



**CITY OF CORNING  
CITY COUNCIL AGENDA**

**TUESDAY, OCTOBER 13, 2009  
CITY COUNCIL CHAMBERS  
794 THIRD STREET**

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

**B. ROLL CALL:**

**Council:**

**Becky Hill  
Ross Turner  
Toni Parkins  
John Leach  
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. ADJOURN TO CLOSED SESSION:**

**CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

**Pursuant to subdivision (b) of Section 54956.9:**

**1 Issue**

**CONFERENCE WITH REAL PROPERTY NEGOTIATOR**

**Pursuant to Section 54956.8**

**Potential Land Acquisition for Parks – Potential Property: APN No. 73-010-02  
(Adjacent to Yost Park).**

**Negotiating Party: City Manager.**

**D. RECONVENE AND REPORT ON CLOSED SESSION: 7:30 p.m.**

**E. INVOCATION AND PLEDGE OF ALLEGIANCE:**

**F. PROCLAMATIONS, RECOGNITION'S, APPOINTMENTS:**

- 1. Proclamation – October 22, 2009 “Lights on After School” Day and October 18-24, 2009 as Character Counts Week in the City of Corning.** Present to accept the Proclamation will be Beth Birk, Recreation Specialist with SERRF, Tehama County Department of Education.
- 2. Proclamation – October 23 – 31, 2009 “Red Ribbon Week” in the City of Corning.** Tina Zastrow, Prevention Specialist with the Tehama Department of Education will be present to accept.

**G. BUSINESS FROM THE FLOOR:** If there is anyone in the audience wanting to speak on an item not already on tonight's Agenda, if so, please come to the podium, identify yourself and briefly present your information to the Council. **A three-minute time limit will apply unless the Council makes an exception due to special circumstances.** If your matter will require more time or formal action by the Council, the law requires that it be placed on the printed Agenda for a future meeting so that interested members of the public will have the chance to appear and speak on the subject.

**THE CITY OF CORNING IS AN EQUAL OPPORTUNITY EMPLOYER**

- H. **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 December 2, 2008 Special City Council Meeting with any necessary corrections.
  5. September 2009 Wages and Salaries - \$354,223.41.
  6. September 2009 - Treasurer's Report.
  7. October 7, 2009 Claim Warrant - \$405,676.20.
  8. Business License Report – October 2009.
  9. September 2009 Building Permit Valuation - \$108,397.94.
  10. City of Corning Wastewater Operation Summary Report – August 2009.
  11. Approve Resolution 10-13-09-01 Waiving the Required Sixty-Day Notification for the Corning HealthCare District's Property Lease to the County.
  12. Appointment to Coordinated AB-3030 Groundwater Management Committee.
- I. **ITEMS REMOVED FROM THE CONSENT AGENDA:**
- J. **PUBLIC HEARINGS AND MEETINGS:** Any person may speak on items scheduled for hearing at the time the Mayor declares the Hearing open. **ALL LEGAL NOTICES PUBLISHED IN ACCORDANCE WITH LAW.**
13. Approve Resolution 10-13-09-02, Water Rate Increase for "Construction Water" in the City of Corning".
- K. **REGULAR AGENDA:**
14. Ordinance 628, An Ordinance Regulating Panhandling through the addition of Chapter 9.20 to the Corning Municipal Code. (First Reading)
  15. Resolution No. 10-13-09-03 Approving Participation in Bond Program through California Communities Development Authority to Offset State Taking of Property Tax.
  16. Appropriate Funding for Design and Installation of Signals at Marguerite Avenue and Solano Street.
  17. Initiate Annual Water Rate Increases to Account for Inflation within the City of Corning.
- L. **ITEMS PLACED ON THE AGENDA FROM THE FLOOR:**
- M. **COMMUNICATIONS, CORRESPONDENCE AND INFORMATION:**

**N. REPORTS FROM MAYOR AND COUNCIL MEMBERS:**

- 18. Hill:**
- 19. Turner:**
- 20. Parkins:**
- 21. Leach:**
- 22. Strack:**

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.

**O. ADJOURN TO CLOSED SESSION:**

**PUBLIC EMPLOYMENT:**

**Pursuant to Government Code Section 54957:  
City Manager Evaluation**

**P. RECONVENE AND REPORT ON CLOSED SESSION:**

**Q. ADJOURNMENT!:**

**POSTED: THURSDAY, OCTOBER 8, 2009**

## PROCLAMATION

### OCTOBER 22, 2009 "LIGHTS ON AFTER SCHOOL" DAY and OCTOBER 18-24, 2009 "CHARACTER COUNTS" WEEK

**WHEREAS**, the City of Corning stands firmly committed to quality after-school programs and opportunities because they:

- Provide safe, challenging, engaging and fun learning experiences to help children and youth develop their social, emotional, physical, cultural and academic skills; and
- Support working families by ensuring that children are safe and productive after the regular school day ends; and
- Build stronger communities by involving our students, parents, business leaders and adult volunteers in the lives of our young people, thereby promoting positive relationships among children, youth, families and adults; and
- Promote the benefits of character education and good ethical decision-making through lessons about Respect, Citizenship, Caring, Responsibility, Trustworthiness and Fairness.

**WHEREAS**, the SERRF After-school Program has provided significant leadership in the area of community involvement and character development in the education and well being of our youth, grounded in the principle that quality after-school programs are the key to helping our children become successful adults.

**WHEREAS**, "Lights on Afterschool", a national celebration of after-school programs on October 22nd, and **Character Counts!** Week, October 18-24, 2009 promotes the critical importance of quality after-school programs and character development in the lives of children to benefit their families and their communities.

**NOW, THEREFORE BE IT RESOLVED** that the City Council of the City of Corning urges the citizens of Corning to ensure that every child has access to a safe, engaging place where the "lights are on" afterschool and positive character development is taught.

**BE IT FURTHER RESOLVED**, that I, Gary R. Strack, as Mayor of the City of Corning, enthusiastically endorse LIGHTS ON AFTERSCHOOL and CHARACTER COUNTS and am committed to innovative afterschool programs and activities that ensure that the lights stay on and the doors stay open for all children after school.

**IN WITNESS WHEREOF**, I have hereunto set my hand and caused the Great Seal of the City of Corning to be affixed this 13<sup>h</sup> day of October 2009.

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**Gary R. Strack, Mayor**

**ATTEST:**

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**Lisa M. Linnet, City Clerk**

**PROCLAMATION  
RED RIBBON WEEK  
OCTOBER 23-31, 2009**

**WHEREAS**, Cities across California have been plagued by the numerous problems associated with alcohol, tobacco and other drug use; and

**WHEREAS**, there is hope in winning the War on Drugs, and the hope lies in the hard work and determination of our communities to create a drug free environment; and

**WHEREAS**, local leaders, in government and in the community, know that the support of the people in the neighborhoods is the most effective tool they can have in their efforts to reduce use of alcohol, tobacco, and other drugs by Californians; and

**WHEREAS**, success will not occur overnight, our patience and continued commitment to drug education and prevention are imperative; and

**WHEREAS**, the red ribbon was chosen as a symbol commemorating the work of Enrique "Kiki" Camarena, a Drug Enforcement Administration Agent, who was murdered in the line of duty and has come to represent the belief that one person CAN make a difference; and

**WHEREAS**, the Red Ribbon Campaign was established by Congress in 1988 to promote this belief and encourage a drug-free lifestyle and involvement in drug prevention efforts; and

**WHEREAS**, October 23-31, 2009 has been designated Red Ribbon Week calling on all Californians and Tehama County residents to show their support for a drug-free state by wearing a red ribbon and participating in drug-free activities during that week;

**NOW, THEREFORE** I, Gary R. Strack, as Mayor of the City of Corning, **DO HEREBY PROCLAIM OCTOBER 23-31, 2009 AS "RED RIBBON WEEK"** and encourage all citizens to participate in alcohol, tobacco and other drug prevention programs and activities, making a visible statement that we are strongly committed to a drug-free state.

**IN WITNESS WHEREOF**, I have hereunto set my hand and cause the Great Seal of the City of Corning to be affixed this 13<sup>th</sup> day of October 2009.

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**Gary R. Strack, Mayor**

**ATTEST:**

---

**Lisa M. Linnet, City Clerk**



**CITY OF CORNING****SEPTEMBER 2009****TREASURERS REPORT**

<b>AGENCY</b>	<b>BALANCE</b>	<b>RATE</b>	<b>MATURES ON</b>
LOCAL AGENCY INVESTMENT FUND	2,044,265.27	1.51	
PREMIER WEST BANK	195,518.31	1.78	03/28/10
PREMIER WEST BANK	175,251.39	1.78	04/20/10
<b>TRUST ACCOUNTS</b>			
PREMIER WEST BANK RIDELL TRUST	206,049.43	2.52	06/13/10

Respectfully Submitted

Pala Cantrell  
City Treasurer



# MEMORANDUM

**TO:** HONORABLE MAYOR AND COUNCIL MEMBERS

**FROM:** LORI SIMS  
ACCOUNTING TECHNICIAN

**DATE:** October 7, 2009

**SUBJECT:** Cash Disbursement Detail Report for the  
Tuesday, October 13, 2009 Council Meeting

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**PROPOSED CASH DISBURSEMENTS FOR YOUR APPROVAL CONSIST OF THE FOLLOWING:**

A.	Cash Disbursements	Ending	09-30-09	\$	111,817.69
B.	Payroll Disbursements	Ending	09-29-09	\$	78,322.95
C.	Cash Disbursements	Ending	10-07-09	\$	169,620.30
D.	Payroll Disbursements	Ending	10-07-09	\$	45,915.26

**GRAND TOTAL**     \$ 405,676.20

Check Number	Check Date	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information-Description
009356	09/17/09	BILL'S TREE SERVICE	14782.00	.00	14782.00	090916	TREE PRUNING-STR PROJ
009357	09/23/09	ATT13 AT&T	721.63	.00	721.63	090911	COMMUNICATIONS-
009358	09/23/09	BAS01 BASIC LABORATORY, INC	86.00	.00	86.00	0908753	ProfServices Water Dept
009359	09/23/09	BEN01 BENBOW, W.B.	9556.63	.00	9556.63	90920	TELEMETRY-WTR CAP IMPROV
009360	09/23/09	CLE04 CLEMENTI, MARK A., PH.D.	585.00	.00	585.00	090910	ProfServices-DISPATCH
009361	09/23/09	FED01 FEDERAL EXPRESS	45.94	.00	45.94	933546298	OFFICE SUPPLIES-CITY ADMI
009362	09/23/09	GAY02 GAYNOR TELESYSTEMS, INC	810.32	.00	810.32	000012703	COMMUNICATIONS-GEN CITY
009363	09/23/09	KOE01 KOEFRAN	250.00	.00	250.00	541849	PROF SVCS-ACO
009364	09/23/09	LAS03 LASER "RENEW" ZIT	64.90	.00	64.90	14933	OFFICE SUPPLIES-POLICE
009365	09/23/09	LEA02 LEAGUE OF CA CITIES	50.00	.00	50.00	99502	ASSOC DUES-CITY COUNCIL
009366	09/23/09	LIN02 LINNETS TIRE SHOP	430.91	.00	430.91	49163	Veh Opr/Maint-POLICE
009367	09/23/09	NAT13 NATIONWIDE FINANCIAL	5200.00	.00	5200.00	1041	FIRE SERVICE AWARD-FIRE
009368	09/23/09	NEX02 NEXTEL	397.12	.00	397.12	086319094	COMMUNICATIONS-POLICE
009369	09/23/09	OFF01 OFFICE DEPOT	193.19	.00	193.19	488245813	Office Supplies Policedis
009370	09/23/09	REV01 REVIVAL ANIMAL HEALTH	383.95	.00	383.95	90038237	MAT & SUPPLIES-ACO
009371	09/23/09	SHA09 SHANE'S AUTO ACCESSORIES	133.00	.00	133.00	0030477	VEH OP/MAINT-POLICE
009372	09/23/09	TBS01 TBS PETROLEUM L.L.C.	198.94	.00	198.94	09000007	VEH OP/MAINT-POLICE
009373	09/23/09	WES02 WESTERN BUSINESS PRODUCTS	39.97	.00	39.97	020158	Equip.Maint.-FIRE
009374	09/28/09	HOO01 TERRY HOOFARD	51.93	.00	51.93	090928	MAT & SUPPLIES-BLD MAINT
009375	09/29/09	ACC00 ACCESS INFORMATION	40.00	.00	40.00	54018	EQUIP MAINT-GEN CITY
009376	09/29/09	BAS01 BASIC LABORATORY, INC	86.00	.00	86.00	0908993	ProfServices Water Dept
009377	09/29/09	CHI03 CHIEF SUPPLY	488.83	.00	488.83	295181	SAFETY ITEMS-POLICE
009378	09/29/09	CLA01 CLARKS DRUG STORE	22.72	.00	22.72	31399	MAT & SUPPLIES-CITY COUNC
009379	09/29/09	COM01 COMPUTER LOGISTICS, INC	45.47	.00	45.47	46822	MAT & SUPPLIES-BLD MAINT
009380	09/29/09	COR11 CORNING SAFE & LOCK	2.11	.00	2.11	2542	MAT & SUPPLIES-BLD MAINT

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Description	Payment Information
009380	09/29/09	COR11	CORNING SAFE & LOCK	43.30	.00	43.30	2544	MAT & SUPPLIES-BLD MAINT	
Check Total.....				45.41	.00	45.41			
009381	09/29/09	COR12	CORNING FORD MERCURY, INC	50.76	.00	50.76	16359	Veh Opr/Maint-WTR	
009382	09/29/09	COR20	CORNING ELECTRONICS	59.49	.00	59.49	10083581	MAT & SUPPLIES-POLICE	
009383	09/29/09	DAY03	DAY WIRELESS SYSTEMS	55.00	.00	55.00	959183	COMMUNICATIONS-POLICE	
009384	09/29/09	DEP16	DEPT OF PUBLIC HEALTH	5744.09	.00	5744.09	0960681	REQ PYMTS STATE-WTR	
009385	09/29/09	LNC01	LN CURTIS & SONS	252.02	.00	252.02	117753500	VEH OP/MAINT-FIRE	
				172.71	.00	172.71	117993300	SM TOOLS-FIRE	
Check Total.....				424.73	.00	424.73			
009386	09/29/09	MCD01	MCDANIEL SIGN COMPANY	43.30	.00	43.30	3031	MAT & SUPPLIES-BLD MAINT	
				178.61	.00	178.61	3039	MAT & SUPPLIES-BLD MAINT	
				81.19	.00	81.19	3041	MAT & SUPPLIES-BLD MAINT	
Check Total.....				303.10	.00	303.10			
009387	09/29/09	MOO01	MOORES AWARD CENTER	30.58	.00	30.58	74630	MAT & SUPPLIES-REC	
009388	09/29/09	NOR35	NORTHGATE ROCK COMPANY	270.00	.00	270.00	47246	A/C CITYWIDE-STR PROJ	
009389	09/29/09	PAC16	PACIFIC TELEMANAGEMENT SE	38.00	.00	38.00	145806	COMMUNICATIONS-GEN CITY	
009390	09/29/09	PGE01	PG&E	34648.59	.00	34648.59	091809	Electricity General City	
009391	09/29/09	PGE2A	PG&E	49.11	.00	49.11	090916	ELECT-BLUE HERON CT	
009392	09/29/09	RAR01	ROLLS, ANDERSON & ROLLS	3266.05	.00	3266.05	7081	PROF SVCS-ENG SVCS	
009393	09/29/09	SUN01	SUNRISE ENVIRONMENTAL	95.74	.00	95.74	90483	VEH OP/MAINT-	
009394	09/29/09	TEH01	TEHAMA ASPHALT	8426.55	.00	8426.55	3221	A/C CITYWIDE-STR PROJ	
009395	09/29/09	UNI02	UNIFORMS, TUXEDOS & MORE	75.02	.00	75.02	88719	UNIFORMS/CLOTH-POLICE	
009396	09/29/09	USA01	USA BLUE BOOK	468.15	.00	468.15	895954	MAT & SUPPLIES-WTR	
				169.83	.00	169.83	896073	MAT & SUPPLIES-WTR	
				467.01	.00	467.01	898097	MAT & SUPPLIES-WTR	
Check Total.....				1104.99	.00	1104.99			
009397	09/29/09	USB01	US BANCORP	839.99	.00	839.99	134072149	Rents/Leases-GEN CITY	

