehicle Abatement Program through April 2025.**

Following a brief explanation of the program by the City Manager, Councilor Cardenas moved to adopt Resolution No. 06-24-2014-01 extending the Abandoned Vehicle Abatement Program through April 2025. Councilor Smith seconded the motion. **Ayes: Dickison, Cardenas and Smith. Opposed/Abstain: None. Absent: Strack and Linnet. Motion was approved by a 3-0 vote with Strack and Linnet absent.**

7. Adopt Resolution 06-24-2014-02 and approve the 2014-2015 City of Corning Program of Service and Annual Budget.

Mr. Brewer provided a brief Budget overview and acknowledged that Council recommended no additions/corrections to the proposed 2014-15 Budget following the Budget presentation at the June 10th City Council Meeting. Due to some unexpected Staff absences, the recommendations that were to be presented at this meeting for additional street overlays funded specifically from the additional \$65,000 in Gas Tax Street Maintenance Funds will be delayed. Staff now recommends adopting this Resolution and implementing the Budget as it stands and Staff will come back at a subsequent meeting with a correction.

Councilor Cardenas stated under equipment and additional projects, the Fire Department Training Center fencing and Dispatch remodel were not listed; Mr. Brewer stated that although they were not listed independently, they have been included in the Budget figures.

Councilor Smith moved to adopt Resolution No. 06-24-2014-02 setting the appropriation and expenditure limits for all City Funds to implement the 2014-2015 Program of Service and Annual Budget. Councilor Cardenas seconded the motion. **Ayes: Dickison, Cardenas and Smith. Opposed/Abstain: None. Absent: Strack and Linnet. Motion was approved by a 3-0 vote with Strack and Linnet absent.**

8. Approve the City of Corning's Annual Statement of Investment Policy for Fiscal-Year 2014-2015.

Mr. Brewer announced that every year the City is required to re-adopt an Investment Policy. What is presented tonight is a repeat of what we currently have. Councilor Cardenas moved to approve the Annual Statement of Investment Policy as submitted for Fiscal Year 2014-2015. Councilor Smith seconded the motion. **Ayes: Dickison, Cardenas and Smith. Opposed/Abstain: None. Absent: Strack and Linnet. Motion was approved by a 3-0 vote with Strack and Linnet absent.**

9. Adopt Resolution 06-24-2014-03 establishing an Appropriations Limit of \$11,411,802 for the City of Corning's Fiscal Year 2014-2015.

Mr. Brewer explained that the City is required by State Law, Article 13.B to set an Appropriations Limit. Mr. Brewer stated that the City's Certified Public Account has produced the attached report in support of the proposed Resolution. The Appropriation Limit for 2014-2015 is \$11,411,802, which far exceeds the City's proposed General Fund Base Operating Budget.

Councilor Smith moved to receive the report from the City Accountant and adopt Resolution No. 06-24-2014-03 establishing an Appropriations Limit for the City of Corning for Fiscal Year 2014-2015 in the amount of \$11,411,802. Councilor Cardenas seconded the motion. **Ayes: Dickison, Cardenas and Smith. Opposed/Abstain: None. Absent: Strack and Linnet. Motion was approved by a 3-0 vote with Strack and Linnet absent.**

10. Award the Bid for the Corning Community Park Phase 2 Project in the amount of \$997,955.52 to Trent Construction; direct Staff to make independent purchases of Pedestrian Bridge, playground equipment, soccer field lighting, and parking lot solar lights per City Engineer recommendation; appropriate \$34,703.46 from Drainage Development Impact Fee Fund 345; and adjust the 2014-2015 Budget to add \$22,081.37 to account 354-6335-9025.

City Manager Brewer stated the Phase 2 construction will encompass development of the east side of the Corning Community Park off of Houghton Avenue. He further explained that City Engineer Ed Anderson recommends awarding the Bid for the Park Phase II Construction to low bidder Trent Construction, and referred to the Bid information provided to Council which documents the Bids received. He then stated that City Engineer Anderson has also recommended purchasing some items independently, specifically the pedestrian bridge, playground equipment, soccer field lighting and parking lot solar lights. Mr. Brewer stated that Mr. Anderson believes purchasing these items independently will save the City money.

Mr. Brewer explained that use of Grant Funds for off-site street improvements is not allowed therefore, Staff recommends utilizing funds from the Bedroom Tax and Drainage Development Impact Fees to complete the necessary off-site street improvements.

Following discussion, Councilor Cardenas moved to:

- Award the Bid for Phase 2 of the Corning Community Park to Trent Construction in the amount of \$997,955.52; and
- Direct Staff to make independent purchases of the Pedestrian Bridge, Playground Equipment, Soccer Field Lighting and Parking Lot Solar Lights totaling approximately \$250,000 in accordance with the recommendations of the City Engineer dated June 17, 2014; and
- Adjust the 2014-2015 Budget to add \$22,081.37 to Account No. 354-6335-9025; and
- Appropriate \$34,703.46 from Fund 345 (Drainage DIF) to Account No. 354-6335-9025.

Councilor Smith seconded the motion. **Ayes: Dickison, Cardenas and Smith. Opposed/Abstain: None. Absent: Strack and Linnet. Motion was approved by a 3-0 vote with Strack and Linnet absent.**

11. Appropriate \$9,500 from the Parkland Development Fund and authorize expenditure not to exceed \$9,500 for plaster safety repairs to “Kiddie” Pool at Northside Park.

Mr. Brewer explained that the plaster floor at the Northside Park Kiddie Park is flaking and we have received numerous calls from parents, etc. with complaints of cuts to the feet of the children.

Councilor Smith then moved to authorize appropriation of \$9,500 from Parkland Development Fund 341 to Fund 001-6150-6200, Materials and Supplies – Pool; and authorize the City Manager to sign a Contract, not to exceed \$9,500 with the lowest qualified bidder for the necessary safety repairs to the “Kiddie” Pool floor at Northside Park. Councilor Cardenas seconded the motion. **Ayes: Dickison, Cardenas and Smith. Opposed/Abstain: None. Absent: Strack and Linnet. Motion was approved by a 3-0 vote with Strack and Linnet absent.**

K. ITEMS PLACED ON THE AGENDA FROM THE FLOOR: None

L. COMMUNICATIONS, CORRESPONDENCE AND INFORMATION: None.

M. REPORTS FROM MAYOR AND COUNCIL MEMBERS:

Dickison: Attended the LAFCO Meeting where they adopted the Budget which is the same as last year. She also reported on her attendance at the Community Action Agency Tripartite Board Meeting; they will be having a “Tail Gate” this Friday at the fairgrounds.

Linnet: Absent.

Cardenas: Reported on attendance at the Tehama County Transportation Commission Meeting in Mayor Strack’s place and since he was gone he was elected to be Chairperson. He stated there was a person from the State present who discussed upcoming projects. One of the projects discussed that will potentially affect us was the renovation/remodel of the two Corning I-5 Rest Areas this summer. He will be attending a 3Core meeting tomorrow morning.

Smith: Attended the Senior Center meeting and the next meeting will be in September.

Strack: Absent.

N. ADJOURNMENT!: 7:53 p.m.

Lisa M. Linnet, City Clerk



MEMORANDUM

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: LORI SIMS
ACCOUNTING TECHNICIAN

DATE: July 2, 2014

SUBJECT: Cash Disbursement Detail Report for the
Tuesday July 8, 2014 Council Meeting

PROPOSED CASH DISBURSEMENTS FOR YOUR APPROVAL CONSIST OF THE FOLLOWING:

A.	Cash Disbursements	Ending 06-25-14	\$ 38,617.86
B.	Cash Disbursements	Ending 06-30-14	\$ 77,045.60
C.	Payroll Disbursements	Ending 06-30-14	\$ 58,635.91
D.	Cash Disbursements	Ending 07-01-14	\$ 14,910.37
E.	Cash Disbursements	Ending 06-30-14	\$ 130,503.08
F.	Cash Disbursements	Ending 07-02-14	\$ 14,683.25
G.	Cash Disbursements	Ending 07-02-14	\$ 2,811.32
GRAND TOTAL			<u>\$337,207.39</u>

REPORT.: Jun 25 14 Wednesday
 RUN....: Jun 25 14 Time: 16:00
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report
 Check Listing for 06-14 Bank Account.: 1020

PAGE: 001
 ID #: PY-DP
 CTL.: COR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
018616	06/25/14	TRI02	TRI-COUNTY NEWSPAPERS	-353.14	.00	-353.14	168875u	Ck# 018616 Reversed
				-122.79	.00	-122.79	168876u	Ck# 018616 Reversed
				-249.39	.00	-249.39	00168677u	Ck# 018616 Reversed
			Check Total.....	-725.32	.00	-725.32		
018636	06/19/14	\R068	REYNOLDS, AMY	26.26	.00	26.26	140619	MQ CUSTOMER REFUND
018637	06/23/14	NOR21	NORTH VALLEY TREE SERVICE	25500.00	.00	25500.00	14121	TREE PRUNING-STR
018638	06/25/14	ATT13	AT&T	725.55	.00	725.55	140611	COMMUNICATIONS-DISPATCH
018639	06/25/14	BAS01	BASIC LABORATORY, INC	567.00	.00	567.00	1405549	ProfServices Water Dept
				126.00	.00	126.00	1405679	ProfServices Water Dept
			Check Total.....	693.00	.00	693.00		
018640	06/25/14	CAM02	FERGUSON ENTERPRISES INC.	1237.16	.00	1237.16	1003005	MAT & SUPPLIES-WTR
				303.46	.00	303.46	0999376-1	MAT & SUPPLIES-WTR
			Check Total.....	1540.62	.00	1540.62		
018641	06/25/14	COR11	CORNING SAFE & LOCK	182.71	.00	182.71	4211	BLD MAINT-
018642	06/25/14	COR22	CORNING MEDICAL ASSOC	138.00	.00	138.00	140620	EMP PHYSICALS-POOL
018643	06/25/14	DEP03	DEPT OF TRANS/CAL TRANS	1973.45	.00	1973.45	14007470	Equip.Maint. St&Trf Light
018644	06/25/14	FED01	FEDERAL EXPRESS	16.70	.00	16.70	269336203	MAT & SUPPLIES-WTR
018645	06/25/14	GRA02	GRAINGER, W.W., INC	50.70	.00	50.70	946789199	MAT & SUPPLIES-WTR
018646	06/25/14	HOL04	HOLIDAY MARKET #32	24.40	.00	24.40	249321306	MAT & SUPPLIES-
018647	06/25/14	HUN03	HUNTERS SERVICES INC.	1658.55	.00	1658.55	121061	TREE SPRAY-
018648	06/25/14	LEH03	LEHR AUTO ELECTRIC	260.37	.00	260.37	01 098920	VEH OP/MAINT-
018649	06/25/14	NOR20	NOR-CAL SEPTIC SERVICE	400.00	.00	400.00	113235	MAT & SUPPLIES-BLD MAINT
018650	06/25/14	NOR31	NORM'S PRINTING	90.39	.00	90.39	014059	OFFICE SUPPLIES-FINANCE
018651	06/25/14	NOR42	NORMAC	75.08	.00	75.08	579793	MAT & SUPPLIES-PARKS
018652	06/25/14	OFF01	OFFICE DEPOT	62.09	.00	62.09	713263900	OFFICE SUPPLIES-DISPATCH
018653	06/25/14	PGE2A	PG&E	55.78	.00	55.78	140617	ELECT-BLUE HERON CT
018654	06/25/14	TRI02	TRI-COUNTY NEWSPAPERS	353.14	.00	353.14	168875A	PROP 84-NON CONSTRUCTION

REPORT.: Jun 25 14 Wednesday
 RUN...: Jun 25 14 Time: 16:00
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report
 Check Listing for 06-14 Bank Account.: 1020

PAGE: 002
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Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Payment Information Invoice #	Description
018654	06/25/14	TRI02	TRI-COUNTY NEWSPAPERS	122.79	.00	122.79	168876A	Print/Advert. City Clerk
Check Total.....:				475.93	.00	475.93		
018655	06/25/14	VAL04	VALLEY TRUCK & TRACTOR CO	87.24	.00	87.24	439763	VEH/OP MAINT-
018656	06/25/14	WAR05	WARREN, DANA KARL	246.05	.00	246.05	140623	REC INSTRUCTOR-REC
018657	06/25/14	WES01	WESTERN READY MIX	707.35	.00	707.35	38437	C G & S-STR
				535.35	.00	535.35	38461	C G & S-STR
				352.60	.00	352.60	38505	C G & S-STR
Check Total.....:				1595.30	.00	1595.30		
018658	06/25/14	WES19	WESTERN HEATING & RAIN GU	3170.62	.00	3170.62	2014-10	FIRE DAMAGE-TRANS CENTER
018659	06/25/14	TRI02	TRI-COUNTY NEWSPAPERS	294.39	.00	294.39	00168677A	COMMUNICATIONS-FIRE
Cash Account Total.....:				38617.86	.00	38617.86		
Total Disbursements.....:				38617.86	.00	38617.86		

REPORT.: Jul 01 14 Tuesday
 RUN....: Jul 01 14 Time: 08:17
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report
 Check Listing for 06-14 Bank Account.: 1020

PAGE: 001
 ID #: PY-DP
 CTL.: COR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
018660	06/26/14	AME20	AMERICAN WEST BANK	2756.56	.00	2756.56	140624	HSA DEDUCTIBLE
018661	06/30/14	AND03	ANDERS, JOANN	1015.00	.00	1015.00	14-125	PROF. SRVCS/HOUSING REHAB
018662	06/30/14	BAN04	BANK OF THE WEST	47308.53	.00	47308.53	002645296	FIRE ENGINE #114/FIRE CAP
018663	06/30/14	BAS01	BASIC LABORATORY, INC	126.00	.00	126.00	1405872	ProfServices Water Dept
018664	06/30/14	GRA02	GRAINGER, W.W., INC	217.13	.00	217.13	947261146	MAT & SUPPLIES -
				114.29	.00	114.29	947284920	MAT & SUPPLIES -
				12.94	.00	12.94	947791798	MAT & SUPPLIES -
				83.72	.00	83.72	947793482	MAT & SUPPLIES -
			Check Total.....	428.08	.00	428.08		
018665	06/30/14	HEN03	HENRY SCHEIN INC.,	96.21	.00	96.21	619557801	SAFETY ITEMS -FIRE
018666	06/30/14	HOM03	HOME DEPOT	63.29	.00	63.29	181441	BLDG MAINT/LIBRARY
018667	06/30/14	LNC01	LN CURTIS & SONS	230.31	.00	230.31	131788500	FireDepartment
				7611.00	.00	7611.00	131962100	EQUIP REPLCMNT -FireDepar
			Check Total.....	7841.31	.00	7841.31		
018668	06/30/14	NAP01	NAPA AUTO PARTS	644.73	.00	644.73	140623	Veh Opr/Maint
018669	06/30/14	NOR44	NORTHWOOD BACKFLOW SERVIC	55.00	.00	55.00	13622	PROF SERV/WATER
018670	06/30/14	PAC16	PACIFIC TELEMAGEMENT SE	38.00	.00	38.00	659811	COMMUNICATIONS -GEN/CITY
018671	06/30/14	PGE2B	PG&E	10026.77	.00	10026.77	140624	ELECT - WWTP
018672	06/30/14	RED17	RED SKY ASPHALT SERVICES	1444.00	.00	1444.00	1317	CAP REPLACE/SWR IMPROV
018673	06/30/14	STE05	STEEL TRUSS & SUPPLY	5000.00	.00	5000.00	14-0630	PROP 84 PHASE2 CONSTR/PAR
018674	06/30/14	\H056	HAMMEL, NICOLE	82.95	.00	82.95	000B40601	MQ CUSTOMER REFUND FOR HA
018675	06/30/14	\H057	HUFF, KEITH	50.00	.00	50.00	000B40601	MQ CUSTOMER REFUND FOR HU
018676	06/30/14	\J078	JAMISON PROPERTIES,	27.10	.00	27.10	000B40601	MQ CUSTOMER REFUND FOR JA
018677	06/30/14	\J079	JOHNSON, RON	23.26	.00	23.26	000B40601	MQ CUSTOMER REFUND FOR JO
018678	06/30/14	\M120	MCKNIGHT, AL	18.81	.00	18.81	000B40601	MQ CUSTOMER REFUND FOR MC
			Cash Account Total.....	77045.60	.00	77045.60		
			Total Disbursements.....	77045.60	.00	77045.60		

Cash Account Total.....:	.00	.00	.00
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REPORT.: Jul 01 14 Tuesday
 RUN....: Jul 01 14 Time: 08:17
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report - Payroll Vendor Payment(s)
 Check Listing for 06-14 Bank Account.: 1025

PAGE: 002
 ID #: PY-DP
 CTL.: COR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
6396	06/24/14	BAN03	POLICE OFFICER ASSOC.	250.00	.00	250.00	B40624	POLICE OFFICER ASSOC
6397	06/24/14	CAL37	CALIFORNIA STATE DISBURSE	430.61	.00	430.61	B40624	WITHHOLDING ORDER
6398	06/24/14	EDD01	EMPLOYMENT DEVELOPMENT	3819.98	.00	3819.98	B40624	STATE INCOME TAX
				1189.58	.00	1189.58	1B40624	SDI
Check Total.....:				5009.56	.00	5009.56		
6399	06/24/14	ICM01	ICMA RETIREMENT TRUST-457	3521.67	.00	3521.67	B40624	ICMA DEF. COMP
6400	06/24/14	PERS1	PUBLIC EMPLOYEES RETIRE	5547.56	.00	5547.56	B40624	PERS PAYROLL REMITTANCE
6401	06/24/14	PERS4	Cal Pers 457 Def. Comp	1405.41	.00	1405.41	B40624	PERS DEF. COMP.
6402	06/24/14	VAL06	VALIC	1369.76	.00	1369.76	B40624	AIG VALIC P TAX
6403	06/30/14	AFL01	AMERICAN FAMILY LIFE	3389.02	.00	3389.02	B40630	AFLAC INS.PRE TAX
				474.06	.00	474.06	1B40630	AFLAC INS.AFTER TAX
Check Total.....:				3863.08	.00	3863.08		
6404	06/30/14	BLU02	BLUE SHIELD OF CALIFORNIA	22868.00	.00	22868.00	B40630	MEDICAL INSURANCE
6405	06/30/14	MUT00	MUTUAL OF OMAHA	477.68	.00	477.68	B40630	LIFE INSURANCE
6406	06/30/14	OEU01	OPERATING ENGINEERS #3	8151.00	.00	8151.00	B40630	MEDICAL INSURANCE
6407	06/30/14	OEU02	OPERATING ENG. (DUES)	354.00	.00	354.00	B40630	UNION DUES MGMT
				627.00	.00	627.00	1B40630	UNION DUES POLICE
				392.00	.00	392.00	2B40630	UNION DUES DISPATCH
				552.00	.00	552.00	3B40630	UNION DUES-MISC
Check Total.....:				1925.00	.00	1925.00		
6408	06/30/14	PRI04	PRINCIPAL	3219.42	.00	3219.42	B40630	DENTAL INSURANCE
				597.16	.00	597.16	1B40630	VISION INSURANCE
Check Total.....:				3816.58	.00	3816.58		
Cash Account Total.....:				58635.91	.00	58635.91		
Total Disbursements.....:				58635.91	.00	58635.91		

REPORT.: Jul 01 14 Tuesday
 RUN...: Jul 01 14 Time: 09:22
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report
 Check Listing for 07-14 Bank Account.: 1020

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 ID #: PY-DP
 CTL.: COR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Description
018679	07/01/14	COR07	CORBIN WILLITS SYSTEMS	729.72	.00	729.72	000B407011	EQUIP MAINT-FINANCE
018680	07/01/14	COR09	CORNING CHAMBER OF COMM.	1000.00	.00	1000.00	000B407011	ECONOMIC DEVELOPMENT
018681	07/01/14	COR18	CORNING SENIOR CENTER	2700.00	.00	2700.00	140701A	SENIOR CENTER-GEN CITY
018682	07/01/14	HAL05	HALL, ROBERT	104.70	.00	104.70	000B407011	PROF SVCS-FIRE DEPT
018683	07/01/14	KEN00	KEN VAUGHAN & SONS	1200.00	.00	1200.00	000B407011	LANDSCAPE MAINT-
018684	07/01/14	MAI00	MAIRE & BURGESS	5525.00	.00	5525.00	000B407011	CONSULTING SVCS-LEGAL SVC
018685	07/01/14	PIT01	PITNEY BOWES	192.92	.00	192.92	000B407011	EQUIP LEASE-FINANCE
018686	07/01/14	S&L00	S & L BREWER ENTERPRISES	200.00	.00	200.00	000B407011	K-9 PROGRAM-POLICE
018687	07/01/14	TLD01	TEDC	208.33	.00	208.33	000B407011	ECONOMIC DEVELOPMENT
018688	07/01/14	TOM03	TOMLINSON JR., ROBERT L.	54.70	.00	54.70	000B407011	PROF SVCS-FIRE
018689	07/01/14	WHI05	WHITE GLOVE CLEANING SERV	2995.00	.00	2995.00	000B407011	JANITORIAL SVCS-
Cash Account Total.....:				14910.37	.00	14910.37		
Total Disbursements.....:				14910.37	.00	14910.37		

