



**CITY OF CORNING
CLOSED SESSION AGENDA
TUESDAY, MARCH 27, 2012
CITY COUNCIL CHAMBERS
794 THIRD STREET**

A. CALL TO ORDER: 7:00 p.m.

B. ROLL CALL:

Council:

**Toni Parkins
John Leach
Darlene Dickison
Dave Linnet
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:

**CONFERENCE WITH LABOR NEGOTIATOR PURSUANT TO SECTION 54957.6:
Agency Negotiator: William May, Labor Relations Consultant
Miscellaneous Bargaining Unit**

E. RECONVENE SPECIAL MEETING AND REPORT ON CLOSED SESSION:

F. ADJOURN TO REGULAR MEETING OF THE CITY COUNCIL:

Posted: Thursday, March 22, 2012



**CITY OF CORNING
CITY COUNCIL AGENDA**

**TUESDAY, MARCH 27, 2012
CITY COUNCIL CHAMBERS
794 THIRD STREET**

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

B. ROLL CALL:

Council:

**Toni Parkins
John Leach
Darlene Dickison
Dave Linnet
Gary Strack**

Mayor:

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

D. INVOCATION: Led by Councilman John Leach.

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:

1. Proclamation: April 8 – 14, 2012 Public Safety Telecommunications Week.

Chief Atkins and Chief Spannaus will accept on behalf of the Corning Police Dispatchers and Corning Fire Department Dispatchers.

2. Proclamation: April 2012 as National Volunteer Month in the City of Corning.

Linda Lima Daniels and Volunteers from the Corning Senior Center will be present to accept the Proclamation.

F. BUSINESS FROM THE FLOOR: If there is anyone in the audience wishing to speak on items not already set on the Agenda, please come to the podium, and briefly identify the matter you wish to have placed on the Agenda. The Council will then determine if such matter will be placed on the Agenda for this meeting, scheduled for a subsequent meeting, or recommend other appropriate action. If the matter is placed on tonight's Agenda, you will have the opportunity later in the meeting to return to the podium to discuss the issue. The law prohibits the Council from taking formal action on the issue, however, unless it is placed on the Agenda for a later meeting so that interested members of the public will have a chance to appear and speak on the subject.

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.

3. Waive reading, except by title, of any Ordinance under consideration at this meeting for either introduction or passage, per Government Code Section 36934.

4. Waive the reading and approve the Minutes of the March 13, 2012 Closed Session and Regular City Council Meeting with any necessary corrections:

5. March 21, 2012 Claim Warrant - \$95,362.30.

6. March 21, 2012 Business License Report.

7. Award Tree Trimming Bid to M&S Wesley Tree Service for trimming approximately 850 Street Trees at \$30 per tree not to exceed \$26,500, and authorize the City Manager to sign the service contract on behalf of the City.

8. Adopt Resolution 03-27-2012-02, Designation of Applicant's Agent Resolution for the existing Hazard Mitigation Grant.

H. ITEMS REMOVED FROM THE CONSENT AGENDA:

I. PUBLIC HEARINGS AND MEETINGS:

9. Adopt Resolution No. 03-27-2012-01, a Resolution authorizing the submittal of an application to the California State Department of Housing and Community Development for funding an update to the City's General Plan.

J. REGULAR AGENDA:

10. Approve letter of support for creation of an "Enhanced Economic Development Utility Rate" for high unemployment areas within the PG&E service territory.

11. Option to lease vacant City property for solar power production at Corning Municipal Airport and Wastewater Treatment Plant.

12. Adopt Resolution 03-27-2012-03 supporting the extension of City Water Lines to serve unincorporated properties along Toomes, Houghton and South Avenues.

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).

Parkins:

Leach:

Dickison:

Linnet:

Strack:

N. ADJOURNMENT!:

POSTED: FRIDAY, JANUARY 20, 2012

PROCLAMATION

PUBLIC SAFETY TELECOMMUNICATIONS WEEK APRIL 8, 2012 THROUGH APRIL 14, 2012

WHEREAS, emergencies can occur in the City of Corning at any time requiring police and fire services; and

WHEREAS, when these emergencies occur, the prompt response of Law Enforcement Officers and Firefighters is critical to the protection of life and property; and

WHEREAS, the safety of our Law Enforcement Officers and Firefighters is dependent upon the quality and accuracy of the information obtained from citizens using 9-1-1; and

WHEREAS, the City of Corning Dispatchers are the critical first contact for citizens who need emergency services; and

WHEREAS, City of Corning Dispatchers are the vital link for Police Officers and Firefighters through monitoring their activities by radio, providing them information and insuring their safety; and

WHEREAS, each City of Corning Dispatcher has exhibited compassion, understanding, and professionalism during the performance of their duties in the past year;

NOW, THEREFORE I, GARY R. STRACK, AS MAYOR OF THE CITY OF CORNING, DECLARE THE WEEK OF APRIL 8, 2012 THROUGH APRIL 14, 2012 AS NATIONAL TELECOMMUNICATIONS WEEK IN THE CITY OF CORNING in honor of the men and women whose diligence and professionalism help keep our City and Citizens safe.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the City of Corning to be affixed this 27^h day of March 2012.

Gary R. Strack, Mayor

ATTEST:

Lisa M. Linnet, City Clerk

PROCLAMATION

**APRIL 2012
NATIONAL VOLUNTEER MONTH
IN THE CITY OF CORNING**

WHEREAS, giving freely to others is one of the noblest of human enterprises;
and

WHEREAS, April is designated as National Volunteer Month; and

WHEREAS, this year marks the 38th annual celebration of the third week of April as Intern Week, created in 1974 to recognize the efforts of dedicated community volunteers; and

WHEREAS, more than 100 million volunteers working in their communities already contribute their talents daily to make a real difference in the lives of others; and

WHEREAS, California is a national leader in championing volunteerism and community service; and the City of Corning supports the idea that volunteerism and community service contributes to making the local community a better place to live; and

WHEREAS, volunteers have donated numerous hours to various City projects;
and

WHEREAS, Volunteers at the Corning Senior Center have donated approximately 5000 hours over the past year doing such things as: Opening the Center each day and performing such duties as cleaning, organizing supplies, assisting fellow seniors, serving, removing garbage, driving Seniors to and from the Center, and assisting the Director with parties and activities.

NOW, THEREFORE, I, GARY R. STRACK, AS MAYOR OF THE CITY OF CORNING, DO HEREBY PROCLAIM THE MONTH OF APRIL 2012 AS VOLUNTEER MONTH IN THE CITY OF CORNING.

IN WITNESS WHEREOF, I have hereunto set my hand
and caused the Great Seal of the City of Corning to be
affixed this 27th day of March 2012.

GARY R. STRACK, MAYOR

LISA M. LINNET, CITY CLERK



**CITY OF CORNING
CITY COUNCIL CLOSED SESSION
MEETING MINUTES**

**TUESDAY, MARCH 13, 2012
CITY COUNCIL CHAMBERS
794 THIRD STREET**

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

B. ROLL CALL:

Council:

**Toni Parkins
John Leach
Darlene Dickison
Dave Linnet
Gary Strack**

Mayor:

All members of the Council were present except Councilor Parkins who entered the meeting at 6:34 p.m.

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:

**CONFERENCE WITH LABOR NEGOTIATOR PURSUANT TO SECTION 54957.6:
Agency Negotiator: William May, Labor Relations Consultant
Miscellaneous Employees Bargaining Units**

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

Mayor Strack reported the Council met in Closed Session with the City's Labor Negotiator and gave him direction.

F. ADJOURN TO REGULAR MEETING OF THE CITY COUNCIL: 7:30 p.m.

Lisa M. Linnet, City Clerk



**CITY OF CORNING
CITY COUNCIL MEETING
MINUTES**

**TUESDAY, MARCH 13, 2012
CITY COUNCIL CHAMBERS
794 THIRD STREET**

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

B. ROLL CALL:

Council:

**Toni Parkins
John Leach
Darlene Dickison
Dave Linnet
Gary Strack**

Mayor:

All members of the Council were present.

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

D. INVOCATION: Led by Mayor 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:

1. Presentation of Business and Employer of the Month Awards:

**BUSINESS OF THE MONTH:
Johnson's Turbo Clean**

**EMPLOYER OF THE MONTH:
Corning Ford, Chrysler, Jeep and
Dodge**

City Clerk Lisa Linnet read the statement on the Business of the Month Award and Councilor Linnet presented the award to Larry and Lisa Johnson of Johnson's Turbo Clean.

City Clerk Lisa Linnet read the statement on the Employer of the Month Award announcing that this month's recipient was Corning Ford, Chrysler, Jeep and Dodge. Councilor Linnet stated that he would take the award to Corning Ford as no representative was present to accept it.

F. BUSINESS FROM THE FLOOR: None.

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.

- 2. Waive reading, except by title, of any Ordinance under consideration at this meeting for either introduction or passage, per Government Code Section 36934.**
- 3. Waive the Reading and Approve the Minutes of the following meetings with any necessary corrections:**
 - a) February 14, 2012 City Council Meeting; and**
 - b) February 28, 2012 City Council Meeting.**
- 4. March 7, 2012 Claim Warrant - \$208,921.11.**
- 5. March 7, 2012 Business License Report.**
- 6. February 2012 Treasurer's Report.**
- 7. February 2012 Wages and Salaries - \$334,576.50.**

8. February 2012 Building Permit Valuation Report - \$38,100.

9. City of Corning Wastewater Operations Summary Report – February 2012.

Mayor Strack introduced each item listed on the Consent Agenda by title. With no discussion, Councilor Leach moved to approve Consent Agenda Items 2-9. Councilor Linnet seconded the motion. **Ayes: Strack, Parkins, Leach, Dickison and Linnet. Opposed/Absent/Abstain: None. Motion was approved by a 5-0 vote.**

H. ITEMS REMOVED FROM THE CONSENT AGENDA: None.

I. PUBLIC HEARINGS AND MEETINGS: None.

J. REGULAR AGENDA:

10. Safe Routes to School – Cycle 10; Authorize Submittal of an Application for State Funding for Sidewalk/Crosswalk Development on East Fig Lane in the vicinity of Centennial High School, Early Head Start and Corning Adult Education Facilities.

Mayor Strack introduced this item by title and Councilor Parkins showed the pictures of where the proposed sidewalk, curb and gutter would be located. City Manager/Public Works Director John Brewer informed the Council of the estimated costs associated with the project and further outlined the exact location for the proposed installation of improvements as will be stated in the proposed application. He further stated that this is much needed in that area in order to provide the children a safe alternative to walking in the street.

Councilor Parkins confirmed with the City Attorney that it there would be no conflict of interest for herself or the Mayor should they vote on this issue since they have family that work and/or attend the schools in that area; she was informed that there is no conflict. **Councilor Leach moved to authorize Staff to prepare and submit an application for Safe Routes to School Cycle 10 funding application to complete those improvements shown on the attached drawing.**

Councilor Parkins seconded the motion. **Ayes: Strack, Parkins, Leach, Dickison and Linnet. Opposed/Absent/Abstain: None. Motion was approved by a 5-0 vote.**

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

L. COMMUNICATIONS, CORRESPONDENCE AND INFORMATION: None.

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).

Parkins: Announced the Tehama County Sanitary Landfill Agency (JPA) meeting on Wednesday.

Leach: Stated he will not be able to attend Thursday's 3CORE meeting and announced that he, along with City Manager John Brewer and Planning Director John Stoufer, are scheduled to attend a meeting in Sacramento with the States Community Development Block Grant (CDBG) Program Representative to discuss the City's awarded Grant for improvements to Blackburn Avenue.

Dickison: Announced that the LAFCO Meeting had again been cancelled.

Linnet: Announced that April 28th is the Centennial Celebration for the Corning Volunteer Fire Department and invited everyone to attend the various events.

Strack: Announced that we are going to spray the Solano Street Trees for fireblight and stated that they will be sprayed twice.

N. ADJOURNMENT!: 7:40 p.m.

Lisa M. Linnet, City Clerk



MEMORANDUM

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: LORI SIMS
ACCOUNTING ASSISTANT

DATE: March 21, 2012

SUBJECT: Cash Disbursement Detail Report for the
Tuesday, March 27, 2012 Council Meeting

PROPOSED CASH DISBURSEMENTS FOR YOUR APPROVAL CONSIST OF THE FOLLOWING:

A.	Cash Disbursements	Ending 03-14-12	\$34,163.15
B.	Cash Disbursements	Ending 03-16-12	\$3,200.48
C.	Cash Disbursements	Ending 03-20-12	\$15,892.35
D.	Payroll Disbursements	Ending 03-19-12	\$40,765.50
E.	Cash Disbursements	Ending 03-21-12	\$1,140.82

GRAND TOTAL **\$95,362.30**

REPORT.: Mar 14 12 Wednesday
 RUN....: Mar 14 12 Time: 14:48
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report
 Check Listing for 03-12 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
014088	03/12/12	CME00	CMESA CONSULTING MADE EAS	1155.00	.00	1155.00	1007	PROP 84/NON CONSTR-PARK D
014089	03/14/12	BAT01	BATTERIES PLUS	29.22	.00	29.22	152357	MAT & SUPPLIES-ACO
014090	03/14/12	BIC01	BICKLEY'S AIR CONDITIONIN	204.18	.00	204.18	00024701	BLD MAINT-LIBRARY
014091	03/14/12	CAR12	CARREL'S OFFICE MACHINES	2.28	.00	2.28	107281	MAT & SUPPLIES-LIBRARY
014092	03/14/12	CLE01	CLEAR, INC.	50.00	.00	50.00	120313	ASSOCIATION DUES-POLICE
014093	03/14/12	DEP03	DEPT OF TRANS/CAL TRANS	509.16	.00	509.16	12004035	Equip.Maint. St&Trf Light
014094	03/14/12	DEP10	DEPT OF MOTOR VEHICLES	177.88	.00	177.88	120308	TRAINING/ED-POLICE
014095	03/14/12	ENP01	ENPLAN	800.00	.00	800.00	0212194/0	GIS SUPPORT-PLANNING
014096	03/14/12	ENT02	ENTERPRISE-RECORD, MERCUR	296.42	.00	296.42	000431689	PRINTING/ADV-DISPATCH
014097	03/14/12	GOL03	GSFM / WFM	1922.46	.00	1922.46	I-034126	MAT & SUPPLIES-WTR
014098	03/14/12	GRA02	GRAINGER, W.W., INC	17.47	.00	17.47	977319125	MAT & SUPPLIES-
014099	03/14/12	INT00	INTERSTATE BATTERY SYSTEM	213.32	.00	213.32	10431692	VEH/OP MAINT-
014100	03/14/12	KNI00	KNIFE RIVER CONSTRUCTION	461.87	.00	461.87	126926	MAT & SUPPLIES-
014101	03/14/12	LAN07	LANGUAGE LINE SERVICES, I	4.70	.00	4.70	2898148	COMMUNICATIONS-POLICE
014102	03/14/12	MJB00	MJB WELDING SUPPLY, INC.	29.45	.00	29.45	00946511	MAT & SUPPLIES-
014103	03/14/12	NEN00	NENA	130.00	.00	130.00	300002392	ASSOCIATION DUES-POLICE
014104	03/14/12	QUI02	QUILL CORPORATION	23.64	.00	23.64	1628050	OFFICE SUPPLIES-PW ADMIN
				27.17	.00	27.17	1634646	OFFICE SUPPLIES-FINANCE
			Check Total.....	50.81	.00	50.81		
014105	03/14/12	REN02	RENTAL GUYS	167.11	.00	167.11	464378-3	MAT & SUPPLIES-STR
014106	03/14/12	SUN01	SUNRISE ENVIRONMENTAL	241.35	.00	241.35	14974	MAT & SUPPLIES-
014107	03/14/12	SUN13	SUN RIDGE SYSTEMS, INC	25981.33	.00	25981.33	2713	RIMS SOFTWARE-POLICE
014108	03/14/12	TEH31	TEHAMA COUNTY MOSQUITO &	75.68	.00	75.68	120312	GEN INS-GEN CITY
014109	03/14/12	WAL06	WALDOW, GILBERT R.	1000.00	.00	1000.00	002766	BLD MAINT-FIRE
014110	03/14/12	WAR05	WARREN, DANA KARL	598.50	.00	598.50	120312	REC INSTRUCTOR-REC