REPORT.: Sep 30 09 Wednesday  
 RUN....: Sep 30 09 Time: 13:12  
 Run By.: LORI

CITY OF CORNING  
 Cash Disbursement Detail Report  
 Check Listing for 09-09 Bank Account.: 1020

PAGE: 003  
 ID #: PY-DP  
 CTL.: COR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
009398	09/29/09	WAR03	WARD'S CONCRETE, INC	2482.09	.00	2482.09	8C CONTRA	MAT & SUPPLIES-STR
009399	09/29/09	WAR04	WARREN, GLORIA	513.00	.00	513.00	090928	REC INSTRUCTOR-REC
009400	09/30/09	CAM02	CAMELLIA VALLEY SUPPLY	2484.81	.00	2484.81	0724211	MAT & SUPPLIES-
009401	09/30/09	COR12	CORNING FORD MERCURY, INC	34.60	.00	34.60	114299	Veh Opr/Maint-POLICE
				676.72	.00	676.72	114477	Veh Opr/Maint-POLICE
			Check Total.....:	711.32	.00	711.32		
009402	09/30/09	DEP03	DEPT OF TRANS/CAL TRANS	97.32	.00	97.32	185723	Equip.Maint. St&Trf Light
009403	09/30/09	EXO00	EXOTIC CAR AUDIO OR	136.25	.00	136.25	38719	VEH OP/MAINT-POLICE
				245.25	.00	245.25	38720	VEH OP/MAINT-POLICE
			Check Total.....:	381.50	.00	381.50		
009404	09/30/09	LN001	LN CURTIS & SONS	212.83	.00	212.83	117753501	VEH OP/MAINT-FIRE
009405	09/30/09	NAP01	NAPA AUTO PARTS	34.89	.00	34.89	090924F	Veh Opr/Maint-FIRE
009406	09/30/09	NOR35	NORTHGATE ROCK COMPANY	405.00	.00	405.00	44493	A/C CITYWIDE-STR PROJ
				337.50	.00	337.50	46442	A/C CITYWIDE-STR PROJ
			Check Total.....:	742.50	.00	742.50		
009407	09/30/09	OFF01	OFFICE DEPOT	64.21	.00	64.21	113364774	EQUIP MAINT-POLICE
009408	09/30/09	PGE2B	PG&E	7671.51	.00	7671.51	090923	ELECT-WWTP
009409	09/30/09	TEC00	TECH DEPOT	5684.48	.00	5684.48	0913157V1	OTS GRANT-OTHER DIR COSTS
				545.58	.00	545.58	0913157V2	OTS GRANT-OTHER DIR COSTS
			Check Total.....:	6230.06	.00	6230.06		
			Cash Account Total.....:	111817.69	.00	111817.69		
			Total Disbursements.....:	111817.69	.00	111817.69		
			Cash Account Total.....:	.00	.00	.00		

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Description	Payment Information
4162	09/24/09	BAN03	POLICE OFFICER ASSOC.	350.00	.00	350.00	A90922	POLICE OFFICER ASSOC	
4163	09/24/09	CAL37	CALIFORNIA STATE DISBURSE	138.46	.00	138.46	A90922	WITHHOLDING ORDER	
4164	09/24/09	EDD01	EMPLOYMENT DEVELOPMENT	3690.19	.00	3690.19	A90922	STATE INCOME TAX	
				1205.41	.00	1205.41	1A90922	SDI	
			Check Total.....	4895.60	.00	4895.60			
4165	09/24/09	ICM01	ICMA RETIREMENT TRUST-457	3516.98	.00	3516.98	A90922	ICMA DEF. COMP	
4166	09/24/09	OEU03	OPERATING ENGINEERS	800.00	.00	800.00	A90922	CREDIT UNION SAVINGS	
4167	09/24/09	PERS1	PUBLIC EMPLOYEES RETIRE	29240.56	.00	29240.56	A90922	PERS PAYROLL REMITTANCE	
4168	09/24/09	PERS4	Cal Pers 457 Def. Comp	577.75	.00	577.75	A90922	PERS DEF. COMP.	
4169	09/24/09	PRE03	PREMIER WEST BANK	3223.50	.00	3223.50	A90922	HSA DEDUCTIBLE	
4170	09/24/09	TEH15	TEHAMA CO SHERIFF'S DEPT	589.71	.00	589.71	A90922	WAGE ASSN # 43462	
4171	09/24/09	VAL06	VALIC	1967.75	.00	1967.75	A90922	AIG VALIC P TAX	
4172	09/29/09	AFL01	AMERICAN FAMILY LIFE	1826.52	.00	1826.52	A90930	AFLAC INS. PRE TAX	
				101.74	.00	101.74	1A90930	AFLAC INS. AFTER TAX	
			Check Total.....	1928.26	.00	1928.26			
4173	09/29/09	BLU02	BLUE SHIELD OF CALIFORNIA	13244.00	.00	13244.00	A90930	MEDICAL INSURANCE	
4174	09/29/09	CIT01	CITY OF CORNING	6.00	.00	6.00	A90930	CHGS FOR WAGE ATCHMT	
4175	09/29/09	OEU01	OPERATING ENGINEERS #3	11046.00	.00	11046.00	A90930	MEDICAL INSURANCE	
4176	09/29/09	OEU02	OPERATING ENG. (DUES)	215.00	.00	215.00	A90930	UNION DUES MGMT	
				559.00	.00	559.00	1A90930	UNION DUES POLICE	
				240.00	.00	240.00	2A90930	UNION DUES DISPATCH	
				600.00	.00	600.00	3A90930	UNION DUES-MISC	
			Check Total.....	1614.00	.00	1614.00			
4177	09/29/09	PRI04	PRINCIPAL	3410.32	.00	3410.32	A90930	DENTAL INSURANCE	
				622.56	.00	622.56	1A90930	VISION INSURANCE	
			Check Total.....	4032.88	.00	4032.88			
4178	09/29/09	TRA03	TRANSAMERICA LIFE INS CO.	1151.50	.00	1151.50	A90930	LIFE INSURANCE	
			Cash Account Total.....	78322.95	.00	78322.95			
			Total Disbursements.....	78322.95	.00	78322.95			

REPORT.: Oct 07 09 Wednesday CITY OF CORNING PAGE: 001  
 RUN....: Oct 07 09 Time: 14:05 Cash Disbursement Detail Report ID #: PY-DP  
 Run By.: LORI Check Listing for 10-09 Bank Account.: 1020 CTL.: COR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Description
009419	10/01/09	BRE01	BREWER, JOHN	400.00	.00	400.00	000A910011	VEH OP/MAINT-
009420	10/01/09	CAR03	CARDENAS, ANTHONY	400.00	.00	400.00	000A910011	ProfServices PoliceServic
009421	10/01/09	COR07	CORBIN WILLIITS SYSTEMS	729.72	.00	729.72	000A910011	Finance Dept.
009422	10/01/09	COR09	CORNING CHAMBER OF COMM.	1000.00	.00	1000.00	000A910011	CngChamberComm. Economic
009423	10/01/09	HAL05	HALL, ROBERT	104.70	.00	104.70	000A910011	ProfServices FireDepartme
009424	10/01/09	KEN00	KEN VAUGHAN & SONS	904.17	.00	904.17	000A910011	Landscape Maint-Parks
009425	10/01/09	KEN01	KEN VAUGHAN & SONS	800.00	.00	800.00	000A910011	Janitorial
009426	10/01/09	PIT01	PITNEY BOWES	241.84	.00	241.84	000A910011	Rents/Leases Finance Dept
009427	10/01/09	S&L00	S & L BREWER ENTERPRISES	200.00	.00	200.00	000A910011	K-9 PROGRAM-POLICE
009428	10/01/09	TLD01	TEDC	208.33	.00	208.33	000A910011	Economic Davel
009429	10/01/09	TOM03	TOMLINSON JR., ROBERT L.	54.70	.00	54.70	000A910011	Prof. Svcs.-Fire Dept.
009430	10/01/09	RED02	RED BLUFF POLICE DEPT	883.02	.00	883.02	090930	OTS GRANT-ALLIED AGENCIES
009431	10/01/09	TEH15	TEHAMA CO SHERIFF'S DEPT	576.76	.00	576.76	090930	OTS GRANT-ALLIED AGENCIES
009432	10/01/09	TEH34	TEHAMA COUNTY PROBATION D	942.94	.00	942.94	090930	OTS GRANT-ALLIED AGENCIES
009433	10/05/09	BAS01	BASIC LABORATORY, INC	114.00	.00	114.00	0909203	ProfServices Water Dept
009434	10/05/09	COR01	CORNING VETERINARY	430.55	.00	430.55	22615	ProfServices-ACO
009435	10/05/09	COR08	CORNING LUMBER CO INC	307.13	.00	307.13	090925	Mat/Supplies-
009436	10/05/09	COR12	CORNING FORD MERCURY, INC	919.58	.00	919.58	114247	Veh Opr/Maint-POLICE
009437	10/05/09	FIT01	FITZPATRICK LAW OFFICES	419.93	.00	419.93	091001	City Attny Srvs LegalServ
009438	10/05/09	HAT10	HATFIELD'S	338.85	.00	338.85	090925	Mat/Supplies-
009439	10/05/09	JES10	JESSEE HEATING & AIR, INC	97.00	.00	97.00	48626	BLD MAINT-TRANS FAC
009440	10/05/09	KNI00	KNIFE RIVER CONSTRUCTION	655.07	.00	655.07	101421	MAT & SUPPLIES-
009441	10/05/09	LIN02	LINNETS TIRE SHOP	30.00	.00	30.00	49174	MAT & SUPPLIES-POLICE
009442	10/05/09	MCC01	MCCOY'S HARDWARE & SUPPLY	933.96	.00	933.96	090925	MAT & SUPPLIES-
009443	10/05/09	MGT00	MGT OF AMERICA, INC.	750.00	.00	750.00	18145	PROF SVCS-FINANCE

REPORT.: Oct 07 09 Wednesday  
 RUN....: Oct 07 09 Time: 14:05  
 Run By.: LORI

CITY OF CORNING  
 Cash Disbursement Detail Report  
 Check Listing for 10-09 Bank Account.: 1020

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

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
009444	10/05/09	NAP01	NAPA AUTO PARTS	554.42	.00	554.42	090924	Veh Opr/Maint-
009445	10/05/09	NEX01	NEXTEL COMMUNICATIONS	448.31	.00	448.31	090929	COMMUNICATIONS-
009446	10/05/09	NOR03	NCCSIF	27648.50	.00	27648.50	2010146	WORKMENS COMP-GEN CITY
009447	10/05/09	PGE01	PG&E	222.13	.00	222.13	090928	ELECT-SWR
009448	10/05/09	SEI01	SEILLER, ROY R., CPA	3019.50	.00	3019.50	23489	ProfServices Finance Dept
009449	10/05/09	TEH13	TEHAWA CO AUDITOR	34.00	.00	34.00	091001	PkngCiteToCnty PoliceServ
009450	10/05/09	VAL07	VALLEY VETERINARY CLINIC	151.06	.00	151.06	54971	K-9 PROGRAM-POLICE
009451	10/05/09	WAS01	WASTE MANAGEMENT OF	101711.79	.00	101711.79	090930	WASTE MGMT PYMT-SOLID WAS
009452	10/05/09	XER00	XEROX CORPORATION	269.23	.00	269.23	043399775	EQUIP MAINT-POLICE
009453	10/06/09	AND01	ED ANDERSON	2215.00	.00	2215.00	091001	SIGNAL IMPROVEMENTS
009454	10/06/09	AND03	ANDERS, JOANN	70.00	.00	70.00	09-209	GRANT ADM-HOUSING ELEMENT
			Check Total.....	420.00	.00	420.00	09-2010	PROF SVCS ADM-HOUSING REH
009455	10/06/09	ARA02	ARAMARK UNIFORM SRV. INC.	28.75	.00	28.75	4240558	Mat/Supplies-
			Check Total.....	28.75	.00	28.75	4245960	Mat/Supplies-
			Check Total.....	36.45	.00	36.45	4249051	Mat/Supplies-
009456	10/06/09	BAT01	BATTERIES PLUS	103.89	.00	103.89	108948	MAT & SUPPLIES-FIRE
			Check Total.....	35.71	.00	35.71	109902	COMMUNICATIONS-POLICE
009457	10/06/09	CAM02	CAMELLIA VALLEY SUPPLY	139.60	.00	139.60		
			Check Total.....	160.43	.00	160.43	0725311	MAT & SUPPLIES-WTR
			Check Total.....	587.97	.00	587.97	0725659	MAT & SUPPLIES-WTR
009458	10/06/09	CHE02	CHEM QUIP, INC.	748.40	.00	748.40		
			Check Total.....	1007.80	.00	1007.80	2060439IN	MAT & SUPPLIES-WTR
009459	10/06/09	COM01	COMPUTER LOGISTICS, INC	24.00	.00	24.00	46912	COMMUNICATIONS-FIRE
009460	10/06/09	COR01	CORNING VETERINARY	210.00	.00	210.00	22617	SPAY/NEUTER VOUCHER PROGR
009461	10/06/09	COR03	CORNING RENTALS	400.00	.00	400.00	31906	A/C CITYWIDE-STR PROJ

REPORT.: Oct 07 09 Wednesday  
 RUN.....: Oct 07 09 Time: 14:05  
 Run By.: LORI

CITY OF CORNING  
 Cash Disbursement Detail Report  
 Check Listing for 10-09 Bank Account.: 1020

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 ID #: FY-DP  
 CTL.: COR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Description	Payment Information
009461	10/06/09	COR03	CORNING RENTALS	215.00	.00	215.00	31924	A/C CITYWIDE-STR PROJ	
				200.00	.00	200.00	31944	A/C CITYWIDE-STR PROJ	
				400.00	.00	400.00	31967	A/C CITYWIDE-STR PROJ	
			Check Total.....	1215.00	.00	1215.00			
009462	10/06/09	HOL04	HOLIDAY MARKET #32	8.28	.00	8.28	31894	Mat/Supplies BuildingMain	
009463	10/06/09	NAT03	NAT'L ANIMAL CONTROL ASSN	35.00	.00	35.00	091005	TRAINING/ED-ACO	
009464	10/06/09	NOR25	NORTHERN LIGHTS ENRGY, INC	3251.98	.00	3251.98	9503	VEH OP/MAINT-	
				2102.04	.00	2102.04	9545	MAT & SUPPLIES-	
				127.69	.00	127.69	9546	VEH OP/MAINT-FIRE	
			Check Total.....	5481.71	.00	5481.71			
009465	10/06/09	PGE04	PG&E	694.23	.00	694.23	090929	TransFacility-	
009466	10/06/09	PGE05	PG&E	1834.05	.00	1834.05	090929	FIRE-ELECT & GAS	
009467	10/06/09	PGE2A	PG&E	125.36	.00	125.36	090929	ELECT-MARTINI, MCDONALD &	
				81.84	.00	81.84	090930	ELECT-CLELAND PROP	
			Check Total.....	207.20	.00	207.20			
009468	10/06/09	REY01	REYNOLDS, DONALD C.P.A	750.00	.00	750.00	22642	PROF SVCS-FINANCE	
				300.00	.00	300.00	22692	PROF SVCS-FINANCE	
				3500.00	.00	3500.00	22846	PROF SVCS-FINANCE	
			Check Total.....	4550.00	.00	4550.00			
009469	10/06/09	TEH15	TEHAMA CO SHERIFF'S DEPT	24.50	.00	24.50	091001	PROF SVCS-DISPATCH	
009470	10/06/09	THO01	THOMES CREEK ROCK CO	1210.07	.00	1210.07	091001	Mat/Supplies-	
009471	10/06/09	USA01	USA BLUE BOOK	89.63	.00	89.63	902431	MAT & SUPPLIES-WTR	
009472	10/07/09	AIR00	AIRGAS NCN	43.38	.00	43.38	102796706	MAT & SUPPLIES / FIRE	
009473	10/07/09	AT&T	AT&T	1207.10	.00	1207.10	881083	COMMUNICATIONS	
009474	10/07/09	CAL35	CALIFORNIA BUILDING STAND	28.80	.00	28.80	091007	SB 1473 / BLDG & SAFETY	
009475	10/07/09	COM01	COMPUTER LOGISTICS, INC	303.72	.00	303.72	46844	Equip.Maint. GEN CITY	
				24.00	.00	24.00	46911	COMMUNICATIONS	
				27.00	.00	27.00	46913	COMMUNICATIONS	
				19.00	.00	19.00	46942	Equip.Maint. GEN CITY	
				116.67	.00	116.67	46967	COMMUNICATIONS / POLICE	