REPORT.: Jul 02 14 Wednesday
 RUN....: Jul 02 14 Time: 16:03
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report
 Check Listing for 06-14 Bank Account.: 1020

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 CTL.: COR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
018690	06/30/14	AND01	ED ANDERSON	2250.00	.00	2250.00	14-0701	ProfServices-
018691	06/30/14	COR01	CORNING VETERINARY CLINIC	70.00	.00	70.00	42945	SPAY/NEUTER PROG-ACO
018692	06/30/14	COR08	CORNING LUMBER CO INC	689.80	.00	689.80	140625	BLD MAINT-
018693	06/30/14	COR45	CORNING ACE HARDWARE	203.47	.00	203.47	140627	MAT & SUPPLIES-
018694	06/30/14	DEP12	DEPT OF JUSTICE	70.00	.00	70.00	040448	PROF SVCS-POLICE
018695	06/30/14	DIV02	DIVISION OF STATE ARCHITE	78.00	.00	78.00	140703	PROF SVCS-FINANCE
018696	06/30/14	MCC07	MCCOY'S HARDWARE & SUPPLY	98.64	.00	98.64	140627	MAT & SUPPLIES-
018697	06/30/14	NOR25	NORTHERN LIGHTS ENRGY, INC	3730.40	.00	3730.40	125117	VEH OP/MAINT-
				563.15	.00	563.15	125152	VEH OP/MAINT-FIRE
			Check Total.....	4293.55	.00	4293.55		
018698	06/30/14	PGE01	PG&E	548.10	.00	548.10	140626	ELECT-
				78.92	.00	78.92	140627	ELECT-CORNING COMMUNITY P
			Check Total.....	627.02	.00	627.02		
018699	06/30/14	STO07	STOUFER, JOHN BEDFORD	3200.00	.00	3200.00	140701	PROF SVCS-PLANNING
018700	06/30/14	TEH13	TEHAMA CO AUDITOR	137.50	.00	137.50	140630	PkngCiteToCnty PoliceServ
018701	06/30/14	TEH15	TEHAMA CO SHERIFF'S DEPT	24.50	.00	24.50	140701	PROF SVCS-POLICE
018702	06/30/14	THO01	THOMES CREEK ROCK CO	231.39	.00	231.39	140701	MAT & SUPPLIES-WTR
018703	06/30/14	VAL07	VALLEY VETERINARY CLINIC,	158.00	.00	158.00	116427	K-9 PROGRAM-POLICE
018704	06/30/14	WAS01	WASTE MANAGEMENT OF	117839.19	.00	117839.19	140630	WASTE MGMT PYMT-SOLID WAS
018705	06/30/14	COR01	CORNING VETERINARY CLINIC	532.02	.00	532.02	42944	PROF SVCS-ACO
			Cash Account Total.....	130503.08	.00	130503.08		
			Total Disbursements.....	130503.08	.00	130503.08		

REPORT.: Jul 02 14 Wednesday
 RUN....: Jul 02 14 Time: 16:08
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report
 Check Listing for 07-14 Bank Account.: 1020

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 CTL.: COR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
018706	07/02/14	3C000	3CORE, INC.	5000.00	.00	5000.00	4-9-2014	TRI-CO EDC-ECON DEV
018707	07/02/14	ANI01	ANIMAL CONTROL TRAINING S	550.00	.00	550.00	140701	TRAINING/ED-ACO
018708	07/02/14	BRE01	BREWER, JOHN	126.56	.00	126.56	140708	CONF/MTGS-CITY ADMIN
018709	07/02/14	CAL10	CPCA	315.00	.00	315.00	490F	ASSOCIATION DUES-POLICE
018710	07/02/14	COM01	COMPUTER LOGISTICS, INC	1886.00	.00	1886.00	63034	EQUIP MAINT-
				116.67	.00	116.67	63036	COMMUNICATIONS-POLICE
				23.00	.00	23.00	63043	EQUIP MAINT-GEN CITY
				28.00	.00	28.00	63044	COMMUNICATIONS-POLICE
Check Total.....:				2053.67	.00	2053.67		
018711	07/02/14	LEA03	LEADS SOFTWARE GROUP, INC	900.00	.00	900.00	14004	EQUIP MAINT-POLICE
018712	07/02/14	RED01	RED BLUFF DAILY NEWS	167.59	.00	167.59	140701	COMMUNICATIONS-GEN CITY
018713	07/02/14	SYS01	SYSTEM EXCHANGE CORP.	3480.00	.00	3480.00	P41SEP153	CletsUserFees PoliceDispa
018714	07/02/14	TEH15	TEHAMA CO SHERIFF'S DEPT	2000.00	.00	2000.00	07012014A	CLETS USER FEES-POLICE
018715	07/02/14	XER00	XEROX CORPORATION	90.43	.00	90.43	074773149	EQUIP MAINT-POLICE
Cash Account Total.....:				14683.25	.00	14683.25		
Total Disbursements.....:				14683.25	.00	14683.25		

REPORT.: Jul 02 14 Wednesday
RUN....: Jul 02 14 Time: 16:32
Run By.: LORI

CITY OF CORNING
Cash Disbursement Detail Report
Check Listing for 06-14 Bank Account.: 1020

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ID #: PY-DP
CTL.: COR

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	-----Payment Information----- Invoice #	Description
018716	06/30/14	ATT15	AT&T MOBILITY	412.63	.00	412.63	140619	COMMUNICATIONS-
018717	06/30/14	NOR25	NORTHERN LIGHTS ENRGY, INC	2398.69	.00	2398.69	125151	MAT & SUPPLIES-
Cash Account Total.....:				2811.32	.00	2811.32		
Total Disbursements.....:				2811.32	.00	2811.32		
				=====	=====	=====		

Date.: Jul 2, 2014
Time.: 11:10 am
Run by: PALA CANTRELL

CITY OF CORNING
NEW BUSINESSES FOR CITY COUNCIL

Page.: 1
List.: NEWB
Group: WTFMB

Business Name	Address	CITY/STATE/ZIP	Contact Name	Business Desc. #1	Business Start Date	Primary Teleph
ADVANCED TREE CARE	4594 RAWSON RD	CORNING, CA 96021	CLACK JASON	TREE TRIMMING, TOPPING, AND REMOVAL	07/01/14	(530)736-6277
BERGSTROM CONCRETE	24201 LOLETA AVE	CORNING, CA 96021	BERGSTROM BEAU	CONTRACTOR	07/02/14	(530)864-2961
CAMPBELL ELECTRIC		BELLA VISTA, CA 96008	CAMPBELL ALAN	CONTRACTOR	07/02/14	(530)549-5662
CBA SITE SERVICES	75 LAURITZEN LN	OAKLEY, CA 94561	RICHARDSON DOUG	CONTRACTOR	07/02/14	(925)754-7633
DOWNTOWN ALTERATIONS	1920 SOLANO ST	CORNING, CA 96021	MARKWITH BETTY	SEWING & ALTERATIONS OF CLOTHING AND CLO	07/02/14	(909)856-4607
K DRACO DESIGNS	810 ALMOND ST	CORNING, CA 96021	MORROW SHERYL	INTERNET JEWELRY/KNICKKNACKS/CLOTHING SAL	06/24/14	(530)828-2646
LUKE ALEXANDER CONST	1920 FIRST ST	CORNING, CA 96021	ALEXANDER LUKE	CONTRACTOR	07/02/14	(530)824-6347
PACIFIC METAL BUILDI	270 OLD HWY 99W	MAXWELL, CA 95955	CASTILLO RAMIRO	CONTRACTOR	07/02/14	(530)438-2777
SOLAR CITY CORP.	3055 CLEARVIEW WAY	SAN MATEO, CA 94402		CONTRACTOR	07/02/14	(530)636-3342
THE SOLAR COMPANY	20861 WILBEAM AVE	CASTRO VALLEY, CA 94546		CONTRACTOR	07/02/14	(510)888-9488

CITY OF CORNING

JUNE 2014

TREASURERS REPORT

AGENCY	BALANCE	RATE
LOCAL AGENCY INVESTMENT FUND	1,779,757.52	.23

Respectfully Submitted

Pala Cantrell
City Treasurer

7/1/2014
8:40:25AM

CITY OF CORNING
PERMITS ISSUED (sort by Permit #)
For the Period 6/1/2014 thru 6/30/2014

Owner and Address	Parcel Number	Issued On	Valuation
ARMANDO PAREZ 1165 PEAR ST CORNING CA 96021 Permit Description: RPLACE SIDING , ADD GAS LINE	7311207 Site Street Address: 1165 PEAR ST	6/26/2014	4,000.00
CITY OF CORNING 1106 BUTTE ST CORNING CA 96021 Permit Description: C/O ANTENNAS	7111507 Site Street Address: 1106 BUTTE ST	6/25/2014	10,000.00
DAN GRISWOLD 822 HOUGHTON AVE CORNING CA 96021 Permit Description: REPLACE WATER LINE	7115504 Site Street Address: 822 HOUGHTON AVE	6/2/2014	30.00
PEDRO OROZCO 3527 HWY 99W CORNING CA 96021 Permit Description: REPLACE METAL COVERING	8710060 Site Street Address: 3527 HWY 99W	6/23/2014	12,101.39
FRANK PATERSON 695 EL VARANO ST CORNING CA 96021 Permit Description: REMODEL	7322010 Site Street Address: 695 EL VARANO ST	6/26/2014	35,000.00
LOUIE DAVIES 1124 SOLANO ST CORNING CA 96021 Permit Description: MOVE ELECT. SERVICES TO EXTERIOR	7113507 Site Street Address: 1124 SOLANO ST	6/6/2014	2,000.00
MARTIN KARSCH 1403 SOLANO ST CORNING CA 96021 Permit Description: REROOF REAR HALF	7112607 Site Street Address: 1403 SOLANO ST	6/10/2014	2,945.00

CITY OF CORNING
PERMITS ISSUED (sort by Permit #)
For the Period 6/1/2014 thru 6/30/2014

Owner and Address	Parcel Number	Issued On	Valuation
LOUIE DAVIES 903 SOLANO ST CORNING CA 96021 Permit Description: ADD ELECT SUB PANEL	7306402 Site Street Address: 903 SOLANO ST	6/10/2014	350.00
MARTIN KARSCH 1613 SOLANO ST CORNING CA 96021 Permit Description: REPLACE MAIN BREAKER	7112203 Site Street Address: 1613 SOLANO ST	6/12/2014	200.00
LON MEIRHOFF 1316 SOUTH ST CORNING CA 96021 Permit Description: ADD 6' & 4' SIDE YARD FENCE	7117108 Site Street Address: 1316 SOUTH ST	6/24/2014	1,000.00
RICHARD POISSON 520 LINCOLN ST CORNING CA 96021 Permit Description: C/O WOOD FENCE TO VINAL FENCE	7108051 Site Street Address: 520 LINCOLN ST	6/24/2014	7,200.00
CORNING GARDEN APT. 250 DIVISIDERO AVE CORNING CA 96021 Permit Description: REPLACE COIL & CONDENSER AC	7302042 Site Street Address: 250 DIVISIDERO AVE	6/24/2014	3,988.25
OLIVERA PROPERTIES 1621 HERBERT AVE CORNING CA 96021 Permit Description: C/O HVAC SYSTEM	7122311 Site Street Address: 1621 HERBERT AVE	6/24/2014	4,268.00
YVONNE BENNETT 1165 TOOMES AVE CORNING CA 96021 Permit Description: ADD 90 SQ FT DECK	7121108 Site Street Address: 1165 TOOMES AVE	6/26/2014	2,000.00
DEBRA FIELDER 2124 DONAVAN AVE CORNING CA 96021 Permit Description: INSTALL TANKLESS WATER HEATER	7120116 Site Street Address: 2124 DONAVAN AVE	6/27/2014	6,438.00

7/1/2014
8:40:25AM

CITY OF CORNING
PERMITS ISSUED (sort by Permit #)
For the Period 6/1/2014 thru 6/30/2014

Owner and Address	Parcel Number	Issued On	Valuation
DAVIES VARGAS 1314 SOLANO ST CORNING CA 96021 Permit Description: ADD ENTRY DOORS	7113107 Site Street Address: 1314 SOLANO ST	6/27/2014	2,000.00

16 Permits Issued from 6/1/2014 Thru 6/30/2014 FOR A TOTAL VALUATION OF \$ 93,520.64

***** END OF REPORT *****



**CITY OF CORNING
WASTEWATER OPERATION SUMMARY REPORT
JUNE 2014**

Severn Trent Services
25010 Gardiner Ferry Rd
P.O. Box 230
Corning, CA 96021
United States

T: +1 530 824 5863
F: +1 530 824 5769

www.severntrentservices.com

Below is a summary of the Monthly Operations Report that will be available for City review on July 2014

- 1) Filled out monthly reports.
- 2) Performed weekly Operator 10 maintenance on all plant equipment.
- 3) Changed flow disk.
- 4) Cleaned EQ basin
- 5) Calibrated SO₃ analyzer
- 6) Staff meeting to discuss plant operations and issues.
- 7) Changed chart on So₃ analyzer.
- 8) Safety meeting.
- 9) Cleaned section 7 of collection system
- 10) Inspected eyewash and emergency showers.
- 11) Completed job hazard analysis review
- 12) Cleaned So₂ pump.
- 13) Checked storm water discharge sites at WWTP and airport.
- 14) Calibrated SO₃ analyzer
- 15) Tested all chlorine and So₂ leak sensors

- 16) Cleaned probe at lift station.
- 17) Tested alarms with Fire Dept.
- 18) Exercised lift station stand –by pump
- 19) Collected sample and ran Colilert test on eye wash station.
- 20) Exercised emergency generator.
- 21) Sprayed weeds
- 22) Performed monthly Plant inspection
- 23) Checked all fire extinguishers.
- 24) Cleaned drying beds
- 25) Completed SSO no spill report.
- 26) Air Quality board on site for inspection (no issues)
- 27) Collected monthly river samples.
- 28) Changed oil in aerator and screw pump gear boxes.
- 29) Mowed lawns
- 30) Installed new gear reducer on oxidation ditch north gate.
- 31) Mandy Mok from ELAP here for lab inspection
- 32) Posted “ High Voltage” sign on electrical panels
- 33) Responded to sewer call-out at Petro Truck Center, blockage was in private lateral.
- 34) Met with John Brewer and Steve Lindeman regarding annual storm water report

June 2014

Domestic Flow Monthly Average = 676,666 GPD

ITEM NO.: G-9
APPROVE AGREEMENT FOR
AUDIT SERVICES WITH DONALD
R. REYNOLDS, CPA
JULY 8, 2014

TO: HONORABLE MAYOR AND COUNCIL MEMBERS
OF THE CITY OF CORNING
FROM: JOHN L. BREWER, AICP, CITY MANAGER 

SUMMARY:

Staff received only one response to their formal "Request for Proposals" to provide audit services to the City (see attached). Following review of the proposal by City Staff and outside accounting advisor and CPA Roy Seiler, Staff recommends Council approval of a three-year Audit Service Agreement with independent auditor, Donald R. Reynolds, CPA.

BACKGROUND:

Donald R. Reynolds, CPA has served as the City's Auditor for the past ten years via the initial "Request for Proposals" process. Because of his firm's prior work with the City, they are familiar with and have a clear understanding of the City's accounting system. This previous experience and knowledge enable them to quickly see any possible problems that might otherwise go unnoticed.

The City circulated a "Request for Proposals for Audit Services" to eight qualified northern California Accounting Firms. Of those eight, we received only two (2) responses. One from a firm in Chico stating that they would be unable to provide such services as their audit schedule was full. The other was from the current City Auditor, Don Reynolds, Certified Public Accountant.

Some Cities have advocated a change in Auditors every three (3) years to ensure a new perspective on the City's accounting system. This is one management view, however experience does not support it. Actually the longer a City Council can retain the same auditor, the better that Auditor understands the City's accounting systems and the better rapport the Auditor has with the City Staff. This rapport allows the Auditor to interact on a regular basis with City Staff who become more likely to share concerns about the accounting system. There is also a significant start-up cost each time a new Auditor must learn the City's systems.

City Staff recently solicited formal proposals from eight northern California Accounting Firms to provide audit services to the City under a three-year Agreement. The only proposal received was from Donald Reynolds, CPA. Below is the firm's all-inclusive fee structure for the next three years. These fees cover audit of the general purpose financial statements, preparation of the OMB Circular A-133 and of all required reports, preparation of all applicable financial statements, audit procedures pertaining to State Transportation Improvement Program-STIP (if applicable), Appropriation Limitation Calculation, and out of pocket expenses for the future three-year period which are:

<u>Future:</u>	<u>Fee</u>	<u>Other Programs and STIP, if Applicable (*)</u>
2014	\$13,500	\$1,500
2015	\$14,000	\$1,750
2016	\$14,500	\$2,000

(*) Currently there is no STIP Program however that could change in the future.

In contract covering the previous three years (2011-2013) there was no additional charge for the preparation of applicable financial statements and related disclosures. Costs for these same services under the proposed contract are an additional \$2,500 the first year, \$2,750 the second, and \$3,000 in the final year. **(These costs are included in the fees listed above.)**

Below is the fee schedule Mr. Reynolds charged the City for the previous three year period:

<u>Past:</u>	<u>Fee</u>	<u>Other Programs and STIP, if Applicable (*)</u>
2011	\$10,000	\$2,500
2012	\$10,500	\$2,500
2013	\$11,000	\$2,500

RECOMMENDATION:

MAYOR AND COUNCIL APPROVE A THREE (3) YEAR ACCOUNTING SERVICES AGREEMENT WITH MR. DONALD R. REYNOLDS, CPA AND DIRECT THE CITY ATTORNEY TO FINALIZE THE AGREEMENT FOR THE CITY MANAGER'S SIGNATURE.

RECEIVED
MAY 29 2014
CORNING CITY CLERK

**RESPONSE TO THE REQUEST FOR
PROPOSAL TO PROVIDE INDEPENDENT
PROFESSIONAL AUDITING SERVICES**

FOR THE

**CITY OF CORNING
FISCAL YEARS ENDING
JUNE 30, 2014, 2015 AND 2016**

Submitted By

DONALD R. REYNOLDS
CERTIFIED PUBLIC ACCOUNTANT

1438 Oregon Street
Redding, California 96001
Phone Number: (530) 246-2834

Contact Person: Donald R. Reynolds C.P.A.

Date Submitted

May 28, 2014

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TECHNICAL PROPOSALSECTION 1 1 Master (Bound) 5 Copies

SEALED DOLLAR COST BIDSECTION 2 1 Master (Bound) 5 Copies

**TECHNICAL PROPOSAL TO PROVIDE INDEPENDENT
AUDITING SERVICES
(Master Copy)
FOR THE**

**CITY OF CORNING
FISCAL YEARS ENDING
JUNE 30, 2014, 2015 AND 2016**

Submitted By

**DONALD R. REYNOLDS
CERTIFIED PUBLIC ACCOUNTANT**

1438 Oregon Street
Redding, California 96001
Phone Number: (530) 246-2834

Contact Person: Donald R. Reynolds C.P.A.

Date Submitted

May 28, 2014

TECHNICAL PROPOSAL
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LETTER OF TRANSMITTAL

Donald R. Reynolds

Certified Public Accountant

May 28, 2014

The Honorable City Council
City of Corning
377 J Street
Corning, CA 95531

Re: Proposal For Furnishing Audit Services

Dear Sirs:

Thank you for the opportunity to submit this proposal to furnish auditing services to the City of Corning, (the City) for the years ending June 30, 2014, 2015 and 2016.

I understand the scope of the engagement to include an audit of the Basic Financial Statements of the City of Corning, for the years ending June 30, 2014, 2015 and 2016 in accordance with U.S. Generally Accepted Auditing Standards, *Government Auditing Standards*, issued by the Comptroller General of the United States. In addition the City has requested additional fees for the preparation of the annual financial statements in accordance with professional standards, Single Audit procedures in accordance with OMB Circular A-133, if required and individual audits in accordance with the State Transportation Improvement Program if required.

My audits of the annual general purpose financial statements and component units will be in accordance with generally accepted auditing standards. The primary purpose of my audits will be to express my opinion that the general purpose financial statements and component units are presented fairly in conformity with generally accepted accounting principles applied on a consistent basis.

In addition to the above services, I will also submit, to the appropriate parties, each year a management letter containing my recommendations, which if implemented would, in my opinion, increase efficiency, improve internal controls, improve management, or result in cost savings to the City.

Audit Objectives

The objective of my audit is the expression of an opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the financial statements taken as a whole. My audit will be conducted in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards*, issued by the Controller General of the United States, as well as OMB Circular A-133, the Single Audit Act, and will include tests of the accounting records of the Association and other procedures I consider necessary to enable me to express such an opinion. If my opinion on the financial statements is other than unqualified, I will fully discuss the reasons with you in advance. If, for any reason, I am unable to complete the audit or am unable to form or have not formed an opinion, I may decline to express an opinion or to issue a report as a result of this engagement.