REPORT.: Mar 14 12 Wednesday
RUN....: Mar 14 12 Time: 14:48
Run By.: LORI

CITY OF CORNING
Cash Disbursement Detail Report
Check Listing for 03-12 Bank Account.: 1020

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

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	-----Payment Information----- Invoice #	Description
014111	03/14/12	WES02	WESTERN BUSINESS PRODUCTS	44.96	.00	44.96	032611	EQUIP MAINT-FIRE DISPATCH
Cash Account Total.....:				34163.15	.00	34163.15		
Total Disbursements.....:				34163.15	.00	34163.15		
				=====	=====	=====		

REPORT.: Mar 19 12 Monday
 RUN...: Mar 19 12 Time: 08:55
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report
 Check Listing for 03-12 Bank Account.: 1020

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

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
014112	03/16/12	ACC00	ACCESS INFORMATION	42.00	.00	42.00	N112172	EQUIP MAINT-GEN CITY
014113	03/16/12	BAS01	BASIC LABORATORY, INC	86.00	.00	86.00	1202202	ProfServices Water Dept
				86.00	.00	86.00	1202427	ProfServices Water Dept
			Check Total.....:	172.00	.00	172.00		
014114	03/16/12	COM06	COMCAST	13.19	.00	13.19	120309	COMMUNICATIONS-PW ADMIN
014115	03/16/12	CON07	CONEXIS	30.00	.00	30.00	02120R348	MEDICAL INS-COBRA
014116	03/16/12	GEO01	GEO PLUS	2074.00	.00	2074.00	853	PROF SVCS-WTR
014117	03/16/12	MAY01	MAY, WILLIAM L.	882.70	.00	882.70	1/12-2292	EE RELATIONS-LEGAL
014118	03/16/12	NOR31	NORM'S PRINTING	25.63	.00	25.63	010990	OFFICE SUPPLIES-CITY ADMI
014119	03/16/12	OFF01	OFFICE DEPOT	38.15	.00	38.15	600134400	Office Supplies PoliceDis
014120	03/16/12	QUI02	QUILL CORPORATION	15.57	.00	15.57	1708539	OFFICE SUPPLIES-FINANCE
014121	03/16/12	WAL07	WALKER, PATRICK	107.24	.00	107.24	120316	COMMUNICATIONS-PW ADMIN
			Cash Account Total.....:	3400.48	.00	3400.48		
			Total Disbursements.....:	3400.48	.00	3400.48		
				=====	=====	=====		

REPORT.: Mar 20 12 Tuesday
 RUN....: Mar 20 12 Time: 11:54
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report
 Check Listing for 03-12 Bank Account.: 1020

PAGE: 001
 ID #: PY-DP
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Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
014122	03/20/12	ATT13	AT&T	720.50	.00	720.50	120311	COMMUNICATIONS/GEN CITY
014123	03/20/12	CRA10	CRAIN, CARL	1231.47	.00	1231.47	120331	MEDICAL REIMBURSEMENT
014124	03/20/12	DOD01	JAMES DODGE	1046.00	.00	1046.00	120322	ADVANCED DISABILITY PENSI
014125	03/20/12	FEA01	FEARS, JEREMIAH	339.10	.00	339.10	120319	TRAINING/ED-POLICE
014126	03/20/12	GRA02	GRAINGER, W.W., INC	1887.83	.00	1887.83	977757542	THEATRE RESTORATION
				95.35	.00	95.35	977757544	THEATRE RESTORATION
				3511.55	.00	3511.55	977781652	THEATRE RESTORATION
			Check Total.....:	5494.73	.00	5494.73		
014127	03/20/12	HIL12	HILL ENTERPRISES TOWING	25.00	.00	25.00	0015242	VEH OP/MAINT/POLICE
014128	03/20/12	KIM02	KIMBROUGH, STEPHEN JARRET	4500.00	.00	4500.00	120330	PROF SVCS-FINANCE
014129	03/20/12	MSC00	MSC INDUSTRIAL SUPPLY CO.	36.99	.00	36.99	87376182	MAT & SUPPLIES
014130	03/20/12	PERS3	CalPERS - Fiscal Services	300.00	.00	300.00	13103041	AMENDMENT VALUATION FOR C
				-300.00	.00	-300.00	13103041u	Ck# 014130 Reversed
				300.00	.00	300.00	13103043	AMENDMENT VALUATION FOR C
				-300.00	.00	-300.00	13103043u	Ck# 014130 Reversed
			Check Total.....:	.00	.00	.00		
014131	03/20/12	QUI02	QUILL CORPORATION	4.81	.00	4.81	1797878	Office Supplies
014132	03/20/12	SCH01	LES SCHWAB TIRE CENTER	329.74	.00	329.74	611000173	Veh Opr/Maint/POLICE
				173.15	.00	173.15	611000176	Veh Opr/Maint/POLICE
			Check Total.....:	502.89	.00	502.89		
014133	03/20/12	UNI02	UNIFORMS, TUXEDOS & MORE	858.00	.00	858.00	111584	SAFETY ITEMS/POLICE
014134	03/20/12	XER00	XEROX CORPORATION	232.86	.00	232.86	060583576	EQUIP MAINT-POLICE
014135	03/20/12	PERS3	CalPERS - Fiscal Services	300.00	.00	300.00	13103045	AMENDMENT VALUATION/CALPE
				300.00	.00	300.00	13103041A	AMENDMENT VALUATION/CALPE
				300.00	.00	300.00	13103043A	AMENDMENT VALUATION/CALPE
			Check Total.....:	900.00	.00	900.00		
			Cash Account Total.....:	15892.35	.00	15892.35		
			Total Disbursements.....:	15892.35	.00	15892.35		
			===== -----					
			Cash Account Total.....:	.00	.00	.00		

REPORT.: Mar 20 12 Tuesday
 RUN....: Mar 20 12 Time: 11:54
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report - Payroll Vendor Payment(s)
 Check Listing for 03-12 Bank Account.: 1025

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

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
5410	03/19/12	BAN03	POLICE OFFICER ASSOC.	250.00	.00	250.00	B20319	POLICE OFFICER ASSOC
5411	03/19/12	CAL37	CALIFORNIA STATE DISBURSE	179.07	.00	179.07	B20319	WITHHOLDING ORDER
5412	03/19/12	EDD01	EMPLOYMENT DEVELOPMENT	3532.07	.00	3532.07	B20319	STATE INCOME TAX
				995.58	.00	995.58	1B20319	SDI
			Check Total.....:	4527.65	.00	4527.65		
5413	03/19/12	ICM01	ICMA RETIREMENT TRUST-457	50.00	.00	50.00	B20319	ICMA DEF. COMP
5414	03/19/12	OEU03	OPERATING ENGINEERS	500.00	.00	500.00	B20319	CREDIT UNION SAVINGS
5415	03/19/12	PERS1	PUBLIC EMPLOYEES RETIRE	26384.09	.00	26384.09	B20319	PERS PAYROLL REMITTANCE
5416	03/19/12	PRE03	PREMIER WEST BANK	7682.20	.00	7682.20	B20319	HSA DEDUCTIBLE
5417	03/19/12	STA04	STATE OF CALIFORNIA	146.34	.00	146.34	B20319	WAGE ASSN 553605213
				476.15	.00	476.15	1B20319	WAGEASN 1107012828
			Check Total.....:	622.49	.00	622.49		
5418	03/19/12	VAL06	VALIC	570.00	.00	570.00	B20319	AIG VALIC P TAX
			Cash Account Total.....:	40765.50	.00	40765.50		
			Total Disbursements.....:	40765.50	.00	40765.50		

REPORT.: Mar 21 12 Wednesday
 RUN....: Mar 21 12 Time: 14:24
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report
 Check Listing for 03-12 Bank Account.: 1020

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

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Payment Information	
							Invoice #	Description
014136	03/21/12	BRE01	BREWER, JOHN	126.54	.00	126.54	12-0321	PROF SVCS-BLKERN IMPROV
014137	03/21/12	COM01	COMPUTER LOGISTICS, INC	53.57	.00	53.57	55496	EQUIP MAINT-POLICE
014138	03/21/12	DEP12	DEPT OF JUSTICE	140.00	.00	140.00	900266	PROF SVCS-POLICE
014139	03/21/12	MOR02	RAY MORGAN COMPANY	160.87	.00	160.87	226573	EQUIP MAINT-FINANCE
014140	03/21/12	NEX02	NEXTEL	123.48	.00	123.48	086319124	COMMUNICATIONS-POLICE
014141	03/21/12	OFF01	OFFICE DEPOT	4.85	.00	4.85	601841775	Office Supplies PoliceDis
				355.65	.00	355.65	601841878	Office Supplies PoliceDis
Check Total.....:				360.50	.00	360.50		
014142	03/21/12	PGE2A	PG&E	50.18	.00	50.18	120316	ELECT-BLUE HERON CT
014143	03/21/12	VIV00	VIVID INK AND TONER	125.68	.00	125.68	611759	OFFICE SUPPLIES-POLICE
Cash Account Total.....:				1140.82	.00	1140.82		
Total Disbursements.....:				1140.82	.00	1140.82		

Date.: Mar 21, 2012
Time.: 2:31 pm
Run by: LORI

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
ALMA'S SALON	1806 SOLANO ST	CORNING, CA 96021	TORRES	JORGE	HAIR SALON	03/08/12 (530)824-1729
RUFF, KATIE	5798 GRANGE RD	CORNING, CA 96021	RUFF	KATIE	VEHICLE TRANSPORTATION FOR CORNING FORD	03/13/12 (530)824-3483

**ITEM NO: G-7
AWARD CONTRACT FOR THE PRUNING OF
APPROXIMATELY 850 CITY STREET TREES
TO M&S WESLEY TREE SERVICES FOR THE
AMOUNT OF \$30 PER TREE NOT TO
EXCEED THE FY 11/12 BUDGET AMOUNT OF
\$26,500**

MARCH 27, 2012

**TO: HONORABLE MAYOR AND COUNCILMEMBERS
OF THE CITY OF CORNING**

FROM: JOHN L. BREWER, AICP, CITY MANAGER



SUMMARY:

Staff received six proposals at the bid opening on March 20, 2012 at 10am. M&S Wesley Tree Service was the lowest bidder with a proposal of \$30.00 per tree. Now that the proposals have been revealed Staff can now define that a total of 866 City street trees can be pruned. Bid Summary and Contract are attached for Council review.

The majority of the trees to be trimmed are located in the City's southeast quadrant; that area east of the railroad tracks and south of Solano Street to the City Limits.

Also included in this project is trimming of the Chinese Pistache, (or pistachio) trees located along both sides of Solano Street from West Street through Houghton Avenue.

BACKGROUND:

Each year the Public Works Department requests Council approval to seek bids for the pruning of City trees within the City Limits. Last January, M&S Wesley Tree Services pruned 514 palm trees. The 2011/2012 City Budget has allocated a total of \$30,000 to fund the pruning of City trees. The funding is budgeted under Public Works Street Projects, Tree Pruning 111-8002-3001.

Because they take extra care to prevent the spread of blight, we separately bid the pruning of the Solano Street Ornamental Pear trees in December of 2011. M&S Wesley Tree Services submitted the lowest proposal for that work and recently completed it. The cost of that project was \$3,500 leaving a balance of \$26,500 in the 2011/2012 budget for tree trimming services.

RECOMMENDATION:

Mayor and Council:

- **Award contract for the pruning of approximately 850 City street trees to M&S Wesley Tree Services for the amount of \$30 per tree not to exceed the FY 11/12 Budget amount of \$26,500, and**
- **Authorize the City Manager to sign the service contract on behalf of the City**

**CITY OF CORNING
DEPARTMENT OF PUBLIC WORKS
CORNING, CALIFORNIA**

**STREET TREE PRUNING
SEALED PROPOSAL**

**Tuesday, March 20, 2012 at 10:00am
Corning City Hall**

Company Name	Proposal Amount Per Tree
M&S Wesley Tree Service Chico, CA	\$30.00
Bill Taylor's Tree Service Anderson, CA	\$32.00
Ken Vaughan & Son's Corning, CA	\$43.00
George Salinas Tree Preservation Yorba Linda, CA 92886	\$48.00
North Valley Tree Service Chico, CA	\$74.00
West Coast Arborists, Inc. Stockton, CA 95203	\$88.00

FORM OF CONTRACT

THIS AGREEMENT, made and entered into on the below written, by and between The City of Corning, hereinafter called the **OWNER**, and M&S Wesley Tree Services, Chico, CA, hereinafter called the **CONTRACTOR**.

WITNESSETH, that, for the considerations hereinafter mentioned, the Owner and Contractor agree as follows:

ARTICLE I. The Contractor agrees to furnish all labor, materials, tools and equipment and to perform all work required to construct and complete in a good and workmanlike manner, and in strict accordance with the Contract Documents, those certain improvements entitled:

City of Corning
2012 Street Tree Pruning Project

Contract Documents for which have been prepared by: **John L. Brewer, Director of Public Works.**

ARTICLE II. The Owner agrees to pay the Contractor for the performance of the Contract, subject to additions and deductions provided therein, the following prices, and the Contractor agrees to receive and accept said following prices as full compensation for furnishing all materials and for doing all the work contemplated and embraced in this agreement, and for all loss or damage arising out of the nature of the aforesaid work or from the action of the elements and from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by Owner, and for all risks of every description connected with the work, and for all expenses incurred by or in consequence of the suspension or discontinuance of the work, and for well and faithfully completing the work and the whole thereof in the manner and according to the Contract Documents and the requirements of the Engineer under them to wit:

1. Street Tree Pruning Scope of Work and Specifications

As shown on the Proposal attached hereto and incorporated herein.

ARTICLE III. The Contractor shall begin work within 15 days after the date of execution of the Contract. He shall diligently prosecute the same to completion with the number of days as shown on the Proposal attached hereto and incorporated herein.

IN WITNESS WHEREOF, the parties to these presents have hereunto set their hands on the date below written.

OWNER:

Date

John L. Brewer, AICP
City Manager

City of Corning
794 Third Street
Corning, CA 96021

CONTRACTOR:

Date

Signature

Printed Name

Address

**CITY OF CORNING
SCOPE OF WORK AND SPECIFICATIONS FOR
MAINTENANCE OF CITY STREET TREES**

Scope of Work:

Scope of work includes the pruning Standard for Class (4) pruning for Crown Reduction, Crown Elevation and Lifting. Crown reduction pruning shall consist of the reduction of tops, sides or individual limbs. The terms "cutting back" and "drop crotch pruning" are sometimes used interchangeably with the term crown reduction pruning. "Crown Elevation" is a regional term synonymous with under-clearance, and "Lifting" is the removal of lower branches for under-clearance.

The area of work will encompass trees located within the City of Corning City Limits, for an estimated total of 850 trees. Each bidder shall be responsible for reviewing the areas to be bid and asking any questions of the Assistant Director of Public Works Patrick Walker at (530) 824-7035 before presenting their bid proposal for the work described.

All bids shall be submitted to the City of Corning, 794 Third Street, Corning California, 96021 by 10:00 am March 20, 2012 in an envelope clearly marked "SEALED BID – STREET TREE PRUNING - DO NOT OPEN". All bids submitted will be opened and read promptly following the 10:00 am bid closing. All proposals will be presented for award at the City Council meeting scheduled for March 27, 2012 at 7:30 pm.