CITY OF CORNING  
 Cash Disbursement Detail Report  
 Check Listing for 10-09 Bank Account.: 1020

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
Check Total.....:				490.39	.00	490.39		
009476	10/07/09	DEP12	DEPT OF JUSTICE	350.00	.00	350.00	755774	PROF/SRVCS-POLICE
009477	10/07/09	PGE03	PG&E	20.75	.00	20.75	090930	Mat/Supplies PoliceServic
009478	10/07/09	QUI02	QUILL CORPORATION	586.42	.00	586.42	9681423	Office Supplies
009479	10/07/09	TRI02	TRI-COUNTY NEWSPAPERS	66.94	.00	66.94	82126	Print/Advert. City Clerk
				84.00	.00	84.00	82665	Print/Advert. City Clerk
Check Total.....:				150.94	.00	150.94		
009480	10/07/09	USA03	USA MOBILITY WIRELESS, INC	32.91	.00	32.91	S0159912J	COMMUNICATIONS/ POLICE
Cash Account Total.....:				169620.30	.00	169620.30		
Total Disbursements.....:				169620.30	.00	169620.30		
Cash Account Total.....:				.00	.00	.00		

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Description	Payment Information
4181	10/07/09	BAN03	POLICE OFFICER ASSOC.	350.00	.00	350.00	A91006	POLICE OFFICER ASSOC	
4182	10/07/09	CAL37	CALIFORNIA STATE DISBURSE	138.46	.00	138.46	A91006	WITHHOLDING ORDER	
4183	10/07/09	EDD01	EMPLOYMENT DEVELOPMENT	3712.64	.00	3712.64	A91006	STATE INCOME TAX	
				1176.60	.00	1176.60	1A91006	SDI	
			Check Total.....:	4889.24	.00	4889.24			
4184	10/07/09	ENL01	ENLOE MEDICAL CENTER	725.00	.00	725.00	A91006	ENLOE FLIGHTCARE	
4185	10/07/09	ICM01	ICMA RETIREMENT TRUST-457	3516.98	.00	3516.98	A91006	ICMA DEF. COMP	
4186	10/07/09	OEU03	OPERATING ENGINEERS	625.00	.00	625.00	A91006	CREDIT UNION SAVINGS	
4187	10/07/09	PERS1	PUBLIC EMPLOYEES RETIRE	29311.87	.00	29311.87	A91006	PERS PAYROLL REMITTANCE	
4188	10/07/09	PERS4	Cal Pers 457 Def. Comp	714.50	.00	714.50	A91006	PERS DEF. COMP.	
4189	10/07/09	PRE03	PREMIER WEST BANK	3086.75	.00	3086.75	A91006	HSA DEDUCTIBLE	
4190	10/07/09	TEH15	TEHAMA CO SHERIFF'S DEPT	589.71	.00	589.71	A91006	WAGE ASSN # 43462	
4191	10/07/09	VAL06	VALIC	1967.75	.00	1967.75	A91006	AIG VALIC P TAX	

Cash Account Total.....: 45915.26  
 Total Disbursements.....: 45915.26  
 =====

Date.: Oct 7, 2009  
 Time.: 2:28 pm  
 Run by: LORI

CITY OF CORNING  
 NEW BUSINESSES FOR CITY COUNCIL

Page.: 1  
 List.: NEWB  
 Group: WTFWB

Business Name	Address	CITY/STATE/ZIP	Contact Name	Business Desc. #1	Business Start Date	Primary Teleph
EASTER, JENNY	343 LA MESA CT	CORNING, CA 96021	EASTER	AUTO TRANSPORTING	10/02/09	(530)514-0208
HOUSE OF BREWS (COFF	1723 SOLANO ST	CORNING, CA 96021	HOLDEN	COFFEE SALES	10/05/09	(530)824-0996
JAVA LANES	2075 SOLANO ST	CORNING, CA 96021	MARTINI	BOWLING ALLEY	09/24/09	(530)824-3500
MR. BUBBLES DETAIL S	2046 SOLANO ST	CORNING, CA 96021	MADRIGAL	DETAIL & WASH CARS CLEAN UP & WAX	10/02/09	(650)630-1452
THE POCKET CAFE	2075 SOLANO ST	CORNING, CA 96021	MATHISEN	FOOD SERVICE (BREAKFAST, LUNCH, & DINNER	10/02/09	(530)824-3500
ST. FRANCIS ELECTRIC	AMERICAN RIVER DR	SAN LEANDRO, CA 94577	SPINARDI	CONTRACTOR - ELECTRIC	09/24/09	(510)639-0639
TEICHERT CONSTRUCTIO	3500 MARGUERITE AVE	SACRAMENTO, CA 95864	& SON INC.	A. TEICH CONTRACTOR	09/24/09	(916)484-3011
WALDOW ROOFING	1336 MARGUERITE AVE	CORNING, CA 96021	WALDOW	GILBERT CONTRACTOR - ROOFING	09/24/09	(530)824-2349

PERMITS ISSUED (sort by Permit #)

Item No. : H-9

For the Period 9/1/2009 thru 9/30/2009

Owner and Address	Parcel Number	Issued On	Valuation
PAM COMPANIES 2151 FIG LN CORNING CA 96021 <b>Permit Description:</b> UPGRADE TO ADA PATHS & STAIRS	7125031 <b>Site Street Address:</b> 2151 FIG LN	9/2/2009	41,000.00
BRANDON MARTIN 918 FOURTH ST CORNING CA 96021 <b>Permit Description:</b> REPLACE WATER SERVICE MAIN	7117306 <b>Site Street Address:</b> 918 FOURTH ST	9/3/2009	200.00
MONA MILLER 1315 MARIN ST CORNING CA 96021 <b>Permit Description:</b> REPLACE SUB PANEL & DRYWALL & PAINTING	7117103 <b>Site Street Address:</b> 1315 MARIN ST	9/9/2009	5,000.00
JANICE MCBRIEN 2039 DONAVAN AVE CORNING CA 96021 <b>Permit Description:</b> FRONT-SIDE & FRONT FENCE 4'	7120419 <b>Site Street Address:</b> 2039 DONAVAN AVE	9/9/2009	500.00
DANNY MORGAN 1313 NORTH ST CORNING CA 96021 <b>Permit Description:</b> PHOTOVALACTIC SOLAR SYSTEM	7105103 <b>Site Street Address:</b> 1313 NORTH ST	9/9/2009	12,972.90
LOUIE DAVIES 911 SOLANO ST CORNING CA 96021 <b>Permit Description:</b> METAL COVERED AWNING	7306405 <b>Site Street Address:</b> 911 SOLANO ST	9/10/2009	1,200.00
DOUG HANSEN 587 EL VARANO AVE CORNING CA 96021 <b>Permit Description:</b> REPLACE PLUMBING,W,H, SHOWER, ETC.	7305211 <b>Site Street Address:</b> 587 EL VARANO AVE	9/11/2009	6,575.04

**CITY OF CORNING**  
**PERMITS ISSUED (sort by Permit #)**  
**For the Period 9/1/2009 thru 9/30/2009**

<b>Owner and Address</b>	<b>Parcel Number</b>	<b>Issued On</b>	<b>Valuation</b>
GARY STRACK 811 BUTTE ST CORNING CA 96021 <b>Permit Description:</b> REPLACE SIDING & REPAIR DRY ROT	7304603 <b>Site Street Address:</b> 811 BUTTE ST	9/15/2009	500.00
RONALD LARRANCE 305 FIFTH ST CORNING CA 96021 <b>Permit Description:</b> ADD 2ND LAYER OF COMP. TO GARAGE	7115301 <b>Site Street Address:</b> 305 FIFTH ST	9/17/2009	400.00
NARESH PATEL 3475 HWY 99W CORNING CA 96021 <b>Permit Description:</b> REPLACE 2 SIGN FACES & 1 CABINET SIGN	8710059 <b>Site Street Address:</b> 3475 HWY 99W	9/18/2009	22,400.00
LORETTA HENDERSON 911 PRUNE ST CORNING CA 96021 <b>Permit Description:</b> TEAR OFF & REROOF	7308402 <b>Site Street Address:</b> 911 PRUNE ST	9/18/2009	0.00
JASWINDER K. CHATHA 2185 SOLANO ST CORNING CA 96021 <b>Permit Description:</b> REPAIR FRAMING, DRYALL & STUCCO	7114033 <b>Site Street Address:</b> 2185 SOLANO ST	9/21/2009	1,500.00
ANTONIO HERNANDEZ 1356 SIXTH ST CORNING CA 96021 <b>Permit Description:</b> INSTALL 6' BACK YARD FENCE	7123402 <b>Site Street Address:</b> 1356 SIXTH ST	9/28/2009	500.00
ALFRED GARCIA 1206 FIRST ST CORNING CA 96021 <b>Permit Description:</b> REMOVE & RECONSTRUCT LAUNDRY ROOM	7313310 <b>Site Street Address:</b> 1206 FIRST ST	9/28/2009	5,200.00
CITY OF CORNING 1081 SOLANO ST CORNING CA 96021 <b>Permit Description:</b> REMOVE WALL, ADD WALL & LIGHT	7101006 <b>Site Street Address:</b> 1081 SOLANO ST	9/28/2009	450.00

CITY OF CORNING  
PERMITS ISSUED (sort by Permit #)  
For the Period 9/1/2009 thru 9/30/2009

Owner and Address	Parcel Number	Issued On	Valuation
DAVE LINNET 474 FIRST ST CORNING CA 96021	7303206	9/30/2009	10,000.00
<b>Permit Description:</b> ADD GAME ROOM,LAUNDRY,1/2 BATH & 200 A	<b>Site Street Address:</b> 474 FIRST ST		

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16 Permits Issued from 9/1/2009 Thru 9/30/2009 FOR A TOTAL VALUATION OF \$ 108,397.94  
\*\*\* END OF REPORT \*\*\*

**RECEIVED**

OCT 06 2009

CITY OF CORNING

**CITY OF CORNING  
WASTEWATER OPERATION SUMMARY REPORT  
September 2009**

Below is a summary of the Monthly Operations Report that will be available for City review on September 13, 2009.

- 1) Filled out monthly reports.
- 2) Performed weekly Operator 10 maintenance on all plant equipment.
- 3) Changed flow disk.
- 4) Sent vehicle report to Texas.
- 5) Wasted to thickener.
- 6) Pumped to beds from thickener.
- 7) Changed chart on So3 analyzer.
- 8) Safety meeting
- 9) Cleaned up shop.
- 10) Inspected eyewash and emergency showers.
- 11) Unloaded chlorine truck.
- 12) Cleaned So2 pump.
- 13) Cleaned chlorine building.
- 14) Checked eye wash stations.
- 15) Tested all chlorine and So2 sensors.
- 16) River samples.

- 17) Patterson Elect here installed vent fan in So3 analyzer.
- 18) Cleaned probe at lift station.
- 19) Calibrated So3 analyzer.
- 20) Tested alarms with Fire Dept.
- 21) Mowed lawn.
- 22) Sprayed weeds around plant.
- 23) Cleaned 2 drying beds.
- 24) Changed SO3 probe on analyzer.
- 25) Put up sign for samples points.
- 26) Ordered new chlorine scales.
- 27) New chlorine scales arrived.
- 28) Made SOP for responding to Cl2or So2 leak.
- 29) Received sludge results from FGL.
- 30) Sent sludge results to landfill.
- 31) Got ok from landfill to bring sludge down.
- 32) Notified Carl about sludge he will line up trucks.
- 33) Trucks here hauled off sludge.
- 34) The door company here to fix main gate.
- 35) Patterson Electric here to install lights at SO3 analyzer.
- 36) Checked local landfills to see if any would take sludge.
- 37) Talked to Chris from city about servicing Bob Cat.
- 38) North State installed new #3 aerator.

Total daily plant flow for the month of September 2009 was 698,900 GPD.

Total daily plant flow for the previous month of August 2009 was 710,774 GPD

**September 2009**

Industrial Flow =661,936 GPD  
(Flow into the Bell Carter Ponds)

Domestic Flow =698,900 GPD

**August 2009**

Industrial Flow = 425,041 GPD

Domestic Flow = 710,774 GPD

ITEM NO: H-11  
APPROVE RESOLUTION 10-13-09-01  
WAIVING REQUIRED SIXTY-DAY  
NOTIFICATION FOR THE CORNING  
HEALTHCARE DISTRICT PROPERTY  
LEASE TO THE COUNTY  
OCTOBER 13, 2009

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: STEPHEN J. KIMBROUGH, CITY MANAGER

STEVE

**SUMMARY:**

In the attached letter from County Administrator Williams Goodwin, the County is notifying the City in accordance with State Law, that the County intends to execute a Lease of Corning Healthcare District property at the southeast corner of Solano and Marguerite Avenue. The County plans a new Health and Social Services Facility at that location. The Corning Planning Commission and City Council reviewed the project, and the City Council approved a Parcel Map to make the project possible.

The County is requesting that the City of Corning waive the 60-day notification and response period required by State Law. After working on this project for about two-years the County is now able to move forward and needs to move quickly. State Law permits a wavier by the City Council.

**BACKGROUND:**

Because City Council and the Planning Commission have already thoroughly reviewed this project, including the placing of Conditions of Development upon it, City Staff believes that it is a non-controversial issue, but only the City Council has the authority under State Law to waive the sixty-day period. The waiver will allow the County to move forward quickly and save sixty-days on the project schedule.

Government Code section 25351 provides that:

*(b) Whenever the board of supervisors of a county decides to go out to bid to construct a county building, expand an existing building, expand the use of an existing building, or enter into a lease of an existing building within the incorporated territory of a city, the board shall notify in writing, at least 60 days prior to going to bid or entering into a lease, the city clerk of the city where the building is to be constructed, expanded, or leased.*

*(c) In those instances where the board is exempt from the bidding process, the board shall notify the city clerk in writing, at least 60 days prior to the construction, expansion, or lease of a building.*

*(d) The 60-day notification requirements imposed by subdivisions (b) and (c) may be waived if the city council consents, by resolution, thereto.*

**RECOMMENDATION:**

**MAYOR AND COUNCIL, IN ACCORDANCE WITH GOVERNMENT CODE SECTION 25351, WAIVE THE SIXTY-DAY NOTIFICATION REQUIREMENT IN ORDER TO PERMIT THE COUNTY OF TEHAMA TO ENTER INTO A LEASE WITH CORNING HEALTHCARE DISTRICT TO BUILD HEALTH AND SOCIAL SERVICES FACILITIES IN CORNING.**

**RESOLUTION NO. 10-13-09-01**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORNING  
WAIVING NOTIFICATION REQUIREMENTS OF  
GOVERNMENT CODE SECTION 25351  
TO FACILITATE THE TEHAMA COUNTY  
HEALTH AND SOCIAL SERVICES FACILITY DEVELOPMENT**

**WHEREAS**, the County of Tehama intends to execute a Lease with the Corning Healthcare District to locate a new Health and Social Services Facility at the southeast corner of Solano and Marguerite Avenue within the City of Corning, and

**WHEREAS**, State Law in Government Code Section 25351 requires a notification period of sixty-days prior to the execution of such Lease, and

**WHEREAS**, the City Council of the City of Corning and the Planning Commission have spent considerable time working with the Healthcare District and the County to approve this project development.