I will also provide a report (that does not include an opinion) on internal control related to the financial

1438 Oregon Street, Redding, California 96001 * (530) 246-AUDIT (2834) * FAX (530) 244-0331

statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by Governmental Auditing Standards. This report will include a statement that the report is intended solely for the information and use of the board of directors, management, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, I will prepare a draft of your financial statements and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any non-audit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position, activities, and the respective changes in financial position and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous audits or other engagements or studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant

findings and recommendations resulting from those audits or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, my audit will involve judgment about the number of transactions to be examined and the areas to be tested. I will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether caused by error, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance and because I will not perform a detailed examination of all transactions, there is a risk that a material misstatement may exist and not be detected by me. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, I will inform you of any material errors that come to my attention, and I will inform you of any fraudulent financial reporting or misappropriation of assets that comes to my attention. I will also inform you of any of any violations of laws or governmental regulations that come to my attention, unless clearly inconsequential. My responsibility as auditor is limited to the period covered by my audit and does not extend to matters that might arise during any later periods for which I am not engaged as auditor.

My procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. I will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of my audit, I will also require certain written representations from you about the financial statements and related matters.

Audit Procedures - Internal Control

My audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. My tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

The Honorable City Council
City of Corning

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, I will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Association's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Audit Administration, Fee, and Other

I understand that you will prepare all cash or other confirmations I request and will locate any invoices selected by me for testing.

The audit documentation for this engagement is the property of Donald R. Reynolds, CPA and constitutes confidential information. However, pursuant to authority given by law or regulation, I may be requested to make certain audit documentation available to federal agency providing direct or indirect funding, or the U.S. General Accounting Office for purposes of a quality review of the audits, to resolve audit findings, or to carry out oversight responsibilities. I will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Donald R. Reynolds, CPA personnel. Furthermore, upon request, I may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

I expect to begin my audit as soon as the books are ready for audit, and assuming that the books are adjusted and complete by October 1, 2014, I agree to issue a draft report by November 15, 2014 and final reports no later than December 1, 2014. I understand that the reports for year ended June 30, 2014 may be an annual financial report and that the City desires that the reports for subsequent years will be Comprehensive Annual financial Reports.

I also understand that the engagement includes the issuance of a report on the review of the GANN Limit computation and a management letter for each year under audit.

My fee for these services will be at my standard government hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) Those standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audits. My invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with my firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If I elect to terminate my services for nonpayment, my engagement will be deemed to have been completed upon written notification of termination, even if I have not completed my report. You will be obligated to compensate me for all time expended and to reimburse me for all out-of-pocket costs

The Honorable City Council
City of Corning

through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, I will discuss it with you and arrive at a new fee estimate before I incur the additional costs.

Staffing the engagement will be done with a combination of full time and part time professionals and para-professionals. All staff assigned to this engagement will meet the GAO standards for continuing education. I also commit to maintaining adequate levels of staffing to insure that the engagement is completed within the stipulated time line unless otherwise agreed to in advance. I, Donald R. Reynolds, owner, will serve as principal auditor during the first year of the engagement. I am committed to providing quality service with a minimum of disruption to City staff and I will be personally supervising each step of the engagement in order to see that this happens.

I feel that I can most effectively serve as independent auditor for the City because of my prior experience with county and city auditing and specifically with the City of Corning. This, coupled with a lower overhead and progressive attitude toward the use of computer techniques and other innovations to expedite field work. Questions will arise regarding my extended tenure as the City's auditor, however it is that very tenure that uniquely qualifies me to serve, at least for the 2014 audit as I have more knowledge of the history of the City's financial operations. My familiarity with the City's staff makes the execution of the audit less invasive as well.

Government Auditing Standards require that I provide you with a copy of my most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. My 2011 peer review report accompanies this letter.

I would be pleased to meet with the Board to discuss the accompanying proposal. Again, I express my appreciation for the invitation to submit this proposal. If you desire further information or have questions, please call.

This proposal is binding for a period of 90 days, and the person signing this letter may legally bind the proposer.



DONALD R. REYNOLDS
Certified Public Accountant



David E. Vaughn CPA

(209) 957-8806, fax (209) 957-9589

4540 Gnekow Drive, Stockton, Ca. 95212-1307

System Review Report

December 28, 2012

Donald R. Reynolds,
Certified Public Accountant,
and the Peer Review Committee of the California Society of CPAs

I have reviewed the system of quality control for the accounting and auditing practice of Donald R. Reynolds, CPA (the firm) in effect for the year ended December 31, 2011. My peer review was conducted in accordance with Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. My responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on my review. The nature, objectives, scope, limitations of, and procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included an engagement performed under *Government Auditing Standards*.

In my opinion, the system of quality control for the accounting and auditing practice of Donald R. Reynolds, CPA in effect for the year ended December 31, 2011, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Donald R. Reynolds, CPA has received a peer review rating of *pass*.

A handwritten signature in black ink, appearing to read 'D.E. Vaughn', with a long horizontal flourish extending to the right.

David E. Vaughn, CPA

**INDEPENDENCE
AND
OTHER SPECIFIC RESPONSES**

INDEPENDENCE

The Firm of **Donald R. Reynolds, C.P.A.**, including the proprietor, and professional staff, have no business, investment or family relationships with the City (elected or appointed), appointed employees or department heads.

With respect to the City, **Donald R. Reynolds, C.P.A.** meets the independence standards of Standards for Audit of Governmental Organization, Programs, Activities and Functions (1999 revision) by the Comptroller General of the United States which states:

"In all matters relating to the audit work, the audit organization and the individual auditors, whether government or public, must be free from personal or external impairments to independence, must be organizationally independent, and shall maintain an independent attitude and appearance."

In addition, I am also independent with respect to the City under the AICPA Code of Professional Ethics. Throughout the specified term of the engagement I will continue my independence with respect to the City.

TAX ID INFORMATION

Donald R. Reynolds, CPA SSN - 551-92-1301

CERTIFICATION OF ALL APPLICABLE INSURANCES

Donald R. Reynolds, CPA carries all necessary commercial insurances including but not limited to errors and omissions insurance and personal liability insurance. Limits on these policies and carriers are available upon request.

CERTIFICATION OF LICENSURE

Donald R. Reynolds, CPA is a duly licensed CPA in the State of California.

PROFILE OF PROPOSER

A PROFILE OF THE FIRM

Donald R. Reynolds, C.P.A. is a local Certified Public Accounting firm licensed by the State of California, with offices located in Redding. To meet the needs of my clients, I offer a complete range of auditing, accounting, tax, and management advisory services. As a nonprofit and governmental auditor, I have accumulated nearly 30 years of professional experience in the area of governmental and nonprofit auditing, most recently adding foster family agencies and group homes over the last few years.

Throughout my tenure as a government and nonprofit auditor my objective has always been to develop a good working relationship with my audit clients, while maintaining the necessary level of independence needed to insure a valid auditor, client relationship. This allows the audit to be completed timely and with as little disruption to the client as possible.

My clientele is highly diversified and includes representation in many areas of business and government. I will be committing my resources to a program of the highest quality client service.

As a member of the American Institute of Certified Public Accountants (AICPA) Division for CPA Firms - Private Companies Practice Section (PCPS), I recently underwent my third tri-annual Peer Review and have received an unqualified opinion. My Peer Review report is enclosed for your review. I continually participate in formal professional development programs, and have developed a comprehensive library of accounting, auditing, tax and management services research material. I have access to all current texts and publications on governmental and nonprofit accounting and auditing requirements, including numerous publications of the Governmental Finance Officers Association (GFOA), via the World Wide Web, and use it to maintain the most up to date information available.

I have previously been engaged as independent auditor by the following municipalities and non-profit entities:

<u>Entity</u>	<u>Name and Title</u>	<u>Telephone No.</u>
City of Biggs, Biggs, California	Mark Sorenson, City Manager/Finance Officer	(530) 868-0101
Scope:	Single Audit, A-133	
Total Hours:	100+	
City of Corning, Corning California	John Brewer, City Manager	(530) 824-7020
Scope:	Single Audit, A-133	
Total Hours:	100+	
Grindstone Indiana Rancheria	Rudy Inong, Fiscal Officer	(530) 519-7630
Scope:	Single Audit, A-133	
Total Hours:	100+	
Tehama Mosquito Vector Control District	Andrew Cox, District Manager	(530) 527-1676
Crescent City Harbor District	Richard Young, District Manager	(707) 464-6174
Del Norte Economic Development Corporation	Jessica Mercado, Business Manager	(707) 464-2169
Trinity County Waterworks District No. 1	Craig Hair, District Manager	(530) 628-5449

I have also been engaged as independent auditor for numerous other non-profit and governmental agencies located throughout northern California, including municipalities, special districts and other agencies. I have considerable experience in the area of compliance auditing in connection with "single audits" under the Single Audit Act and OMB Circulars A-128 and A-133, Special Grant audits of Federal Revenue Sharing programs, U.S. Department of Housing and Urban Development Community Development Block Grant (CDBG) programs, U.S. Department of Commerce, and Local Public Works programs (LPW). I would be happy to provide an expanded list of prior clients upon request.

The majority of my audit clients, both in government and the private sector have in-house computers. In addition, generally accepted auditing standards require that in each audit I include a review of a client's system of internal accounting control encompassing all significant and relevant manual, mechanical, and EDP activities and the interrelationship between EDP and user departments. Therefore, I have developed a significant amount of expertise in the areas of reviewing EDP systems and auditing around and through such systems.

In the past I have served as an instructor for the California Society of Certified Public Accountants, Education Foundation, in the areas of Single Audit, Government and Nonprofit Audit and Accounting, as well as serving as the Foundation's primary instructor for the GAO Yellow Book. In addition, I was involved in assisting the Society of California Accountants in the formation of a CPE curriculum in the area of governmental and nonprofit auditing and accounting as well as developing a training course for government and nonprofit auditors.

In assessing the potential auditors qualifications, the client should attempt to achieve the following goals:

- (1) Selection of an auditor who has prior experience with governmental auditing and, specifically, with governmental entities.
- (2) Selection of an auditor who can bring a broad spectrum of expertise to bear in identifying potential problems and suggestions.
- (3) Selection of an auditor with the experience level and background which minimizes unnecessary questions and time demands on the City's staff, as well as complete the engagement during normal office hours or other time schedules agreed to by both parties.

My resume is presented on the following pages.

DONALD R. REYNOLDS, C.P.A.

EDUCATION

Master of Science program (Accounting) - California State University, Sacramento, California (1979)

Bachelor of Arts (Economics and Ag-Economics) - University of California, Davis (1975)

PROFESSIONAL MEMBERSHIPS

American Institute of Certified Public Accountants

California Society of Certified Public Accountants

AICPA's Private Companies Practice Section

GFOA Special Review Committee

PROFESSIONAL EXPERIENCE

My previous experience in governmental auditing includes the following:

- 1) City of Crescent City (2007 - Present) (Single Audit),
- 2) City of Biggs (2011 - Present)(Single Audit),
- 3) City of Corning (2004 - Present)(Single Audit),
- 4) First 5 Tehama (2007 - Present),
- 5) Trinity County Water Works District #1 (2006 - Present),
- 6) Tehama Mosquito and Vector Control District (2005 - Present),
- 7) Del Norte EDC (1996 - Present) (Single Audit),
- 8) Tri Agency Council (2001 - Present)(Single Audit),
- 9) Shasta County Child Abuse Prevention Coordinating Council (2004 - Present) (Single Audit),
- 10) Del Norte Senior Community Center (2004 - Present),
- 11) Small Cities Organized Risk Effort (1989 - 1993)(1999 - 2006),
- 12) Crescent City Harbor District (1996 - Present),
- 13) Various special district, school districts, and other cities and agencies.

During my tenure as senior audit manager of a large local CPA firm, I also participated in a number of non-governmental audit engagements including manufacturing and processing plants, a retail market chain and title and escrow companies.

I also have eight years experience auditing commercial health and benefit programs in association with the preparation of the annual report to the Internal Revenue Service, Form 5500 which requires that any entity with more than 100 employees, providing health and welfare programs have an audit in accordance with generally accepted auditing standards. Prior to the accounting industry, I was engaged in private industry in a managerial capacity with an emphasis on the accounting function.

I am a past instructor for the California Society of Certified Public Accountants in the areas of Governmental and Nonprofit Auditing and Accounting and was the primary instructor for the course on the GAO Yellow Book. In addition, I have worked with the Society of California Accountants to help develop a CPE curriculum.

I am a previous member of the Government Accounting Standards Board (GASB) advisory group which drafted the "Question and Answer" release on GASB 10, "Accounting for Risk Financing ...", a member of the GASB Task Force for the development of the Omnibus Statement on GASB 10 and the Interpretation on GASB 10, as well as being used as a referral source by GASB, on GASB-10.

I am currently an ex-quality reviewer for the GFOA in the Certificate of Achievement for Excellence in Financial Reporting Program.

PROPOSER'S APPROACH TO THE EXAMINATION

PROPOSER'S APPROACH TO THE EXAMINATION

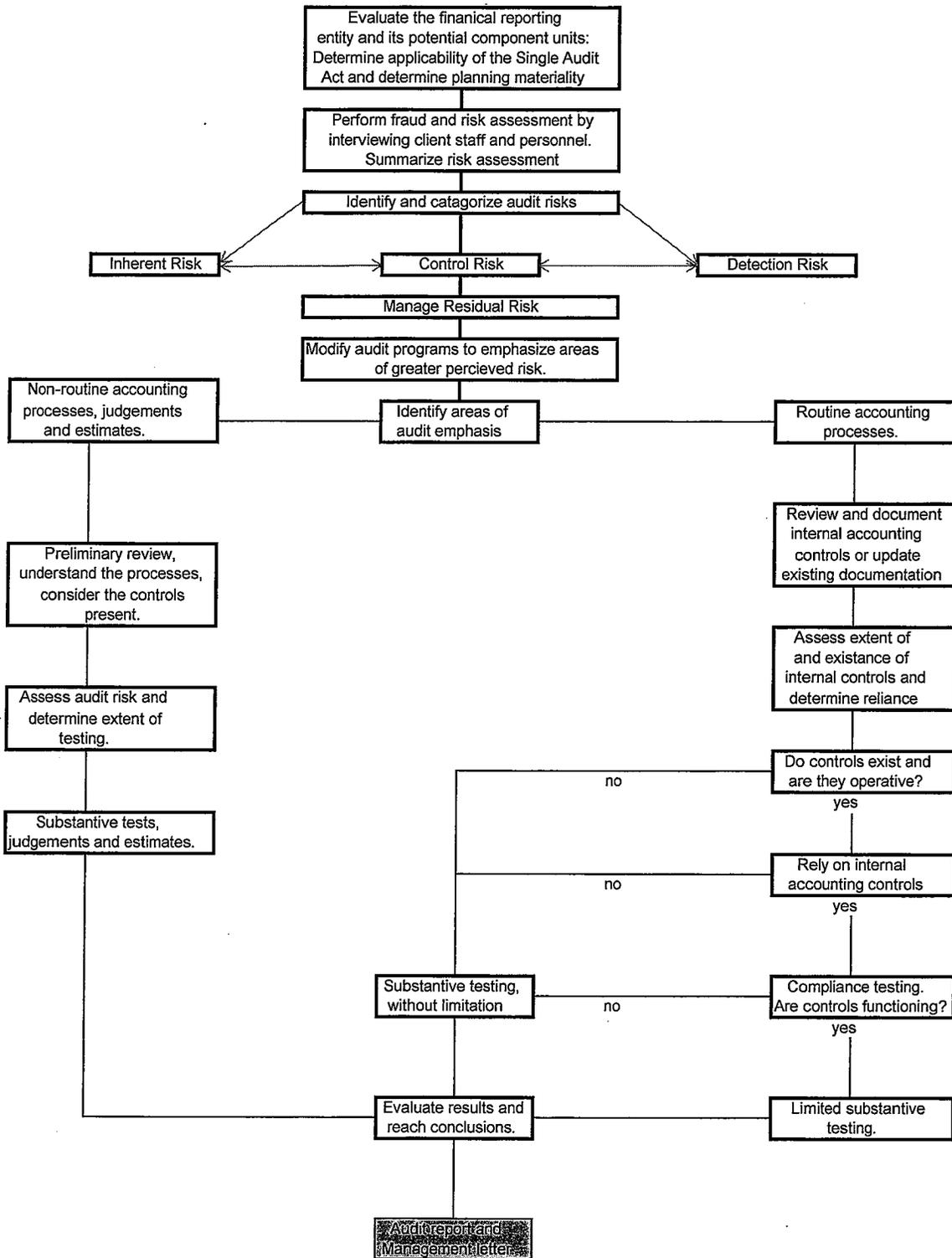
In connection with the annual audits of the City's general purpose financial statements, my audit approach is set forth below:

I, Donald R. Reynolds will have the ultimate responsibility for the timely completion of the engagement. My duties will include overall planning of the audits, supervising and assisting in the completion of the field work and required reports, supervision of other professional staff, involved in the audit, and the conclusion of the audits. I will perform the final review of the work papers, financial statements, and management letters. I will also be available for consultation with City officials and will work with the City in resolving any questions or differences of opinions which may arise during the course of the engagement. I will also present the general purpose financial statements and reports to the Board of Supervisors, and attend any meetings with the Board as required.

I recognize that each entity I audit is different and requires a carefully determined combination of audit procedures and reliance on existing internal accounting and administrative controls. After completing my evaluation of the City's operating procedures and controls, I will prepare an overall audit plan that will result in my performing an efficient and cost-effective audit.

My audits will comply with the requirements of the Comptroller General of the United States, as detailed in the "Standards for Audit of Governmental Organizations, Programs, Activities and Functions", as revised, as well as OMB Circular A-133. Additionally, we will see that the statements are prepared in accordance with GASB 34. In addition, I will continually update my audit plan to include areas of audit emphasis expressed by the City. The total hours estimated for the completion of the audit engagement is based upon my assessment of the City's operating systems and my commitment to a thorough and complete audit. As can be seen in the diagram on the following page, my audit approach is based upon my evaluation of the City's system of internal accounting controls and the planning process:

AUDIT APPROACH



My audit approach lends special emphasis to areas of higher perceived audit risk. Such areas would include the following:

- . Evaluation of internal accounting controls and fraud and risk assessment
- . Cash
- . Receivables
- . Capital Assets
- . Grant administration
- . Compliance with laws and regulations
- . Compliance with specific grant requirements
- . Compliance with GASB 34, 45 and 58

My underlying audit philosophy is to tailor a selection of audit procedures to best fit the City's organization and systems of internal accounting control. My ability to incorporate this philosophy in my service plan is demonstrated by performing an efficient, high quality audit.

Based upon my understanding of the City's operations, I have prepared a preliminary work plan for the audit as follows:

INITIAL PROCEDURES (May 2014, subsequent to issuance of contract, prior to June 30)

- . Entrance Interview
- . Completion of detailed work plan and review with City personnel.
- . Risk analysis and fraud interviews in accordance with professional standards.
- . Consultations with the appropriate personnel regarding accounting systems, timing of procedures and potential accounting issues.
- . Review and evaluation of internal accounting controls to include documentation of systems and review of electronic data processing application.
- . Completion of preliminary compliance testing

INITIAL FIELDWORK (July - August 2014)

- . Based upon the results of my study and evaluation of internal accounting controls,

parameters will be established for compliance testing.

- . Identification of significant compliance requirements and determination of the most practical audit approach and review of GASB 34 conversion procedures needed.
- . Preliminary analytical review in accordance with SAS 58.
- . Accumulation of historical information such as leases, contracts and minutes.
- . Based upon the results of my preliminary evaluation of internal accounting controls and the results of my compliance testing, the scope of my year end substantive audit procedures will be established.
- . Identification of additional schedules to be prepared by accounting personnel.

YEAR END PROCEDURES (September - October 2014)

- . Confirmation of applicable account balances.
- . Completion of substantive account balance testing.
- . Completion of Single Audit testing
- . **Exit Conference on or before November 15, 2014**
 - . Review draft of City's annual financial statements/CAFR, including any significant findings.
 - . Review Management Correspondence
 - . Review GANN Limit Report.
- . **Issue final reports on or before December 1, 2014**

SAMPLING METHODS AND ANALYTICAL PROCEDURES

Authoritative literature defines substantive testing as being comprised of both tests of details and analytical procedures. Audit sampling is a primary method to perform tests of details. Unless it is feasible for the auditor to examine an entire accounting population, sampling is necessary. Auditors frequently use sampling to perform their tests of controls as well as substantive testing.

Due to my familiarity with the city, I believe that sampling for both tests of controls and internal control testing is appropriate. Testing will be done using a combination of random samples, generated

using a random number generator, for those accounts and/or procedures with significant populations, and, in those areas where prior experience has indicated the sufficiency of the internal controls, walk-throughs may be appropriate. A walk-through, is a selection of a limited sample from the population and attribute testing is performed at each step of the transaction in order to ascertain compliance with the existing internal control system. Any deviation from the control system warrants the expansion of the testing to full statistical samples.