Specifications:

The primary location of trees to be pruned will be in the City's southeast quadrant, beginning east of the railroad tracks and south of Solano Street to the City Limits in both directions. Also included in this project will be the Solano Street Pistache trees located along both sides of Solano Street from West Street through Houghton Avenue.

Requirements of Bid:

Bid recipient will be required to provide proof (copy) of Workers Compensation Insurance and Liability Insurance in the amount of \$1,000,000 listing the City of Corning as an Additional Insured on an Additional Insured Endorsement. This project also requires the payment of Prevailing Wages to all Employees with proof of wages sent to City Hall on a weekly basis. Contractor shall also be responsible for the following:

- Obtaining a City of Corning Business License.
- Notifying residents three days prior to pruning work in their area.
- Sweep Street, sidewalk and any lawn areas removing all wood chip debris and small branches.
- Clean all debris (tree trimmings, leaves, etc.) from work site. A key will be provided for use to dispose of wood trimmings at the City Woodwaste Dumpsite located west of town at the intersection of Rawson Road and Carona Avenue.
- Work hours are from 7:00 am to 6:00 pm Monday through Friday.
- Large wood from the pruning may be left at curbside upon residents request for their use (residents must be informed that it must be removed within two days of the pruning).
- Must provide own State Regulated road signage at each end of working site.

CITY OF CORNING
DEPARTMENT OF PUBLIC WORKS
CORNING, CALIFORNIA

STREET TREE PRUNING
SEALED PROPOSAL

DATE: 3-7-12

The undersigned M & S Wesley Tree Service
(Name of Company)

Request for Proposals to provide services for the pruning of approximately 850 Street Trees within the City of Corning City Limits including the Solano Street Pistache Trees.

PROPOSAL AMOUNT: \$ 30⁰⁰ PER TREE

The price quoted herein is firm and is not subject to change.

The City of Corning reserves the right to reject any and all proposals submitted or to waive any irregularity. In the event of identical proposals, the City of Corning will be the sole judge of the Company to receive the proposal.

Formal proposals will be accepted at 794 Third Street, Corning, CA 96021 until 10:00 a.m. on Tuesday, March 20, 2012. All proposals must be clearly marked "SEALED BID - STREET TREE PRUNING - DO NOT OPEN."

Shirley Wesley
Signature of Company Representative

3-7-12
Date

Shirley Wesley
Printed Name of Representative

M & S Wesley Tree Service
Company Name

177 East 20th St
Chico, Ca 95928
Address

530-343-6809
Phone

**ITEM NO: G-8
ADOPT RESOLUTION NO. 03-27-2012-02
A RESOLUTION REPLACING EXISTING
RESOLUTION 07-13-10-07,
DESIGNATION OF APPLICANT'S AGENT
MARCH 27, 2012**

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

FROM: JOHN L. BREWER, CITY MANAGER



SUMMARY:

On July 13, 2010 Council approved Resolution No. 07-13-10-07, Designation of Applicant's Agent, and listed as signatories City Manager Stephen J. Kimbrough, City Clerk Lisa M. Linnet, and City Treasurer Pala Cantrell for grant associated documents such as quarterly reports, reimbursement requests, etc. The proposed Resolution 03-27-2012-02 will make only one change to the previous Resolution 07-13-10-07; specifically it will remove former City Manager Stephen J. Kimbrough as a signatory and add new City Manager John L. Brewer.

This change is a requirement of the grant and will allow the necessary documents to be processed in a timely and efficient manner.

BACKGROUND:

The City of Corning was awarded \$50,580.43 to conduct hazard mitigation planning under a Federal Emergency Management Agency (FEMA) grant overseen by California Emergency Management Agency (Cal EMA) in Fiscal Year 2009-2010.

The Grant, under the "Flood Mitigation Assistance Program" is a pre-disaster grant program that provides funding to States to assist in the reduction or elimination of risks of repetitive flood damage to buildings and structures.

The grant amount is \$50,580.43 with a City match of \$17,197.34 in in-kind services, meaning Staff time devoted to the development of the planning. The Staff Team involved will be the Fire Chief, Police Chief, City Manager/Public Works Director, Planning Director, Assistant Public Works Director, Police Administrative Services Officer and Administrative Assistant.

RECOMMENDATION:

MAYOR AND COUNCIL ADOPT RESOLUTION NO. 03-27-2012-02, A RESOLUTION TO AMEND RESOLUTION 07-13-10-07 - DESIGNATION OF APPLICANT'S AGENT BY REPLACING SIGNATORY STEPHEN J. KIMBROUGH WITH NEW CITY MANAGER JOHN L. BREWER ON DOCUMENTS ASSOCIATED WITH THE HAZARD MITIGATION GRANT NO. #2009-0001, PROJECT #PL46.

DESIGNATION OF APPLICANT'S AGENT RESOLUTION
Flood Mitigation Assistance Program

City of Corning
Resolution No. 03-27-2012-02

BE IT RESOLVED BY THE City Council OF THE City of Corning
(Governing Body) (Name of Applicant)

THAT John L. Brewer, City Manager, OR
(Title of Authorized Agent)

Lisa M. Linnet, City Clerk, OR
(Title of Authorized Agent)

Pala Cantrell, City Treasurer
(Title of Authorized Agent)

is hereby authorized to execute for and in behalf of the City of Corning, a public entity established under the laws of the State of California, this application and to file it with the California Emergency Management Agency for the purpose of obtaining federal financial administered by the California Emergency Management Agency.

THAT the City of Corning, a public entity established under the laws of the State of California, hereby authorizes its agent(s) to provide to the California Emergency Management Agency for all matters pertaining to such state disaster assistance the assurances and agreements required.

Passed and approved this 27th day of March, 2012

(Name and Title)

(Name and Title)

(Name and Title)

CERTIFICATION

I, Lisa M. Linnet, duly appointed and City Clerk of
(Name) (Title)
the City of Corning, do hereby certify that the above is a true and correct copy of a

Resolution passed and approved by the City Council of the City of Corning on the
(Governing body) (Name of Applicant)
27th day of March, 2012.

Date: March 28, 2012

City Clerk
(Official Position)

(Signature)

DESIGNATION OF APPLICANT'S AGENT RESOLUTION
Flood Mitigation Assistance Program

Resolution No. 07-13-10-07

BE IT RESOLVED BY THE City Council OF THE City of Corning
(Governing Body) (Name of Applicant)

THAT Stephen J. Kimbrough, City Manager., OR
(Title of Authorized Agent)

Pala Cantrell, City Treasurer, OR
(Title of Authorized Agent)

Lisa M. Linnet, City Clerk
(Title of Authorized Agent)

is hereby authorized to execute for and in behalf of the City of Corning, a public entity established under the laws of the State of California, this application and to file it in the State Office of Emergency Services for the purpose of obtaining federal financial administered by the State Office of Emergency Services.

THAT the City of Corning, a public entity established under the laws of the State of California, hereby authorizes its agent(s) to provide to the California Emergency Management Agency for all matters pertaining to such state disaster assistance the assurances and agreements required.

Passed and approved this 13th day of July, 2010

Gay R. Slack Mayor
(Name and Title)

(Name and Title)

(Name and Title)

CERTIFICATION

I, Lisa M. Linnet, duly appointed and City Clerk of
(Name) (Title)
the City of Corning, do hereby certify that the above is a true and correct copy of a

resolution passed and approved by the City Council of the City of Corning on the
(Governing body) (Name of Applicant)
13th day of July, 2010.

Date: July 13, 2010

City Clerk
(Official Position)
Lisa M. Linnet
(Signature)

ITEM NO. : I-9
RESOLUTION NO. 03-27-2012-01; A
RESOLUTION AUTHORIZING THE
SUBMITTAL OF AN APPLICATION TO
THE CALIFORNIA STATE DEPARTMENT
OF HOUSING AND COMMUNITY
DEVELOPMENT FOR FUNDING AN
UPDATE TO THE CITY OF CORNING'S
GENERAL PLAN.

MARCH 27, 2012

TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

FROM: JOHN STOUFER, PLANNING DIRECTOR JB
JOHN BREWER, CITY MANAGER JB

SUMMARY:

The attached application summary for the 2012 CDBG Planning & Technical Assistance (PTA) summaries an application that can be submitted by the City in order to provide funding for an update to the City of Corning's General Plan. The update will address land use designations, zoning for housing and environmental analysis.

City Council approval of the Resolution will authorize the City Manager to execute the Application, the Standard Agreement, and all other documents required by the State Department of Housing and Community Development (HCD) for participation in the CDBG Program, and any amendments thereto.

The HCD has issued a 2012 Community Development Block Grant Super Notice of Funding Availability ("Super NOFA") for PTA activities. The City of Corning is applying for the maximum amount of grant funds for planning activities which is \$100,000. Of these funds \$92,500 will be used for preparation of the general plan update and \$7,500 for general administration. The City will be required to provide a \$5,000 cash match as specified in the resolution.

MAYOR AND CITY COUNCIL APPROVE the application for a 2012 Community Development Block Grant by adopting;

RESOLUTION NO. 03-27-2012-01; A RESOLUTION AUTHORIZING THE SUBMITTAL OF AN APPLICATION UNDER THE PLANNING AND TECHNICAL ASSISTANCE ALLOCATION OF THE STATE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM; THE EXECUTION OF A STANDARD AGREEMENT IF SELECTED FOR SUCH FUNDING AND ANY AMENDMENTS THERETO; AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE CDBG PROGRAM.

RESOLUTION NO. 03-27-2012-01

**A RESOLUTION APPROVING AN APPLICATION FOR FUNDING AND THE EXECUTION OF
A GRANT AGREEMENT AND ANY AMENDMENTS THERETO FROM THE
PLANNING/TECHNICAL ASSISTANCE ALLOCATION OF THE STATE COMMUNITY
DEVELOPMENT BLOCK GRANT PROGRAM**

BE IT RESOLVED by the City Council of the City of Corning as follows:

SECTION 1:

The City Council has reviewed and hereby approves an application for up to \$100,000 for the following activities:

General Program Administration	\$ 7,500
Planning/Technical Assistance	<u>\$ 92,500</u>
Total	\$100,000

SECTION 2:

The City Council has determined that federal Citizen participation requirements were met during the development of this application.

SECTION 3:

The City Council hereby approves the use of Local Leverage Funding in the amount of \$5,000 to be used as the City's leverage in this application.

SECTION 4:

The City hereby authorizes and directs the City Manager, or designee, to sign this application and act on the City's behalf in all matters pertaining to this application.

SECTION 5:

If the application is approved, the City Manager, or designee, is authorized to enter into and sign the grant agreement and any subsequent amendments with the State of California for the purposes of this grant.

SECTION 6:

If the application is approved, the Planning Director, or designee, is authorized to sign Funds Requests and other required reporting forms.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Corning held on March 27, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Gary R. Strack, Mayor

ATTEST:

Lisa M. Linnet, City Clerk

2012 CDBG APPLICATION
Planning & Technical Assistance (PTA)

PLANNING ACTIVITY - Forms

1. Allocation Selection (No more than two planning activities allowed per application)

- Economic Development (ED) Planning Activities only: 1 study 2 studies
 Community Development (CD) Planning Activities only: 1 study 2 studies
 ED & CD Planning Activities – 1 of each

2. Activity Titles and Funding Requested by Activity

Activity Title - Insert only one ED or CD activity title per line in this table, and indicate ED or CD, and funding amount requested. See sample list planning activity titles provided in Appendix Q.		Funding Requested for Planning Activities
Planning Activity Title	ED or CD	
1. General Plan Update (land use designations, zoning for housing and environmental analysis.	ED <input type="checkbox"/> CD <input checked="" type="checkbox"/>	\$92,500
2.	ED <input type="checkbox"/> CD <input type="checkbox"/>	\$
General Administration		* \$7,500
* GA may not exceed five percent (5%) of total funds requested		
Grand Total Amount Requested (Max. \$100,000)		\$100,000

3. List of Cash Match Sources

Required Cash Match (Minimum 5%)	Name of Source: City, County or Other (non state or federal funds)	Approved Cash Match (per Resolution)
5%	City of Corning	\$5,000
		\$
		\$
Total		\$5,000

2012 CDBG APPLICATION
Planning & Technical Assistance (PTA)

PLANNING ACTIVITY - Forms

4. Target Population Served

- | | |
|---|---|
| 1. <input type="checkbox"/> Physically Disabled | 9. <input type="checkbox"/> Seniors |
| 2. <input type="checkbox"/> Persons with AIDS | 10. <input type="checkbox"/> Mentally Ill |
| 3. <input type="checkbox"/> Youths | 11. <input type="checkbox"/> Veterans |
| 4. <input type="checkbox"/> Single Adults | 12. <input type="checkbox"/> Victims of Domestic Violence |
| 5. <input type="checkbox"/> Single Men | 13. <input type="checkbox"/> Substance Abusers |
| 6. <input type="checkbox"/> Single Women | 14. <input type="checkbox"/> Dually-Diagnosed |
| 7. <input type="checkbox"/> Families | 15. <input type="checkbox"/> Homeless |
| 8. <input type="checkbox"/> Farmworker | 16. <input checked="" type="checkbox"/> Other _____ |

5. Beneficiaries Served

<u>Proposed Study</u> <u>Relates to:</u>	<u>Accomplishment</u>	<u>Number Assisted</u>
Public Services, Public Facilities or Public Improvements	Persons	<u>7663</u>
Housing or Public Works	Housing Units	_____
Housing Acquisition	Households	_____
Economic Development	Jobs	_____

2012 CDBG APPLICATION
Planning & Technical Assistance (PTA)

PLANNING ACTIVITY - Forms

Note: Complete & attach one set of these Planning Activity Description Forms for each proposed Planning Activity.

1. Allocation: ED CD
2. Activity Title: General Plan Update (land use designations, zoning for housing and environmental analysis).
3. Amount Requested for Activity: \$ 92,500
4. National Objective:

A. For Community Development Allocation PTA activity, check **one** box indicating which National Objective this activity addresses. Explain and document how the activity will meet that objective.

Benefit to Low- and Moderate- Income (Low-Mod) Individuals or Households

Or, for the National Objective of Elimination of Slums and Blight, check the box below and immediately below it, describe and document how the activity will meet the National Objective of Elimination of Slums and Blight. Attach documentation of area or spot basis, and attach to this set of activity forms.

Elimination of Slums and Blight:

Describe how the activity will meet the National Objective: _____

Supporting Documentation for Elimination of Slums and Blight provided on pages: _____

B. Check the appropriate boxes below that describe how the proposed study will meet National Objective of Benefit to Low-Mod Individuals or Households:

Limited Clientele - list the specific group(s) to be served: _____

Income restricted - describe how final activity resulting from the study will be income restricted: _____

Income survey or HUD Low Income Census data - attach full copy of proper documentation, including Census Tract and Block Group maps, at the end of this activity description section.

Jurisdiction-Wide

Targeted Area

Supporting Documentation provided on pages: _____

2012 CDBG APPLICATION
Planning & Technical Assistance (PTA)

PLANNING ACTIVITY - Instructions

5. **Public Benefit (For ED PTA activities only)** - Describe how the planning activity will lead to creation or retention of jobs by completing this study:

N/A

6. **Activity Description** - Provide a complete narrative explaining the need for the study. Describe the scope of work and full process for completing the study with each of the key steps. Check the instructions to make sure you have provided all the required information. Planning/technical assistance funds will be used to update portions of the City of Corning's General Plan. The update will address land use designations, zoning for housing and environmental analysis.

7. **Final Product Description** - Describe in detail each final product that will be produced from this planning activity: General Plan Update, land use designations, zoning for housing and environmental analysis portions.