**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Corning does hereby waive the sixty-day notification requirements of Government Code Section 25351.

**BE IT FURTHER RESOLVED**, that the City Council does express its appreciation to the County for expanding Health and Social Services to the City of Corning and south County residents.

**PASSED AND ADOPTED** by the City Council of the City of Corning on this **13<sup>th</sup>** day of **October 2009** by the following vote:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

\_\_\_\_\_  
**Gary R. Strack, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Lisa M. Linnet, City Clerk**

ITEM NO: H-12  
APPOINTMENT TO COORDINATED  
AB3030 GROUNDWATER MANAGEMENT  
COMMITTEE  
OCTOBER 13, 2009

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: STEPHEN J. KIMBROUGH, CITY MANAGER



**SUMMARY:**

City Planning Director John Stoufer is recommended for appointment to the Coordinated AB 3030 Groundwater Management Committee of the Tehama County Flood Control and Water Conservation District.

John Stoufer would represent the City of Corning on this important County-wide Committee. The Tehama County Board of Supervisors, acting in their capacity as the Flood Control District Board makes the appointment upon the recommendation of the Corning City Council.

**BACKGROUND:**

When this technical advisory committee to the Flood Control District was formed in 1994, the Corning City Council appointed City Manager Steve Kimbrough to represent the City on the Committee. The Committee Members then set about developing the "Tehama County AB-3030 Groundwater Management Plan" which was completed in November 1996. This led to a Memorandum of Understanding between water users within Tehama County implementing the Groundwater Management Plan.

Later the Committee worked with consulting hydro-geologists to define boundaries of the groundwater basin within Tehama County, including the sub-basins such as the Corning Sub-basin from which the City pumps its drinking water.

The Committee then developed "trigger levels" to help in measuring groundwater levels in order to understand the effects of the drafting of groundwater for agricultural, industrial and domestic use. The intent has been to define the point where policy makers must act to prevent damage to the basin from overdrafting in times of drought. The goal has been to ensure that the pumping of groundwater does not exceed the ability of the environment to replenish water levels within the basin.

As time has passed, the Committee has moved into the review of highly technical groundwater issues. At this point, the City of Corning would be well served by having John Stoufer represent the City. John brings considerable experience in groundwater issues to the table.

**RECOMMENDATION:**

**MAYOR AND COUNCIL RECOMMEND THE APPOINTMENT OF CITY PLANNING DIRECTOR JOHN STOUFER TO THE "COORDINATED AB-3030 GROUNDWATER MANAGEMENT COMMITTEE" TO REPLACE STEPHEN J. KIMBROUGH, CITY MANAGER.**

ITEM NO. J-13  
RESOLUTION NO. 10-13-09-02; WATER RATE  
INCREASE FOR "CONSTRUCTION WATER" IN  
THE CITY OF CORNING

OCTOBER 13, 2009

TO: CITY COUNCIL OF THE CITY OF CORNING, CALIFORNIA

FROM: STEPHEN J. KIMBROUGH; CITY MANAGER  
JOHN L. BREWER, AICP; PUBLIC WORKS DIRECTOR

*JB Steve*

**SUMMARY:**

Staff recommends increasing the rate charged for "Construction Water" from the current \$1.14/1000 gallons to \$5.00/1000 gallons. The recommended rate would be implemented upon adoption of Resolution No. 10-13-09-02.

**BACKGROUND:**

This is a public hearing. All public testimony is welcome.

This matter was initially presented to the Council on August 11, 2009. At that time Council opted to schedule a public hearing to consider the proposed water rate increase. Notice of this hearing was mailed to all persons owning property in the City of Corning. A copy of the notice is attached.

Earthmoving contractors and other developers regularly use water for dust control and aggregate compaction. They typically draft the water from City fire hydrants. Our current billing policy requires the contractor to monitor their use via a city water meter that we loan.

We currently charge \$1.14/1000 gallons for that water; the same rate we charge for domestic water delivered to City residences and businesses. So, to fill up the typical 4,000 gallon truck, we currently charge a "water cost" of \$4.64. In addition to the water cost, we bill \$23.00/month for the use of the fire hydrant and a 10% administrative fee. In a typical month where a 4,000 gallon capacity water truck is filled twice a day each day, the total water usage would be 240,000 gallons and the City would bill a total of \$323.96. In this example, with the hydrant and admin. fees, the overall rate works out to be about \$1.35/1,000 gallons.

**CITY WATER SYSTEM:**

The City owns and operates the Corning Municipal Water System. The utility extracts water from seven separate water wells. In the last reporting year the utility drafted a total of 876 million gallons of water. The water is chlorinated (treated) and then distributed to the various residential, business and government customers through a complicated series of water mains (over 31 miles in length), valves, hydrants and monitoring stations. City water is most often used for drinking and other domestic uses, landscape irrigation, industrial use (i.e. olive processing), and fire suppression.

**SYSTEM IMPACTS:**

Construction projects can use a lot of water. The ongoing Airport Improvement Project is expected to use about 7,000,000 gallons of water to suppress dust and aid in soil compaction.

That amounts to the amount of water used by about 44<sup>1</sup> single family residences use in a year here in Corning. Seven million gallons is also the equivalent of 1,750 “fill-ups” of a 4,000 gallon water truck. Pumping that much water negatively affects the overall water system, causing wear and tear on the pumps, the distribution system and potentially, the aquifer that we rely on.

Other effects include the reduced water volume and pressure available to other users in the vicinity, such as businesses, residences and even diminished fire flows while the hydrant drafting occurs. Also, adding the multiple heavy water truck trips to City streets takes an extraordinary toll on the pavement, especially during the summer months when the asphalt is most malleable, and coincidentally, when the lion’s share of construction occurs.

Staff believes the fees for water obtained through the hydrant meters for construction use should be increased to account for the impacts to the overall water system, neighborhood and streets. While identifying the various impacts is fairly straight-forward, quantifying those impacts is not, due to a number of variables such as volume/draft duration, location of the drafting point, drafting time, season, and length of the haul route.

Staff recommends the Council increase the construction water rate to \$5.00/1,000 gallons to mitigate these effects. The attached resolution would implement the increased construction water rate. It would also continue the current hydrant use fee (\$23.00/month) but would eliminate the current 10% administrative fee.

**AIRPORT IMPROVEMENT PROJECT:**

Staff anticipated a possible increase in the construction water rates when the Airport Improvement project bids were solicited. All bidders were informed of this potential increase to \$5.00/1000 gallons. If the recommended increase is approved, the contractor would pay about \$35,000 for the 7 million gallons water used. If the City Water System provides that water to the Corning Municipal Airport Fund, the amount could end up being a sizeable credit for our “5% Combined Match” (\$118,421.00) share of the airport improvement costs.

**RECOMMENDATION:**

**That the City Council:**

- **Adopt Resolution No. 10-13-09-02; the resolution to increase the construction water rate in the City of Corning.**

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<sup>1</sup> We estimated the average single family dwelling water use in Corning is about 430 gallons per day. This is based on the average of the meter reads at the residences of four Councilmembers and the City Treasurer.

**RESOLUTION NO. 10-13-09-02**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORNING  
SETTING RATES FOR "CONSTRUCTION WATER" WITHIN THE CITY OF CORNING**

**WHEREAS**, the City Council has met and discussed the need for an increase in the water rate charged for "construction water" dispensed through fire hydrants and used to suppress dust or facilitate compaction of native or imported fill, and

**WHEREAS**, Staff has presented information regarding the negative effects of significant construction drafting of City water, including impacts to water pumps, treatment and distribution equipment, diminished pressure for domestic use and fire flows, and the impacts to pavement associated with heavy truck use.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Corning does hereby set the water rate for "construction water" dispensed from City fire hydrants as follows:

"Construction water rate shall be \$5.00 per 1,000 gallons of water plus a \$23.00 "hydrant use fee" which shall be assessed for each use and billed as a per month charge thereafter. The Department of Public Works shall make available hydrant water meters for contractor use in accessing construction water. Alternatively, a Contractor may opt to pay a "per load" fee for construction water and report the number of loads used to the City. Contractor shall provide a \$500.00 deposit to the City for use of the hydrant meter, which shall be refunded upon return of the meter in good working order. The Public Works Department shall collect water use data from the meter monthly or when the use is complete and bill the Contractor accordingly.

Water dispensed for emergency service use into official government vehicles, shall be exempt from City water fees. Water dispensed to private vehicles under contract to provide water to support emergencies, shall pay the standard city water usage rate (per/1,000 gallons after base rate-currently \$1.14/1,000 gallons plus the \$23.00 monthly hydrant use fee."

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The foregoing Resolution was adopted at a regular meeting of the City Council of the City of Corning on this 13<sup>th</sup> day of October 2009 by the following vote:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

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**Gary R. Strack, Mayor**

**ATTEST:**

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**Lisa M. Linnet, City Clerk**

City of Corning  
794 Third Street  
Corning, CA 96021

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U. S. POSTAGE  
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Permit No. 10  
Corning, CA

## Important Information

### Notice to Property Owners Proposed Construction Water Rate Increase

#### Notice of Public Hearing

The City Council encourages you to attend the Public Hearing, Tuesday, October 13, 2009 at 7:30 PM, to be held in the City Council Chambers, 794 Third Street, Corning, California.

The City of Corning proposes to increase the rate charges for "Construction Water". "Construction water" is water drafted from City water lines (usually from fire hydrants) into water trucks and then applied to the ground to control dust or to aid compaction of filled soils or aggregates associated with development.

While construction water is necessary to facilitate excavation and development, drafting and moving large quantities of construction water can negatively affect City facilities, businesses and residents. These negative impacts include reduced neighborhood water volumes and pressures for commercial, domestic and fire suppression uses during water drafting. Additionally, multiple water truck trips may cause disproportionate deterioration of street pavement.

The current rate charged for "construction water" is the same as that charged for residences and businesses with "fixed" water connections; \$1.14 per 1,000 gallons. The City proposes to increase the rate charged for construction water to \$5.00 per 1,000 gallons. The purposes of the proposed increase are to 1.) mitigate impacts to the water system and other City infrastructure, and 2.) encourage conservation of water resources.

This only affects "Construction Water". No increases to the current water rates charged to residential or commercial customers are being considered at this time. Please feel free to contact staff at City Hall at 530-824-7029, if you have questions. The Hearing allows the City Council and the Public the opportunity to discuss and object to the rate increase.

Only written protests filed by Property Owners will be counted, and if a majority so protests, the rate increase will not be implemented. You must protest in writing to the City Clerk, 794 Third St., Corning, Ca 96021, or personally deliver the written protest to the Hearing. By State Law, your Protest must include your name, the address and Assessor's Parcel Number of your property within the City (found on your tax bill). If sent by mail, the City Clerk must receive the written protest by October 13, 2009 to be presented to the City Council during the Public Hearing.

ITEM NO: K-14  
PANHANDLING ORDINANCE  
OCTOBER 13, 2009

TO: HONORABLE MAYOR AND COUNCILMEMBERS  
OF THE CITY OF CORNING

FROM: STEPHEN J. KIMBROUGH, CITY MANAGER  
ANTHONY F. CARDENAS, CHIEF OF POLICE

**SUMMARY:**

The City Council expressed concern about the City's ability to deal with panhandling issues and requested staff study the feasibility of developing an ordinance regulating panhandling in public places.

Most citizens are primarily frightened of crime involving a sudden, violent attack by a stranger. But we tend to overlook another source of fear - the fear of being bothered by disorderly people whose conduct poses a threat to the quality of life in a community. The prospect of a confrontation with an aggressive panhandler can be as fear-inducing as the prospect of meeting a robber. Where aggressive panhandlers assemble, people are likely to feel unsafe. The proposed ordinance regulating panhandling would provide the police with a tool to regulate undesirable conduct that has an impact on the perception of safety in our community.

Staff has worked with the City Attorney to develop the attached ordinance which satisfies the requirements set forth by the Courts in order to meet constitutional requirements.

The ordinance:

- 1) prohibits persons from standing in the public right-of-way, street or sidewalk, for the purpose of soliciting employment, business or contributions of money or other property from persons traveling in a vehicle along a public right-of-way;
- 2) prohibits persons who are the occupants of motor vehicles from soliciting employment, business or contributions of money or other property from persons who are within the public right-of-way;
- 3) restricts the locations within a commercial parking area where such activity may be conducted;
- 4) prohibits loitering in the center median of the roadway;
- 5) prohibits any solicitation done in an aggressive manner; and,
- 6) prohibits solicitation near ATMs, at bus stops and when it is dark.

Staff recommends the reading, by short title and introduction of this Ordinance.

**BACKGROUND:**

In 1991, a Federal District Court declared California's panhandling statute, Section 647(c) of the Penal Code unconstitutional, but California Appellate Courts have not yet issued

definitive rulings on this issue. Courts have held that panhandling is an expression of free speech guaranteed under the 1<sup>st</sup> Amendment of the U.S Constitution. The Courts have stated that any laws prohibiting panhandling that are vague or over broad, that target a particular message, that do not serve a significant government interest and do not provide for alternative channels of communication are unconstitutional. The courts have held that the conduct which may be regulated is the manner in which the panhandling is done.

Many municipalities have adopted narrowly-tailored panhandling and solicitation statutes which sought to comply with court precedent, while also addressing the problems their communities were facing. Court decisions have upheld ordinances restricting solicitation based on the premise they do not prohibit all panhandling; they merely establish time, place, and manner restrictions on panhandling activities. Staff conducted research of local ordinances already in place relevant to aggressive panhandling issues and vehicle-related solicitation. Although local ordinances have been passed and adopted by their respective City Councils few have been challenged in court.

Under standard First Amendment analysis, courts have determined that restrictions on soliciting in a public forum must satisfy four requirements in order to pass constitutional challenge. The proposed ordinance meets all four of these elements.

1. The ordinance is content neutral - it is not intended to target a particular message or exchange of ideas; it applies to all solicitors equally, regardless of whether they are soliciting donations for a religious group, promoting a school fund-raiser, or soliciting personal donations in order to purchase food.
2. The ordinance is narrowly tailored - it is not vague or over broad, and it provides clear definitions of terminology used. It is aimed strictly at solicitation posing traffic hazards, aggressive solicitation and solicitation where it is particularly intrusive. It reaches only conduct that is harassing, coercing, or intimidating.
3. The ordinance serves a significant governmental interest - the activity of soliciting from occupants of vehicles distracts drivers from their primary duty to watch traffic and potential hazards in the roadway, to observe all traffic control signals or warnings, and to move through the city's streets and intersections safely. Panhandling also impedes the flow of traffic and obstructs the public's free flow of travel. Additionally, "aggressive panhandling" controls are aimed at protecting the public from intimidation. Federal courts have found these interests to be legitimate.
4. The ordinance leaves ample alternative channels of communication - it does not prohibit all solicitations, it merely places limitations on solicitations that involve traffic issues and public safety. There are numerous times and locations where these individuals can solicit in a non-confrontational manner.