Federal guidelines require, in many cases, that statistical samples of sufficient sample size be drawn to test compliance with federal regulations under OMB circular A1 33. In such cases samples of appropriate size will be designed and tested in accordance with the appropriate compliance supplement for the year under audit.

Analytical testing, including trend analysis using balances from prior years will be performed at the initiation of the audit, prior to any proposed adjustments, and at the end of the audit, following any adjustments in order to attempt to identify any items of significant change. In addition a comparison to current and prior budget information will be performed to attempt to identify unusual variations.

All samples will be random in nature and of sufficient size to provide statistical validity of the testing results acceptable variations will be identified prior to testing, and variations in excess of acceptable limits will warrant expansion of the test work. In some cases variations may want discussions with management and/or funding agencies regarding the nature the variations to determine how best to proceed.

I utilize a detailed, comprehensive time-billing system which allows me to track costs in several categories. This will allow me to track time both under general audit categories as well as by grants etc., if requested.

All audit work papers and related documents will be held for a minimum of five years and made available to the City upon request.

**SEALED DOLLAR COST BID TO PROVIDE INDEPENDENT
AUDITING SERVICES
(Master Copy)
FOR THE**

**CITY OF CORNING
FISCAL YEARS ENDING
JUNE 30, 2014, 2015 AND 2016**

Submitted By

**DONALD R. REYNOLDS
CERTIFIED PUBLIC ACCOUNTANT**

1438 Oregon Street
Redding, California 96001
Phone Number: (530) 246-2834

Contact Person: Donald R. Reynolds C.P.A.

Date Submitted

May 28, 2014

COMPENSATION

Donald R. Reynolds

Certified Public Accountant

May 28, 2014

The Honorable City Council
City of Corning
794 Third Street
Corning, CA 96021

Re: Proposal For Furnishing Audit Services

Dear Sirs:

Thank you for the opportunity to submit this proposal to furnish auditing services to the City of Corning, (the City) for the years ending June 30, 2014, 2015 and 2016.

The all-inclusive maximum fees for the proposed audits are set forth on Table I on the following page.

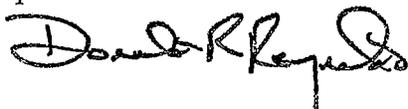
Also set forth on Table I are my standard hourly rates effective for the fiscal year ending June 30, 2014.

My actual fees for all of the auditing services I provide will be based on my standard hourly rates set forth in Table I, and in the event my actual costs are less than the specified maximum fees, I will bill the City for my actual fees.

The fees set forth on Table I are an integral part of this proposal.

I would be pleased to meet with the Board to discuss the accompanying proposal. Again, I express my appreciation for the invitation to submit this proposal. If you desire further information or have questions, please call.

This proposal is binding for a period of 90 days, and the person signing this letter may legally bind the proposer.



DONALD R. REYNOLDS
Certified Public Accountant

TABLE I
AUDIT FEE SUMMARY FISCAL YEAR ENDING June 30,

	<u>2014</u>	<u>2015</u>	<u>2016</u>
All inclusive maximum fee for the audit of the general purpose financial statements, including applicable Yellow Book Audit procedures	\$ <u>7,500</u>	\$ <u>7,750</u>	\$ <u>8,000</u>
All inclusive maximum fee for OMB Circular A-133 procedures and preparation of all required reports, if required	\$ <u>3,500</u>	\$ <u>3,500</u>	\$ <u>3,500</u>
Preparation of all applicable financial statements including relate disclosures	\$ <u>2,500</u>	\$ <u>2,750</u>	\$ <u>3,000</u>
Component unit audit procedures pertaining to expenditures of funds under the State Transportation Improvement Program	\$ <u>1,500</u>	\$ <u>1,750</u>	\$ <u>2,000</u>
Appropriation Limitation Calculation	\$ <u>1,500</u>	\$ <u>1,750</u>	\$ <u>2,000</u>
Our of Pocket Expenses	\$ <u>Included</u>	\$ <u>Included</u>	\$ <u>Included</u>

HOURLY RATES FOR EACH LEVEL OF WORK PERFORMED:

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Proprietor, Audit Manager	\$ <u>105.00</u>	\$ <u>110.00</u>	\$ <u>115.00</u>
Supervisors	\$ <u>105.00</u>	\$ <u>110.00</u>	\$ <u>115.00</u>
Senior Staff Accountant	\$ <u>85.00</u>	\$ <u>87.50</u>	\$ <u>90.00</u>
Junior Staff Accountant	\$ <u>55.00</u>	\$ <u>57.50</u>	\$ <u>60.00</u>
Clerical	\$ <u>40.00</u>	\$ <u>42.00</u>	\$ <u>45.00</u>

Note: Time will be accumulated and grouped according to appropriate levels of experience required to perform various tasks.

**ITEM NO.: I-10
ADOPT RESOLUTION NO. 07-08-2014-01
A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF CORNING DECLARING ITS
INTENT TO LEVY AND COLLECT ANNUAL
ASSESSMENT FOR THE CITY OF CORNING
LIGHTING AND LANDSCAPE DISTRICT 1,
ZONE 1**

JULY 8, 2014

**TO: HONORABLE MAYOR AND COUNCIL MEMBERS
CITY OF CORNING**

**FROM: JOHN L. BREWER, AICP; CITY MANAGER
PATRICK WALKER, PUBLIC WORKS DIRECTOR**

JB

SUMMARY:

Annually the City of Corning must conduct a public hearing prior to levying the annual assessments for the individual zone within Lighting and Landscaping District 1 and placing them upon the property tax roles.

Landscape and Lighting District 1, Zone 1 includes the "Blackburn Estates" Subdivision, located north of Blackburn Avenue and east of Marguerite Avenue on N. Alex Lane.

The City Engineer has filed the attached Annual Engineer's report for the district assessments. No change is proposed in the current fiscal year assessment of \$63.08 per residential parcel.

The attached Resolution, if adopted, would set the Fiscal Year 2014/2015 assessments rate at \$63.08 per parcel.

BACKGROUND:

The California Streets and Highway Code contains the Landscaping and Lighting Act of 1972 beginning with Section 22500. The Act provides for the establishment of Landscaping and Lighting Districts and for the levying of annual assessments to the property owners within the District.

Street & Highway Section 22626 provides for a notice of public hearing and includes a provision requiring a ten (10) day legal notice to the individual property owners along with publication in the newspaper when there is no proposed increase in the annual assessment. In this case, notice of this hearing was mailed to the affected property owners on June 10th and published on June 18th. There is a more extensive notice requirement if assessments are proposed to be increased.

RECOMMENDATION:

MAYOR AND COUNCIL APPROVE THE ENGINEERS REPORT THAT NO INCREASES ARE RECOMMENDED AND ADOPT RESOLUTION NO 07-08-2014-01 SETTING THE FISCAL YEAR 2014/2015 ASSESSMENT AT \$63.08 PER PARCEL FOR LANDSCAPING AND LIGHTING DISTRICT 1, ZONE 1

**NOTICE OF PUBLIC HEARING FOR ANNUAL ASSESSMENT
FOR
CITY OF CORNING
LIGHTING AND LANDSCAPE DISTRICT 1, ZONE 1**

Lighting and Landscape District 1, Zone 1 consists of the Blackburn Estates Subdivision located on N. Alex Lane north of Blackburn Avenue and east of Marguerite Avenue.

The property owners in the Blackburn Estates subdivision are hereby notified that the City Council of the City of Corning will conduct a public hearing on Tuesday, July 8, 2014 at 7:30 p.m. in the City Council Chambers of the City of Corning 794 Third Street, Corning, CA 96021.

The purpose of the hearing is to consider an annual assessment per residential parcel of sixty-three dollars and eight cents (\$63.08) to support the street lighting and landscape maintenance of Lighting and Landscape District 1, Zone 1. This assessment remains unchanged from the prior year and will be implemented for the fiscal year 2014/2015.

Property owners are invited to review the Engineer's Report and supporting documents at City Hall, 794 Third Street, Corning, CA 96021.

This is a protest hearing in which a majority of the property owners within the zone may file written protest against the assessment. Such written protests can be as simple as returning this notice to the City Clerk at the address stated above with the property owners signatures, the property's Assessor Parcel Number and the words I oppose the assessment.

PUBLISH: June 18, 2014

Lisa M. Linnet, City Clerk
City of Corning

City of Corning Landscaping and Lighting District I – Zone 1
Annual City Engineer’s Report for Fiscal Year 2014/2015
June 9, 2014

Zone 1 Location: Blackburn Estates Subdivision on Alex Ave.;
north of Blackburn Ave; east of Marguerite Ave.; 14 Residential lots

	<u>Annual Cost</u>
Zone 1 Improvements and Maintenance:	
Electrical service and maintenance through PG&E 3 Street Lights @ \$12.00 per month each =	\$432.00
Landscape Maintenance 346 SF @ \$0.096 per month per SF =	\$399.24
ADMINISTRATION:	
County Property Tax Administration Fee = (3.74% of total amount assessed and collected)	\$ 31.68
County Reimbursement Fee (\$1.15 per parcel)	\$ 16.10
Legal Notice publication and mailing =	<u>\$ 4.10</u>
Total Budget	\$883.12

TOTAL CHANGE FROM PRIOR YEAR: NONE

ASSESSMENT FORMULA: $\frac{\text{Total Annual Budget}}{14 \text{ Parcels}} = \text{Assessment per Parcel}$

$$\frac{\$883.12}{14} = \$ 63.08 \text{ per parcel annually}$$

Parcels to be Assessed:

075-310-28	120 N. Alex Lane
075-310-29	156 N. Alex Lane
075-310-30	186 N. Alex Lane
075-310-31	216 N. Alex Lane
075-310-32	246 N. Alex Lane
075-310-33	276 N. Alex Lane
075-310-34	286 N. Alex Lane
075-310-35	299 N. Alex Lane
075-310-36	279 N. Alex Lane
075-310-37	249 N. Alex Lane
075-310-38	219 N. Alex Lane
075-310-39	189 N. Alex Lane
075-310-40	149 N. Alex Lane
075-310-41	119 N. Alex Lane



J. E. Anderson, City Engineer

RESOLUTION NO. 07-08-2014-01
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORNING
SETTING THE ANNUAL ASSESSMENT FOR THE
CITY OF CORNING LIGHTING AND LANDSCAPE DISTRICT 1, ZONE 1 FOR FISCAL YEAR
2014/2015

WHEREAS, the City of Corning Landscape and Lighting District No. 1 was formed by the City Council following Public Hearing on November 22, 2005 in accordance with the State "Landscaping and Lighting Act of 1972" (Streets and Highway Code Section 22500 et.seq.) to provide Street Lighting and Landscape Maintenance to new development approved within the City of Corning; and

WHEREAS, the City Council, through Resolution No. 07-11-2007-01, adopted on July 11, 2007, designated the "Blackburn Estates" Subdivision located on N. Alex Lane north of Blackburn Avenue and east of Marguerite Avenue as "Zone 1" of the City of Corning Landscape and Lighting District No. 1; and

WHEREAS, the City Council at the time of the November 22, 2005 Public Hearing set the annual assessment for each parcel at \$63.09 for fiscal year 2005-2006 in the "Blackburn Estates"; and

WHEREAS, the Annual Engineers Report for Fiscal Year 2014/2015, dated June 9, 2014 on file with the City Clerk shows that there is no need to increase the Annual Assessment for fiscal year 2014/2015 in Zone 1, the "Blackburn Estates"; and

WHEREAS, each parcel's assessment must be equally divisible by two, the annual assessment for each parcel is set at an amount of \$63.08 for each parcel for fiscal year 2014/2015; and

WHEREAS, Streets and Highway Code Section 22626 provides for a ten (10) day public notice period "If the assessments are to be levied in the same or lesser amounts than in any previous year...", and

WHEREAS, the charges associated with this Landscaping and Lighting District are in compliance with California Proposition 218 and the Streets and Highways Code (Section 22500 et.seq.).



NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Corning has conducted the Public Hearing advertised and held on July 8, 2014, at 7:30 p.m. in the City Council Chambers of the City of Corning, 794 Third Street, Corning, CA 96021; and

BE IT FURTHER RESOLVED, that the City Council finds that a "majority protest" has not been filed and therefore confirms the attached diagram of Zone 1, and makes no change in the prior year assessment, finding that **the assessment of \$63.08 per parcel for the following assessor parcels shall be levied** in accordance with law.

Tax Rate Area	APN #	Tax Amount
001-014	75-310-28	\$63.08
001-014	75-310-29	\$63.08
001-014	75-310-30	\$63.08
001-014	75-310-31	\$63.08
001-014	75-310-32	\$63.08

Tax Rate Area	APN #	Tax Amount
001-014	75-310-33	\$63.08
001-014	75-310-34	\$63.08
001-014	75-310-35	\$63.08
001-014	75-310-36	\$63.08
001-014	75-310-37	\$63.08
001-014	75-310-38	\$63.08
001-014	75-310-39	\$63.08
001-014	75-310-40	\$63.08
001-014	75-310-41	\$63.08

PASSED, ADOPTED AND APPROVED this 8th day of July 2014 by the following vote:

AYES:

OPPOSED:

ABSENT:

ABSTAIN:

GARY R. STRACK, MAYOR

ATTEST:

LISA M. LINNET, CITY CLERK

**ITEM NO.: I-11
ADOPT RESOLUTION NO. 07-08-2014-02
A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF CORNING DECLARING ITS
INTENT TO LEVY AND COLLECT ANNUAL
ASSESSMENT FOR THE CITY OF CORNING
LIGHTING AND LANDSCAPE DISTRICT 1,
ZONE 3**

JULY 8, 2014

**TO: HONORABLE MAYOR AND COUNCIL MEMBERS
CITY OF CORNING**

**FROM: JOHN L. BREWER, AICP; CITY MANAGER 
PATRICK WALKER, PUBLIC WORKS DIRECTOR**

SUMMARY:

Annually the City of Corning must declare its intention to levy assessments for the individual zones within City of Corning Lighting and Landscaping District 1 and then following legal notice to conduct a public hearing prior to levying the annual assessments and placing them upon the property tax roles.

Landscape and Lighting District 1, Zone 3 includes 30 parcels within the SHHIP (Self Help Housing Improvement Project) Blossom Avenue Development. The properties are located on either side of Blossom Avenue and west of Toomes Avenue.

The City Engineer has filed the attached Annual Engineer's report for the district assessments. No change is proposed in the previous fiscal year assessment of \$142.10 per residential parcel. The attached Resolution, if adopted, would set the Fiscal Year 2014/2015 assessments at the same rate as the previous year.

BACKGROUND:

The California Streets and Highway Code contains the Landscaping and Lighting Act of 1972 beginning with Section 22500. The Act provides for the establishment of Landscaping and Lighting Districts and for the levying of annual assessments to the property owners within the District.

Street & Highway Section 22626 provides for a notice of public hearing and includes a provision requiring a ten (10) day legal notice to the individual property owners along with publication in the newspaper when there is no proposed increase in the annual assessment. In this case, notice of this hearing was mailed to the affected property owners on June 10th and published on June 18th. There is a more extensive notice requirement if assessments are proposed to be increased.

RECOMMENDATION:

MAYOR AND COUNCIL APPROVE THE ENGINEERS REPORT AND ADOPT RESOLUTION NO 07-08-2014-02 SETTING THE FISCAL YEAR 2014/2015 ASSESSMENT AT \$142.10 PER PARCEL FOR LANDSCAPING AND LIGHTING DISTRICT 1, ZONE 3.

**NOTICE OF PUBLIC HEARING FOR ANNUAL ASSESSMENT
FOR
CITY OF CORNING
LIGHTING AND LANDSCAPE DISTRICT 1, ZONE 3**

Lighting and Landscape District 1, Zone 3 consists of 30 Lots of the Blossom Avenue Self-Help Home Improvement Project (SHHIP) located on Blossom Avenue and within Tract Map 07-1001 and Planned Development Use Permit No. 2007-239.

The property owners are hereby notified that the City Council of the City of Corning will conduct a public hearing on Tuesday, July 8, 2014 at 7:30 p.m. in the City Council Chambers of the City of Corning 794 Third Street, Corning, CA 96021.

The purpose of the hearing is to consider an annual assessment per residential parcel of one hundred forty-two dollars and ten cents (\$142.10) to support the street lighting, maintenance of storm water retention facilities, and emergency access and bike path within Lighting and Landscape District 1, Zone 3. This assessment remains unchanged from the prior year and will be implemented for the fiscal year 2014/2015.

Property owners are invited to review the Engineer's Report and supporting documents at City Hall, 794 Third Street, Corning, CA 96021.

This is a protest hearing in which a majority of the property owners within the zone may file written protest against the assessment. Such written protests can be as simple as returning this notice to the City Clerk at the address stated above with the property owners signatures, the property's Assessor Parcel Number and the words I oppose the assessment.

PUBLISH: June 18, 2014

Lisa M. Linnet, City Clerk
City of Corning

City of Corning Landscaping and Lighting District I – Zone 3

Annual City Engineer's Report for Fiscal Year 2014-2015

June 9, 2014

Zone 3 Location: Blossom Avenue SHHIP Project Phases 2 & 3 (Tract 2007-239 & PD Use Permit 2007-239); located along Blossom Avenue and west of Toomes Avenue; thirty (30) residential lots

Annual Cost

Zone 3 Operation and Maintenance Cost:

6% Sinking Fund (annual cost of 20 year replacement	\$ 988.55
Infiltration Trenches	\$ 606.00
Backyard Storm Drain	\$ 281.00
Street Light (Electrification for 9)	\$1,350.00
Landscape Lighting	\$ 450.00
Supplies & materials	<u>\$ 200.00</u>
Subtotal:	\$3,875.55

Overhead and Admin. (10%-includes County fees) \$ 387.56

Total Budget \$4,263.11

TOTAL CHANGE FROM PRIOR YEAR: NONE

ASSESSMENT FORMULA: $\frac{\text{Total Annual Budget}}{30 \text{ Parcels}} = \text{Assessment per Parcel}$

$$\frac{\$4,263.11}{30} = \$ 142.10 \text{ per parcel annually}$$

Parcels to be Assessed:

Assessor's Parcel No.	Address
71-202-25	2110 Blossom Avenue
71-202-26	2116 Blossom Avenue
71-202-27	2122 Blossom Avenue
71-202-28	2128 Blossom Avenue
71-202-29	2134 Blossom Avenue
71-202-30	2140 Blossom Avenue
71-202-31	2146 Blossom Avenue
71-202-32	2152 Blossom Avenue
71-202-33	2158 Blossom Avenue
71-202-34	2164 Blossom Avenue
71-202-35	2170 Blossom Avenue
71-203-04	2109 Blossom Avenue
71-203-05	2115 Blossom Avenue
71-203-06	2121 Blossom Avenue
71-203-07	2127 Blossom Avenue
71-203-08	2133 Blossom Avenue

City of Corning Landscaping and Lighting District I – Zone 3
Annual City Engineer's Report for Fiscal Year 2014-2015
June 9, 2014

Assessor's Parcel No.	Address
71-203-09	2139 Blossom Avenue
71-203-10	2145 Blossom Avenue
71-203-11	2151 Blossom Avenue
71-203-12	2157 Blossom Avenue
71-203-13	2163 Blossom Avenue
71-203-14	2169 Blossom Avenue
71-205-16	2051 Blossom Avenue
71-205-17	2043 Blossom Avenue
71-205-18	2035 Blossom Avenue
71-205-19	2027 Blossom Avenue
71-205-20	2019 Blossom Avenue
71-205-21	2011 Blossom Avenue
71-205-22	2005 Blossom Avenue
71-205-23	2001 Blossom Avenue



J. E. Anderson
City Engineer

RESOLUTION NO. 07-08-2014-02
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORNING
SETTING THE ANNUAL ASSESSMENT FOR THE
CITY OF CORNING LIGHTING AND LANDSCAPE DISTRICT 1, ZONE 3 FOR FISCAL YEAR
2014/2015

WHEREAS, the City of Corning Landscape and Lighting District No. 1 was formed by the City Council following Public Hearing on November 22, 2005 in accordance with the State "Landscaping and Lighting Act of 1972" (Streets and Highway Code Section 22500 et.seq.) to provide Street Lighting and Landscape Maintenance to new development approved within the City of Corning; and

WHEREAS, the City Council, through Resolution No. 07-10-2007-01, adopted on July 10, 2007, designated Phases 2 & 3 of the Blossom Avenue Infill project located along Blossom Avenue and west of Toomes Avenue as "Zone 3" of the City of Corning Landscape and Lighting District No. 1; and

WHEREAS, the City Council at the time of the July 10, 2007 Public Hearing set the annual assessment for each parcel at \$142.10 for fiscal year 2007-2008 within Landscape and Lighting District 1, Phase 3; and

WHEREAS, the Annual Engineers Report for Fiscal Year 2014/2015, dated June 9, 2014 on file with the City Clerk shows that there is no need to increase the Annual Assessment for fiscal year 2014/2015 in Zone 3, and

WHEREAS, Streets and Highway Code Section 22626 provides for a ten (10) day public notice period "If the assessments are to be levied in the same or lesser amounts than in any previous year...", and

WHEREAS, the charges associated with this Landscaping and Lighting District are in compliance with California Proposition 218 and the Streets and Highways Code (Section 22500 et.seq.).



NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Corning has conducted the Public Hearing advertised and held on July 8, 2014 at 7:30 p.m. in the City Council Chambers of the City of Corning, 794 Third Street, Corning, CA 96021; and

BE IT FURTHER RESOLVED, that the City Council finds that a "majority protest" has not been filed and therefore confirms the attached diagram of Zone 3, and makes no change in the prior year assessment, finding that **the assessment of \$142.10 per parcel for the following assessor parcels shall be levied** in accordance with law.

Tax Rate Area	APN #	Tax Amount
001-000	71-202-25	\$142.10
001-000	71-202-26	\$142.10
001-000	71-202-27	\$142.10
001-000	71-202-28	\$142.10
001-000	71-202-29	\$142.10
001-000	71-202-30	\$142.10
001-000	71-202-31	\$142.10
001-000	71-202-32	\$142.10
001-000	71-202-33	\$142.10
001-000	71-202-34	\$142.10
001-000	71-202-35	\$142.10

Tax Rate Area	APN #	Tax Amount
001-000	71-203-04	\$142.10
001-000	71-203-05	\$142.10
001-000	71-203-06	\$142.10
001-000	71-203-07	\$142.10
001-000	71-203-08	\$142.10
001-000	71-203-09	\$142.10
001-000	71-203-10	\$142.10
001-000	71-203-11	\$142.10
001-000	71-203-12	\$142.10
001-000	71-203-13	\$142.10
001-000	71-203-14	\$142.10
001-000	71-205-16	\$142.10
001-000	71-205-17	\$142.10
001-000	71-205-18	\$142.10
001-000	71-205-19	\$142.10
001-000	71-205-20	\$142.10
001-000	71-205-21	\$142.10
001-000	71-205-22	\$142.10
001-000	71-205-23	\$142.10

PASSED, ADOPTED AND APPROVED this 8th day of July 2014 by the following vote:

AYES:
OPPOSED:
ABSENT:
ABSTAIN:

GARY R. STRACK, MAYOR

ATTEST:

LISA M. LINNET, CITY CLERK

RECEIVED

JUN 16 2014

**CORNING CITY CLERK NOTICE OF PUBLIC HEARING FOR ANNUAL ASSESSMENT
FOR
CITY OF CORNING
LIGHTING AND LANDSCAPE DISTRICT 1, ZONE 3**

Lighting and Landscape District 1, Zone 3 consists of 30 Lots of the Blossom Avenue Self-Help Home Improvement Project (SHHIP) located on Blossom Avenue and within Tract Map 07-1001 and Planned Development Use Permit No. 2007-239.

The property owners are hereby notified that the City Council of the City of Corning will conduct a public hearing on Tuesday, July 8, 2014 at 7:30 p.m. in the City Council Chambers of the City of Corning 794 Third Street, Corning, CA 96021.

The purpose of the hearing is to consider an annual assessment per residential parcel of one hundred forty-two dollars and ten cents (\$142.10) to support the street lighting, maintenance of storm water retention facilities, and emergency access and bike path within Lighting and Landscape District 1, Zone 3. This assessment remains unchanged from the prior year and will be implemented for the fiscal year 2014/2015.

Property owners are invited to review the Engineer's Report and supporting documents at City Hall, 794 Third Street, Corning, CA 96021.

This is a protest hearing in which a majority of the property owners within the zone may file written protest against the assessment. Such written protests can be as simple as returning this notice to the City Clerk at the address stated above with the property owners signatures, the property's Assessor Parcel Number and the words I oppose the assessment.

PUBLISH: June 18, 2014

Lisa M. Linnet, City Clerk
City of Corning


6-11-14

RECEIVED

JUN 16 2014

CORNING CITY CLERK

NOTICE OF PUBLIC HEARING FOR ANNUAL ASSESSMENT
FOR
CITY OF CORNING
LIGHTING AND LANDSCAPE DISTRICT 1, ZONE 3

Lighting and Landscape District 1, Zone 3 consists of 30 Lots of the Blossom Avenue Self-Help Home Improvement Project (SHHIP) located on Blossom Avenue and within Tract Map 07-1001 and Planned Development Use Permit No. 2007-239.

The property owners are hereby notified that the City Council of the City of Corning will conduct a public hearing on Tuesday, July 8, 2014 at 7:30 p.m. in the City Council Chambers of the City of Corning 794 Third Street, Corning, CA 96021.

The purpose of the hearing is to consider an annual assessment per residential parcel of one hundred forty-two dollars and ten cents (\$142.10) to support the street lighting, maintenance of storm water retention facilities, and emergency access and bike path within Lighting and Landscape District 1, Zone 3. This assessment remains unchanged from the prior year and will be implemented for the fiscal year 2014/2015.

Property owners are invited to review the Engineer's Report and supporting documents at City Hall, 794 Third Street, Corning, CA 96021.

This is a protest hearing in which a majority of the property owners within the zone may file written protest against the assessment. Such written protests can be as simple as returning this notice to the City Clerk at the address stated above with the property owners signatures, the property's Assessor Parcel Number and the words I oppose the assessment.

PUBLISH: June 18, 2014

Lisa M. Linnet, City Clerk
City of Corning

I oppose the assessment,
Jane Johnson

**ITEM NO.: I-12
ADOPT RESOLUTION NO. 07-08-2014-03
A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF CORNING DECLARING ITS
INTENT TO LEVY AND COLLECT ANNUAL
ASSESSMENT FOR THE CITY OF CORNING
LIGHTING AND LANDSCAPE DISTRICT 1,
ZONE 4**

JULY 8, 2014

**TO: HONORABLE MAYOR AND COUNCIL MEMBERS
CITY OF CORNING**

**FROM: JOHN L. BREWER, AICP; CITY MANAGER 
PATRICK WALKER, PUBLIC WORKS DIRECTOR**

SUMMARY:

Annually the City of Corning must conduct a public hearing prior to levying the annual assessments for the individual zone within Lighting and Landscaping District 1 and placing them upon the property tax roles.

Landscape and Lighting District 1, Zone 4 affects one parcel; the property developed and known as the "Salado Orchard Apartment Project", located south of Blackburn Avenue and west of Toomes Avenue.

The City Engineer has filed the attached Annual Engineer's report for the district assessments. No change is proposed in the current fiscal year assessment of \$4,772.90 for the one parcel. The attached Resolution, if adopted, would set the Fiscal Year 2014/2015 assessments at the same rate as the previous year.

BACKGROUND:

The California Streets and Highway Code contains the Landscaping and Lighting Act of 1972 beginning with Section 22500. The Act provides for the establishment of Landscaping and Lighting Districts and for the levying of annual assessments to the property owners within the District.

Street & Highway Section 22626 provides for a notice of public hearing and includes a provision requiring a ten (10) day legal notice to the individual property owners along with publication in the newspaper when there is no proposed increase in the annual assessment. In this case, notice of this hearing was mailed to the affected property owner on June 10th and published on June 18th. There is a more extensive notice requirement if assessments are proposed to be increased.

RECOMMENDATION:

MAYOR AND COUNCIL APPROVE THE ENGINEERS REPORT AND ADOPT RESOLUTION NO 07-08-2014-03 SETTING THE FISCAL YEAR 2014/2015 ASSESSMENT AT \$4,772.90 (PER PARCEL) FOR LANDSCAPING AND LIGHTING DISTRICT 1, ZONE 4.

**NOTICE OF PUBLIC HEARING FOR ANNUAL ASSESSMENT
FOR
CITY OF CORNING
LIGHTING AND LANDSCAPE DISTRICT 1, ZONE 4**

Lighting and Landscape District 1, Zone 4 consists of 1 Parcel located at the southwest corner of Toomes Avenue and Blackburn Avenue. The property is developed as the Salado Orchard Apartment Project in accordance with Planned Development Use Permit No. 2006-231.

The property owners are hereby notified that the City Council of the City of Corning will conduct a public hearing on Tuesday, July 8, 2014 at 7:30 p.m. in the City Council Chambers of the City of Corning 794 Third Street, Corning, CA 96021.

The purpose of the hearing is to consider an annual assessment of four thousand, seven hundred seventy two dollars and ninety cents (\$4,772.90) to support the, electrification and maintenance of street lighting, irrigation and maintenance of landscaping installed within the landscaped median of Blackburn Avenue within Lighting and Landscape District 1, Zone 4. This assessment remains unchanged from the prior year and will be implemented for the fiscal year 2014/2015.

Property owners are invited to review the Engineer's Report and supporting documents at City Hall, 794 Third Street, Corning, CA 96021.

This is a protest hearing in which a majority of the property owners within the zone may file written protest against the assessment. Such written protests can be as simple as returning this notice to the City Clerk at the address stated above with the property owners signatures, the property's Assessor Parcel Number and the words I oppose the assessment.

PUBLISH: June 18, 2014

Lisa M. Linnet, City Clerk
City of Corning

City of Corning Landscaping and Lighting District I – Zone 4

Annual City Engineer's Report for Fiscal Year 2014/2015

June 9, 2014

Zone 4 Location: Salado Orchard Apartments-located at the southwest corner of Blackburn Avenue and Toomes Avenue; one (1) Residential lot.

	<u>Annual Cost</u>
Zone 4 Improvements and Maintenance:	
Electrical service and maintenance through PG&E	
8 Street Lights @ \$12.50 per month each =	\$1,200.00
Median Landscape Maintenance	
3,139 SF @ \$1.00 per SF per year =	\$3,139.00
ADMINISTRATION:	
Overhead and Administration =	<u>\$ 433.90</u>
Total Budget	\$4,772.90

TOTAL CHANGE FROM PRIOR YEAR: NONE

ASSESSMENT FORMULA: $\frac{\text{Total Annual Budget}}{1 \text{ Parcels}} = \text{Assessment per Parcel}$

$$\frac{\$4,772.90}{1} = \$ 4,772.90 \text{ per parcel annually}$$

Parcels to be Assessed:

071-020-75



J. E. Anderson
City Engineer

RESOLUTION NO. 07-08-2014-03
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORNING
SETTING THE ANNUAL ASSESSMENT FOR THE
CITY OF CORNING LIGHTING AND LANDSCAPE DISTRICT 1, ZONE 4 FOR FISCAL YEAR
2014/2015

WHEREAS, the City of Corning Landscape and Lighting District No. 1 was formed by the City Council following Public Hearing on November 22, 2005 in accordance with the State "Landscaping and Lighting Act of 1972" (Streets and Highway Code Section 22500 et.seq.) to provide Street Lighting and Landscape Maintenance to new development approved within the City of Corning; and

WHEREAS, the City Council, through Resolution No. 06-24-2008-01, adopted on June 24, 2008, designated the "Salado Orchard Apartments Project" located on Toomes Avenue and south of Blackburn Avenue as "Zone 4" of the City of Corning Landscape and Lighting District No. 1; and

WHEREAS, the City Council at the time of the June 24, 2008 Public Hearing set the annual assessment for the one affected parcel at \$4,772.90 for fiscal year 2008-2009; and

WHEREAS, the Annual Engineers Report for Fiscal Year 2014/2015, dated June 9, 2014 on file with the City Clerk shows that there is no need to increase the Annual Assessment for fiscal year 2014/2015 in Zone 4, and

WHEREAS, Streets and Highway Code Section 22626 provides for a ten (10) day public notice period "If the assessments are to be levied in the same or lesser amounts than in any previous year...", and

WHEREAS, the charges associated with this Landscaping and Lighting District are in compliance with California Proposition 218 and the Streets and Highways Code (Section 22500 et.seq.).



NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Corning has conducted the Public Hearing advertised and held on July 8, 2014 at 7:30 p.m. in the City Council Chambers of the City of Corning, 794 Third Street, Corning, CA 96021; and

BE IT FURTHER RESOLVED, that the City Council finds that a "majority protest" has not been filed and therefore confirms the attached diagram of Zone 4, and makes no change in the prior year assessment, finding that **the assessment of \$4,772.90 for the following assessor parcel shall be levied** in accordance with law.

<u>Tax Rate Area</u>	<u>APN #</u>	<u>Tax Amount</u>
001-000	71-020-75	\$4,772.90

PASSED, ADOPTED AND APPROVED this 8th day of July 2014 by the following vote:

**AYES:
OPPOSED:
ABSENT:
ABSTAIN:**

GARY R. STRACK, MAYOR

ATTEST:

LISA M. LINNET, CITY CLERK

**ITEM NO.: J-13
APPROVE AMENDED LAND LEASE
AGREEMENT WITH VERIZON
WIRELESS FOR THE PLACEMENT
OF A 120 FT. MONOPOLE AND
ACCESSORY EQUIPMENT IN A 30' X
30' LEASE AREA AT ESTIL CLARK
PARK. APN: 73-260-30
ADDRESS: 103 E. FIG LANE
JULY 8, 2014**

**TO: HONORABLE MAYOR AND COUNCIL MEMBERS
FROM: JOHN L. BREWER, AICP; CITY MANAGER
PATRICK WALKER, PUBLIC WORKS DIRECTOR
JOHN STOUFER, PLANNING DIRECTOR CONSULTANT**

SUMMARY:

On May 27, 2014 the City Council approved a five (5) year Land Lease Agreement, with options to extend the term for four (4) additional five (5) year terms, between the City and Sacramento-Valley Limited Partnership DBA Verizon Wireless at Estil Clark Park, city owned property located at the east end of Fig Lane. The proposed leased land will be a 30' X 30' area for an unmanned telecommunications facility including a 120' monopole replacing an existing light pole at the park.

The amended lease agreement would require that prior to any additional carriers establishing facilities at this location a new and separate lease agreement would have to be agreed to by the City and that particular carrier.

BACKGROUND:

The Council also authorized the City Manager to sign a Use Permit application. A public hearing was held before the Planning Commission on June 17, 2014 to consider the application. The Use Permit was approved by a 3:0:1 vote of the Planning Commission subject to the following three conditions of approval:

CONDITION #1 – AGENCY COMPLIANCE / ENCROACHMENT PERMIT:

The applicant must comply with all local, state and federal agencies regulations especially those imposed by the City of Corning Building & Fire Departments. The applicant must also obtain an encroachment permit from the Director of Public Works prior to commencement of construction within the park property.

CONDITION #2 – SITE PLAN COMPLIANCE AND NET COVER:

The site must be developed in conformance with the overall site plan submitted with the application. Additionally, the fenced area around the equipment shelter must be covered with netting approved by the Director of Public Works to prevent balls from entering the area.

CONDITION #3 – MONO POLE PAINTING

The 120 ft. high mono pole must be painted to match the existing light poles at the ball field or an alternative color approved by the Director of Public Works.

At the May 27, 2014 Council meeting Melodie and Richard Poisson submitted a letter expressing concerns over the establishment of a cell tower at this location and the impact it may have on their internet business DM Tech. On Friday, June 6, 2014 Brendan Leonard representing the applicant, City Staff, and the Poisson's met to discuss the project and possible microwave interference issues.

One solution was to add a condition to the Use Permit that would prohibit Verizon from using an unregulated microwave licensed band. The proposed condition would read as follows: *"If a microwave frequency is used at this location it must be a licensed band only."* This condition was sent to Mr. Leonard with other draft conditions for Verizon staff to review. On Tuesday, June 10, 2014 staff received an email from Mr. Leonard stating that Verizon objected to the condition as it could possibly eliminate critical infrastructure to emergency services they provide to Cal Fire.

In discussing the issue with the City Attorney it was determined that there was not a legal basis, or a land use issue, to add a condition that would prohibit Verizon from using an unlicensed microwave band as it is basically free to all other businesses, unless they agreed to it, therefore, the condition was removed.

Another solution to the interference issues was for Verizon to use fiber optics at the site and this would prevent having to use a microwave signal. Staff has confirmed that AT&T does have fiber optic lines running along Fig Lane at this location. In Mr. Leonard's email he does state that Verizon has awarded a contract to AT&T to be the fiber service provider for this site. The contract requires AT&T to provide fiber service within 60 days from when Verizon commences construction of the facility.

There was additional discussion regarding adding a condition to the Use Permit that would require Verizon to meet and confer with any operator using licensed or unlicensed signals should any type of signal interference be generated from this site. In approving the Use Permit the Planning Commission determined that this condition was not a land use issue, as once again Verizon must comply with FCC regulations, and are not under the City's purview as a land use regulation. At the Planning Commission meeting staff did inform the Poisson's that the City Attorney was discussing amendments to the lease agreement with Verizon regarding the co-location of other carriers at this site and that we could possibly add language into the lease agreement that would require Verizon to meet and confer with any licensed or unlicensed signal operator that experience interference from this site.

The City heard back from Verizon regarding adding meet and confer language in the lease agreement. Their statement says *"Verizon will not agree to language revisions related to unlicensed signals. Verizon pays millions of dollars for FCC regulated, licensed frequencies and diligently adheres to these laws when broadcasting."* The City was also informed that if this language was in the lease agreement it is highly unlikely that they will sign the lease agreement and pursue locating the tower in the unincorporated area east of Corning. After the Planning Commission meeting staff did prepare the attached letter and information and sent it to the Poisson's.

RECOMMENDATION:

MAYOR AND COUNCIL AUTHORIZE THE MAYOR TO SIGN THE AMENDED LAND LEASE AGREEMENT WITH VERIZON FOR THE ESTABLISHMENT OF AN 30' X 30' UNMANNED TELECOMMUNICATIONS FACILITY AND 120 FT. HIGH MONOPOLE ON CITY OWNED PROPERTY AT ESTIL CLARK PARK.

ATTACHMENTS:

Information submitted to the Poisson's and Amended Lease Agreement



City of Corning

794 Third St. Corning, CA 96021 (530) 824-7020 Fax (530) 824-2489

DM Tech
Richard & Melodie Poisson
1413 Solano St.
Corning, CA. 96021

June 24, 2014

Richard & Melodie,

First I want to thank you for working with me in such a professional and courteous manner regarding the Verizon cell tower at Clark Park. And let me apologize if you feel like you are getting any type of run around on this project. When you presented your letter to the City Council at the May 27, 2014 meeting expressing concerns about possible signal interference you were told that the Planning Commission would deal with the issue.

On May 28, 2014, staff, as well as Richard, was in contact with Verizon representatives to begin discussions on this issue. Attached is a copy of these emails with correspondence between Verizon's network radiofrequency engineers, city staff, and you. The initial analysis concluded that with the beam width you use and the distance where the cell tower will be located (approximately 1532 ft.) there will be no obstruction on current or future signals broadcast from your equipment or theirs.

After this Verizon representative Brendan Leonard came to Corning and met with you, John Brewer, and myself to further discuss this possible interference issue. Several issues were discussed one being that if Verizon was able to use fiber optics at this site instead of a microwave signal then there should not be any interference to your signal. As you can see in the attached emails staff immediately contacted AT&T to determine if fiber optics was available at this site. We were pleased to be informed fiber optics were available and that discussion between AT&T and Verizon about serving the site with fiber optics had already started.

Also at this meeting we discussed adding a condition to the use permit that would prohibit Verizon from using any type of unlicensed microwave signal at this site. Verizon considered this condition but did not agree with it basically due to the fact that during emergency situations they may need to broadcast with any signal available. After doing some research on FCC regulations and discussing this with the City Attorney we both felt that the City does not have the right to regulate FCC regulations regarding who can and cannot use unlicensed microwave signals.

After this there was discussion about adding a condition to the use permit that would require Verizon to meet and confer with any operator licensed or unlicensed signals should there be any type of signal interference generated from this site. In approving the use permit the Planning Commission determined that this condition was not a land use issue, as once again FCC

BUILDING 824-7027 • PLANNING 824-7036 • CITY MANAGER 824-7034 • CITY CLERK 824-7033 • FINANCE 824-7020

PUBLIC WORKS 824-7025 • POLICE DEPARTMENT 824-7000 • FIRE DEPARTMENT 824-7044

"THE CITY OF CORNING IS AN AFFIRMATIVE ACTION-EQUAL OPPORTUNITY EMPLOYER"

regulations, and are not under the City's purview as a land use regulation. At the Planning Commission meeting I did inform you that the City Attorney was discussing amendments to the lease agreement with Verizon regarding the co-location of other carriers at this site and that we could possibly add language into the lease agreement that would require Verizon to meet and confer with any licensed or unlicensed signal operator that experience interference from this site.

The City has heard back from Verizon regarding adding meet and confer language in the lease agreement. Their statement says "*Verizon will not agree to language revisions related to unlicensed signals. Verizon pays millions of dollars for FCC regulated, licensed frequencies and diligently adheres to these laws when broadcasting.*" I believe I did send this email to Melody as a cc in some of my correspondence with Verizon representative Stephanie McNair but just in case have included a copy as an attachment to this letter. We were also informed that if the City includes this language in the lease agreement it is highly unlikely that they will sign the lease agreement and pursue locating the tower in the unincorporated area east of Corning.