Note: All final products, including applications, must contain an acknowledgment of State CDBG funding on the front cover.

8. **Cost Reasonableness Documentation** - Attach documentation showing cost reasonableness of planning study being applied for. Indicate how scope of work, service area, and final product will require the amount of funding requested.

Supporting Documentation provided on pages: _____

Additional Information for Economic Development (ED) Studies

9. **Assistance to For-Profit Businesses** - Is the study being conducted on a private for-profit business, developer or property owner?

No, skip to number 10.

Yes, state the full name of the private business/property owner and provide letters per instructions cited in #9 of the instructions for this application.

Name: _____

Attached Letters from Business on Pages: _____

10. **Preparation of an Economic Development Plan** - Is the applicant preparing an economic development plan?

Yes **No**

Applicants requesting funds for the development or update of a local Economic Development Plan (EDP) are encouraged to consult with their ED program representative prior to submitting an application.

ITEM NO.: I-10
APPROVE LETTER OF SUPPORT FOR
CREATION OF AN ENHANCED
ECONOMIC DEVELOPMENT UTILITY
RATE FOR HIGH UNEMPLOYMENT
AREAS WITHIN THE PG&E SERVICE
TERRITORY.
AUGUST 14, 2007

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: JOHN L. BREWER, CITY MANAGER



SUMMARY:

Earlier this month PG&E filed before the Public Utilities Commission (PUC) for an “enhanced economic development utility rate” for high unemployment areas within the PG&E service territory.

The City of Fresno, specifically the office Ashley Swearengin, Mayor of Fresno has asked us to join along with other local governments in supporting this “enhanced economic development utility rate” by submitting the attached letter of support.

BACKGROUND:

Pacific Gas & Electric (PG&E) Company filed earlier this month before the PUC to create an “enhanced economic development utility rate”. If approved this proposed rate could potentially benefit 22 Counties in the PG&E service territory. As we are one of the 22 eligible Counties, this could affect our area and provide new and existing businesses a possible 35% discount on their electric bill for 5 years if they expand, locate, or remain in a high unemployment area within PG&E’s service territory.

The City of Fresno will be filing comments in support of this rate program with the PUC by the end of the month and are seeking other local governments that will benefit to join them in support. There are no requirements to join this effort other than submitting the attached letter authorizing them to add our City to the comments submitted in support of the rate. They will provide all comments upon completion.

If approved by the PUC, this potentially is a very powerful economic development incentive that could spur job creation by reducing the cost of doing business in our City. It potentially would benefit existing local businesses as well.

RECOMMENDATION:

MAYOR AND COUNCIL, HAVING REVIEWED THE ASSOCIATED INFORMATION, DIRECT THE CITY MANAGER TO SIGN AND SEND ON BEHALF OF THE CITY COUNCIL THE ATTACHED LETTER OF SUPPORT FOR PG&E TO CREATE AN “ENHANCED ECONOMIC DEVELOPMENT RATE” FOR HIGH UNEMPLOYMENT AREAS WITHIN THE PG&E SERVICE TERRITORY.

ITEM NO. : I-11
OPTION TO LEASE VACANT CITY PROPERTY
FOR SOLAR POWER PRODUCTION AT
CORNING MUNICIPAL AIRPORT AND
WASTEWATER TREATMENT PLANT

MARCH 27, 2012

TO: CITY COUNCIL OF THE CITY OF CORNING, CALIFORNIA
FROM: JOHN L. BREWER, AICP; CITY MANAGER AND PUBLIC WORKS DIRECTOR



SUMMARY:

Staff recommends the City Council authorize the Mayor to sign the attached "option to lease Agreements" with Ecoplexus, a solar energy provider, affecting two 15-acre sites on City property at the airport and WWTP.

The attached "Option" documents would provide Ecoplexus an 18 month "window" to execute a Power Purchase Agreement with PG & E, and obtain the necessary permits from the City and other regulatory agencies, including the FAA in the case of the Airport. If the Power Purchase Agreement and entitlements are secured, 20 year leases will be forwarded for City consideration and approval.

The "Option" documents have been reviewed by staff and the City Attorney. Mike Fitzpatrick recommended that we be more specific regarding the properties that would be considered for leases. Toward that end, we've added Assessor's Parcel Number information to each "Option" document.

Staff has corresponded with Mr. Bill Brick of Ecoplexus regarding this matter. We expect Mr. Brick to attend the meeting to respond to any questions that you may have.

BACKGROUND:

There is lengthy background information to provide regarding these proposed lease option agreements. That background material is not provided here, but instead is discussed in some detail in the attached "Solar Lease Option Background Information" document and other informational attachments.

RECOMMENDATION:

That the City Council

- Authorize the Mayor to sign the attached "Option to Lease Agreement" documents affecting vacant properties at the Wastewater Treatment Plant and Corning Municipal Airport.

March 28, 2012

Ashley Swearengin, Mayor
City of Fresno
2600 Fresno Street, 2nd Floor
Fresno, CA 93721

Dear Mayor Swearengin:

Thank you for contacting the City of Corning and letting us know of PG&E's filing before the Public Utilities Commission to create an enhanced economic development rate for high unemployment areas within the PG&E service territory. I understand the City of Fresno is submitting comments to the PUC in support of this proposed enhanced rate.

Please list the City of Corning among those in support of this proposed enhance rate. We understand the importance of lowering the cost of doing business in our City in order to spur job creation, as well as to encourage expansion and growth of existing businesses.

I understand this letter is non-binding on the City of Corning and does not create any legal obligations or liabilities for the City.

Sincerely,

John L. Brewer, AICP
City Manager
City of Corning

The Enhanced Economic Development Utility Rate

An Economic Development Incentive for High Unemployment Areas Within the PG&E Service Territory

What is the "Enhanced Economic Development Utility Rate?"

- The Central Valley has **high unemployment**, in fact much higher unemployment than the state and national averages. The major cities of the Central Valley also have long-term unemployment and poverty rates that are among the worst in the country. That means potential workers are left waiting for opportunities.
- Local governments in the Central Valley are constantly working to bring job opportunities to the region; targeting new employers & helping local businesses expand to support economic development.
- One of the problems the region has encountered is that our electric rates are higher than competitive areas outside the state. These rates have been a major deterrent that commercial and industrial businesses have cited in considering expanding or locating in the Central Valley.
- While there have, in the past, been electric rates designed to promote economic development, their complexity and constraints mean none have met with much success.
- The City of Fresno has worked with PG&E to create an **enhanced economic development utility rate** with features specifically designed to add and retain jobs in the high unemployment areas of the Central Valley.

What are the details of this incentive proposal?

- Any business expanding or locating in the Central Valley **adding a minimum of 200kW of energy use** will become eligible for a substantial break on their electric rates.*
- This discount will be **35% off** the business' electric bill for 5 years.
- Local governments will support this *enhanced economic development rate* with other local and state incentives to **help attract, expand and retain** employment opportunities for the Central Valley.
- This new rate will be offered in counties that have high unemployment (at least 125% of the state average), like Fresno and the counties of the Central Valley. The existing economic development rate, with a lower discount, will continue to be offered in all other counties in PG&E's service territory.

Is this available to any existing businesses in the targeted areas?

- Yes – if you are able to **expand your business**, adding 200kW of energy use capacity, you will have met the minimum qualification to receive the reduced rate on your newly expanded energy bill.*
- The *enhanced economic development rate* is intended to **bring new business to Central Valley as well as help businesses already here to expand**. Where that happens, we will see new jobs, more economic activity, more tax revenue and more skills in the local market. In other words, even non-expanding businesses will benefit.
- In addition, by being offered to any existing business - in qualifying counties - that might otherwise be planning on leaving California, the rate will also be available to help **prevent job losses**.

Will my rates rise to pay for this?

- No. PG&E wants this to be self-funding and, in the bigger picture, to contribute to the local economy.
- Since these jobs would not otherwise exist, PG&E calculates that the local economy will, in the long-term, benefit from this incentive rate.

* Additional steps to determine eligibility will apply.

Is this available now?

- Not yet. First PG&E must ask for permission to establish this new rate from the state's Public Utilities Commission. The PUC regulates what PG&E does and has the final say on all the utility's rates.
- The City of Fresno has met with PUC Commissioners and staff to make the case for an *enhanced economic development rate*.
- PG&E will formally file an Application with the PUC in San Francisco to initiate the *enhanced economic development rate*. That starts a process in which other parties may join in to support (or oppose) the rate. A PUC judge will review the documents and hear arguments. Then the PUC will decide on the Application. This process can take as long as a year, but PG&E (and local government supporters) will try to complete it in less time.
- To enable that, the City of Fresno intends to be represented in the process, making the case for jobs in Fresno and throughout the Central Valley.

Is there anything that can be done to help?

- Yes. Fresno will not be the only part of California that will benefit from this *economic development rate*. So, while it was the City of Fresno that pressed for this proposal, Fresno County, and 21 other California counties and their cities with similarly high unemployment, will benefit. The City of Fresno welcomes support from other jurisdictions and organizations for this proposal.
- Also, local businesses, community groups, chambers, and other organizations – in fact, any organization that sees the benefit of bringing jobs to the Central Valley – can help by supporting the proposal.

What would it mean to support the proposal?

- As indicated, the City of Fresno plans to join the formal proceeding at the PUC. Supporting the City's intervention is one way of supporting the proposal.
- Support can be as simple as providing a **letter of support**. The City could then use such a letter in its arguments before the PUC.
- Organizations can also **become a joint party** with the City by co-signing City filings at the PUC.
- Organizations with more resources might even consider their own intervention, **adding their voice** separately to the PUC process.
- The City of Fresno is happy to discuss how best you might help.

Eligible Counties

Kern: ½ PGE, ½ SCE
Kings: ¾ PGE, ¼ SCE
Tulare: 85% SCE, 15% PGE
Fresno: PGE
Madera: PGE
Merced: ¾ PGE, ¼ MEID
Stanislaus: ½ PGE, ½ MID,TID
San Joaquin: ¾ PGE, ¼ MID

Alpine
Calaveras
Colusa
Glenn
Lake
Plumas
San Benito
Shasta
Sierra
Siskiyou
Sutter
Tehama
Trinity
Yuba

Who can I contact for more information?

Katie Stevens
Government Affairs Manager
City of Fresno - Tel: (559) 621-7910
katie.stevens@fresno.gov

ATTACHMENTS LIST

- 1. Solar Lease Option Background Information**
- 2. Option to Lease Agreement-WWTP**
- 3. Site Lease Summary Document-WWTP**
- 4. Aerial Photo of WWTP & proposed Solar Site**
- 5. Assessor's Parcel Map of subject WWTP property**
- 6. Option to Lease Agreement-Airport**
- 7. Site Lease Summary Document-Airport**
- 8. City Airport Ownership Map**
- 9. Proposed Solar Site area Map**
- 10. Ecoplexus Informational Sheet**
- 11. Email documents**

SOLAR LEASE OPTION BACKGROUND INFORMATION

ENERGY USE AND COST:

The energy (electricity) costs at the WWTP are considerable; averaging about \$6,000/month. It's the single largest energy expense for the City. Over the course of a couple years, several firms have inquired about installing solar arrays that could partially power the Wastewater Treatment Plant (WWTP). The previous proposals envisioned the City signing a Power Purchase Agreement (PPA). In those cases, a PPA would obligate us to buy the power generated from the solar panels for a period of 30 years. Ownership and maintenance of the panels would remain the responsibility of the solar provider.

One of those PPA proposals matured to the point where a spreadsheet showing the expected costs and savings resulting from the PPA was provided. The costs savings shown over the course of 30 years was substantial; amounting to nearly \$700,000. However, staff was ill at ease with the PPA model for a number of reasons, among them:

1. The solar industry is young and ever-changing. Staff has little experience with solar power production and the many firms that either provide, sell, or install the equipment.
2. How can we assure that the firm we contract with will be in business over the course of a 30-year PPA? If they ceased operations, would we be able to efficiently resume our energy account with PG & E.
3. The PPA's assume PG & E electrical rates that increase annually and compound. The purported energy "savings" over the course of the PPA term can vary widely based on the assumed electricity rate escalator.
4. How could we be sure that a PPA being offered was a "good deal" for the City? What about the firm that might arrive the day after Council approval of a PPA with a better offer?

LAND LEASE CONCEPT

Most are familiar with Land Leases. They are generally easier to understand than Power Purchase Agreements. In this case, Ecoplexus proposes acquiring an option to lease two 15-acre properties, one each at the airport and WWTP. If signed, the option agreements would provide Ecoplexus 18 months time to secure the necessary PPA-with PG & E; not with the City. Note that option documents include "Consideration Fees" of \$900.00 per property.

I've attached some documents from Ecoplexus that provide additional details about their proposal.

RENEWABLE RESOURCE ENERGY REQUIREMENT:

Senate Bill 1078 (Sher, Chapter 516, Statutes of 2002), introduced a Renewables Portfolio Standard (RPS) in California with the goal of increasing the portion of electricity derived from renewable resources (i.e., wind, solar, biomass) and sold to retail customers to 20 percent by 2017. So, PG & E and other utilities are seeking renewable projects to achieve that goal. This proposal, if it advances to a lease and is developed, would help fulfill that requirement.

WWTP SITE:

Please refer to the aerial photo of the WWTP. The boundary of City property is shown with a bold line. We currently have about 28 acres of vacant property there. In the next 20 year

SOLAR LEASE OPTION BACKGROUND INFORMATION (con't.)

period, we expect we could have need for WWTP development of perhaps 5 additional acres. That would leave 23 or so vacant acres. The fifteen contemplated for solar array use could be provided without conflict for the 20 year term of the anticipated lease. We recommend that the solar panels be positioned on the westerly-most 15 acres. There is an existing road right of way and a powerline adjacent to the west edge of the property that can be used for access and electrical transmission.

Although this property is separated from the City proper, it is in fact incorporated. In terms of land use permitting, we would expect to process a Conditional Use Permit for the project. That would provide the neighbors the opportunity to review and weigh-in on the proposal.

See the "Site Lease Summary" that speaks to the lease offer of \$1,200/acre/year. That would amount to \$18,000 per year, and essentially fund about three months worth of our electricity costs at the WWTP each year. Over the 20 year term of the lease, this would amount to a total value of \$360,000.

AIRPORT SITE:

We initially identified three separate areas that might be suitable for solar arrays. However, as we discussed them at staff, one area located south of the runway was eliminated, leaving two areas of vacant property lying north and east of the runway.

When locating these facilities at the airport we need to consider the location relative to the Runway Protection Zone (RPZ) and the Forward Building Restriction Line (FBRL). Since our Airport Layout Plan envisions a 600' long runway extension to the north, it's necessary to consider two RPZ's; the current and the future. From that we identified two 20-acre areas within Assessor's Parcel Numbers 67-260-82 & 67-260-80 that are vacant, outside the RPZ and the FBRL that could be suitable for solar facilities. Of course, if the "Option" is approved it'll provide Ecoplexus with an 18 month window in which to acquire all necessary permits for the solar installation. Permits will include whatever authorization is necessary from the FAA.

Although the properties are contiguous to the airport, all-weather access from airport property would be difficult due to a drainage ditch location. An all weather road could be constructed, or the solar provider could acquire access from another owner to the east. Those are details that will be subsequently worked out as the process unfolds.

OPTION TO LEASE AGREEMENT

This Option to Lease Agreement ("Lease Option Agreement") is made on March 27, 2012 between The City of Corning, California (the "Landlord") and Ecoplexus, Inc. (the "Tenant").