**RECOMMENDATION:**

**MAYOR AND COUNCIL READ BY SHORT TITLE AND INTRODUCE ORDINANCE NUMBER 638 - REGULATING PANHANDLING, THROUGH THE ADDITION OF CHAPTER 9.20 TO THE CORNING MUNICIPAL CODE.**

**ORDINANCE NO. 638**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORNING  
ADDING CHAPTER 9.20 ENTITLED  
"SOLICITATION OF EMPLOYMENT, BUSINESS OR CONTRIBUTIONS OF MONEY OR  
OTHER PROPERTY"  
TO THE CORNING MUNICIPAL CODE**

The City Council of the City of Corning, does hereby ordain as follows:

SECTION 1. CHAPTER 9.20 ADDED. A new chapter, Chapter 9.20, entitled "Solicitation Of Employment, Business Or Contributions Of Money Or Other Property" is hereby added to the Corning Municipal Code to read as follows:

**Chapter 9.20**

**SOLICITATION OF EMPLOYMENT, BUSINESS OR CONTRIBUTIONS OF MONEY OR  
OTHER PROPERTY**

**9.20.010. Findings and Purpose.**

The City Council makes the following findings:

- (a) On City streets, sidewalks and intersections, the activity of soliciting employment, business or contributions from occupants of vehicles is hazardous because it distracts drivers from their primary duty to watch traffic and be alert for potential hazards in the roadway, to observe all traffic control signals, signs or warnings, and to be prepared to move through the city's streets and intersections.
- (b) In public and private parking lots and parking structures, the activity of soliciting employment, business, or contributions from occupants of vehicles is hazardous because it distracts drivers from their primary duty to watch other vehicles or pedestrians and to move through the lot or structure with safety.
- (c) The practice of soliciting employment, business or contributions from within a public street, highway, or parking facility subjects the solicitor, pedestrians and vehicles to an unacceptable level of danger by distracting drivers from their primary duty to watch traffic and results in the delay and obstruction of the public's free flow of travel, and results in congestion and blockage of the streets, parking lot driveways, and sidewalks when such persons approach the vehicles to negotiate with the occupants.
- (d) Distracted drivers are more prone to be involved in automobile accidents; and accidents on the public streets constitute a substantial traffic safety problem.
- (e) The cumulative impact of this type of activity on the streets, highways, sidewalks and parking facilities on a daily basis creates a potential safety hazard, which poses a significant and substantial risk to the interest of the public in the free flow of travel.

(f) Solicitation within parking lots and structures is of particular concern, because it presents a potentially threatening environment for people traveling to or from their vehicle and provides a greater opportunity for someone desiring to conceal his or her presence from the unsuspecting.

(g) People exiting or entering a vehicle are in a very vulnerable position when approached by a solicitor and are exposed to reasonable fear for safety and the possibility of a carjacking, robbery or other person or property crime.

(h) Soliciting in a manner that is confrontational and involves conduct that is perceived by the person being solicited as harassing, coercing, or intimidating or which obstructs the free passage of that individual is detrimental to the quality of life and economic vitality of the community.

(i) Soliciting at times and places where individuals feel particularly vulnerable, such as during times of darkness, or in the vicinity of automatic teller machines, causes the person being solicited to feel unsafe, which in turn leads to people who would be engaged in legitimate activities tending to avoid certain areas, resulting in a decline in business and community life and a possible increase in crime.

#### **9.20.020. Definitions.**

The following words and phrases, whenever used in this chapter, shall be construed as defined in this section:

(1) "Aggressive manner" means approaching or speaking to a person, or following a person before, during or after soliciting if that conduct is intended or is likely to cause a reasonable person to fear bodily harm to oneself or to another, or damage to or loss of property or otherwise feel threatened; continuing to solicit from a person after the person has given a negative response to such soliciting; intentionally touching or causing physical contact with another person without that person's consent in the course of soliciting; intentionally blocking or interfering with the safe or free passage of a pedestrian or vehicle in conjunction with soliciting; or using violent or threatening gestures or language in conjunction with the solicitation.

(2) "Business" means any type of product, good, service performance or activity which is provided or performed, or offered to be provided or performed, in exchange for money, labor, goods or any other form of consideration.

(3) "Commercial parking area" means privately owned property which is designed or used primarily for the parking of vehicles and which adjoins one or more commercial establishments.

(4) "Employment" means services, industry or labor performed by a person for wages or other compensation or under any contract of hire, written or oral, express or implied.

(5) "Median strip" means a paved or planted area of public right-of-way dividing a street or highway into lanes according to the direction of travel.

(6) "Public right-of-way" means land which is dedicated to the public use for sidewalk, street or highway purposes, or other transportation purposes.

(7) "Solicit" means making any oral or written request, offer or enticement, or taking any action which indicates the availability of a person for employment or availability to provide services for compensation or which seeks to purchase or secure services or goods, the purchase or sale of goods, or a request for money or other property, or a contribution of money or other property. A solicitation shall be deemed complete when made whether or not an actual employment relationship is created, a transaction is completed, or an exchange of money or other property takes place.

**9.20.030. Loitering in median strip.**

It is unlawful for any person to loiter in a median strip within a street, highway, or other city-maintained public right-of-way. For the purposes of this section, "loiter" means to linger or remain in the median strip for any purpose unrelated to safely traversing a street or other roadway, except in an emergency. This section shall not apply to authorized city personnel or contractors who are repairing or maintaining the median strips or adjacent roadway.

**9.20.040. Solicitation in public rights-of-way or public parking lots prohibited.**

(a) It is unlawful for any person, while standing in any portion of the public right-of-way, including but not limited to public streets, highways, median strips, sidewalks and driveways, to solicit, or attempt to solicit, employment, business, or contributions of money or other property from any person traveling in a vehicle along a public right-of-way, including, but not limited to public streets, highways or driveways.

(b) It is unlawful for any person, while the occupant of any vehicle, to solicit, or attempt to solicit, employment, business or contributions of money or other property from a person who is within the public right-of-way, including but not limited to a public street, highway, sidewalk or driveway. This provision does not apply to services rendered in connection with emergency repairs requested by the operator or passenger of a vehicle.

(c) It is unlawful for any person to solicit or attempt to solicit, employment, business or contributions of money or other property from any occupant of a vehicle, or from any person getting into or out of a vehicle within any public parking lot or structure where such parking lot or structure is posted with a sign prohibiting such activity.

**9.20.050. Solicitation in unauthorized locations within commercial parking areas prohibited.**

(a) It is unlawful for any person to solicit or attempt to solicit employment, business or contributions of money or other property, from a location within a commercial parking area used for vehicular traffic. It is also unlawful to solicit in a location not authorized in advance by the property owner, or the property owner's representative, for such solicitations.

(b) The prohibition against solicitation shall only apply to commercial parking areas where all of the following occur:

(1) The owner or person in lawful possession establishes a written policy which provides area(s) for the lawful solicitation of employment, business, or contributions of money or other

property in locations which are accessible to the public and do not interfere with the normal business operations of the commercial premises;

(2) A copy of such policy is submitted to the Chief of Police to be maintained in Police Department files.

(3) The owner or person in lawful possession has caused a notice to be posted in a conspicuous place at each entrance to such commercial parking area. This notice shall not be less than eighteen by twenty-four inches (18" x 24") in size with lettering not less than one inch in height, and the notice shall not exceed, in total area, six square feet. The notice shall read substantially as follows:

"It is a misdemeanor to engage in the solicitation of employment, business or contributions of money or other property in areas of this commercial parking lot which are not approved for such activity by the property owner."

**9.20.060. Restrictions on time, place and manner of solicitation.**

- (a) It is unlawful to solicit in an aggressive manner in any public place.
- (b) It is unlawful to solicit within twenty-five feet (25') of any automated teller machine or other cash disbursement machine.
- (c) It is unlawful to solicit after sunset or before sunrise.
- (d) It is unlawful to solicit at any bus stop.

**9.20.070. Penalty.**

Every violation of this chapter is a misdemeanor.

. . . . .

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Corning, held on Tuesday, October 13, 2009 and adopted at a regular meeting of the City Council of the City of Corning, held \_\_\_\_\_, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

It shall take effect and be in force thirty (30) days from the date of its passage, and before the expiration of fifteen (15) days after its passage, it or a summary of it, shall be published once, with the names of Council persons voting for and against the same, in a newspaper of general circulation in the County of Tehama.

\_\_\_\_\_  
**Gary R. Strack, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Lisa M. Linnet, City Clerk**

**PUBLISHED:** \_\_\_\_\_

**ITEM NO: K-15**  
**RESOLUTION 10-13-09-03 APPROVING**  
**PARTICIPATION IN BOND PROGRAM**  
**THROUGH CALIFORNIA COMMUNITIES**  
**DEVELOPMENT AUTHORITY TO OFFSET**  
**STATE TAKING OF PROPERTY TAX**  
**October 13, 2009**

**TO: HONORABLE MAYOR AND CITY COUNCIL**  
**FROM: STEPHEN J. KIMBROUGH, CITY MANAGER**

*Steve*

**SUMMARY**

The City Council at its meeting on September 8, 2009, approved City of Corning participation in the joint city and county "Revenue Bond Issue" to replace the loss of local Property Tax taken by the State Legislature and Governor to balance the current State budget. Though the State Constitution requires that the State pay the local governments back, the City should not expect to receive repayment from the State until June 30, 2013.

The City of Corning is projected to lose \$147,000 in Property Tax during the current Fiscal Year 2009-2010.

The Actions recommended in this Report will provide final approval of City participation in the revenue bond issue and ensure that the City receives the \$147,000 in two payments, one in January 2010 and one in June 2010. For this to happen, the City must act by November 6, 2009.

**RECOMMENDATION**

**MAYOR AND COUNCIL ADOPT RESOLUTION NO. 10-13-09-03, "A RESOLUTION APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE SALE OF THE SELLER'S PROPOSITION 1A RECEIVABLE FROM THE STATE; AND DIRECTING AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH."**

**BACKGROUND**

Here is what the proposed Resolution accomplishes:

- (1) Authorizes the sale of the City of Corning's \$147,000 Proposition 1A Receivable to California Communities for 100% of its value;
- (2) Approves the form, and directs the execution and delivery, of the Purchase and Sale Agreement with California Communities and related documents;
- (3) Authorizes and directs the City Manager to send an irrevocable written instruction required by statute to the State Controller notifying the State of the sale of the Proposition 1A Receivable and instructing the disbursement of the Proposition 1A Receivable to the Proposition 1A Bond Trustee;

- (4) Appoints certain City of Corning officers and officials as Authorized Officers for purposes of signing documents; and
- (5) Authorizes miscellaneous related actions and makes certain ratifications, findings and determinations required by law.

As of the end of October 2, 2009, approximately 770 agencies have enrolled in the California Communities Prop 1A Securitization Program. This number is comprised of 55 counties, 300 cities, and 415 special districts. Enrolled county and city volume amounts to an estimated \$1.4 billion.

The "Proposition 1A Securitization Program" is being offered by California Statewide Communities Development Authority ("California Communities") in cooperation with the California State Association of Counties, the League of California Cities and the California Special Districts Association.

The "securitization" action will allow California Communities to sell bonds to fund the purchase of the City's property tax receivable and pay the City full value on the dates the City normally receives property tax payments from the County.

The City of Corning is a member of "California Communities", a Joint Powers Agency whose full name is **California Statewide Communities Development Authority**. It has been authorized by the California State Legislature to securitize property tax revenues owed to local agencies as a result of the suspension of local revenue protections by the State legislature under authority of the voter approved Proposition 1A in 2004.

California Communities issues several pooled bond sales each year by combining the project funding needs of member local governments into one single large bond issue. In this case, the pooled issue will allow participating local agencies an alternate means for receiving 100% of the property tax amounts due at the time at which the agencies would normally receive the property tax allocation, normally in January and June of each year.

Public agencies that do not choose to participate in the California Communities "Proposition 1A Securitization Program" expect to receive repayment plus 2% interest from the state by June 30, 2013.

## **FINANCIAL**

There is no cost to participate in the securitization program, as all such costs will be covered by the State. The State Government has included this commitment in the authorizing legislation, Senate Bill 67, now pending before the State legislature.

The City incurs no liability for repayment, because the bonds are issued by California Communities and are not obligations of any of the local agency program participants.

The City has worked successfully with California Communities on two prior projects, Highland Property Development's Valley West Apartments on Toomes and Pacific West Communities' Salado Orchard Apartments for a total of about \$8,750,000.

## **PROPOSED PURCHASE AND SALE AGREEMENT**

- (1) Provides for the sale of the City's Proposition 1A Receivable to California Communities;

- (2) Contains representations and warranties of the City of Corning to assure California Communities that the Proposition 1A Receivable has not been previously sold, is not encumbered, that no litigation or other actions are pending or threaten to disrupt the transaction, and that this is an arm's length "true sale" of the Proposition 1A Receivable.
- (3) Provides mechanics for payment of the Purchase Price.
- (4) Contains other miscellaneous provisions.

**PROPOSED PURCHASE AND SALE AGREEMENT EXHIBITS** include:

- (B1) Opinion of Counsel: This is a standard opinion of the Corning City Attorney covering basic approval of the documents, litigation, and enforceability of the document against the Seller. It will be dated as of the Pricing Date of the bonds (currently expected to be November 10, 2009).
- (B2) Bringdown Opinion: This simply "brings down" the opinions to the closing date (currently expected to be November 19, 2009).
- (C1) Certificate of the City Clerk: A certificate of the Clerk confirming that the resolution was duly adopted and is in full force and effect.
- (C2) Seller Certificate: A certification of the Seller (the City) dated as of the Pricing Date confirming that the representations and warranties of the Seller are true as of the Pricing Date, confirming authority to sign, confirming due approval of the resolution and providing payment instructions.
- (C3) Bill of Sale and Bringdown Certificate: Certificate that brings the certifications of C2 down to the Closing Date and confirms the sale of the Proposition 1A Receivable as of the Closing Date.
- (D) Irrevocable Instructions to the Controller: Required in order to let the State Controller know that the Proposition 1A Receivable has been sold and directing the State to make payment of the receivable to the Trustee on behalf of the Purchaser.
- (E) Escrow Instruction Letter: Instructs Transaction Counsel (Orrick) to hold all documents in escrow until closing, and if closing does not occur by December 31, 2009 for any reason, to destroy all documents.