At the PC meeting you were told that since the lease agreement was being modified that it would need to go back to the City Council for consideration of the modifications prior to the Mayor signing the agreement. This is still true. However, since there is a ten day appeal period of PC approval of the use permit, which would require the City Council to consider the project at a public hearing, the following is a tentative schedule of when the City Council will revisit the lease agreement and/or use permit:

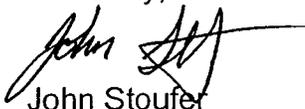
Modified Lease Agreement:	July 8, 2014
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Modified Lease Agreement & Use Permit	July 22, 2014
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I clearly understand your concerns about the establishment of a cell tower at this site and the possible negative impacts it may have on your existing business but also think that there may be some positives in establishing the cell tower at this location. Obviously the first positive is the financial revenue it will generate for the city, the second is that you will have city staff assisting you should there ever be any type of interference issues whether on your business or generated by your business. If Verizon establishes the tower in the County then city staff will not be able to assist you in any way. Another positive is that Verizon has shown a willingness to work with both you and the city to determine if any type of signal interference generated from this site and/or from or by existing signal broadcasts such as yours.

Once I have prepared the Council staff report for the modifications to the lease agreement and/or use permit appeal I will send you a copy. As always if you have any questions or need any additional information please do not hesitate to contact me.

Sincerely;



John Stoufer
Planning Director Consultant

John Stoufer

From: Brendan Leonard [BLEonard@completewireless.net]
Sent: Wednesday, May 28, 2014 3:38 PM
To: John Stoufer; John Brewer
Subject: FW: Verizon Wireless follow up (VZW Proj Name: Oren's Corona)

Gentlemen,

Please see the correspondence below provided from our network radiofrequency engineers to Richard & Molly. I can prepare a formalized exhibit for the hearing as well. It's pretty clear their calculations alleviate DM Tech's concern.

From: Picard, Doug [<mailto:Doug.Picard@VerizonWireless.com>]
Sent: Wednesday, May 28, 2014 1:57 PM
To: richard@dm-tech.com
Cc: Brendan Leonard
Subject: FW: Oren's Corona follow up

Hi Richard,

Our proposed site at Clark Park is well out of the way of your microwave path. Please review the information below and give me a call if you have any further questions or concerns.

Thank you.

Doug Picard
RF Engineer
NC/Nv Region
Verizon Wireless
916 539-2022

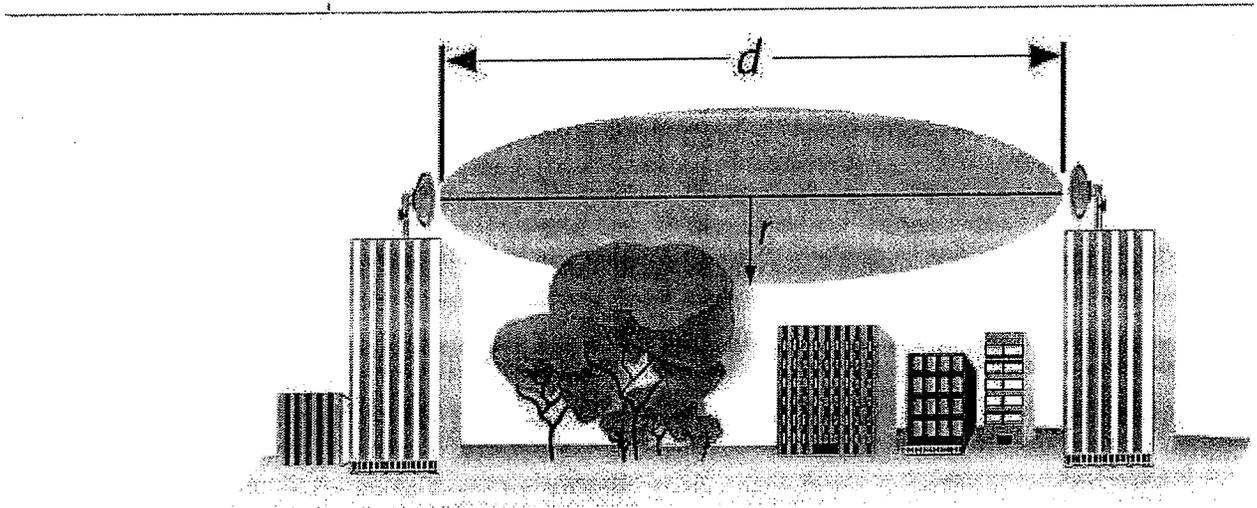
From: Siddiqui, Farhan
Sent: Wednesday, May 28, 2014 11:20 AM
To: Brendan Leonard; Picard, Doug
Cc: Jackson, Shane N
Subject: RE: Oren's Corona follow up

I have done analysis on this, and these are my findings and results:

1. DM technology microwave path is 1.64(8658 ft) long, and as they are using UBIQUITI, so their antenna may be RocketDish airMAX Carrier Class PtP, this antenna has 3 degrees of beamwidth horizontal and vertical.
2. Clark Park site is 0.29 miles or 1532 ft from DM Tech microwave path line of propagation. Formula for calculating Fresnel zone clearance of radius of the lobe for microwave path is:

$$r(\text{in ft}) = 72.05 \times \sqrt{(d(\text{in miles})/4 \times f(\text{in GHz}))}$$

r = radius of the microwave lobe, d = path distance, and f = frequency band



in this example: $d = 1.64$ miles, $f = 5.8$ GHz, and the result is $r = 19.15$ ft.

this means that, this microwave path should have 19.15 ft vertical and horizontal clearance from line of propagation in each direction, from center line (red line). Clark Park site is 1532 ft from red line, so it is way beyond the required clearance requirement.

There is no way of getting physical obstruction Clark Park tower will create in this microwave path, if build on below mentioned location.

I hope this help.

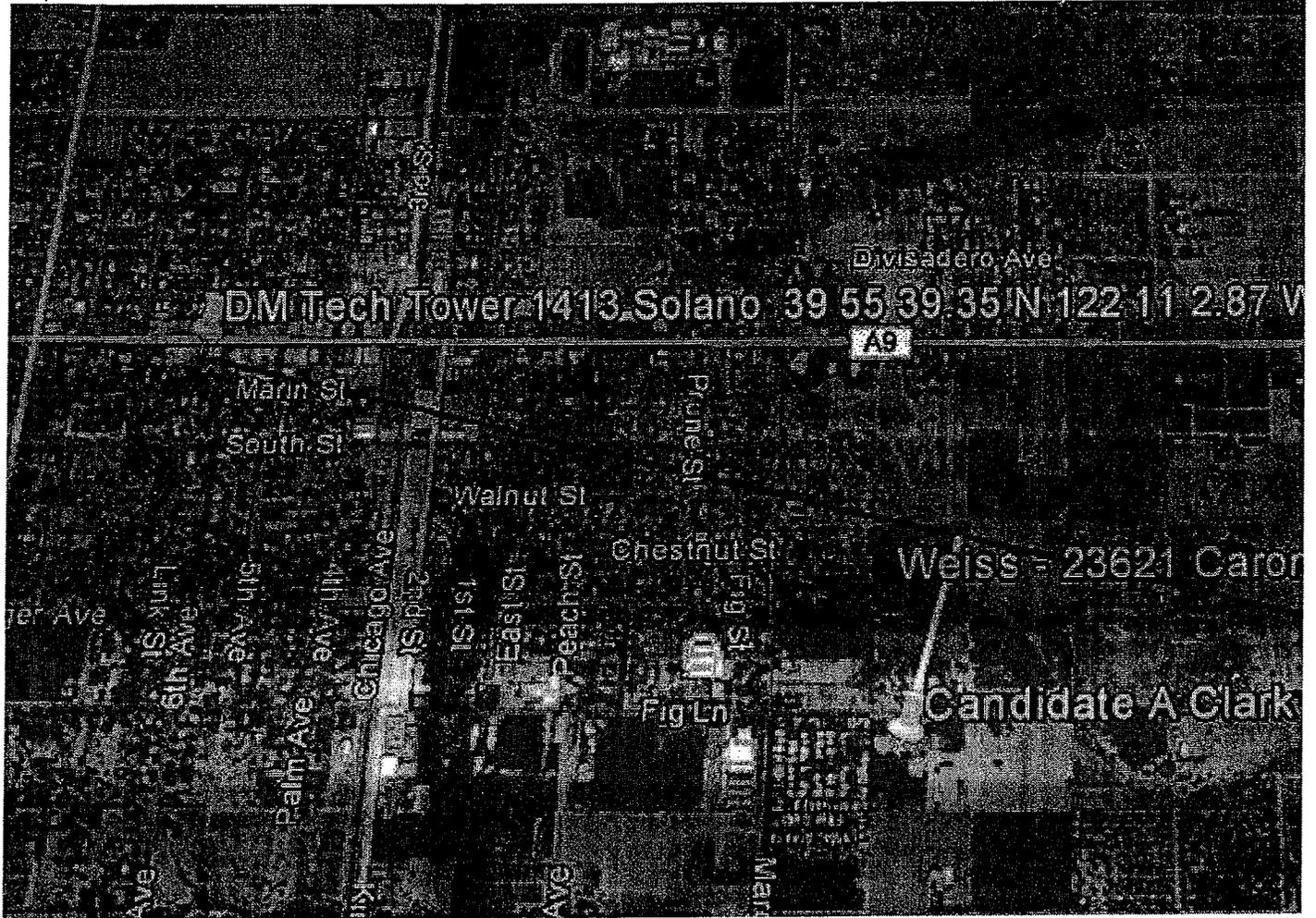


Thank you

Farhan Siddiqui
 Engineer-IV CstI-Interconnect
Verizon Wireless, NCA/NNV
 Desk#1-916-357-2511
 Cell#1-916-200-5095

From: Brendan Leonard [mailto:BLEonard@completewireless.net]
Sent: Wednesday, May 28, 2014 9:17 AM
To: Picard, Doug
Cc: Siddiqui, Farhan; Jackson, Shane N
Subject: RE: Oren's Corona follow up

Thank you for taking the time out. I whipped up a little exhibit while I was on the phone with them. Their MW shot is about 8600', point to point (red line). Our tower is about 1550' away from the path (yellow line).



John Stoufer

From: Patrick Walker [pwalker@corning.org]
Sent: Monday, June 09, 2014 10:11 AM
To: John Stoufer
Subject: FW: E. Fig Lane (Fiber Optics)

FYI

From: STONE, BRIAN D [mailto:bs8656@att.com]
Sent: Monday, June 09, 2014 7:19 AM
To: Patrick Walker
Subject: RE: E. Fig Lane (Fiber Optics)

We do have FO in the area. Verizon has already made an inquiry to AT&T via our Planning Department. We have an FO cable that feeds the school across the street from the ball park – It would either mean adding another cable from the source cable at Marguerite & Fig, or interrupting the one to the school (my preference).

Brian D. Stone
AT&T Design Engineer
645 Diamond Avenue
Red Bluff, CA 96080

(530) 527-1905

From: Patrick Walker [mailto:pwalker@corning.org]
Sent: Friday, June 06, 2014 3:18 PM
To: STONE, BRIAN D
Subject: RE: E. Fig Lane (Fiber Optics)

Yes, that's exactly what I'm talking about.

From: STONE, BRIAN D [mailto:bs8656@att.com]
Sent: Friday, June 06, 2014 3:01 PM
To: Patrick Walker
Subject: RE: E. Fig Lane (Fiber Optics)

Do you mean down by the ballpark for the (maybe) Verizon cell site?

Brian

From: Patrick Walker [mailto:pwalker@corning.org]
Sent: Friday, June 06, 2014 3:00 PM
To: STONE, BRIAN D
Subject: E. Fig Lane (Fiber Optics)

- Brian,

Would you happen to know if there are fiber optic telecommunication lines available on E. Fig Lane. There was an inquiry by a contractor and we couldn't answer them.

Thank you

Patrick Walker

City of Corning Public Works Director

Phone: (530)824-7025

Fax: (530)824-2489

<http://www.corning.org>

John Stoufer

From: Stephanie McNair [SMcNair@completewireless.net]
Sent: Wednesday, June 18, 2014 5:18 PM
To: jstoufer@corning.org; Jody Burgess
Cc: 'marys@maire-law.com'; jbrewer@corning.org; Brendan Leonard; Alex Goetze; Stephen Smith; Martin Nivinski
Subject: Verizon response to request for call to City of Corning staff to calm concern and another proposed COA /Verizon - Oren's Corona
Attachments: PLN_June_17_2014.pdf; FW: Oren's Corona follow up (317 KB)

John and Jody,

First I am pleased to hear the PC approval was issued and congrats to all that worked hard on this.

After meeting with John, Patrick and John Brewer, Brendan and I were pleased to report to Verizon the City's eagerness with the proposed Verizon facility at the park. You also assured us that you had the vote of the Council –which you did.

With an approved Agreement and the pending PC hearing, all of a sudden here came the late breaking requests and COAs that clearly were in conflict with the approved Agreement.

Verizon stepped up and quickly responded by providing language to Jody to meet the City request for a change for sublet language.

Verizon will not, however, agree to the language revisions related to “unlicensed signals”. Verizon pays millions of dollars for FCC regulated, licensed frequencies and diligently adheres these laws when broadcasting.

Your staff report in the PC public hearing agenda package, (attached) clearly states *“it was not legal to add a condition that would prohibit Verizon from using an unlicensed MW band, that is basically free to all other businesses, unless they agreed to it, therefore the condition has been removed.”*

Lastly, if the City is truly looking for Verizon to agree to “meet in good faith with the party claiming interference at a reasonable date and time” then Verizon has clearly demonstrated this with the timely, generous phone and detailed email conversations to DM Tech. Email correspondence attached.

Please let us know we are in agreement and that the agreed “sublet language revision” can be handled without going back before the Council.

Please let us know if you have any further questions.

Thank you,

Stephanie McNair, Project Manager
Complete Wireless Consulting

(916) 214-4658

(916) 313-3730 fax

smcnair@completewireless.net

2009 V Street

Sacramento, CA 95818

From: John Stoufer [mailto:jstoufer@corning.org]
Sent: Wednesday, June 18, 2014 10:49 AM
To: 'Jody Burgess'; Stephanie McNair
Cc: 'Mary Simonsen'; 'John Brewer'
Subject: RE: request for call to City of Corning staff to calm concern and another proposed COA /Verizon - Oren's Corona

Jody & Stephanie,

Attached is the language we are proposing to be included in the lease agreement to deal with any possible interference issues. The Planning Commission did approve the Use Permit last night and removed the conditions requiring amendments to the use permit and lease agreement when I informed them that language would be included in the lease agreement requiring a new lease for any additional carriers that may want to locate additional facilities at this site. There is a 10 day appeal period for the use permit and talking with Brendan it sounds like Verizon is planning on submitting plans shortly after the appeal period is over so we would like to take the modified lease agreement back to the Council on Tuesday, June 24th for consideration. We will need to prepare a staff report by Thursday afternoon so could you please let me know ASAP if Verizon will agree to this language in the lease and send us a copy of the modified lease agreement for the Council to review prior to the meeting.

Thank You
John Stoufer
Planning Director Consultant

From: Jody Burgess [mailto:jburgess@maire-law.com]
Sent: Tuesday, June 17, 2014 5:38 PM
To: Stephanie McNair
Cc: Mary Simonsen; John Brewer (jbrewer@corning.org); John Stoufer
Subject: RE: request for call to City of Corning staff to calm concern and another proposed COA /Verizon - Oren's Corona

Stephanie - I was not able to reach them, but my recollection is that the lease clause would read very similar to the following text:

Should interference with any unlicensed signal arise as a result of the tower's use, or any part thereof, during the term of lease, Verizon shall meet in good faith with the party claiming interference, at a reasonable date and time, to attempt a resolution of the alleged interference and/or its cause; however, this is not condition of use and there is no obligation that Verizon reach a resolution or otherwise remove the alleged cause of interference.

From: Stephanie McNair [mailto:SMcNair@completewireless.net]
Sent: Tuesday, June 17, 2014 5:09 PM
To: Jody Burgess
Cc: Brendan Leonard
Subject: RE: request for call to City of Corning staff to calm concern and another proposed COA /Verizon - Oren's Corona

Jody,

Verizon will need to review the language you proposed over the phone before approving –please send.

Apparently, we have until 6:30 before the official public hearing starts.

Thank you,

Stephanie McNair, Project Manager
Complete Wireless Consulting

(916) 214-4658
(916) 313-3730 fax
smcnair@completewireless.net
2009 V Street
Sacramento, CA 95818

From: Jody Burgess [<mailto:jburgess@maire-law.com>]
Sent: Tuesday, June 17, 2014 4:23 PM
To: Stephanie McNair
Subject: RE: request for call to City of Corning staff to calm concern and another proposed COA /Verizon - Oren's Corona

Can you please call me at (530) 246-6050

Thank you

Jody M. Burgess
Maire Burgess & Deedon
2851 Park Marina Drive, Suite 300
Redding, California 96001
(530) 246-6050
(530) 246-6060 [fax]
jburgess@maire-law.com

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From: Stephanie McNair [<mailto:SMcNair@completewireless.net>]
Sent: Monday, June 16, 2014 3:10 PM
To: Jody Burgess
Cc: Stephen Smith; Brendan Leonard
Subject: request for call to City of Corning staff to calm concern and another proposed COA /Verizon - Oren's Corona

Jody hello,

Well, the staff over at City of Corning have really got Verizon stirred up with yet another proposed COA attached.

–Please let us know that you are able to deflect this with the Agreement that provides clear and sufficient language that for this concern:

13. INTERFERENCE. LESSEE agrees to install equipment of the type and frequency which will not cause harmful interference which is measurable in accordance with then existing industry standards to any equipment of LESSOR or other lessees of the Property which existed on the Property prior to the date this Agreement is executed by the Parties. In the event any after-installed LESSEE's equipment causes such interference, and after LESSOR has notified LESSEE in writing of such interference, LESSEE will take all commercially reasonable steps necessary to correct and eliminate the interference,

including but not limited to, at LESSEE's option, powering down such equipment and later powering up such equipment for intermittent testing. In no event will LESSOR be entitled to terminate this Agreement or relocate the equipment as long as LESSEE is making a good faith effort to remedy the interference issue. LESSOR agrees that LESSOR and/or any other tenants of the Property who currently have or in the future take possession of the Property will be permitted to install only such equipment that is of the type and frequency which will not cause harmful interference which is measurable in accordance with then existing industry standards to the then existing equipment of LESSEE. The Parties acknowledge that there will not be an adequate remedy at law for noncompliance with the provisions of this Paragraph and therefore, either Party shall have the right to equitable remedies, such as, without limitation, injunctive relief and specific performance.

Can you please give me a call or an email indicating you have succeeded with the removal of the subleasing COA and that you will assure the planning staff that again the Agreement has this last concern covered too?

Thank you!

Stephanie McNair, Project Manager
Complete Wireless Consulting

(916) 214-4658

(916) 313-3730 fax

smcnair@completewireless.net

2009 V Street

Sacramento, CA 95818

OPTION AND LAND LEASE AGREEMENT

This Agreement made this ____ day of _____, 20__, between The City of Corning, a municipal corporation, with its principal offices located at 794 Third Street, Corning, California, hereinafter designated LESSOR and Sacramento-Valley Limited Partnership d/b/a Verizon Wireless, with its principal offices located at One Verizon Way, Mail Stop 4AW100, Basking Ridge, New Jersey 07920 (telephone number 866-862-4404), hereinafter designated LESSEE. The LESSOR and LESSEE are at times collectively referred to hereinafter as the "Parties" or individually as the "Party."

LESSOR is the owner of that certain real property located at 103 East Fig Lane, Corning, Tehama County, California, as shown on the Tax Map of the County of Tehama as Assessor's Parcel Number 073-260-30-1 (the entirety of LESSOR's property is referred to hereinafter as the "Property"). LESSEE desires to obtain an option to lease a portion of said Property, being described as a 30' by 30' parcel containing 900 square feet (the "Land Space"), together with the non exclusive right (the "Rights of Way") for ingress and egress, seven (7) days a week twenty four (24) hours a day, on foot or motor vehicle, including trucks over or along a right of way extending from the nearest public right of way to the Land Space, and for the installation and maintenance of utility wires, poles, cables, conduits, and pipes over, under, or along one or more rights of way from the Land Space, said Land Space and Rights of Way (hereinafter collectively referred to as the "Premises") being substantially as described herein in Exhibit "A" attached hereto and made a part hereof.

NOW THEREFORE, in consideration of the sum of One Thousand Dollars (\$1,000.00), to be paid by LESSEE to the LESSOR, the LESSOR hereby grants to LESSEE the right and option to lease said Premises, for the term and in accordance with the covenants and conditions set forth herein. The foregoing payment shall be made by LESSEE within forty five (45) days of execution of this Agreement or of receipt by LESSEE from LESSOR of the Rental Documentation, as defined in and in accordance with Paragraph 3 of the Agreement below, whichever occurs later. The providing by LESSOR of Rental Documentation to LESSEE shall be a prerequisite for the payment of the foregoing amount or any other option or rental payment, if applicable, by LESSEE, and notwithstanding anything to the contrary herein, LESSEE shall have no obligation to make any payment(s) until Rental Documentation has been supplied to LESSEE.