WITNESSETH:

WHEREAS, Landlord is the fee owner of certain real property being, lying and situated at the City of Corning's Waste Water Treatment Plant located at Assessor's Parcel 75-290-36 and the western half of Assessor's Parcel No. 75-290-04 in the City of Corning, County of Tehama, California (the "Property");

WHEREAS, Landlord desires to lease to Tenant and Tenant desires to lease from Landlord a portion of the Property consisting of up to a still to be determined number of acres, estimated to be fifteen, at a fixed lease rate of twelve hundred dollars (\$1,200.00) per acre per year for a term of twenty (20) years;

WHEREAS, Landlord and Tenant are diligently working together in good faith to execute a ground lease agreement, the subject of which is the aforementioned Property (the "Ground Lease Agreement");

WHEREAS, Tenant desires to construct and operate Solar Energy Facilities on the Premises for the purpose of selling electricity to Pacific Gas & Electric and in accordance with the terms and conditions set forth herein;

NOW, THEREFORE, for and in consideration of the covenants and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord hereby grants to Tenant an exclusive option to lease the aforementioned Property, subject to the terms and conditions contained in this Lease Option Agreement.

The parties hereto hereby agree as follows:

1. **OPTION TERM & PAYMENT.** The option to lease period commences on the last day signed below ("Effective Date") for a period of eighteen (18) months ("Option Period"). For good and valuable consideration, Tenant shall pay nine hundred (\$900.00) dollars upon execution of this Lease Option Agreement.
2. **NOTICE REQUIRED TO EXERCISE OPTION.** Prior to the expiration of the Lease Option Agreement, Tenant shall deliver the Ground Lease Agreement for review and full execution for the Property. Landlord will not enter into a Ground Lease Agreement with any other party prior to the end of the Lease Option Agreement.
3. **EXCLUSIVITY OF OPTION.** This Lease Option Agreement is exclusive and exists solely for the benefit of the named parties and their assignees. Tenant and Landlord shall not sell, transfer or assign the Agreement or any interest therein, without the prior written consent of the other party, which shall not be unreasonably withheld, conditioned or delayed; however, that, without the prior consent of Landlord, Tenant may (i) assign this Agreement to an Affiliate of Tenant; or (ii) assign this Agreement as collateral security in connection with any financing of the Generating Facility. Tenant may record a Memorandum of Lease Option Agreement at any time during the Option Period.

4. REMEDIES UPON DEFAULT. If Tenant defaults under this Lease Option Agreement or the Ground Lease Agreement, then in addition to any other remedies available to Landlord at law or in equity, Landlord may terminate this Lease Option Agreement by giving written notice of the termination. If terminated, the Tenant shall lose entitlement to any refund of rent. For this Option to Lease Agreement to be enforceable and effective, the Tenant must comply with all terms and conditions contained herein.

5. COMMISSION. No real estate commissions or any other commissions shall be paid in connection with this transaction.

6. ACKNOWLEDGMENTS. The parties are executing this Lease Option Agreement voluntarily and without any duress or undue influence. The parties have carefully read this Lease Option Agreement and have asked any questions needed to understand its terms, consequences, and binding effect and fully understand them and have been given an executed copy. The parties have sought the advice of an attorney of their respective choice if so desired prior to signing this Lease Option Agreement.

7. TIMING. Time is of the essence in this Lease Option Agreement.

8. BINDING AGREEMENT. This Lease Option Agreement shall become legally binding upon final approval by the City of Corning's City Council.

9. GOVERNING LAW AND VENUE. This Lease Option Agreement shall be governed, construed and interpreted by, through and under the Laws of the State of California. The parties further agree that the venue for any and all disputes related to this Option to Lease shall be Tehama County, California.

10. GROUND LEASE AGREEMENT CONTROLLING. In the event a conflict arises between the terms and conditions of the Ground Lease Agreement and the Lease Option Agreement, the Ground Lease Agreement shall control.

11. ENTIRE AGREEMENT; MODIFICATION. This document sets forth the entire agreement and understanding between the parties relating to the subject matter herein and supersedes all prior discussions between the parties. No modification of or amendment to this Lease Option Agreement, nor any waiver of any rights under this Lease Option Agreement, will be effective unless in writing signed by the party to be charged.

LANDLORD:

Sign: _____ Date: _____

Print: _____

TENANT

Sign: _____ Date: _____

Print: _____

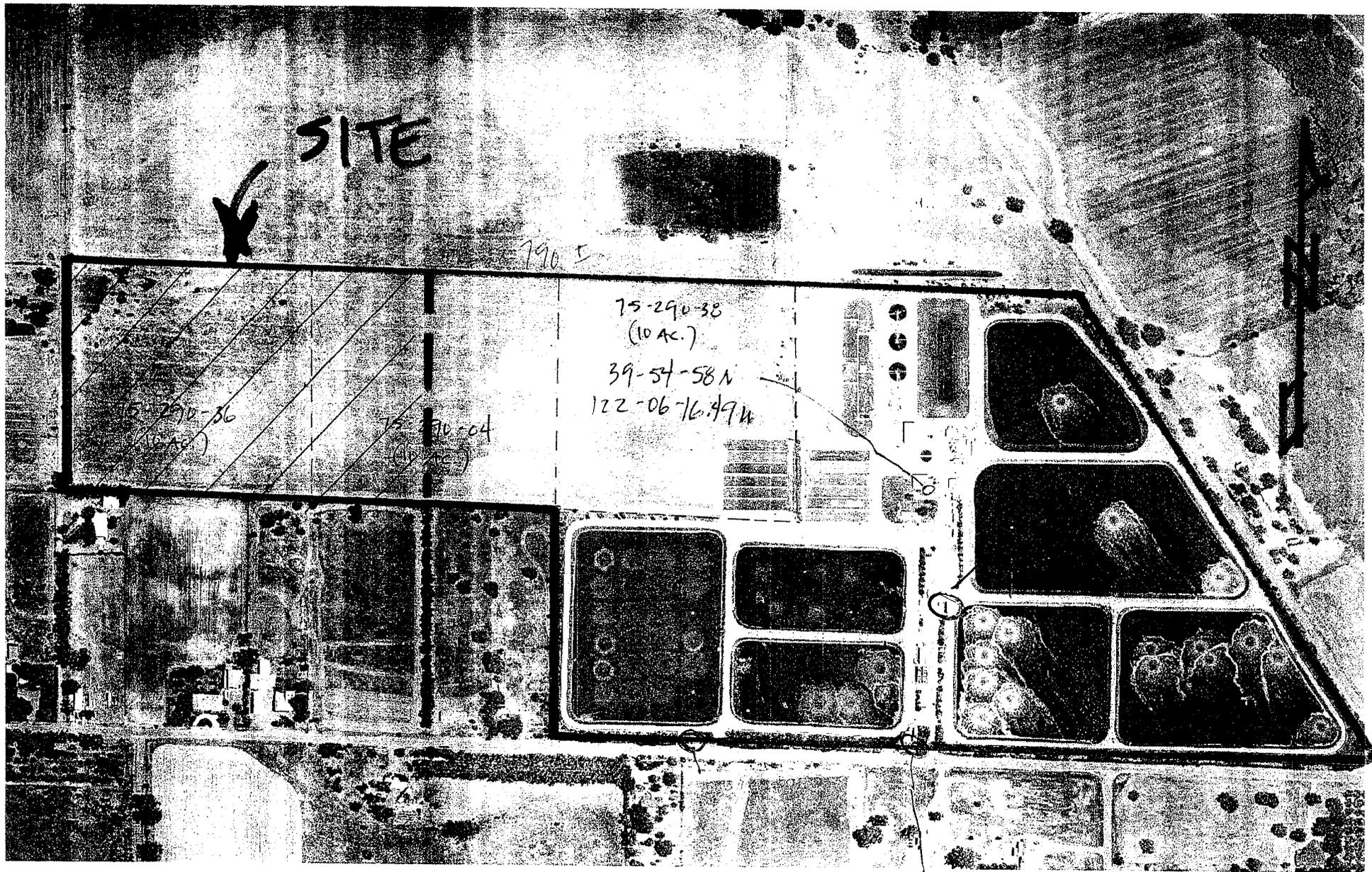
Corning Waste Water Treatment Plant (WWTP) - Site Lease Summary

Date	March 12, 2012
Lessee	Ecoplexus, Inc.
Lessor	City of Corning
Property Description	Approximately 15 acres of undeveloped land at the City's WWTP ("Property").
Project Summary	Lessee desires to construct and operate a Solar PV Generating Facility on the Property for the purpose of producing and selling electricity to PG&E under a 20-year Power Purchase Agreement (PPA) ("Solar Facility").
Lease Term	20 years from Lease Commencement.
Lease Commencement	Lease payments will begin on the Commercial Operation Date (COD) of the Solar Facility.
Fixed Lease Rate	\$1,200 per acre per year
Annual Lease Revenue to Lessor	\$18,000
Cumulative Lease Revenue to Lessor	Approximately \$360,000
Lease Option Agreement Execution Date	Anticipated Tuesday, March 27, 2012
Lease Option Agreement Consideration Fee	\$900.00, or 5% of estimated annual lease revenue
Contingencies	<ul style="list-style-type: none"> • Acceptance and execution of an interconnection agreement and power purchase agreement with PG&E and Solar Facility • Approval and permitting from the City of Corning and other governing and regulatory bodies

Condition of Property	Lessee assumes Property has no development or government assessments, including future obligations, and there are no environmental or other restrictions which will impede the development of the Solar Facility.
Warranty	No tenant or other parties have any options to lease, rights of first refusal or rights to purchase the Property.
Lessee Obligations	<ul style="list-style-type: none">• Secure compliance, approval and permitting, as necessary, with City of Corning and other governing and regulating body requirements for construction and operation of the Solar Facility.• Removal of the Solar Facility and the end of the Lease Term and return the Property to its original condition.• Execute interconnection agreement and power purchase agreement with PG&E
Non-Binding Term Sheet	This Term Sheet is a high-level summary of the proposed transaction only and it does not constitute a legally binding agreement. The transaction contemplated between Lessor and Lessee is subject to the terms and mutual execution and delivery of a land lease and other documentation.
Exclusivity	Lessor understands that this is a limited time program that is anticipated to end quickly, and that if it wishes to enter into a land lease for the purpose stated herein it will do so only with Lessee.
Confidentiality	This term sheet contains information that is confidential, private and privileged. It has been prepared for the exclusive use of the City of Corning for the sole purpose of considering the transaction outlined herein. Please do not discuss or copy or distribute to any outside parties without the consent of Lessee.

OWNERSHIP @ WWTP

Lat/Long. & Elect. Connections/Meters & APN's of Vacant Props.



4

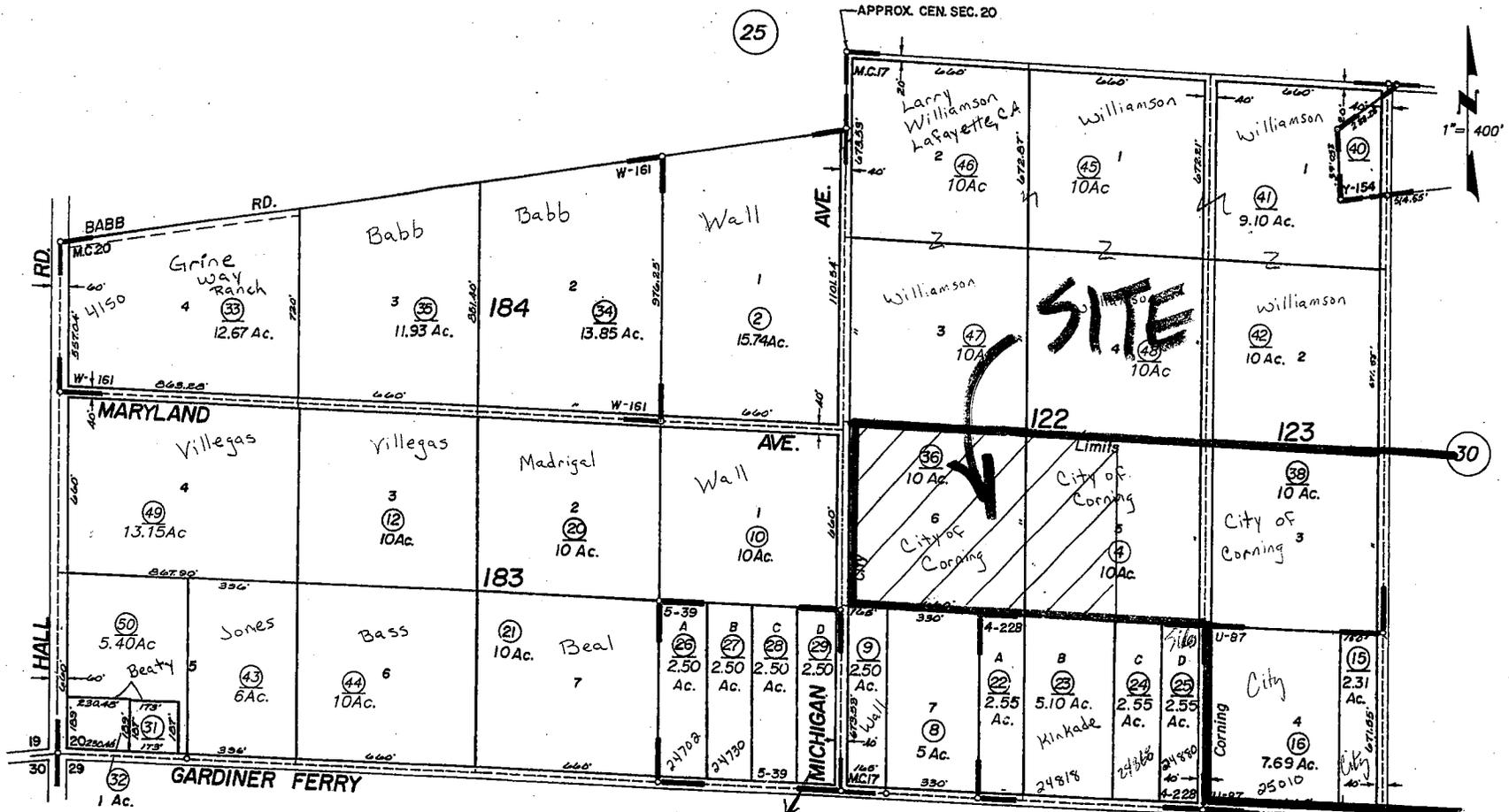
$39^{\circ} 54' 50.85'' N$
 $122^{\circ} 06' 24.51'' W$

$39^{\circ} 54' 50.86'' N$
 $122^{\circ} 06' 16.83'' W$

SUBDIVIDED LAND IN SEC. 20, T.24N., R.2W., M.D.B.&M.

Tax Area Code

75-29



- R.M. Bk. B, Pg. 39-Maywood Colony No. 17
- R.M. Bk. B, Pg. 42-Maywood Colony No. 20
- R.S. Bk. U, Pg. 87
- R.S. Bk. W, Pg. 161
- R.S. Bk. Y, Pg. 154-Lot Line Adj. No. 96-19
- P.M. Bk. 4, Pg. 228-P.M. No. 77-165
- P.M. Bk. 5, Pg. 39-P.M. No. 77-292

Assessor's Map Bk. 75 -Pg. 29
County of Tehama, Calif.

NOTE-Assessor's Block Numbers Shown in Ellipses
Assessor's Parcel Numbers Shown in Circles

3-15-10

RECEIVED

CORNING

J

Book 75
Page 29

OPTION TO LEASE AGREEMENT

This Option to Lease Agreement ("Lease Option Agreement") is made on March 27, 2012 between The City of Corning, California (the "Landlord") and Ecoplexus, Inc. (the "Tenant").