**RECOMMENDATION**

**MAYOR AND COUNCIL ADOPT RESOLUTION NO. 10-13-09-03, "A RESOLUTION APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE SALE OF THE SELLER'S PROPOSITION 1A RECEIVABLE FROM THE STATE; AND DIRECTING AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH."**

**RESOLUTION NO. 10-13-09-03**

**CITY COUNCIL  
OF THE  
CITY OF CORNING**

A RESOLUTION APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE SALE OF THE SELLER'S PROPOSITION 1A RECEIVABLE FROM THE STATE; AND DIRECTING AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, pursuant to Section 25.5 of Article XIII of the California Constitution and Chapter 14XXXX of the California Statutes of 2009 (Assembly Bill No. 15), as amended (the "Act"), certain local agencies within the State of California (the "State") are entitled to receive certain payments to be made by the State on or before June 30, 2013, as reimbursement for reductions in the percentage of the total amount of ad valorem property tax revenues allocated to such local agencies during the State's 2009-10 fiscal year (the "Reimbursement Payments"), which reductions have been authorized pursuant to Sections 100.05 and 100.06 of the California Revenue and Taxation Code;

WHEREAS, the City of Corning, a local agency within the meaning of Section 6585(f) of the California Government Code (the "Seller"), is entitled to and has determined to sell all right, title and interest of the Seller in and to its "Proposition 1A receivable", as defined in Section 6585(g) of the California Government Code (the "Proposition 1A Receivable"), namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code, in order to obtain money to fund public capital improvements or working capital;

WHEREAS, the Seller is authorized to sell or otherwise dispose of its property as the interests of its residents require;

WHEREAS, the California Statewide Communities Development Authority, a joint exercise of powers authority organized and existing under the laws of the State (the "Purchaser"), has been authorized pursuant to Section 6588(x) of the California Government Code to purchase the Proposition 1A Receivable;

WHEREAS, the Purchaser desires to purchase the Proposition 1A Receivable and the Seller desires to sell the Proposition 1A Receivable pursuant to a purchase and sale agreement by and between the Seller and the Purchaser in the form presented to this City Council (the "Sale Agreement") for the purposes set forth herein;

WHEREAS, in order to finance the purchase price of the Proposition 1A Receivable from the Seller and the purchase price of other Proposition 1A Receivables from other local agencies, the Purchaser will issue its bonds (the "Bonds") pursuant to Section 6590 of the California Government Code and an Indenture (the "Indenture"), by and between the Purchaser and Wells Fargo Bank, National Association, as trustee (the "Trustee"), which Bonds will be payable solely from the proceeds of the Seller's Proposition 1A Receivable and other Proposition 1A

Receivables sold to the Purchaser by local agencies in connection with the issuance of the Bonds;

WHEREAS, the Seller acknowledges that (i) any transfer of its Proposition 1A Receivable to the Purchaser pursuant to the Sale Agreement shall be treated as an absolute sale and transfer of the property so transferred and not as a pledge or grant of a security interest by City of Corning to secure a borrowing, (ii) any such sale of its Proposition 1A Receivable to the Purchaser shall automatically be perfected without the need for physical delivery, recordation, filing or further act, (iii) the provisions of Division 9 (commencing with Section 9101) of the California Commercial Code and Sections 954.5 to 955.1 of the California Civil Code, inclusive, shall not apply to the sale of its Proposition 1A Receivable, and (iv) after such transfer, the Seller shall have no right, title, or interest in or to the Proposition 1A Receivable sold to the Purchaser and the Proposition 1A Receivable will thereafter be owned, received, held and disbursed only by the Purchaser or a trustee or agent appointed by the Purchaser;

WHEREAS, the Seller acknowledges that the Purchaser will grant a security interest in the Proposition 1A Receivable to the Trustee and any credit enhancer to secure payment of the Bonds;

WHEREAS, a portion of the proceeds of the Bonds will be used by the Purchaser to, among other things, pay the purchase price of the Proposition 1A Receivable;

WHEREAS, the Seller will use the proceeds received from the sale of the Proposition 1A Receivable for any lawful purpose as permitted under the applicable laws of the State;

NOW THEREFORE, the City Council of the City of Corning hereby resolves as follows:

Section 1. All of the recitals set forth above are true and correct, and this City Council hereby so finds and determines.

Section 2. The Seller hereby authorizes the sale of the Proposition 1A Receivable to the Purchaser for a price equal to the amount certified as the Initial Amount (as defined in the Sale Agreement) by the County auditor pursuant to the Act. The form of Sale Agreement presented to the City Council is hereby approved. An Authorized Officer (as set forth in Appendix A of this Resolution, attached hereto and by this reference incorporated herein) is hereby authorized and directed to execute and deliver the Sale Agreement on behalf of the Seller, which shall be in the form presented at this meeting.

Section 3. Any Authorized Officer is hereby authorized and directed to send, or to cause to be sent, an irrevocable written instruction to the State Controller (the "Irrevocable Written Instruction") notifying the State of the sale of the Proposition 1A Receivable and instructing the disbursement pursuant to Section 6588.6(c) of California Government Code of the Proposition 1A Receivable to the Trustee, on behalf of the Purchaser, which Irrevocable Written Instruction shall be in the form presented at this meeting.

Section 4. The Authorized Officers and such other Seller officers, as appropriate, are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, including but not limited to, if required, appropriate escrow

instructions relating to the delivery into escrow of executed documents prior to the closing of the Bonds, and such other documents mentioned in the Sale Agreement or the Indenture, which any of them may deem necessary or desirable in order to implement the Sale Agreement and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution; and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 5. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the sale of the Proposition 1A Receivable or the issuance of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, may be given or taken by an Authorized Officer without further authorization by this City Council, and each Authorized Officer is hereby authorized and directed to give any such consent, approval, notice, order or request, to execute any necessary or appropriate documents or amendments, and to take any such action that such Authorized Officer may deem necessary or desirable to further the purposes of this Resolution.

Section 6. The City Council acknowledges that, upon execution and delivery of the Sale Agreement, the Seller is contractually obligated to sell the Proposition 1A Receivable to the Purchaser pursuant to the Sale Agreement and the Seller shall not have any option to revoke its approval of the Sale Agreement or to determine not to perform its obligations thereunder.

Section 7. This Resolution shall take effect from and after its adoption and approval.

PASSED AND ADOPTED by the City Council of the City of Corning, State of California, this 13th day of October, 2009, by the following vote:

AYES:

NOES:

ABSENT:

---

Mayor

Attest:

---

City Clerk

Approved as to form :

SELLER'S COUNSEL

By \_\_\_\_\_

Dated: \_\_\_\_\_

**APPENDIX A**

**CITY OF CORNING**

**Authorized Officers:** Stephen J. Kimbrough, City Manager

Pala Cantrell, City Treasurer

Lisa M. Linnet, City Clerk

any designee of any of them, as appointed in a written certificate of such Authorized Officer delivered to the Trustee.

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CITY OF CORNING, CALIFORNIA,  
as Seller

and

CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY,  
as Purchaser

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PURCHASE AND SALE AGREEMENT

Dated as of November 1, 2009

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## PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT, dated as of November 1, 2009 (this "Agreement"), is entered into by and between:

(1) CITY OF CORNING, a local agency of the State of California within the meaning of Section 6585(f) of the California Government Code (the "Seller"); and

(2) CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the "Purchaser").

### RECITALS

A. Pursuant to Section 25.5 of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code, local agencies within the meaning of Section 6585(f) of the California Government Code are entitled to receive certain payments to be made by the State of California (the "State") on or before June 30, 2013, as reimbursement for reductions in the percentage of the total amount of ad valorem property tax revenues allocated to such local agencies during the State's 2009-10 fiscal year, which reductions have been authorized pursuant to Sections 100.05 and 100.06 of the California Revenue and Taxation Code.

B. The Seller is the owner of the Proposition 1A Receivable (as defined below) and is entitled to and has determined to sell all right, title and interest in and to the Proposition 1A receivable, namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code, in order to obtain money to fund any lawful purpose as permitted under the applicable laws of the State.

C. The Seller is authorized to sell or otherwise dispose of its property as the interests of its residents require.

D. The Purchaser, a joint exercise of powers authority organized and existing under the laws of the State, has been authorized pursuant to Section 6588(x) of the California Government Code to purchase the Proposition 1A Receivable.

E. The Seller is willing to sell, and the Purchaser is willing to purchase, the Proposition 1A Receivable upon the terms specified in this Agreement.

F. Pursuant to its Proposition 1A Receivable Financing Program (the "Program"), the Purchaser will issue its bonds (the "Bonds") pursuant to an Indenture (the "Indenture"), between the Purchaser and Wells Fargo Bank, National Association, as trustee (the "Trustee"), and will use a portion of the proceeds thereof to purchase the Proposition 1A Receivable from the Seller.

G. The Purchaser will grant a security interest in such Proposition 1A Receivable to the Trustee and each Credit Enhancer to secure the Bonds.

## AGREEMENT

NOW, THEREFORE, in consideration of the above Recitals and the mutual covenants herein contained, the parties hereto hereby agree as follows:

### 1. Definitions and Interpretation.

(a) For all purposes of this Agreement, except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in Exhibit A attached hereto and which is incorporated by reference herein.

(b) The words "hereof," "herein," "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement; section and exhibits references contained in this Agreement are references to sections and exhibits in or to this Agreement unless otherwise specified; and the term "including" shall mean "including without limitation."

(c) Any agreement, instrument or statute defined or referred to herein or in any instrument or certificate delivered in connection herewith means such agreement, instrument or statute as from time to time may be amended, modified or supplemented and includes (in the case of agreements or instruments) references to all attachments and exhibits thereto and instruments incorporated therein; and any references to a Person are also to its permitted successors and assigns.

### 2. Agreement to Sell and Purchase; Conditions Precedent.

(a) The Seller agrees to sell, and the Purchaser agrees to purchase, on the Closing Date, for an amount equal to the Purchase Price, all right, title and interest of the Seller in and to the "Proposition 1A receivable" as defined in Section 6585(g) of the California Government Code (the "Proposition 1A Receivable"), namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code. The Purchase Price shall be paid by the Purchaser to the Seller in two equal cash installment payments, without interest (each, an "Installment Payment" and, collectively, the "Installment Payments"), on January 15, 2010, and May 3, 2010 (each a "Payment Date" and, collectively, the "Payment Dates"). The Purchaser shall pay the Purchase Price by wire transfer pursuant to wire instructions provided by the Seller to the Trustee by e-mail to john.delaray@wellsfargo.com or by facsimile to 213-614-3355, Attention: John Delaray. If wire instructions are not provided to the Trustee (or if such wire instructions are invalid) payment will be made by check mailed to the Seller's Principal Place of Business.

(b) The performance by the Purchaser of its obligations hereunder shall be conditioned upon:

- (i) Transaction Counsel receiving on or before the date the Bonds are sold (the "Pricing Date"), to be held in escrow until the Closing Date and then delivered to the Purchaser on the Closing Date, the following documents

duly executed by the Seller or its counsel, as applicable: (1) an opinion of counsel to the Seller dated the Pricing Date in substantially the form attached hereto as Exhibit B1, (2) certificates dated the Pricing Date in substantially the forms attached hereto as Exhibit C1 and Exhibit C2, (3) irrevocable instructions to the Controller dated as of the Closing Date in substantially the form attached hereto as Exhibit D, (4) this Agreement, (5) a certified copy of the resolution of the Seller's City Council approving this Agreement, the transactions contemplated hereby and the documents attached hereto as exhibits, and (6) an escrow instruction letter in substantially the form attached hereto as Exhibit E;

- (ii) Transaction Counsel receiving on or before the Pricing Date, (1) a bringdown opinion of counsel to the Seller dated as of the Closing Date in substantially the form attached hereto as Exhibit B2, and (2) a bill of sale and bringdown certificate of the Seller (the "Bill of Sale") in substantially the form attached hereto as Exhibit C3; provided that the Purchaser may waive, in its sole discretion, the requirements of Section 2(b)(ii)(1);
- (iii) the Purchaser issuing Bonds in an amount which will be sufficient to pay the Purchase Price; and
- (iv) the receipt by the Purchaser of a certification of the County Auditor confirming the Initial Amount of the Proposition 1A Receivable pursuant to the Act.

(c) The performance by the Seller of its obligations hereunder shall be conditioned solely upon the Purchaser's issuance of the Bonds its execution and delivery of this Agreement, pursuant to which it is legally obligated to pay the Installment Payments to the Seller on the Payment Dates as set forth in this Agreement, and no other act or omission on the part of the Purchaser or any other party shall excuse the Seller from performing its obligations hereunder. Seller specifically disclaims any right to rescind this Agreement, or to assert that title to the Proposition 1A Receivable has not passed to the Purchaser, should Purchaser fail to make Installment Payments in the requisite amounts on the Payment Dates.

3. Purchase Price, Conveyance of Proposition 1A Receivable and Payment of Purchase Price.

(a) Upon pricing of the Bonds by the Purchaser, the Purchaser will inform the Seller that it will pay the Purchase Price in Installment Payments on the Payment Dates.

(b) In consideration of the Purchaser's agreement to pay and deliver to the Seller the Installment Payments on the Payment Dates, the Seller agrees to (i) transfer, grant, bargain, sell, assign, convey, set over and deliver to the Purchaser, absolutely and not as collateral security, without recourse except as expressly provided herein, and the Purchaser agrees to purchase, accept and receive, the Proposition 1A Receivable, and (ii) assign to the Purchaser, to the extent permitted by law, all present or future rights, if any, of the Seller to enforce or cause the enforcement of payment of the Proposition 1A Receivable pursuant to the Act and other

applicable law. Such transfer, grant, bargain, sale, assignment, conveyance, set over and delivery is hereby expressly stated to be a sale and, pursuant to Section 6588.6(b) of the California Government Code, shall be treated as an absolute sale and transfer of the Proposition 1A Receivable, and not as a grant of a security interest by the Seller to secure a borrowing. This is the statement referred to in Sections 6588.6(b) and (c) of the California Government Code.

4. Representations and Warranties of the Purchaser. The Purchaser represents and warrants to the Seller, as of the date hereof, as follows:

(a) The Purchaser is duly organized, validly existing and in good standing under the laws of the State of California.

(b) The Purchaser has full power and authority to enter into this Agreement and to perform its obligations hereunder and has duly authorized such purchase and assignment of the Proposition 1A Receivable by the Purchaser by all necessary action.

(c) Neither the execution and delivery by the Purchaser of this Agreement, nor the performance by the Purchaser of its obligations hereunder, shall conflict with or result in a breach or default under any of its organizational documents, any law, rule, regulation, judgment, order or decree to which it is subject or any agreement or instrument to which it is a party.

(d) To the best of the knowledge of the Purchaser, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the Purchaser affecting the existence of the Purchaser or the titles of its commissioners or officers, or seeking to restrain or to enjoin the purchase of the Proposition 1A Receivable or to direct the application of the proceeds of the purchase thereof, or in any way contesting or affecting the validity or enforceability of any of the Transaction Documents or any other applicable agreements or any action of the Purchaser contemplated by any of said documents, or in any way contesting the powers of the Purchaser or its authority with respect to the Transaction Documents to which it is a party or any other applicable agreement, or any action on the part of the Purchaser contemplated by the Transaction Documents, or in any way seeking to enjoin or restrain the Purchaser from purchasing the Proposition 1A Receivable or which if determined adversely to the Purchaser would have an adverse effect upon the Purchaser's ability to purchase the Proposition 1A Receivable, nor to the knowledge of the Purchaser is there any basis therefor.

(e) This Agreement, and its execution, delivery and performance hereof have been duly authorized by it, and this Agreement has been duly executed and delivered by it and constitutes its valid and binding obligation enforceable against it in accordance with the terms hereof, subject to the effect of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally or the application of equitable principles in any proceeding, whether at law or in equity.

(f) The Purchaser is a separate legal entity, acting solely through its authorized representatives, from the Seller, maintaining separate records, books of account, assets, bank accounts and funds, which are not and have not been commingled with those of the Seller.

(g) All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would adversely affect, the purchase by the Purchaser of the Proposition 1A Receivable or the performance by the Purchaser of its obligations under the Transaction Documents to which it is a party and any other applicable agreements, have been obtained and are in full force and effect.

(h) Insofar as it would materially adversely affect the Purchaser's ability to enter into, carry out and perform its obligations under any or all of the Transaction Documents to which it is a party, or consummate the transactions contemplated by the same, the Purchaser is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which it is a party or to which it or any of its property or assets is otherwise subject, and, to the best of the knowledge of the Purchaser, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, and the execution and delivery by the Purchaser of the Transaction Documents to which it is a party, and compliance by the Purchaser with the provisions thereof, under the circumstances contemplated thereby, do not and will not conflict with or constitute on the part of the Purchaser a breach of or default under any agreement or other instrument to which the Purchaser is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Purchaser is subject.

5. Representations and Warranties of the Seller. The Seller hereby represents and warrants to the Purchaser, as of the date hereof, as follows:

(a) The Seller is a local agency within the meaning of Section 6585(f) of the California Government Code, with full power and authority to execute and deliver this Agreement and to carry out its terms.

(b) The Seller has full power, authority and legal right to sell and assign the Proposition 1A Receivable to the Purchaser and has duly authorized such sale and assignment to the Purchaser by all necessary action; and the execution, delivery and performance by the Seller of this Agreement has been duly authorized by the Seller by all necessary action.

(c) This Agreement has been, and as of the Closing Date the Bill of Sale will have been, duly executed and delivered by the Seller and, assuming the due authorization, execution and delivery of this Agreement by the Purchaser, each of this Agreement and the Bill of Sale constitutes a legal, valid and binding obligation of the Seller enforceable in accordance with its terms, subject to the effect of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally or the application of equitable principles in any proceeding, whether at law or in equity.