The option may be exercised at any time on or prior to twelve (12) months after the date of this Agreement. If the option has not been so exercised, it shall be automatically extended for one additional period of twelve (12) months, unless LESSEE gives written notice to the LESSOR of the intent not to extend prior to the end of the initial option period. If the option is extended, LESSEE shall make an additional payment of One Thousand Dollars (\$1,000.00) to LESSOR within thirty (30) days of the option being extended, provided LESSOR has supplied to LESSEE the Rental Documentation, as defined in and in accordance with Paragraph 3 of the Agreement below. The time during which the option may be exercised may be further extended by mutual agreement in writing. If during said option period, or during the term of the lease, if the option is exercised, the LESSOR decides to subdivide, sell or change the status of the Property or his property contiguous thereto he shall immediately notify LESSEE in writing so that LESSEE can take steps necessary to protect LESSEE's interest in the Premises.

This option may be sold, assigned or transferred by the LESSEE without any approval or consent of the LESSOR to the LESSEE's principal, affiliates, subsidiaries of its principal; to any entity which acquires all or substantially all of LESSEE's assets in the market defined by the Federal Communications Commission in which the Property is located by reason of a merger, acquisition or other business reorganization; or to any entity which acquires or receives an interest in the majority of communication towers of the LESSEE in the market defined by the Federal Communications Commission in which the Property is located. As to other parties, this Agreement may not be sold, assigned or transferred without the written consent of the LESSOR, which such consent will not be unreasonably withheld, delayed or conditioned. No change of stock ownership, partnership interest or control of LESSEE or transfer upon partnership or corporate dissolution of LESSEE shall constitute an assignment hereunder.

Should LESSEE fail to exercise this option or any extension thereof within the time herein limited, all rights and privileges granted hereunder shall be deemed completely surrendered, this option terminated, and LESSOR shall retain all money paid for the option, and no additional money shall be payable by either Party to the other.

LESSOR shall cooperate with LESSEE in its effort to obtain all certificates, permits and other approvals that may be required by any Federal, State or Local authorities which will permit LESSEE use of the Premises. LESSOR shall take no action which would adversely affect the status of the Property with respect to the proposed use by LESSEE. Notwithstanding anything to contrary contained in this grammatical paragraph, nothing in this Agreement shall be construed to remove or lessen any obligation of LESSEE as relating to the use, occupation, or development of the Premises and/or any application or approval process required to obtain the desired use, occupation, or development of the Premises.

The LESSOR shall permit LESSEE, during the option period, free ingress and egress to the Premises to conduct such surveys, inspections, structural strength analysis, subsurface soil tests, and other activities of a similar nature as LESSEE may deem necessary, at the sole cost of LESSEE. LESSEE shall be responsible for all costs and fees incurred in the performance of any such survey, inspection, testing, or analysis. LESSEE shall also indemnify and hold LESSOR harmless pursuant to the terms of paragraph 9, Indemnification, of the Agreement in connection with LESSEE's presence, use, testing, investigation, or surveying of the Premises as set forth herein during the Option period.

LESSOR agrees to execute a Memorandum of this Option and Land Lease Agreement which LESSEE may record with the appropriate Recording Officer. The date set forth in the Memorandum of Option to Lease is for recording purposes only and bears no reference to commencement of either term or rent payments.

Notice of the exercise of the option shall be given by LESSEE to the LESSOR in writing by certified mail, return receipt requested. Notice shall be deemed effective on the date it is posted and thereupon the following agreement shall take effect:

LAND LEASE AGREEMENT

This Agreement, made this _____ day of _____, 20____, between The City of

Corning, a municipal corporation, with its principal offices located at 794 Third Street, Corning, California, hereinafter designated LESSOR and Sacramento-Valley Limited Partnership d/b/a Verizon Wireless, with its principal offices located at One Verizon Way, Mail Stop 4AW100, Basking Ridge, New Jersey 07920 (telephone number 866-862-4404), hereinafter designated LESSEE. The LESSOR and LESSEE are at times collectively referred to hereinafter as the "Parties" or individually as the "Party."

1. PREMISES. LESSOR hereby leases to LESSEE a portion of that certain parcel of property (the entirety of LESSOR's property is referred to hereinafter as the Property), located at 103 East Fig Lane, Corning, Tehama County, California, and being described as a 30' by 30' parcel containing 900 square feet (the "Land Space"), together with the non exclusive right (the "Rights of Way") for ingress and egress, seven (7) days a week twenty four (24) hours a day, on foot or motor vehicle, including trucks over or along a right of way extending from the nearest public right of way to the Land Space, and for the installation and maintenance of utility wires, poles, cables, conduits, and pipes over, under, or along one or more rights of way from the Land Space, said Land Space and Rights of Way (hereinafter collectively referred to as the "Premises") being substantially as described herein in Exhibit "A" attached hereto and made a part hereof. The Property is also shown on the Tax Map of the County of Tehama as Assessor's Parcel Number 073-260-30-1.

In the event any public utility is unable to use the Rights of Way, the LESSOR hereby agrees to grant an additional right of way either to the LESSEE or to the public utility at no cost to the LESSEE.

2. SURVEY. LESSOR also hereby grants to LESSEE the right to survey the Property and the Premises, and said survey shall then become Exhibit "B" which shall be attached hereto and made a part hereof, and shall control in the event of boundary and access discrepancies between it and Exhibit "A." Cost for such work shall be borne by the LESSEE.

3. TERM; RENTAL. This Agreement shall be effective as of the date of execution by both Parties, provided, however, the initial term shall be for five (5) years and shall commence on the Commencement Date (as hereinafter defined) at which time rental payments shall commence and be due at a total annual rental of Sixteen Thousand Two Hundred Dollars (\$16,200.00) to be paid in equal monthly installments on the first day of the month, in advance, to LESSOR or to such other person, firm or place as LESSOR may, from time to time, designate in writing at least thirty (30) days in advance of any rental payment date by notice given in accordance with Paragraph 23 below. Upon agreement of the Parties, LESSEE may pay rent by electronic funds transfer and in such event, LESSOR agrees to provide to LESSEE bank routing information for such purpose upon request of LESSEE. The Commencement Date shall be the first day of the month in which notice of the exercise of the option, as set forth above, is effective. However, LESSOR and LESSEE acknowledge and agree that initial rental payment(s) shall not actually be sent by LESSEE until thirty (30) days after the exercise of the option is effective.

LESSOR hereby agrees to provide to LESSEE certain documentation (the "Rental Documentation") evidencing LESSOR's interest in, and right to receive payments under, this Agreement, including without limitation: (i) documentation, acceptable to LESSEE in

LESSEE's reasonable discretion, evidencing LESSOR's good and sufficient title to and/or interest in the Property and right to receive rental payments and other benefits hereunder; (ii) a complete and fully executed Internal Revenue Service Form W-9, or equivalent, in a form acceptable to LESSEE, for any party to whom rental payments are to be made pursuant to this Agreement; and (iii) other documentation requested by LESSEE in LESSEE's reasonable discretion. From time to time during the Term of this Agreement and within thirty (30) days of a written request from LESSEE, LESSOR agrees to provide updated Rental Documentation in a form reasonably acceptable to LESSEE. The Rental Documentation shall be provided to LESSEE in accordance with the provisions of and at the address given in Paragraph 23. Delivery of Rental Documentation to LESSEE shall be a prerequisite for the payment of any rent by LESSEE and notwithstanding anything to the contrary herein, LESSEE shall have no obligation to make any rental payments until Rental Documentation has been supplied to LESSEE as provided herein.

Within fifteen (15) days of obtaining an interest in the Property or this Agreement, any assignee(s) or transferee(s) of LESSOR shall provide to LESSEE Rental Documentation in the manner set forth in the preceding paragraph. From time to time during the Term of this Agreement and within thirty (30) days of a written request from LESSEE, any assignee(s) or transferee(s) of LESSOR agrees to provide updated Rental Documentation in a form reasonably acceptable to LESSEE. Delivery of Rental Documentation to LESSEE by any assignee(s) or transferee(s) of LESSOR shall be a prerequisite for the payment of any rent by LESSEE to such party and notwithstanding anything to the contrary herein, LESSEE shall have no obligation to make any rental payments to any assignee(s) or transferee(s) of LESSOR until Rental Documentation has been supplied to LESSEE as provided herein.

4. EXTENSIONS. This Agreement shall automatically be extended for four (4) additional five (5) year terms unless LESSEE terminates it at the end of the then current term by giving LESSOR written notice of the intent to terminate at least six (6) months prior to the end of the then current term.

5. ANNUAL RENTAL INCREASE. The annual rental shall increase annually on each anniversary of the Commencement Date by an amount equal to two percent (2%) of the previous year's annual rental.

6. ADDITIONAL EXTENSIONS. If at the end of the fourth (4th) five (5) year extension term this Agreement has not been terminated by either Party by giving to the other written notice of an intention to terminate it at least three (3) months prior to the end of such term, this Agreement shall continue in force upon the same covenants, terms and conditions for a further term of five (5) years and for five (5) year terms thereafter until terminated by either Party by giving to the other written notice of its intention to so terminate at least three (3) months prior to the end of such term. Annual rental for each such additional five (5) year term shall be equal to the annual rental payable with respect to the immediately preceding five (5) year term. The initial term and all extensions shall be collectively referred to herein as the "Term."

7. TAXES. LESSEE shall have the responsibility to pay any personal property, real estate taxes, assessments, or charges owed on the Property which LESSOR demonstrates is the result of LESSEE's use of the Premises and/or the installation, maintenance, and operation of the

LESSEE's improvements, and any sales tax imposed on the rent (except to the extent that LESSEE is or may become exempt from the payment of sales tax in the jurisdiction in which the Property is located), including any increase in real estate taxes at the Property which LESSOR demonstrates arises from the LESSEE's improvements and/or LESSEE's use of the Premises. LESSOR and LESSEE shall each be responsible for the payment of any taxes, levies, assessments and other charges imposed including franchise and similar taxes imposed upon the business conducted by LESSOR or LESSEE at the Property. Notwithstanding the foregoing, LESSEE shall not have the obligation to pay any tax, assessment, or charge that LESSEE is disputing in good faith in appropriate proceedings prior to a final determination that such tax is properly assessed provided that no lien attaches to the Property. Nothing in this Paragraph shall be construed as making LESSEE liable for any portion of LESSOR's income taxes in connection with any Property or otherwise. Except as set forth in this Paragraph, LESSOR shall have the responsibility to pay any personal property, real estate taxes, assessments, or charges owed on the Property and shall do so prior to the imposition of any lien on the Property.

LESSEE shall have the right, at its sole option and at its sole cost and expense, to appeal, challenge or seek modification of any tax assessment or billing for which LESSEE is wholly or partly responsible for payment. LESSOR shall reasonably cooperate with LESSEE at LESSEE's expense in filing, prosecuting and perfecting any appeal or challenge to taxes as set forth in the preceding sentence, including but not limited to, executing any consent, appeal or other similar document. In the event that as a result of any appeal or challenge by LESSEE, there is a reduction, credit or repayment received by the LESSOR for any taxes previously paid by LESSEE, LESSOR agrees to promptly reimburse to LESSEE the amount of said reduction, credit or repayment. In the event that LESSEE does not have the standing rights to pursue a good faith and reasonable dispute of any taxes under this paragraph, LESSOR will pursue such dispute at LESSEE's sole cost and expense upon written request of LESSEE.

8. USE; GOVERNMENTAL APPROVALS. LESSEE shall use the Premises for the purpose of constructing, maintaining, repairing and operating a communications facility and uses incidental thereto. A security fence consisting of chain link construction or similar but comparable construction may be placed around the perimeter of the Premises at the discretion of LESSEE (not including the access easement). All improvements, equipment, antennas and conduits shall be at LESSEE's expense and their installation shall be at the discretion and option of LESSEE. LESSEE shall have the right to replace, repair, add or otherwise modify its utilities, equipment, antennas and/or conduits or any portion thereof and the frequencies over which the equipment operates, whether the equipment, antennas, conduits or frequencies are specified or not on any exhibit attached hereto, during the Term. It is understood and agreed that LESSEE's ability to use the Premises is contingent upon its obtaining after the execution date of this Agreement all of the certificates, permits and other approvals (collectively the "Governmental Approvals") that may be required by any Federal, State or Local authorities as well as satisfactory soil boring tests which will permit LESSEE use of the Premises as set forth above. LESSOR shall cooperate with LESSEE in its effort to obtain such approvals and shall take no action which would adversely affect the status of the Property with respect to the proposed use thereof by LESSEE. In the event that (i) any of such applications for such Governmental Approvals should be finally rejected; (ii) any Governmental Approval issued to LESSEE is canceled, expires, lapses, or is otherwise withdrawn or terminated by governmental authority; (iii) LESSEE determines that such Governmental Approvals may not be obtained in a timely

manner; (iv) LESSEE determines that any soil boring tests are unsatisfactory; (v) LESSEE determines that the Premises is no longer technically compatible for its use, or (vi) LESSEE, in its sole discretion, determines that the use the Premises is obsolete or unnecessary, LESSEE shall have the right to terminate this Agreement. Notice of LESSEE's exercise of its right to terminate shall be given to LESSOR in writing by certified mail, return receipt requested, and shall be effective upon the mailing of such notice by LESSEE, or upon such later date as designated by LESSEE. All rentals paid to said termination date shall be retained by LESSOR. Upon such termination, this Agreement shall be of no further force or effect except to the extent of the representations, warranties and indemnities made by each Party to the other hereunder. Otherwise, the LESSEE shall have no further obligations for the payment of rent to LESSOR.

9. INDEMNIFICATION. Subject to Paragraph 10 below, each Party shall indemnify and hold the other harmless against any claim of liability or loss from personal injury or property damage resulting from or arising out of the negligence or willful misconduct of the indemnifying Party, its employees, contractors or agents, except to the extent such claims or damages may be due to or caused by the negligence or willful misconduct of the other Party, or its employees, contractors or agents.

10. INSURANCE.

(a) The Parties hereby waive and release any and all rights of action for negligence against the other which may hereafter arise on account of damage to the Premises or to the Property, resulting from any fire, or other casualty of the kind covered by standard fire insurance policies with extended coverage, regardless of whether or not, or in what amounts, such insurance is now or hereafter carried by the Parties, or either of them. These waivers and releases shall apply between the Parties and they shall also apply to any claims under or through either Party as a result of any asserted right of subrogation. All such policies of insurance obtained by either Party concerning the Premises or the Property shall waive the insurer's right of subrogation against the other Party.

(b) LESSOR and LESSEE each agree that at its own cost and expense, each will maintain commercial general liability insurance with limits not less than \$1,000,000 for injury to or death of one or more persons in any one occurrence and \$500,000 for damage or destruction to property in any one occurrence. LESSOR and LESSEE each agree that it will include the other Party as an additional insured.

11. LIMITATION OF LIABILITY. No Party shall be liable to the other, or any of their respective agents, representatives, employees for any punitive damages, loss of data, or interruption or loss of use of service, even if advised of the possibility of such damages, whether under theory of contract, tort (including negligence), strict liability or otherwise. Nothing in this paragraph shall be construed to remove any rights otherwise available to either Party under California law and not expressly released herein.

12. ANNUAL TERMINATION. Notwithstanding anything to the contrary contained herein, provided LESSEE is not in default hereunder beyond applicable notice and cure periods, LESSEE shall have the right to terminate this Agreement upon the annual anniversary of the Commencement Date provided that three (3) months prior notice is given to LESSOR.

13. INTERFERENCE. LESSEE agrees to install equipment of the type and frequency which will not cause harmful interference which is measurable in accordance with then existing industry standards to any equipment of LESSOR or other lessees of the Property which existed on the Property prior to the date this Agreement is executed by the Parties. In the event any after-installed LESSEE's equipment causes such interference, and after LESSOR has notified LESSEE in writing of such interference, LESSEE will take all commercially reasonable steps necessary to correct and eliminate the interference, including but not limited to, at LESSEE's option, powering down such equipment and later powering up such equipment for intermittent testing. In no event will LESSOR be entitled to terminate this Agreement or relocate the equipment as long as LESSEE is making a good faith effort to remedy the interference issue. LESSOR agrees that LESSOR and/or any other tenants of the Property who currently have or in the future take possession of the Property will be permitted to install only such equipment that is of the type and frequency which will not cause harmful interference which is measurable in accordance with then existing industry standards to the then existing equipment of LESSEE. The Parties acknowledge that there will not be an adequate remedy at law for noncompliance with the provisions of this Paragraph and therefore, either Party shall have the right to equitable remedies, such as, without limitation, injunctive relief and specific performance.

14. REMOVAL AT END OF TERM. LESSEE shall, upon expiration of the Term, or within ninety (90) days after any earlier termination of the Agreement, remove its building(s), antenna structure(s) (except footings), equipment, conduits, fixtures and all personal property and restore the Premises to its original condition, reasonable wear and tear and casualty damage excepted. LESSOR agrees and acknowledges that all of the equipment, conduits, fixtures and personal property of LESSEE shall remain the personal property of LESSEE and LESSEE shall have the right to remove the same at any time during the Term, whether or not said items are considered fixtures and attachments to real property under applicable Laws (as defined in Paragraph 33 below). If such time for removal causes LESSEE to remain on the Premises after termination of this Agreement, LESSEE shall pay rent at the then existing monthly rate or on the existing monthly pro-rata basis if based upon a longer payment term, until such time as the removal of the building, antenna structure, fixtures and all personal property are completed.

15. HOLDOVER. LESSEE has no right to retain possession of the Premises or any part thereof beyond the expiration of that removal period set forth in Paragraph 14 herein, unless the Parties are negotiating a new lease or lease extension in good faith. In the event that the Parties are not in the process of negotiating a new lease or lease extension in good faith, LESSEE holds over in violation of Paragraph 14 and this Paragraph 15, then the rent then in effect payable from and after the time of the expiration or earlier removal period set forth in Paragraph 14 shall be equal to the rent applicable during the month immediately preceding such expiration or earlier termination.

16. RIGHT OF FIRST REFUSAL. If LESSOR elects, during the Term (i) to sell or otherwise transfer all or any portion of the Property, whether separately or as part of a larger parcel of which the Property is a part, or (ii) grant to a third party by easement or other legal instrument an interest in and to that portion of the Property occupied by LESSEE, or a larger portion thereof, for the purpose of operating and maintaining communications facilities or the management thereof, with or without an assignment of this Agreement to such third party, LESSEE shall have the right of first refusal to meet any bona fide offer of sale or transfer on the

same terms and conditions of such offer. If LESSEE fails to meet such bona fide offer within thirty (30) days after written notice thereof from LESSOR, LESSOR may sell or grant the easement or interest in the Property or portion thereof to such third person in accordance with the terms and conditions of such third party offer. For purposes of this Paragraph, any transfer, bequest or devise of LESSOR's interest in the Property as a result of the death of LESSOR, whether by will or intestate succession, or any conveyance to LESSOR's family members by direct conveyance or by conveyance to a trust for the benefit of family members shall not be considered a sale of the Property for which LESSEE has any right of first refusal.

17. RIGHTS UPON SALE. Should LESSOR, at any time during the Term decide (i) to sell or transfer all or any part of the Property to a purchaser other than LESSEE, or (ii) to grant to a third party by easement or other legal instrument an interest in and to that portion of the Property occupied by LESSEE, or a larger portion thereof, for the purpose of operating and maintaining communications facilities or the management thereof, such sale or grant of an easement or interest therein shall be under and subject to this Agreement and any such purchaser or transferee shall recognize LESSEE's rights hereunder under the terms of this Agreement. To the extent that LESSOR grants to a third party by easement or other legal instrument an interest in and to that portion of the Property occupied by LESSEE for the purpose of operating and maintaining communications facilities or the management thereof and in conjunction therewith, assigns this Agreement to said third party, LESSOR shall not be released from its obligations to LESSEE under this Agreement, and LESSEE shall have the right to look to LESSOR and the third party for the full performance of this Agreement.

18. QUIET ENJOYMENT. LESSOR covenants that LESSEE, on paying the rent and performing the covenants herein, shall peaceably and quietly have, hold and enjoy the Premises.

19. TITLE. LESSOR represents and warrants to LESSEE as of the execution date of this Agreement, and covenants during the Term that LESSOR is seized of good and sufficient title and interest to the Property and has full authority to enter into and execute this Agreement. LESSOR further covenants during the Term that there are no liens, judgments or impediments of title on the Property, or affecting LESSOR's title to the same and that there are no covenants, easements or restrictions which prevent or adversely affect the use or occupancy of the Premises by LESSEE as set forth above.

20. INTEGRATION. It is agreed and understood that this Agreement contains all agreements, promises and understandings between LESSOR and LESSEE and that no verbal or oral agreements, promises or understandings shall be binding upon either LESSOR or LESSEE in any dispute, controversy or proceeding at law, and any addition, variation or modification to this Agreement shall be void and ineffective unless made in writing signed by the Parties. In the event any provision of the Agreement is found to be invalid or unenforceable, such finding shall not affect the validity and enforceability of the remaining provisions of this Agreement. The failure of either Party to insist upon strict performance of any of the terms or conditions of this Agreement or to exercise any of its rights under the Agreement shall not waive such rights and such Party shall have the right to enforce such rights at any time and take such action as may be lawful and authorized under this Agreement, in law or in equity.