WITNESSETH:

WHEREAS, Landlord is the fee owner of certain real property being, lying and situated at the Corning Municipal Airport in the City of Corning, County of Tehama, California within the easternmost 660 feet of APN 67-260-82 and/or APN 67-260-80 (the "Property");

WHEREAS, Landlord desires to lease to Tenant and Tenant desires to lease from Landlord a portion of the Property consisting of up to a still to be determined number of acres, estimated to be fifteen, at a fixed lease rate of twelve hundred dollars (\$1,200.00) per acre per year for a term of twenty (20) years;

WHEREAS, Landlord and Tenant are diligently working together in good faith to execute a ground lease agreement, the subject of which is the aforementioned Property (the "Ground Lease Agreement");

WHEREAS, Tenant desires to construct and operate Solar Energy Facilities on the Premises for the purpose of selling electricity to Pacific Gas & Electric and in accordance with the terms and conditions set forth herein;

NOW, THEREFORE, for and in consideration of the covenants and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord hereby grants to Tenant an exclusive option to lease the aforementioned Property, subject to the terms and conditions contained in this Lease Option Agreement.

The parties hereto hereby agree as follows:

1. **OPTION TERM & PAYMENT.** The option to lease period commences on the last day signed below ("Effective Date") for a period of eighteen (18) months ("Option Period). For good and valuable consideration, Tenant shall pay nine hundred (\$900.00) upon execution of this Lease Option Agreement.

2. **NOTICE REQUIRED TO EXERCISE OPTION.** Prior to the expiration of the Lease Option Agreement, Tenant shall deliver the Ground Lease Agreement for review and full execution for the Property. Landlord will not enter into a Ground Lease Agreement with any other party prior to the end of the Lease Option Agreement.

3. **EXCLUSIVITY OF OPTION.** This Lease Option Agreement is exclusive and exists solely for the benefit of the named parties and their assignees. Tenant and Landlord shall not sell, transfer or assign the Agreement or any interest therein, without the prior written consent of the other party, which shall not be unreasonably withheld, conditioned or delayed; however, that, without the prior consent of Landlord, Tenant may (i) assign this Agreement to an Affiliate of Tenant; or (ii) assign this Agreement as collateral security in connection with any financing of the Generating Facility. Tenant may record a Memorandum of Lease Option Agreement at any time during the Option Period.

4. **REMEDIES UPON DEFAULT.** If Tenant defaults under this Lease Option Agreement or the Ground Lease Agreement, then in addition to any other remedies available to Landlord at law or in equity,

Landlord may terminate this Lease Option Agreement by giving written notice of the termination. If terminated, the Tenant shall lose entitlement to any refund of rent. For this Option to Lease Agreement to be enforceable and effective, the Tenant must comply with all terms and conditions contained herein.

5. COMMISSION. No real estate commissions or any other commissions shall be paid in connection with this transaction.

6. ACKNOWLEDGMENTS. The parties are executing this Lease Option Agreement voluntarily and without any duress or undue influence. The parties have carefully read this Lease Option Agreement and have asked any questions needed to understand its terms, consequences, and binding effect and fully understand them and have been given an executed copy. The parties have sought the advice of an attorney of their respective choice if so desired prior to signing this Lease Option Agreement.

7. TIMING. Time is of the essence in this Lease Option Agreement.

8. BINDING AGREEMENT. This Lease Option Agreement shall become legally binding upon final approval by the City of Corning's City Council.

9. GOVERNING LAW AND VENUE. This Lease Option Agreement shall be governed, construed and interpreted by, through and under the Laws of the State of California. The parties further agree that the venue for any and all disputes related to this Option to Lease shall be Tehama County, California.

10. GROUND LEASE AGREEMENT CONTROLLING. In the event a conflict arises between the terms and conditions of the Ground Lease Agreement and the Lease Option Agreement, the Ground Lease Agreement shall control.

11. ENTIRE AGREEMENT; MODIFICATION. This document sets forth the entire agreement and understanding between the parties relating to the subject matter herein and supersedes all prior discussions between the parties. No modification of or amendment to this Lease Option Agreement, nor any waiver of any rights under this Lease Option Agreement, will be effective unless in writing signed by the party to be charged.

LANDLORD:

Sign: _____ Date: _____

Print: _____

TENANT

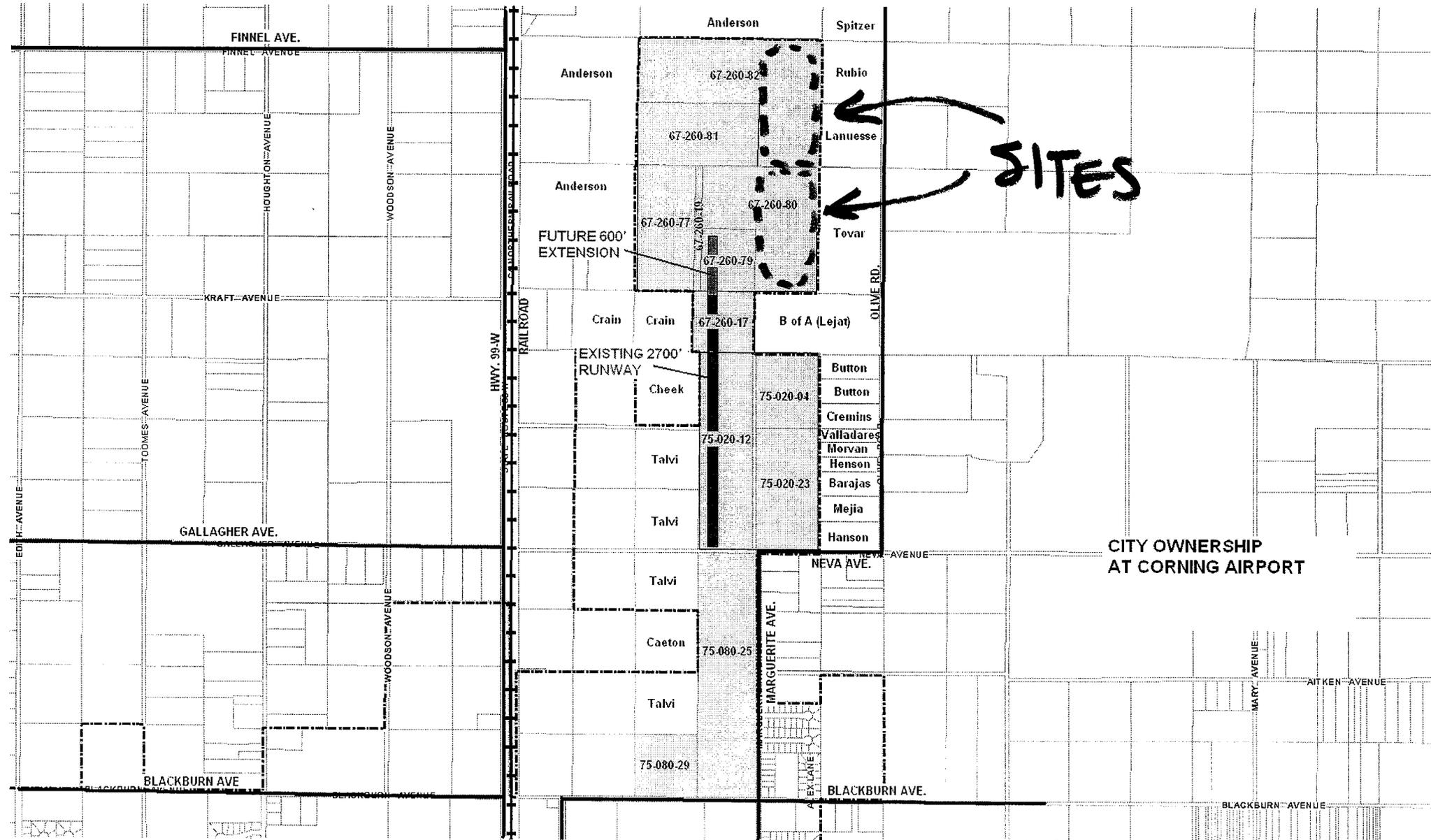
Sign: _____ Date: _____

Print: _____

Corning Municipal Airport - Site Lease Summary

Date	March 12, 2012
Lessee	Ecoplexus, Inc.
Lessor	City of Corning
Property Description	Approximately 15 acres of undeveloped land at the municipal airport ("Property").
Project Summary	Lessee desires to construct and operate a Solar PV Generating Facility on the Property for the purpose of producing and selling electricity to PG&E under a 20-year Power Purchase Agreement (PPA) ("Solar Facility").
Lease Term	20 years from Lease Commencement.
Lease Commencement	Lease payments will begin on the Commercial Operation Date (COD) of the Solar Facility.
Fixed Lease Rate	\$1,200 per acre per year
Annual Lease Revenue to Lessor	\$18,000
Cumulative Lease Revenue to Lessor	Approximately \$360,000
Lease Option Agreement Execution Date	Anticipated Tuesday, March 27, 2012
Lease Option Agreement Consideration Fee	\$900.00, or 5% of estimated annual lease revenue
Contingencies	<ul style="list-style-type: none">• Acceptance and execution of an interconnection agreement and power purchase agreement with PG&E and Solar Facility• Approval and permitting from the City of Corning and other governing and regulatory bodies• Approval by the Federal Aviation Administration

Condition of Property	Lessee assumes Property has no development or government assessments, including future obligations, and there are no environmental or other restrictions which will impede the development of the Solar Facility.
Warranty	No tenant or other parties have any options to lease, rights of first refusal or rights to purchase the Property.
Lessee Obligations	<ul style="list-style-type: none">• Secure compliance, approval and permitting, as necessary, with City of Corning, FAA and other governing and regulating body requirements for construction and operation of the Solar Facility.• Removal of the Solar Facility and the end of the Lease Term and return the Property to its original condition.• Execute interconnection agreement and power purchase agreement with PG&E
Non-Binding Term Sheet	This Term Sheet is a high-level summary of the proposed transaction only and it does not constitute a legally binding agreement. The transaction contemplated between Lessor and Lessee is subject to the terms and mutual execution and delivery of a land lease and other documentation.
Exclusivity	Lessor understands that this is a limited time program that is anticipated to end quickly, and that if it wishes to enter into a land lease for the purpose stated herein it will do so only with Lessee.
Confidentiality	This term sheet contains information that is confidential, private and privileged. It has been prepared for the exclusive use of the City of Corning for the sole purpose of considering the transaction outlined herein. Please do not discuss or copy or distribute to any outside parties without the consent of Lessee.



0

FINNELL RD.

HWY 99-W

City Limits

OLIVE ROAD

Future RPZ (with next runway extension)

RPZ with current runway end

Portion of APN 67-260-82 suitable for solar arrays.

Portion of APN 67-260-80 suitable for solar arrays.

Potential Solar Array Lease Areas at Corning Municipal Airport

March, 2012

FBRL

FBRL

FBRL

FBRL

City Limits
RUNWAY

M-1



6

Ecoplexus is a leader in the development, design, engineering, construction, financing and operation of distributed generation solar PV systems for the commercial, municipal and utility sectors. The Company's strong engineering capabilities and project finance expertise have led to the successful completion of over thirty Power Purchase Agreements (PPA's) for municipal and commercial-scale solar projects. Our project teams have completed over 20 MW's of solar PV installations in California, with a focus on projects in the 500 KW to 3 MW range which serve onsite load and export energy via utility procurement programs.

The Company's client base includes more than ten city and municipal agencies and some of the largest multi-family affordable housing developers in California. Offering an in-depth understanding of the financial structures and incentives available for solar development, Ecoplexus delivers customized PPA financing programs which meet the unique needs of its clients, which include:

- Santa Clara County
- Eden Housing Corp.
- City of Watsonville
- South Bay Waste Management Administration (SBWMA)
- City of Milpitas
- Housing Authority of Sutter County
- Heartland Realty Investors, Inc.

As a turn-key developer, Ecoplexus provides comprehensive expertise across the solar implementation value chain:

- Energy demand assessment, financial analysis and tariff optimization
- System design, engineering, integration and construction (EPC)
- Site selection and land acquisition
- Project finance and incentive optimization
- Lifecycle project management and general contracting
- Interconnection, certification, permitting and regulatory compliance
- System monitoring, maintenance, servicing and reporting

Leveraging its successful project completion track record and development expertise, Ecoplexus maintains active investment partnerships with two Fortune 500 energy companies and an \$800 million renewable energy investment firm.

To learn more, please visit our website at www.ecoplexus.com or call us at (415) 626-1802.



John Brewer

From: Bill Brick [wbrick@ecoplexus.com]
Sent: Monday, March 12, 2012 12:28 PM
To: jbrewer@corning.org
Subject: Land lease materials & information
Attachments: Corning Municipal Airport_Land Lease Summary_3.12.pdf; Corning WWTP_Land Lease Summary_3.12.pdf; City of Corning_Airport_Option to Lease Agreement.docx; City of Corning_WWTP_Option to Lease Agreement.docx; Ecoplexus Company Profile.pdf

Hi John,

Attached please find:

1. Two (2) transaction summaries for possible land leases at the airport and WWTP;
2. Two (2) draft lease option agreements (LOA's) for land leases at the airport and WWTP;
3. An overview profile of Ecoplexus, Inc.
4. For background information on SB32, the best starting point is DSIRE, which has links to the CPUC and PG&E: http://www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=CA167F&RE=1&EE=1

SB32 is a 750 MW utility-scale Feed-in Tariff program that is state law. PG&E's pro-rata share is 200 MW. System size is limited to 3 MW per site and the average installation will probably be ~2.5 MW. That means approximately 80 projects will be accepted into PG&E's interconnection and development queue. PG&E has not disclosed its selection criteria to the development community. The final program details are still being formulated by the CPUC; formal program launch is anticipated by June 2012. However, applications that are not in the development queue well prior to that date will likely be not be considered; eg, PG&E's 200 MW allocation is expected to be fully subscribed within the next couple of months, if not much sooner. We believe one of PG&E's key project selection criteria will be the ratio of circuit capacity to projected circuit peak load. To the extent projected circuit peak load is very near and/or rapidly approaching circuit capacity, we believe PG&E is more likely to augment sub-station capacity at the distribution level with third-party DG under SB 32. One of the substations that services the City of Corning is called the Corning substation. From this substation, numerous distribution lines service various parts of the city. Distribution line "Corning 1104" services the airport, and "Corning 1102" services the WWTP. Both of these circuits are constrained, and are therefore high potential distribution lines for consideration for SB32 projects.

Recently, a 1.75 MW project entered the interconnection queue at the Corning substation and is presently in the priority position. Your City planners should have knowledge of it if its in the city permitting process. Its most likely being proposed on privately-owned land that is probably zoned for agriculture. While this project does not invalidate the ones we are proposing on public land in Corning, it creates added urgency to submit our application to PG&E ASAP. The City of Corning's opportunity to lease land at the airport and at the WWTP in support of SB32 and earn \$720,000 in revenue is a unique, but it will be gone very shortly. If this is a program you remain interested in, I encourage you to act as swiftly as possible in order to take advantage of it. The land lease will run coterminous with and be secured by the PPA with PG&E (investment-grade rated). If another project enters the queue for interconnection on the Corning substation, the odds of additional projects in Corning will become greatly diminished. Consequently, we will likely re-prioritize our development activities towards locales where a greater probably of completion exists.

Please let me know if you need additional information prior to the City Council meeting on the 27th. I hope I've provided you with sufficient information for your write-up. If not, let me know what else you require.

John Brewer

From: Bill Brick [wbrick@ecoplexus.com]
Sent: Wednesday, February 22, 2012 2:24 PM
To: jbrewer@corning.org
Cc: Ed Anderson; Patrick Walker; John Stoufer
Subject: Re: Site lease summary at airport + PV development at WWTP
Attachments: Corning Municipal Airport.pptx; OPTION TO LEASE AGREEMENT.docx

Hi John,

Thanks for your note.