(d) All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would adversely affect, the sale by the Seller of the Proposition 1A Receivable or the performance by the Seller of its

obligations under the Resolution and the Transaction Documents to which it is a party and any other applicable agreements, have been obtained and are in full force and effect.

(e) Insofar as it would materially adversely affect the Seller's ability to enter into, carry out and perform its obligations under any or all of the Transaction Documents to which it is a party, or consummate the transactions contemplated by the same, the Seller is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which it is a party or to which it or any of its property or assets is otherwise subject, and, to the best of the knowledge of the Seller, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, and the adoption of the Resolution and the execution and delivery by the Seller of the Transaction Documents to which it is a party, and compliance by the Seller with the provisions thereof, under the circumstances contemplated thereby, do not and will not conflict with or constitute on the part of the Seller a breach of or default under any agreement or other instrument to which the Seller is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Seller is subject.

(f) To the best of the knowledge of the Seller, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the Seller affecting the existence of the Seller or the titles of its City Council members or officers to their respective offices, or seeking to restrain or to enjoin the sale of the Proposition 1A Receivable or to direct the application of the proceeds of the sale thereof, or in any way contesting or affecting the validity or enforceability of any of the Transaction Documents or any other applicable agreements or any action of the Seller contemplated by any of said documents, or in any way contesting the powers of the Seller or its authority with respect to the Resolution or the Transaction Documents to which it is a party or any other applicable agreement, or any action on the part of the Seller contemplated by the Transaction Documents, or in any way seeking to enjoin or restrain the Seller from selling the Proposition 1A Receivable or which if determined adversely to the Seller would have an adverse effect upon the Seller's ability to sell the Proposition 1A Receivable, nor to the knowledge of the Seller is there any basis therefor.

(g) Prior to the sale of the Proposition 1A Receivable to the Purchaser, the Seller was the sole owner of the Proposition 1A Receivable, and has such right, title and interest to the Proposition 1A Receivable as provided in the Act. From and after the conveyance of the Proposition 1A Receivable by the Seller to Purchaser on the Closing Date, the Seller shall have no right, title or interest in or to the Proposition 1A Receivable. Except as provided in this Agreement, the Seller has not sold, transferred, assigned, set over or otherwise conveyed any right, title or interest of any kind whatsoever in all or any portion of the Proposition 1A Receivable, nor has the Seller created, or to the best knowledge of the Seller permitted the creation of, any lien, pledge, security interest or any other encumbrance (a "Lien") thereon. Prior to the sale of the Proposition 1A Receivable to the Purchaser, the Seller held title to the Proposition 1A Receivable free and clear of any Liens. As of the Closing Date, this Agreement, together with the Bill of Sale, constitutes a valid and absolute sale to the Buyer of all of the Seller's right, title and interest in and to the Proposition 1A Receivable.

(h) The Seller acts solely through its authorized officers or agents.

(i) The Seller maintains records and books of account separate from those of the Purchaser.

(j) The Seller maintains its respective assets separately from the assets of the Purchaser (including through the maintenance of separate bank accounts); the Seller's funds and assets, and records relating thereto, have not been and are not commingled with those of the Purchaser.

(k) The Seller's principal place of business and chief executive office is located at 794 Third Street, Corning, California 96021.

(l) The aggregate amount of the Installment Payments is reasonably equivalent value for the Proposition 1A Receivable. The Seller acknowledges that the amount payable to or on behalf of the Purchaser by the State with respect to the Proposition 1A Receivable will be in excess of the Purchase Price and the Initial Amount of the Proposition 1A Receivable and confirms that it has no claim to any such excess amount whatsoever.

(m) The Seller does not act as an agent of the Purchaser in any capacity, but instead presents itself to the public as an entity separate from the Purchaser.

(n) The Seller has not guaranteed and shall not guarantee the obligations of the Purchaser, nor shall it hold itself out or permit itself to be held out as having agreed to pay or as being liable for the debts of the Purchaser; and the Seller has not received nor shall the Seller accept any credit or financing from any Person who is relying upon the availability of the assets of the Purchaser in extending such credit or financing. The Seller has not purchased and shall not purchase any of the Bonds or any interest therein.

(o) All transactions between or among the Seller, on the one hand, and the Purchaser on the other hand (including, without limitation, transactions governed by contracts for services and facilities, such as payroll, purchasing, accounting, legal and personnel services and office space), whether existing on the date hereof or entered into after the date hereof, shall be on terms and conditions (including, without limitation, terms relating to amounts to be paid thereunder) which are believed by each such party thereto to be both fair and reasonable and comparable to those available on an arms-length basis from Persons who are not affiliates.

(p) The Seller has not, under the provisions of Section 100.06(b) of the California Revenue and Taxation Code, received a reduction for hardship or otherwise, nor has it requested, made arrangements for, or completed a reallocation or exchange with any other local agency, of the total amount of the ad valorem property tax revenue reduction allocated to the Seller pursuant to Section 100.06(a) of the California Revenue and Taxation Code.

## 6. Covenants of the Seller.

(a) The Seller shall not take any action or omit to take any action which adversely affects the interests of the Purchaser in the Proposition 1A Receivable and in the proceeds thereof. The Seller shall not take any action or omit to take any action that shall adversely affect

the ability of the Purchaser, and any assignee of the Purchaser, to receive payments of the Proposition 1A Receivable.

(b) The Seller shall not take any action or omit to take any action that would impair the validity or effectiveness of the Act, nor, without the prior written consent of the Purchaser or its assignees, agree to any amendment, modification, termination, waiver or surrender of, the terms of the Act, or waive timely performance or observance under the Act. Nothing in this agreement shall impose a duty on the Seller to seek to enforce the Act or to seek enforcement thereof by others, or to prevent others from modifying, terminating, discharging or impairing the validity or effectiveness of the Act.

(c) Upon request of the Purchaser or its assignee, (i) the Seller shall execute and deliver such further instruments and do such further acts (including being named as a plaintiff in an appropriate proceeding) as may be reasonably necessary or proper to carry out more effectively the purposes and intent of this Agreement and the Act, and (ii) the Seller shall take all actions necessary to preserve, maintain and protect the title of the Purchaser to the Proposition 1A Receivable.

(d) On or before the Closing Date, the Seller shall send (or cause to be sent) an irrevocable instruction to the Controller pursuant to Section 6588.6(c) of California Government Code to cause the Controller to disburse all payments of the Proposition 1A Receivable to the Trustee, together with notice of the sale of the Proposition 1A Receivable to the Purchaser and the assignment of all or a portion of such assets by the Purchaser to the Trustee. Such notice and instructions shall be in the form of Exhibit D hereto. The Seller shall not take any action to revoke or which would have the effect of revoking, in whole or in part, such instructions to the Controller. Upon sending such irrevocable instruction, the Seller shall have relinquished and waived any control over the Proposition 1A Receivable, any authority to collect the Proposition 1A Receivable, and any power to revoke or amend the instructions to the Controller contemplated by this paragraph. Except as provided in Section 2(c) of this Agreement, the Seller shall not rescind, amend or modify the instruction described in the first sentence of this paragraph. The Seller shall cooperate with the Purchaser or its assignee in giving instructions to the Controller if the Purchaser or its assignee transfers the Proposition 1A Receivable. In the event that the Seller receives any proceeds of the Proposition 1A Receivable, the Seller shall hold the same in trust for the benefit of the Purchaser and the Trustee and each Credit Enhancer, as assignees of the Purchaser, and shall promptly remit the same to the Trustee.

(e) The Seller hereby covenants and agrees that it will not at any time institute against the Purchaser, or join in instituting against the Purchaser, any bankruptcy, reorganization, arrangement, insolvency, liquidation, or similar proceeding under any United States or state bankruptcy or similar law.

(f) The financial statements and books and records of the Seller prepared after the Closing Date shall reflect the separate existence of the Purchaser and the sale to the Purchaser of the Proposition 1A Receivable.

(g) The Seller shall treat the sale of the Proposition 1A Receivable as a sale for regulatory and accounting purposes.

(h) From and after the date of this Agreement, the Seller shall not sell, transfer, assign, set over or otherwise convey any right, title or interest of any kind whatsoever in all or any portion of the Proposition 1A Receivable, nor shall the Seller create, or to the knowledge of the Seller permit the creation of, any Lien thereon.

7. The Purchaser's Acknowledgment. The Purchaser acknowledges that the Proposition 1A Receivable is not a debt or liability of the Seller, and that the Proposition 1A Receivable is payable solely by the State from the funds of the State provided therefor. Consequently, neither the taxing power of the Seller, nor the full faith and credit thereof is pledged to the payment of the Proposition 1A Receivable. No representation is made by the Seller concerning the obligation or ability of the State to make any payment of the Proposition 1A Receivable pursuant to Section 100.06 of the Revenue and Taxation Code and Section 25.5 of Article XIII of the California Constitution, nor is any representation made with respect to the ability of the State to enact any change in the law applicable to the Transaction Documents (including without limitation Section 100.06 of the Revenue and Taxation Code or Section 6588.6 of the Government Code). The Purchaser acknowledges that the Seller has no obligation with respect to any offering document or disclosure related to the Bonds.

8. Notices of Breach.

(a) Upon discovery by the Seller or the Purchaser that the Seller or Purchaser has breached any of its covenants or that any of the representations or warranties of the Seller or the Purchaser are materially false or misleading, in a manner that materially and adversely affects the value of the Proposition 1A Receivable or the Purchase Price thereof, the discovering party shall give prompt written notice thereof to the other party and to the Trustee, as assignee of the Purchaser, who shall, pursuant to the Indenture, promptly thereafter notify each Credit Enhancer and the Rating Agencies.

(b) The Seller shall not be liable to the Purchaser, the Trustee, the holders of the Bonds, or any Credit Enhancer for any loss, cost or expense resulting from the failure of the Trustee, any Credit Enhancer or the Purchaser to promptly notify the Seller upon the discovery by an authorized officer of the Trustee, any Credit Enhancer or the Purchaser of a breach of any covenant or any materially false or misleading representation or warranty contained herein.

9. Liability of Seller; Indemnification. The Seller shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Seller under this Agreement. The Seller shall indemnify, defend and hold harmless the Purchaser, the Trustee and each Credit Enhancer, as assignees of the Purchaser, and their respective officers, directors, employees and agents from and against any and all costs, expenses, losses, claims, damages and liabilities to the extent that such cost, expense, loss, claim, damage or liability arose out of, or was imposed upon any such Person by the Seller's breach of any of its covenants contained herein or any materially false or misleading representation or warranty of the Seller contained herein. Notwithstanding anything to the contrary herein, the Seller shall have no liability for the payment of the principal of or interest on the Bonds issued by the Purchaser.

10. Limitation on Liability.

(a) The Seller and any officer or employee or agent of the Seller may rely in good faith on the advice of counsel or on any document of any kind, prima facie properly executed and submitted by any Person respecting any matters arising hereunder. The Seller shall not be under any obligation to appear in, prosecute or defend any legal action regarding the Act that is unrelated to its specific obligations under this Agreement.

(b) No officer or employee of the Seller shall have any liability for the representations, warranties, covenants, agreements or other obligations of the Seller hereunder or in any of the certificates, notices or agreements delivered pursuant hereto, as to all of which recourse shall be had solely to the assets of the Seller.

11. The Seller's Acknowledgment. The Seller hereby agrees and acknowledges that the Purchaser intends to assign and grant a security interest in all or a portion of (a) its rights hereunder and (b) the Proposition 1A Receivable, to the Trustee and each Credit Enhancer pursuant to the Indenture. The Seller further agrees and acknowledges that the Trustee, the holders of the Bonds, and each Credit Enhancer have relied and shall continue to rely upon each of the foregoing representations, warranties and covenants, and further agrees that such Persons are entitled so to rely thereon. Each of the above representations, warranties and covenants shall survive any assignment and grant of a security interest in all or a portion of this Agreement or the Proposition 1A Receivable to the Trustee and each Credit Enhancer and shall continue in full force and effect, notwithstanding any subsequent termination of this Agreement and the other Transaction Documents. The above representations, warranties and covenants shall inure to the benefit of the Trustee and each Credit Enhancer.

12. Notices. All demands upon or, notices and communications to, the Seller, the Purchaser, the Trustee or the Rating Agencies under this Agreement shall be in writing, personally delivered or mailed by certified mail, return receipt requested, to such party at the appropriate notice address, and shall be deemed to have been duly given upon receipt.

13. Amendments. This Agreement may be amended by the Seller and the Purchaser, with (a) the consent of the Trustee, (b) the consent of each Credit Enhancer, and (c) a Rating Agency Confirmation, but without the consent of any of the holders of the Bonds, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement.

Promptly after the execution of any such amendment, the Purchaser shall furnish written notification of the substance of such amendment to the Trustee and to the Rating Agencies.

14. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Seller, the Purchaser and their respective successors and permitted assigns. The Seller may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Purchaser. Except as specified herein, the Purchaser may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Seller.

15. Third Party Rights. The Trustee and each Credit Enhancer are express and intended third party beneficiaries under this Agreement. Nothing expressed in or to be implied from this Agreement is intended to give, or shall be construed to give, any Person, other than the parties hereto, the Trustee, and each Credit Enhancer, and their permitted successors and assigns hereunder, any benefit or legal or equitable right, remedy or claim under or by virtue of this Agreement or under or by virtue of any provision herein.

16. Partial Invalidity. If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

17. Counterparts. This Agreement may be executed in any number of identical counterparts, any set of which signed by all the parties hereto shall be deemed to constitute a complete, executed original for all purposes.

18. Entire Agreement. This Agreement sets forth the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes any and all oral or written agreements or understandings between the parties as to the subject matter hereof.

19. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the Seller and the Purchaser have caused this Agreement to be duly executed as of the date first written above.

CITY OF CORNING, as Seller

By: \_\_\_\_\_  
Authorized Officer

CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY, as Purchaser

By: \_\_\_\_\_  
Authorized Signatory

**EXHIBIT A  
DEFINITIONS**

For all purposes of this Agreement, except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings set forth below.

“Act” means Chapter 14XXXX of the California Statutes of 2009 (Assembly Bill No. 15), as amended.

“Bill of Sale” has the meaning given to that term in Section 2(b)(ii) hereof.

“Closing Date” means the date on which the Bonds are issued. The Closing Date is expected to be November 19, 2009, but the Purchaser may change the Closing Date by providing e-mail notification to [stevek@corning.org](mailto:stevek@corning.org) not later than one day prior to the Closing Date.

“Controller” means the Controller of the State.

“County Auditor” means the auditor or auditor-controller of the county within which the Seller is located.

“Credit Enhancer” means any municipal bond insurance company, bank or other financial institution or organization which is performing in all material respects its obligations under any Credit Support Instrument for some or all of the Bonds.

“Credit Support Instrument” means a policy of insurance, a letter of credit, a stand-by purchase agreement, a revolving credit agreement or other credit arrangement pursuant to which a Credit Enhancer provides credit or liquidity support with respect to the payment of interest, principal or purchase price of the Bonds.

“Initial Amount” means, with respect to the Proposition 1A Receivable, the amount of property tax revenue reallocated away from the Seller pursuant to the provisions of Section 100.06 of the Revenue and Taxation Code, as certified by the County Auditor pursuant to the Act.

“Installment Payments” have the meaning set forth in Section 2(a).

“Payment Dates” have the meaning set forth in Section 2(a).

“Pricing Date” means the date on which the Bonds are sold. The Pricing Date is expected to be November 10, 2009, but the Purchaser may change the Pricing Date by providing e-mail notification to [stevek@corning.org](mailto:stevek@corning.org) not later than one day prior to the Pricing Date.

“Principal Place of Business” means, with respect to the Seller, the location of the Seller’s principal place of business and chief executive office located at [794 Third Street, Corning, California 96021](#).