21. GOVERNING LAW. This Agreement and the performance thereof shall be governed, interpreted, construed and regulated by the Laws of the State in which the Property is located.

22. ASSIGNMENT. This Agreement may be sold, assigned or transferred by the LESSEE without any approval or consent of the LESSOR to the LESSEE's principal, affiliates, subsidiaries of its principal or to any entity which acquires all or substantially all of LESSEE's assets in the market defined by the Federal Communications Commission in which the Property is located by reason of a merger, acquisition or other business reorganization. As to other parties, this Agreement may not be sold, assigned or transferred without the written consent of the LESSOR, which such consent will not be unreasonably withheld, delayed or conditioned. No change of stock ownership, partnership interest or control of LESSEE or transfer upon partnership or corporate dissolution of LESSEE shall constitute an assignment hereunder. LESSEE may sublet space on its communications tower located on the Premises and space for wires, cables, conduits and pipes to service space on the communications tower, within its sole discretion, upon notice to LESSOR. Each such subtenant shall be required to lease ground space from LESSOR for installation, operation and maintenance of such subtenant's equipment. Any sublease that is entered into by LESSEE shall be subject to the provisions of this Agreement and shall be binding upon the successors, assigns, heirs and legal representatives of the respective parties hereto.

23. NOTICES. All notices hereunder must be in writing and shall be deemed validly given if sent by certified mail, return receipt requested or by commercial courier, provided the courier's regular business is delivery service and provided further that it guarantees delivery to the addressee by the end of the next business day following the courier's receipt from the sender, addressed as follows (or any other address that the Party to be notified may have designated to the sender by like notice):

LESSOR: The City of Corning
794 Third Street
Corning, California 96021

LESSEE: Sacramento-Valley Limited Partnership
d/b/a Verizon Wireless
180 Washington Valley Road
Bedminster, New Jersey 07921
Attention: Network Real Estate

Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

24. SUCCESSORS. This Agreement shall extend to and bind the heirs, personal representative, successors and assigns of the Parties hereto.

25. SUBORDINATION AND NON-DISTURBANCE. LESSOR shall obtain not later than fifteen (15) days following the execution of this Agreement, a Non Disturbance Agreement, as defined below, from its existing mortgagee(s), ground lessors and master lessors,

if any, of the Property. At LESSOR's option, this Agreement shall be subordinate to any future master lease, ground lease, mortgage, deed of trust or other security interest (a "Mortgage") by LESSOR which from time to time may encumber all or part of the Property or right-of-way; provided, however, as a condition precedent to LESSEE being required to subordinate its interest in this Agreement to any future Mortgage covering the Property, LESSOR shall obtain for LESSEE's benefit a non disturbance and attornment agreement for LESSEE's benefit in the form reasonably satisfactory to LESSEE, and containing the terms described below (the "Non Disturbance Agreement"), and shall recognize LESSEE's right to remain in occupancy of and have access to the Premises as long as LESSEE is not in default of this Agreement beyond applicable notice and cure periods. The Non Disturbance Agreement shall include the encumbering party's ("Lender's") agreement that, if Lender or its successor in interest or any purchaser of Lender's or its successor's interest (a "Purchaser") acquires an ownership interest in the Property, Lender or such successor in interest or Purchaser will (1) honor all of the terms of the Agreement, (2) fulfill LESSOR's obligations under the Agreement, and (3) promptly cure all of the then existing LESSOR defaults under the Agreement. Such Non Disturbance Agreement must be binding on all of Lender's participants in the subject loan (if any) and on all successors and assigns of Lender and/or its participants and on all Purchasers. In return for such Non Disturbance Agreement, LESSEE will execute an agreement for Lender's benefit in which LESSEE (1) confirms that the Agreement is subordinate to the Mortgage or other real property interest in favor of Lender, (2) agrees to attorn to Lender if Lender becomes the owner of the Property and (3) agrees to accept a cure by Lender of any of LESSOR's defaults, provided such cure is completed within the deadline applicable to LESSOR. In the event LESSOR defaults in the payment and/or other performance of any mortgage or other real property interest encumbering the Property, LESSEE, may, at its sole option and without obligation, cure or correct LESSOR's default and upon doing so, LESSEE shall be subrogated to any and all rights, titles, liens and equities of the holders of such mortgage or other real property interest and LESSEE shall be entitled to deduct and setoff against all rents that may otherwise become due under this Agreement the sums paid by LESSEE to cure or correct such defaults.

26. RECORDING. LESSOR agrees to execute a Memorandum of this Agreement which LESSEE may record with the appropriate recording officer. The date set forth in the Memorandum of Lease is for recording purposes only and bears no reference to commencement of either the Term or rent payments.

27. DEFAULT.

(a) In the event there is a breach by LESSEE with respect to any of the provisions of this Agreement or its obligations under it, including the payment of rent, LESSOR shall give LESSEE written notice of such breach. After receipt of such written notice, LESSEE shall have fifteen (15) days in which to cure any monetary breach and thirty (30) days in which to cure any non-monetary breach, provided LESSEE shall have such extended period as may be required beyond the thirty (30) days if the nature of the cure is such that it reasonably requires more than thirty (30) days and LESSEE commences the cure within the thirty (30) day period and thereafter continuously and diligently pursues the cure to completion. LESSOR may not maintain any action or effect any remedies for default against LESSEE unless and until LESSEE has failed to cure the breach within the time periods provided in this Paragraph.

(b) In the event there is a breach by LESSOR with respect to any of the provisions of this Agreement or its obligations under it, LESSEE shall give LESSOR written notice of such breach. After receipt of such written notice, LESSOR shall have thirty (30) days in which to cure any such breach, provided LESSOR shall have such extended period as may be required beyond the thirty (30) days if the nature of the cure is such that it reasonably requires more than thirty (30) days and LESSOR commences the cure within the thirty (30) day period and thereafter continuously and diligently pursues the cure to completion. LESSEE may not maintain any action or effect any remedies for default against LESSOR unless and until LESSOR has failed to cure the breach within the time periods provided in this Paragraph. Notwithstanding the foregoing to the contrary, it shall be a default under this Agreement if LESSOR fails, within five (5) days after receipt of written notice of such breach, to perform an obligation required to be performed by LESSOR if the failure to perform such an obligation interferes with LESSEE's ability to conduct its business on the Property; provided, however, that if the nature of LESSOR's obligation is such that more than five (5) days after such notice is reasonably required for its performance, then it shall not be a default under this Agreement if performance is commenced within such five (5) day period and thereafter diligently pursued to completion.

28. REMEDIES. Upon a default, the non-defaulting Party may at its option (but without obligation to do so), perform the defaulting Party's duty or obligation on the defaulting Party's behalf, including but not limited to the obtaining of reasonably required insurance policies. The costs and expenses of any such performance by the non-defaulting Party shall be due and payable by the defaulting Party upon invoice therefor. In the event of a default by either Party with respect to a material provision of this Agreement, without limiting the non-defaulting Party in the exercise of any right or remedy which the non-defaulting Party may have by reason of such default, the non-defaulting Party may terminate the Agreement and/or pursue any remedy now or hereafter available to the non-defaulting Party under the Laws or judicial decisions of the state in which the Premises are located; provided, however, LESSOR shall use reasonable efforts to mitigate its damages in connection with a default by LESSEE. If LESSEE so performs any of LESSOR's obligations hereunder, the full amount of the reasonable and actual cost and expense incurred by LESSEE shall immediately be owing by LESSOR to LESSEE, and LESSOR shall pay to LESSEE upon demand the full undisputed amount thereof with interest thereon from the date of payment at the greater of (i) ten percent (10%) per annum, or (ii) the highest rate permitted by applicable Laws. Notwithstanding the foregoing, if LESSOR does not pay LESSEE the full undisputed amount within thirty (30) days of its receipt of an invoice setting forth the amount due from LESSOR, LESSEE may offset the full undisputed amount, including all accrued interest, due against all fees due and owing to LESSOR until the full undisputed amount, including all accrued interest, is fully reimbursed to LESSEE.

29. ENVIRONMENTAL.

(a) LESSOR will be responsible for all obligations of compliance with any and all environmental and industrial hygiene laws, including any regulations, guidelines, standards, or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene conditions or concerns as may now or at any time hereafter be in effect, that are or were in any way related to activity now conducted in, on, or in any way related to the Property, except to the

extent such conditions or concerns are caused by the specific activities, use, occupation, action, or inaction of LESSEE in or at the Premises.

(b) LESSOR shall hold LESSEE harmless and indemnify LESSEE from and assume all duties, responsibility and liability at LESSOR's sole cost and expense, for all duties, responsibilities, and liability (for payment of penalties, sanctions, forfeitures, losses, costs, or damages) and for responding to any action, notice, claim, order, summons, citation, directive, litigation, investigation or proceeding which is in any way related to: a) failure to comply with any environmental or industrial hygiene law, including without limitation any regulations, guidelines, standards, or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene concerns or conditions as may now or at any time hereafter be in effect, unless such non-compliance results from conditions caused by LESSEE; and b) any environmental or industrial hygiene conditions arising out of or in any way related to the condition of the Property or activities conducted thereon, except to the extent such environmental conditions are caused by the specific activities, use, occupation, action, or inaction of LESSEE in or at the Premises.

30. CASUALTY. In the event of damage by fire or other casualty to the Premises that cannot reasonably be expected to be repaired within forty-five (45) days following same or, if the Property is damaged by fire or other casualty so that such damage may reasonably be expected to disrupt LESSEE's operations at the Premises for more than forty-five (45) days, then LESSEE may, at any time following such fire or other casualty, provided LESSOR has not completed the restoration required to permit LESSEE to resume its operation at the Premises, terminate this Agreement upon fifteen (15) days prior written notice to LESSOR. Any such notice of termination shall cause this Agreement to expire with the same force and effect as though the date set forth in such notice were the date originally set as the expiration date of this Agreement and the Parties shall make an appropriate adjustment, as of such termination date, with respect to payments due to the other under this Agreement. Notwithstanding the foregoing, the rent shall abate during the period of repair following such fire or other casualty in proportion to the degree to which LESSEE's use of the Premises is impaired.

31. CONDEMNATION. In the event of any condemnation of all or any portion of the Property, this Agreement shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever occurs first. If as a result of a partial condemnation of the Premises or Property, LESSEE, in LESSEE's sole discretion, is unable to use the Premises for the purposes intended hereunder, or if such condemnation may reasonably be expected to disrupt LESSEE's operations at the Premises for more than forty-five (45) days, LESSEE may, at LESSEE's option, to be exercised in writing within fifteen (15) days after LESSOR shall have given LESSEE written notice of such taking (or in the absence of such notice, within fifteen (15) days after the condemning authority shall have taken possession) terminate this Agreement as of the date the condemning authority takes such possession. LESSEE may on its own behalf make a claim in any condemnation proceeding involving the Premises for losses related to the equipment, conduits, fixtures, its relocation costs and its damages and losses (but not for the loss of its leasehold interest). Any such notice of termination shall cause this Agreement to expire with the same force and effect as though the date set forth in such notice were the date originally set as the expiration date of this Agreement and the Parties shall make an appropriate adjustment as of such termination date with respect to payments due to the other under this Agreement. If

LESSEE does not terminate this Agreement in accordance with the foregoing, this Agreement shall remain in full force and effect as to the portion of the Premises remaining, except that the rent shall be reduced in the same proportion as the rentable area of the Premises taken bears to the total rentable area of the Premises. In the event that this Agreement is not terminated by reason of such condemnation, LESSOR shall promptly repair any damage to the Premises caused by such condemning authority.

32. SUBMISSION OF AGREEMENT/PARTIAL INVALIDITY/AUTHORITY. The submission of this Agreement for examination does not constitute an offer to lease the Premises and this Agreement becomes effective only upon the full execution of this Agreement by the Parties. If any provision herein is invalid, it shall be considered deleted from this Agreement and shall not invalidate the remaining provisions of this Agreement. Each of the Parties hereto warrants to the other that the person or persons executing this Agreement on behalf of such Party has the full right, power and authority to enter into and execute this Agreement on such Party's behalf and that no consent from any other person or entity is necessary as a condition precedent to the legal effect of this Agreement.

33. APPLICABLE LAWS. During the Term, LESSOR shall maintain the Property in compliance with all applicable laws, rules, regulations, ordinances, directives, covenants, easements, zoning and land use regulations, and restrictions of record, permits, building codes, and the requirements of any applicable fire insurance underwriter or rating bureau, now in effect or which may hereafter come into effect (including, without limitation, the Americans with Disabilities Act and laws regulating hazardous substances) (collectively "Laws"). LESSEE shall, in respect to the condition of the Premises and at LESSEE's sole cost and expense, comply with (a) all Laws relating solely to LESSEE's specific and unique nature of use of the Premises (other than general office use); and (b) all building codes requiring modifications to the Premises due to the improvements being made by LESSEE in the Premises.

34. SURVIVAL. The provisions of the Agreement relating to indemnification from one Party to the other Party shall survive any termination or expiration of this Agreement. Additionally, any provisions of this Agreement which require performance subsequent to the termination or expiration of this Agreement shall also survive such termination or expiration.

35. CAPTIONS. The captions contained in this Agreement are inserted for convenience only and are not intended to be part of the Agreement. They shall not affect or be utilized in the construction or interpretation of the Agreement.

IN WITNESS WHEREOF, the Parties hereto have set their hands and affixed their respective seals the day and year first above written.

[SIGNATURES APPEAR ON THE NEXT PAGE]

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LESSOR:

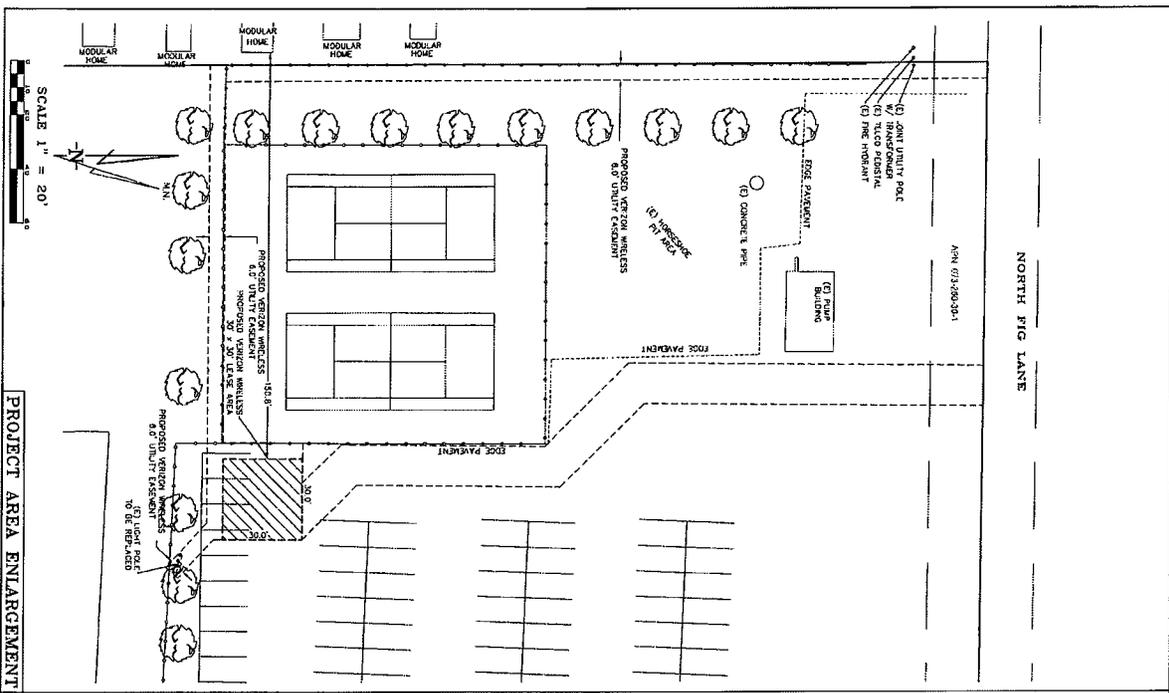
The City of Corning, a municipal corporation

By: _____
Name: _____
Title: _____
Date: _____

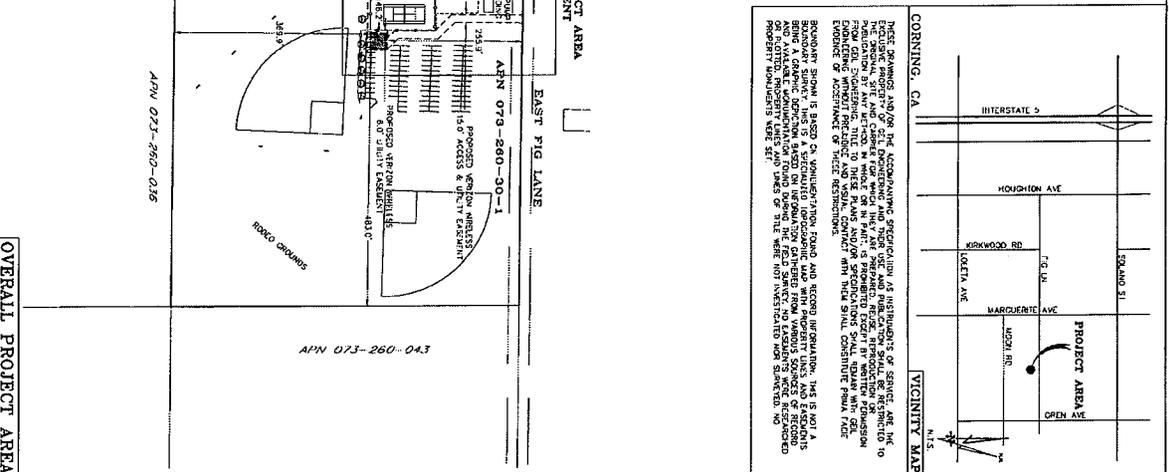
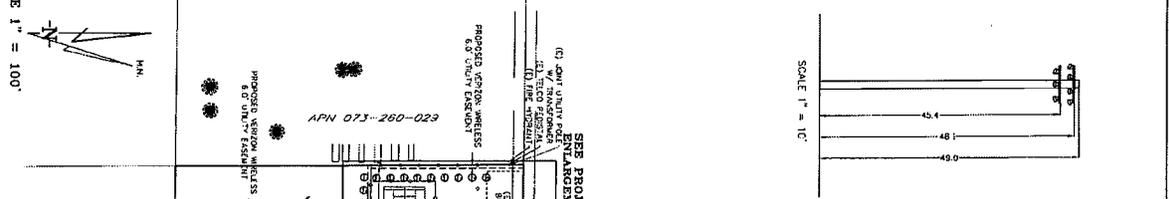
LESSEE:

Sacramento-Valley Limited Partnership
d/b/a Verizon Wireless
By AirTouch Cellular, Its General Partner

By: _____
Name: Brian Mecum
Title: Area Vice President Network
Date: _____



DATE OF SURVEY: 01-28-14
SURVEYED BY: ON LINDA ORCOWSKI, PLS, CIVIL ENGINEER, LICENSE NO. 44514
LOCATION: IN THE COUNTY OF TULARE, STATE OF CALIFORNIA
RECORD INFORMATION: THIS IS A PRELIMINARY SURVEY AND ELEVATION SHOWN ON THIS PLAN ARE BASED UPON U.S.C.S. NAVY AS BOUNDARY SURVEY FROM SAN LEAN, U.S.C.S. NAD 83, 1983 CORRECTION, SUBJECT 7'x' FROM ELEVATIONS CONTROL POINT, A.A.
ASSUMED PARENTHESIS: 073-260-30-1
LANDOWNER: ORENS CORONA
CITY OF CORNING: 728 JUD STREET
PHONE: 530-824-5555
FAX: 530-824-5555
SITE CONTACT: BOB SCHWENKER
PHONE: 530-824-5555
PROJECT NAME: Orens Corona
PROJECT SITE LOCATION: 103 E. Fig Lane
Corning, CA 96001
Date of Observation: 01-23-14
Fieldwork/Project: Used to Obtain Geometric Information for the Proposed Site
Type of System: Proposed Site Location
Coordinates (NAD83): N 393011.57' (NAD83) E 395911.14' (NAD83)
Longitude: 122°09'31.14" (NAD83) **Latitude:** 36°12'55.51" (NAD83)
Elevation of Ground at Station (NAD83): 267' MSL



Sheet	Revised	By	Date	Description
01	01-30-14	PL	01-30-14	Preliminary Drawings
02	02-05-14	PL	02-05-14	conv. site name
03	02-05-14	PL	02-05-14	rev. parcel boundary
04	06-14-14	PL	06-14-14	rev. parcel boundary
05	06-14-14	PL	06-14-14	rev. parcel boundary

Orens Corona
 103 E. Fig Lane
 Corning, CA 96001

PLOT PLAN AND
 SITE TOPOGRAPHY



DEPT	APPROVED	DATE
A&C		
RE		
EN		
CE/IN		
OPS		
CE/OUT		

EXHIBIT A