Regarding the airport, I'll need your help in identifying a suitable parcel. Its difficult to determine from satellite images how much of the land surrounding the airport belongs to the City. I've identified several areas that appear potentially viable in the attached diagram. Please let me know which are under City control and which ones appear best from your point of view. Then we can zero in on the mutually optimal site. I think all of these will satisfy Part 55 setback requirements. Based on line capacities at the airport, we would be looking to lease between 10-20 acres with the precise acreage TBD.

Please note that PG&E requires site control in order to be approved into their development queue. This is the imperative first step. Prior to meeting next month, I'd like to see if we can quickly execute a land lease option. I'm attaching a draft for your review and comments. This agreement satisfies "land control" and, at the same time, does not obligate the City of Corning to entering into the lease - its intent is simply that if you do enter into a land lease for export solar development, you'll do it with Ecoplexus, but it does not obligate to lease. From our end, we have numerous hurdles to clear. The first are PG&E's application requirements, but also FAA compliance, land use entitlements and permits with the City, etc. Ideally, we can execute this Lease Option Agreement by the end of this month.

I'm confirming a meeting with you and your colleagues on Wednesday March 14 at 11:00AM at the Corning City Hall. To maximize productivity, it would be helpful if you could send us (a) the most recent 12-months electricity (PG&E) bills for the WWTP. We can access these online if you send your access information; otherwise, copies (or scanned images) of the actual bills will be fine; and (b) a single line diagram of the WWTP, if readily available. This will help us understand the plant's load centers and guide us to a preliminary load shifting strategy (which drives savings). I'll present findings when we meet, including land requirements (probably 10-15 acres).

Note that some CSI budget remains. It would be in the City's best interest to file a rebate application to secure incentives for a project at the WWTP. We will process this for you if we have an agreement to work together on the project. In the meantime, here is information on the rebate and application process:

CSI Trigger Tracker (rebate state and current step): <http://www.csi-trigger.com/index.aspx>
PG&E CSI application process and forms: <http://www.pge.com/mybusiness/energysavingsrebates/solar/csi/csihandbookforms/>

Thanks John and warm regards,
Bill

Bill Brick
Director, Photovoltaic Development
Ecoplexus, Inc.

**ITEM NO. J-12
RESOLUTION NO. 03-27-2012-03 SUPPORTING
THE EXTENSION OF CITY WATER LINES TO
SERVE UNINCORPORATED PROPERTIES
ALONG TOOMES, HOUGHTON AND SOUTH
AVENUES.**

MARCH 27, 2012

TO: CITY COUNCIL OF THE CITY OF CORNING, CALIFORNIA

**FROM: JOHN L. BREWER, AICP; PUBLIC WORKS DIRECTOR
ED ANDERSON, CITY ENGINEER**



SUMMARY:

Staff recommends the City Council adopt Resolution No. 03-27-2012-03; a resolution supporting the extension of City water services along South Avenue and Toomes, Houghton and Loleta Avenues, at no cost to the City of Corning. The extent of the waterline extension is shown on the attached map marked Exhibit "A"- "Proposed Water Extensions/Improvements-Reduced City Proposal", and dated February 22, 2012.

We're presenting this Resolution to gauge Council support for the plan that would extend City water service outside the corporate boundary to serve six properties that currently have contaminated domestic wells. If the Council agrees with the proposal and adopts the Resolution, the applicant; Pilot/Flying J Corporation and their engineers (Broadbent and Associates of Chico) will present the extension plan to the affected property owners and, ultimately prepare final plans and schedule the underground waterline construction and connections.

BACKGROUND:

Please refer to the attached document titled "Background Information-Water Line Extension Project" that is attached to this letter as Exhibit "B".

In summary, Pilot/Flying J (P/F J) Corporation has "inherited" responsibility for historical groundwater contamination that affects water wells north and east of the truckstop area. They are currently maintaining filtration systems on private domestic water wells serving six separate properties. The Regional Water Quality Control Board (RWQCB) wishes to cause a more permanent solution to the well contamination. They have directed P/F J to investigate extending the City's public water system to serve those affected properties.

P/F J and the City have discussed several extension alternatives and, at a meeting in City Hall on March 7, 2012 have tentatively agreed to a plan to serve the affected properties and area via a looped water system. The drawing showing that plan for the waterline extension is attached as Exhibit "A". P/F J would fund the waterline extension, and the connection of the affected properties. The issue of abandonment of the solvent contaminated wells is not yet settled, but will evolve as the process progresses. In question is the disposition of wells that would be used to irrigate agricultural uses. At the very least, backflow prevention to protect the City system would be a requirement.

BENEFITS:

In addition to expanding our water system, the extension will help resolve the contaminated well water problems that are affecting that neighborhood of the Corning community. Additionally, the extension will provide fire hydrants that will improve fire protection conditions, and could improve the ISO (Insurance Service Organization) Rating and reduce fire insurance premiums.

The current water system includes a single water line within Highway 99-W that connects the truckstop area. We rely on that area for much of our sales tax revenue. The area also is a hub for employment for the community. The danger is that the single line can somehow be interrupted, leaving the area without (potable and emergency) water. This project will provide waterline looping via Houghton & Loleta Avenues to provide significant system redundancy.

ANNEXATION POLICY:

The City has utilized a general policy that seeks property annexation as a prerequisite to utility extension/service. This extension to unincorporated properties would conflict with that policy. Of course there have been exceptions to that policy. For example, the Uniform Plumbing Code requires residential connection to public utilities (water & sewer) if such facilities are within 200 feet. For that reason, unincorporated properties along the route of our sewer main must be connected when they're developed.

Staff examined the issue of annexation as it relates to this matter and, in a report to then City Manager Steve Kimbrough, recommended the annexation requirement be waived. A copy of that report, dated December 13, 2011 is attached as Exhibit "C".

NEXT STEPS:

If the Resolution is adopted, P/F J will meet with the six affected property owners to discuss abandonment of the contaminated wells and connection to the City water system. The resolution will demonstrate the City's concurrence; an important milestone to present to the property owners and the RWQCB.

RECOMMENDATION:

That the City Council:

- **Adopt Resolution No. 03-27-2012-03, the resolution supporting the extension of City water service to unincorporated properties by Pilot/Flying J Corporation.**

RESOLUTION NO. 03-27-2012-03

A RESOLUTION SUPPORTING THE EXTENSION OF CITY WATER SERVICES BY PILOT/FLYING J CORPORATION TO UNINCOPORATED PROPERTIES

WHEREAS, historical groundwater contamination affects domestic water wells serving unincorporated properties lying adjacent to the City, and

WHEREAS, Pilot/Flying J Corporation seeks to extend City water service to replace contaminated wells that occur on six such properties, and,

WHEREAS, Pilot/Flying J Corporation and their representatives have worked cooperatively with both City and State Regional Water Quality staff members to identify a waterline extension plan that will satisfy the need to replace the contaminated wells and meet City development, and

WHEREAS, Pilot/Flying J Corporation, City Staff and Staff from the Regional Water Quality Control Board have tentatively agreed on a plan for the waterline extension (attached as Exhibit "A"), and,

WHEREAS, City Staff, in a report dated December 13, 2011, recommends that the usual requirement for annexation as a prerequisite for utility extension/connection be waived.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Corning California supports the plan for waterline extension and connection of the affected properties as shown on Exhibit "A".



The foregoing Resolution was adopted at a regular meeting of the City Council held on March 27, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

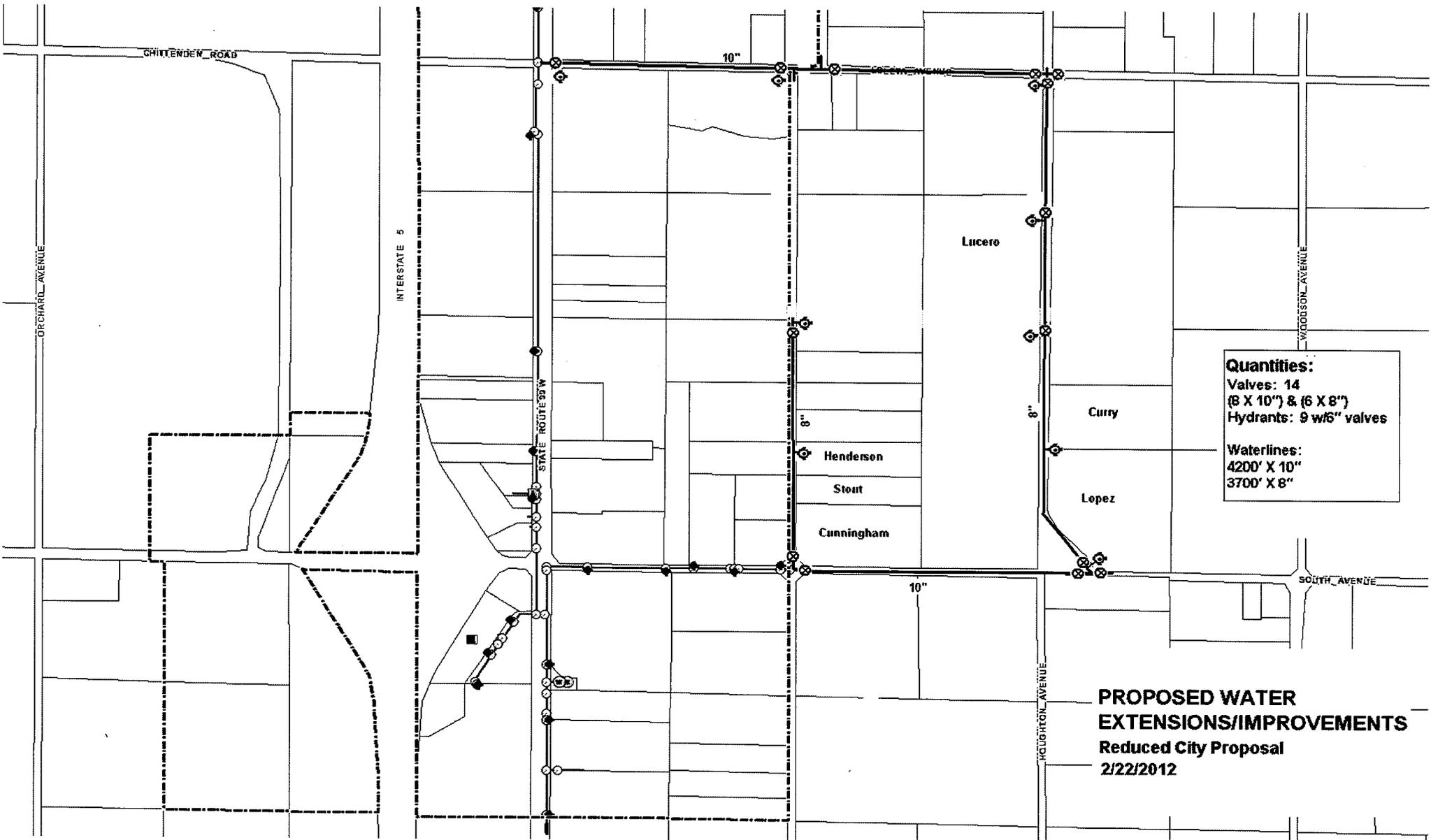
Gary R. Strack, Mayor

ATTEST:

Lisa M. Linnet, City Clerk

EXHIBITS LIST:

- Exhibit "A"** Proposed Water Extension/Improvements Plan
(Reduced City Proposal dated 2/22/2012)
- Exhibit "B"** Background Information-Water Line Extension Project
- Exhibit "C"** Report regarding Annexation requirement
- Exhibit "D"** City Engineer's Initial Water Service Plan (Nov. 2011)
- Exhibit "E"** City Engineer's Preliminary Cost Estimate for Initial Water
Service Plan (November, 2011)
- Exhibit "F"** P/F J Engineer's Alternative Plan per Tom Venus Letter dated
2/15/2012)
- Exhibit "G"** Map showing location of contaminated wells dated 1/18/2012



Quantities:
 Valves: 14
 (8 X 10") & (6 X 8")
 Hydrants: 9 w/6" valves

Waterlines:
 4200' X 10"
 3700' X 8"

**PROPOSED WATER
 EXTENSIONS/IMPROVEMENTS**
 Reduced City Proposal
 2/22/2012

EXH.
 "A"
 A

Background Information-Water Line Extension Project

History:

The Dudley-Petty Truckstop operated at the northeast corner of South Avenue-Highway 99-W intersection for many years. At some point prior to its bankruptcy and closure, cleaning solvent was spilled on or near the site. That solvent has contaminated the groundwater in the area. The contamination spread and currently affects six domestic water wells/properties in the area. See the drawing marked "Contaminated Wells" and dated 1-18-2012 that's attached as Exhibit "G". The state Regional Water Quality Control Board (RWQCB) has monitored the contamination for many years. The truckstop use was abandoned in 1990.

In 2005 Northeast LLC acquired the property and developed a Flying J Travel Center on the site. More recently Pilot Travel centers acquired/merged with Flying J. They later conveyed the property to Love's truck Stops, who currently occupies the site. However, Pilot/Flying J was left with responsibility for the historical groundwater contamination.

Pilot/Flying J Truckstops (P/FJT) has been maintaining individual filtration systems on six separate domestic wells serving unincorporated properties north and east of the truckstop area. The names of the owners and their respective properties affected by the solvent contaminated wells are presented on the attached maps that are marked Exhibits "A" & "F". The wells draw water from contaminated groundwater a stratum that's been linked to a solvent spill that occurred many years ago. The California Regional Water Quality Control Board (RWQCB) asked P/FJT to investigate the extension of City water to provide a more permanent solution to the contaminated wells.

Mr. Tom Venus, with Broadbent & Associates, an engineering firm working for P/FJT began researching this matter late last year. Beginning November 2011, City staff has worked with Mr. Venus to identify an acceptable waterline extension plan. Simultaneously, City staff has examined the "jurisdictional", policy issues related to service extensions outside the corporate boundary. The annexation policy issues are discussed in the attached report dated December 13, 2011 and attached as Exhibit "C".

City Engineer Ed Anderson originally provided a preliminary waterline extension plan. That Preliminary Plan is attached as Exhibit "D". Its cost estimate of \$1.12 million is dated November 2011 and attached as (Exhibit "E"). We provided that plan and estimate to Mr. Venus.

Mr. Venus reviewed that plan with his client, P/F J. They countered with a reduced plan that's attached as Exhibit "F". That plan proposed a water line extension within an easement, instead of within a street. That was a primary reason staff did not support their alternative. City Engineer Ed Anderson and staff came up with another alternative that's a sort of "middle ground" between the previous plans. That plan is marked "Reduced City Proposal, dated 2/22/2012 and attached as Exhibit "A".

In a meeting conducted at Corning City Hall on March 7, 2012, Mr. Joey Cupp, the Environmental Manager for Pilot/Flying J Corporation tentatively agreed to the waterline extension represented on the drawing marked Exhibit "A". However, prior to commencing discussions with the affected property owners, P/F J thought it important to have some form of commitment from the City. Staff recommended this resolution as a demonstration of City Council concurrence with the extension plan.

EXH.
"B"

**City of Corning
Dept. of Public Works**

John L. Brewer, AICP
Director of Public Works
794 Third Street
Corning, CA 96021
(530) 824-7029
Fax: (530) 824-2489

Memo

To: Steve Kimbrough, City Manager
CC: John Stoufer, Planning Director
Date: 12/13/2011
Re: Annexation Policy

So far as I know, our utility extension/connection policy has historically been: "City services are for City properties". There are exceptions of course, such as connecting discontinuous unincorporated properties lying adjacent to the sewer trunk line to that utility. In that case, connection is often required by the Uniform Plumbing Code. Another such exception was granted by the Council for the extension of water and sewer to the state-owned I-5 Rest Areas. But with those exceptions, we've generally kept to the simple policy statement.

We're now considering connecting seven (7) unincorporated residences/properties to the City water system. Those properties have contaminated water wells. Pilot Truck Stops Corporation is currently obligated to provide clean domestic water to those properties. In the past, that has been accomplished with individual water filtration systems that must be periodically serviced. However, the RWQCB is pushing for a more permanent solution. One solution is to extend City water to serve each of the seven dwellings.

Of course to do that, we'll need to complete significant extensions of water mains, valves and fire hydrants covering a large geographic area of about 240 acres. The City Engineer has provided a preliminary estimate of \$1.12 million to complete the extensions that'd total nearly 15,000 linear feet of water main, about 16 water valves and 30 fire hydrants.

If we keep with our policy requiring annexation, we will trigger the need for the preparation of a sizable and complicated LAFCo application. To "reach" the affected residences, we'll need to incorporate many unimproved and/or agricultural properties totaling about 240 acres. While the entire area is within the Sphere of Influence, it's unclear how the majority of the property owners will feel about becoming part of the City. There appear to be 45 registered voters living within the 240 acre area. For example, people without contaminated wells may not want to be "swallowed up" by the City. For that reason, annexation has the potential to generate opposition and ultimately to fail.

Beyond the mere physical expansion of the City boundary, we must carefully consider the effects that such a large annexation will have on the overall City and the various City Departments.

EXH.
"C"

Public Works Dept.

Water: Extending water service would add almost 3 miles of water mains, plus the water valves and fire hydrants. If installation was funded and completed by others, the City would still have to eternally maintain the facilities. Because the residential density in the subject area is quite low (rural), maintenance costs would be higher than the norm. Water rates might have to be increased to account for the increased maintenance costs.

Sewer. No extension of the sewer system is currently anticipated. However, ultimately the system would be expanded to serve the area. But this expansion would likely be incremental as additional development occurs.

Streets. The streets that serve the area; Houghton Avenue, Loleta Avenue and South Avenue are currently County maintained roads. Houghton and Loleta Avenues are chip-sealed roadways constructed over little if any sub base. They are generally narrow; 20 to 24 feet in width. South Avenue is an arterial road connecting I-5 to Highway 99. It is about 35 feet in width and is surfaced with asphalt surface over a good sub-base. There are no curbs and gutters and no streetlights.

Annexation would require the City to maintain about the streets within the annexed area. The total additional road length is about 9,300 feet. A mile of that total would be for Houghton Avenue, with about 2000 additional feet for each Loleta and South Avenue.

A single 2" asphalt overlay the three streets is estimated to cost nearly a quarter of a million dollars (at \$1.00/sq. ft. is \$244,720). That amount is about 80% of our standard annual street maintenance budget for the entire City.

Bridges. Annexation would absorb two bridges in to the City; one at Houghton Avenue over Jewett Creek and one at South Avenue over Burch Creek.

Drainage. The entire area is subject to shallow sheet flooding during a 100-year flood event, when Jewett Creek and Burch Creek overflow their respective banks. In general terms, the area also slopes to the east with an average gradient of about 0.2 percent; or about 4 feet over the 1980 feet of area width. Runoff is directed to Jewett and Burch Creeks. There is no subsurface drainage system.

Due to the minimal gradient, and the sheet flooding characteristics of the area, future urban development will be a challenge.

Planning Dept. While the entire area is within the Sphere of Influence, we'll have to decide whether this is an area that the City should expand into. The small ranchettes and orchards developed on 3 to 10 acre parcels will be difficult to develop to urban densities. Annexing the entire 240 acre area could result in leap-frog urban development, instead of the normal course of development where adjacent properties develop as utilities are extended. Moreover, with the flooding potential and drainage issues, it begs the question, is this a direction the City should grow? Of course, alternatively, if we don't annex our input would be limited to recommending improvement for roads, drainage, etc., but the recommendations would likely be implemented by the County.

Police Dept. Adding 240 rural acres to the City likely will further diminish the officer per population ratio in the City. Adding low density development with unlit and poorly surfaced streets could increase crime and accident statistics for the City.

Fire Department: The subject area is currently within the Mutual Aid Agreement area that we share with the County. However, adding 240 acres of rural properties to the City will significantly expand weed abatement ordinance area, requiring substantial additional staff resources to assure compliance. However, adding fire hydrants to the 240 acres will improve fire protection capabilities.

Tax Implications: The area looks to contain about 25 residences. There are no commercial businesses that would generate sales tax revenue. Total Assessed Valuation has not yet been determined; however annexation of residential properties seldom has positive revenue implications.

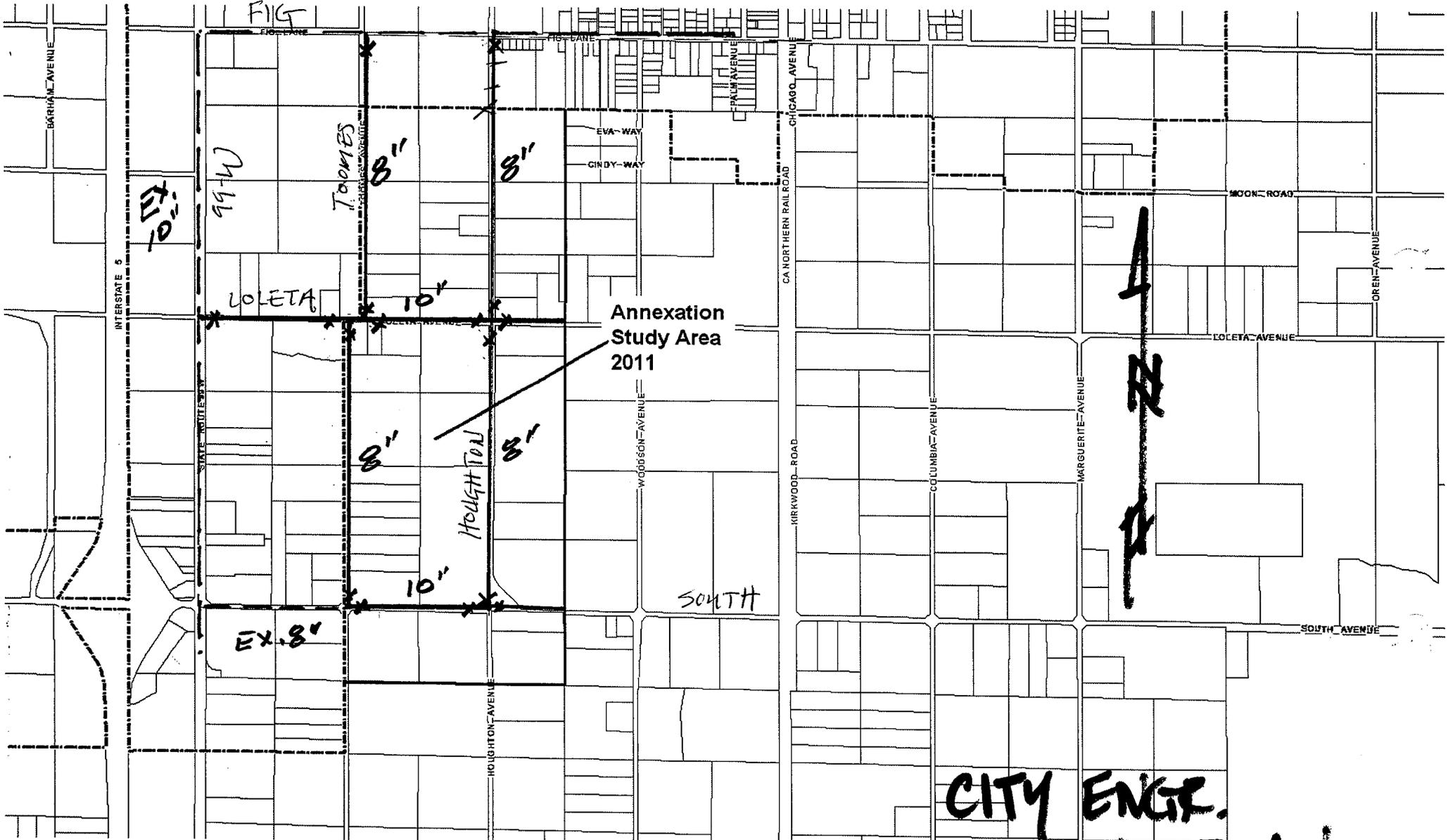
Staff Recommendation:

In light of these issues, my recommendation is that we forego our normal policy requiring annexation and instead, allow extension of our water system to serve the unincorporated area. Of course, the water system extension must be to our standards, and be looped for redundancy of service.

C-3

EX. 8'

FIG 5



Annexation Study Area 2011



CITY ENGR.
ORIGINAL PLAN

NOVEMBER, 2011

EX. 10'

EX. 8'

EX. 10'

TOOMES

HOUGHTON

SOUTH

LOLETA

EVA-WAY
CINDY-WAY

BARHAM AVENUE

INTERSTATE 5

STATE ROUTE 99

HOUGHTON AVENUE

WOODSON AVENUE

MIRKWOOD ROAD

COLUMBIA AVENUE

MARGUERITE AVENUE

SOUTH AVENUE

LOLETA AVENUE

MOON ROAD

CA NORTHERN RAILROAD

CHICAGO AVENUE

PAUL AVENUE

OREN AVENUE

**Preliminary Estimate of Cost
Water System Installation
Proposed Area of Annexation:
(South Avenue to Fig Lane, Toomes Ave. to Houghton Ave.
November, 2011**

Direct Construction Cost:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	10-Inch PVC Water Main	5,100 L.F.	\$40/L.F.	\$204,000
2.	8-inch PVC Water Main	9,600 L.F.	\$60/L.F.	\$576,000
3.	10-inch Gate Valve	8 Ea.	\$ 1,800	\$ 14,400
4.	8-inch Gate Valve	8 Ea.	\$ 1,000	\$ 8,000
5.	AWWA Fire Hydrant	30 Ea.	\$2,500	\$ 75,000
6.	1" PE Service line	1,200 L.F.	\$ 25	\$ 30,000
7.	Water Services	40 Ea.	\$400	\$ 16,000
Sub total Direct Const. Costs:				\$923,400

Indirect Costs:

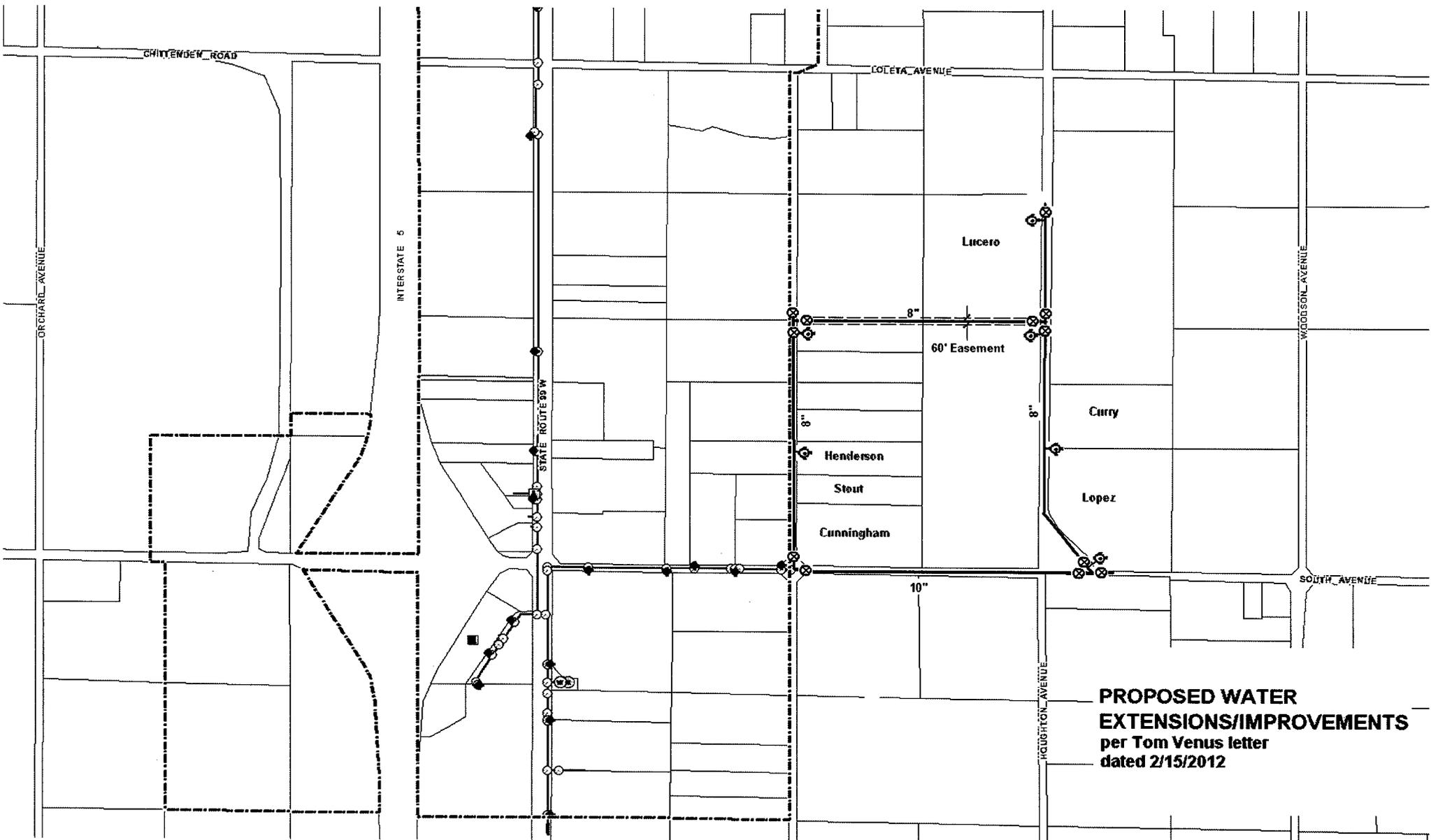
8.	Contingency @10%			\$ 92,400
9.	Field Surveying			\$ 20,000
10.	Engineering Design			\$ 45,000
11.	Construction Inspection			\$ 20,000
12.	Contract Administration			\$ 20,000

Sub Total of Indirect Costs: \$197,400

Total Estimated Project Cost: **\$1,120,800**

Prepared by: J. E. (Ed) Anderson,
City Engineer
November 29, 2011

**EXH.
"E"**



**PROPOSED WATER
EXTENSIONS/IMPROVEMENTS**
per Tom Venus letter
dated 2/15/2012

EXH.
"F"

BARHAM AVENUE

INTERSTATE 5

STATE ROUTE 99 W

CARONA AVENUE

EDITH AVENUE

DOLLA COURT

TOOMES AVENUE

LOLETA AVENUE

FIG LANE

DONNOVAN AVENUE

ELIZABETH AVENUE

SCOTT AVENUE

TAFT AVENUE

LINCOLN AVENUE

FAIRVIEW AVENUE

HOUGHTON AVENUE

HOUGHTON AVENUE

ALGER AVENUE

FIG LANE

HOAG STREET

WEST STREET

HOAG STREET

WOODSON AVENUE

LINK AVENUE

6TH AVENUE

5TH AVENUE

MEADOWBROOK LANE

PALM AVENUE

4TH AVENUE

CA NORTHERN RAILROAD

CHICAGO AVENUE

2ND STREET

1ST STREET

EAST STREET

PEACH STREET

YOLO STREET

BUTTE STREET

SOLANO STREET

MARIN STREET

SOUTH STREET

3RD STREET

CLUSA STREET

SOUTH AVENUE

KIRKWOOD ROAD

COLUMBIA AVENUE

per Tom Vennard
Cantegraved
Wells

1-18-2012
"G"
EXH.