“Proposition 1A Receivable” has the meaning set forth in Section 2(a).

“Purchase Price” means an amount equal to the Initial Amount.

“Rating Agency” means any nationally recognized rating agency then providing or maintaining a rating on the Bonds at the request of the Purchaser.

“Rating Agency Confirmation” means written confirmation from each Rating Agency that any proposed action will not, in and of itself, cause the Rating Agency to lower, suspend or withdraw the rating then assigned by such Rating Agency to any Bonds.

“Resolution” means the resolution adopted by the City Council approving the sale of the Proposition 1A Receivable.

“State” means the State of California.

“Transaction Counsel” means Orrick, Herrington & Sutcliffe LLP.

“Transaction Documents” mean this Agreement, the Bill of Sale, the Indenture, the Bonds and the Irrevocable Instructions For Disbursement of Proposition 1A Receivable of City of Coming, dated as of the Closing Date.

**OPINION OF COUNSEL**  
**to**  
**CITY OF CORNING**

Dated: Pricing Date

California Statewide Communities Development Authority  
Sacramento, California

Wells Fargo Bank, National Association  
Los Angeles, California

Re: Sale of Proposition 1A Receivable

Ladies & Gentlemen:

[I have/This Office has] acted as counsel for the City of Corning (the "Seller") in connection with the adoption of that certain resolution (the "Resolution") of the City Council of the Seller (the "Governing Body") pursuant to which the Seller authorized the sale to the California Statewide Communities Development Authority (the "Purchaser") of the Seller's "Proposition 1A Receivable", as defined in and pursuant to the Purchase and Sale Agreement dated as of November 1, 2009 (the "Sale Agreement") between the Seller and the Purchaser. In connection with these transactions, the Seller has issued certain Irrevocable Instructions For Disbursement of the Seller's Proposition 1A Receivable to the Controller of the State of California (the "Disbursement Instructions") and a Bill of Sale and Bringdown Certificate of the Seller (the "Bill of Sale" and, collectively with the Sale Agreement and the Disbursement Instructions, the "Seller Documents").

Unless the context otherwise requires, capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Sale Agreement. [I/We] have examined and are familiar with the Seller Documents and with those documents relating to the existence, organization, and operation of the Seller, the adoption of the Resolution, and the execution of the Seller Documents, and have satisfied ourselves as to such other matters as [I/we] deem necessary in order to render the following opinions. As to paragraphs numbered 3 and 4 below, [I/we] have relied as to factual matters on the representations and warranties of the Seller contained in the Sale Agreement.

Based upon the foregoing, and subject to the limitations and qualifications set forth herein, [I/we] are of the opinion that:

1. The Seller is a local agency, within the meaning of Section 6585(f) of the California Government Code. The Governing Body is the governing body of the Seller.

2. The Resolution was duly adopted at a meeting of the Governing Body, which was called and held pursuant to law and with all public notice required by law, and at which a quorum was present and acting throughout, and the Resolution is in full force and effect and has not been modified, amended or rescinded since the date of its adoption.

3. To the best of [my/our] knowledge, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the Seller (i) affecting the existence of the Seller or the titles of its Governing Body members or officers to their respective offices; (ii) seeking to restrain or to enjoin the sale of the Proposition 1A Receivable or to direct the application of the proceeds of the sale thereof, or materially adversely affecting the sale of the Proposition 1A Receivable; (iii) in any way contesting or affecting the validity or enforceability of the Resolution, Seller Documents or any other applicable agreements or any action of the Seller contemplated by any of said documents; or (iv) in any way contesting the powers of the Seller or its authority with respect to the Resolution or the Seller Documents or any other applicable agreement, or any action on the part of the Seller contemplated by any of said documents.

4. To the best of [my/our] knowledge, prior to the sale of the Proposition 1A Receivable to the Purchaser, the Seller had not sold, transferred, assigned, set over or otherwise conveyed any right, title or interest of any kind whatsoever in all or any portion of the Seller's Proposition 1A Receivable, nor had the Seller created, or permitted the creation of, any Lien thereon.

5. The Seller has duly authorized and executed the Seller Documents and, assuming the due authorization execution and delivery of the Sale Agreement by the Purchaser, each Seller Document will be legal, valid and binding against the Seller and enforceable against the Seller in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or laws relating to or affecting creditors' rights, and the application of equitable principles and the exercise of judicial discretion in appropriate areas.

No opinion is expressed concerning the obligation or ability of the State of California to make any payment of the Proposition 1A Receivable pursuant to Section 100.06 of the Revenue and Taxation Code and Section 25.5 of Article XIII of the California Constitution, nor is any opinion expressed with respect to the ability of the State to enact any change in the law applicable to the Seller Documents (including, without limitation, Section 100.06 of the Revenue and Taxation Code or Section 6588.6 of the Government Code). Furthermore, [I/we] express no opinion as to the value of the Proposition 1A Receivable or as to any legal or equitable remedies that may be available to any person should the Proposition 1A Receivable have little or no value. No opinion is expressed with respect to the sale of Bonds by the Purchaser.

The legal opinion set forth herein is intended for the information solely of the addressees hereof and for the purposes contemplated by the Sale Agreement. The addressees may not rely on it in connection with any transactions other than those described herein, and it is not to be relied upon by any other person or entity, or for any other purpose, or quoted as a whole or in part, or otherwise referred to, in any document, or to be filed with any governmental or administrative agency other than the Purchaser or with any other person or entity for any purpose without [my/our] prior written consent. In addition to the addressees hereof, each Credit Enhancer and the underwriters of the Bonds may rely upon this legal opinion as if it were addressed to them. [I/We] do not undertake to advise you of matters that may come to [my/our] attention subsequent to the date hereof that may affect the opinions expressed herein.

Very truly yours,

By: \_\_\_\_\_  
Seller's Counsel

**OPINION OF COUNSEL**  
**to**  
**CITY OF CORNING**

Dated: Closing Date

California Statewide Communities Development Authority  
Sacramento, California

Wells Fargo Bank, National Association  
Los Angeles, California

Re: Sale of Proposition 1A Receivable (Bringdown Opinion)

Ladies & Gentlemen:

Pursuant to that certain Purchase and Sale Agreement dated as of November 1, 2009 (the "Sale Agreement") between the City of Corning (the "Seller") and the California Statewide Communities Development Authority (the "Purchaser"), this Office delivered an opinion (the "Opinion") dated the Pricing Date as counsel for the Seller in connection with the sale of the Seller's Proposition 1A Receivable (as defined in the Sale Agreement), the execution of documents related thereto and certain other related matters.

Capitalized terms used but not defined herein shall have the meanings given to such terms in the Sale Agreement.

I confirm that you may continue to rely upon the Opinion as if it were dated as of the date hereof. Each Credit Enhancer and the underwriters of the Bonds may rely upon this legal opinion as if it were addressed to them. This letter is delivered to you pursuant to Section 2(b)(ii)(1) of the Sale Agreement.

Very truly yours,

By: \_\_\_\_\_  
Seller's Counsel

**EXHIBIT C1  
CLERK'S CERTIFICATE**

**CERTIFICATE OF THE  
CITY CLERK OF  
CITY OF CORNING, CALIFORNIA**

Dated: Pricing Date

The undersigned City Clerk of the City of Corning (the "Seller"), a local agency of the State of California within the meaning of Section 6585(f) of the California Government Code, does hereby certify that the foregoing is a full, true and correct copy of Resolution No. \_\_\_\_\_ duly adopted at a regular meeting of the City Council of said Seller duly and legally held at the regular meeting place thereof on the \_\_\_\_\_ day of \_\_\_\_\_, 2009, of which meeting all of the members of said City Council had due notice and at which a quorum was present and acting throughout, and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

I do hereby further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office and that said resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes and that said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

I do hereby further certify that an agenda of said meeting was posted at least 72 hours before said meeting at a location in the City of Corning, California freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

Capitalized terms used but not defined herein shall have the meanings given to such terms in the Purchase and Sale Agreement, dated as of November 1, 2009, between the Seller and the California Statewide Communities Development Authority.

WITNESS by my hand as of the Pricing Date.

By: \_\_\_\_\_

City Clerk of the City of Corning,  
California

**EXHIBIT C2  
SELLER CERTIFICATE**

**SELLER CERTIFICATE**

Dated: Pricing Date

We, the undersigned officers of the City of Corning (the "Seller"), a local agency of the State of California within the meaning of Section 6585(f) of the California Government Code, holding the respective offices herein below set opposite our signatures, do hereby certify that on the date hereof the following documents (the "Seller Transaction Documents") were officially executed and delivered by the Authorized Officer or Officers whose names appear on the executed copies thereof, to wit:

Document

1. Purchase and Sale Agreement, dated as of November 1, 2009 (the "Sale Agreement"), between the Seller and the California Statewide Communities Development Authority (the "Purchaser").
2. Irrevocable Instructions For Disbursement of Seller's Proposition 1A Receivable to the Controller of the State of California, dated the Closing Date.
3. Bill of Sale, dated the Closing Date.

Capitalized terms used herein and not defined herein shall have the meaning given such terms in the Sale Agreement.

We further certify as follows:

1. At the time of signing the Seller Transaction Documents and the other documents and opinions related thereto, we held said offices, respectively, and we now hold the same.
2. The representations and warranties of the Seller contained in the Seller Transaction Documents are true and correct as of the date hereof in all material respects.
3. The City Council duly adopted its resolution (the "Resolution") approving the sale of the Seller's Proposition 1A Receivable at a meeting of the City Council which was duly called and held pursuant to law with all public notice required by law and at which a quorum was present and acting when the Resolution was adopted, and such Resolution is in full force and effect and has not been amended, modified, supplemented or rescinded.

Name, Official Title \_\_\_\_\_

Signature

Stephen J. Kimbrough, City Manager

\_\_\_\_\_

Pala Cantrell, City Treasurer

\_\_\_\_\_

Lisa M. Linnet, City Clerk

\_\_\_\_\_

I HEREBY CERTIFY that the signatures of the officers named above are genuine.

Dated: Pricing Date

By: \_\_\_\_\_  
City Clerk of the City of Corning,  
California

**EXHIBIT C3**  
**BILL OF SALE AND BRINGDOWN CERTIFICATE**

**BILL OF SALE AND BRINGDOWN CERTIFICATE**

Pursuant to terms and conditions of the Purchase and Sale Agreement (the "Sale Agreement"), dated as of November 1, 2009, between the undersigned (the "Seller") and the California Statewide Communities Development Authority (the "Purchaser"), and in consideration of the obligation of the Purchaser to pay and deliver to the Seller the Purchase Price (as defined in the Sale Agreement), in two equal installment payments to be made on January 15, 2010, and May 3, 2010 (collectively, the "Payment Dates"), the Seller does hereby (a) transfer, grant, bargain, sell, assign, convey, set over and deliver to the Purchaser, absolutely and not as collateral security, without recourse except as expressly provided in the Sale Agreement, the Proposition 1A Receivable as defined in the Sale Agreement (the "Proposition 1A Receivable"), and (b) assign to the Purchaser, to the extent permitted by law (as to which no representation is made), all present or future rights, if any, of the Seller to enforce or cause the enforcement of payment of the Proposition 1A Receivable pursuant to the Act and other applicable law. Such transfer, grant, bargain, sale, assignment, conveyance, set over and delivery is hereby expressly stated to be a sale and, pursuant to Section 6588.6(b) of the California Government Code, shall be treated as an absolute sale and transfer of the Proposition 1A Receivable, and not as a grant of a security interest by the Seller to secure a borrowing. Seller specifically disclaims any right to rescind the Agreement, or to assert that title to the Proposition 1A Receivable has not passed to the Purchaser, should Purchaser fail to make the installment payments in the requisite amounts on the Payment Dates.

The Seller hereby certifies that the representations and warranties of the Seller set forth in the Certificate of the City Clerk dated the Pricing Date, the Seller Certificate dated the Pricing Date and in the Transaction Documents to which the Seller is a party are true and correct in all material respects as of the date hereof (except for such representations and warranties made as of a specified date, which are true and correct as of such date). Capitalized terms used but not defined herein shall have the meanings given to such terms in the Sale Agreement.

Dated: Closing Date

**CITY OF CORNING**

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT D**

**IRREVOCABLE INSTRUCTIONS TO CONTROLLER**

IRREVOCABLE INSTRUCTIONS FOR DISBURSEMENT  
OF PROPOSITION 1A RECEIVABLE OF  
**CITY OF CORNING**

Dated: Closing Date

Office of the Controller  
State of California  
P.O. Box 942850  
Sacramento, California 94250-5872

Re: Notice of Sale of Proposition 1A Receivable by the **City of Corning** and  
Wiring Instructions Information Form

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Dear Sir or Madam:

Pursuant to Section 6588.6(c) of the California Government Code, **City of Corning** (the "Seller") hereby notifies you of the sale by Seller, effective as of the date of these instructions written above, of all right, title and interest of the Seller in and to the "Proposition 1A Receivable" as defined in Section 6585(g) of the California Government Code (the "Proposition 1A Receivable"), namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code.

By resolution, the Seller's **City Council** authorized the sale of the Proposition 1A Receivable to the California Statewide Communities Development Authority (the "Purchaser") pursuant to a Purchase and Sale Agreement, dated as of November 1, 2009 (the "Purchase and Sale Agreement") and a Bill of Sale, dated the Closing Date (as defined in the Purchase and Sale Agreement). The Proposition 1A Receivable has been pledged and assigned by the Purchaser pursuant to an Indenture, dated as of November 1, 2009 (the "Indenture") between the Purchaser and Wells Fargo Bank, National Association, as Trustee (the "Trustee").

The Seller hereby irrevocably requests and directs that, commencing as of the date of these instructions written above, all payments of the Proposition 1A Receivable (and documentation related thereto) be made directly to Wells Fargo Bank, National Association, as Trustee, in accordance with the wire instructions and bank routing information set forth below.

*Please note that the sale of the Proposition 1A Receivable by the Seller is irrevocable and that: (i) the Seller has no power to revoke or amend these instructions at any time; (ii) the Purchaser shall have the power to revoke or amend these instructions only if there are no notes of the Purchaser outstanding under the Indenture and the Indenture has been discharged; and (iii) so long as the Indenture has not been discharged, these instructions cannot be revoked or amended by the Purchaser without the consent of the Trustee. Should*

*the Purchaser, however, deliver a written notice to the Office of the Controller stating that: (a) the Seller failed to meet the requirements set forth in the Purchase and Sale Agreement; (b) the Purchaser has not waived such requirements; and (c) the Purchaser has not purchased the Proposition 1A Receivable as a result of the circumstances described in (a) and (b) above, then these instructions shall be automatically rescinded and the Seller shall again be entitled to receive all payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code.*

Bank Name: Wells Fargo Bank, N.A.  
Bank ABA Routing #: 121000248  
Bank Account #: 0001038377  
Bank Account Name: Corporate Trust Clearing  
Further Credit To: CSCDA Proposition 1A Bonds  
Bank Address: 707 Wilshire Blvd., 17th Floor  
MAC E2818-176  
Los Angeles, CA 90017  
Bank Telephone #: (213) 614-3353  
Bank Contact Person: Robert Schneider

Please do not hesitate to call the undersigned if you have any questions regarding this transaction. Thank you for your assistance in this matter.

Very truly yours,

CITY OF CORNING

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT E**  
**ESCROW INSTRUCTION LETTER**

ESCROW INSTRUCTION LETTER

\_\_\_\_\_, 2009

California Statewide Communities Development Authority  
1100 K Street  
Sacramento, CA 95814

Re: Proposition 1A Receivable Financing

Dear Sir or Madam:

The City of Corning (the "Seller") hereby notifies you of its agreement to participate in the California Statewide Communities Development Authority Proposition 1A Receivable Financing. By adoption of a resolution (the "Resolution") authorizing the sale of its Proposition 1A Receivable, the Seller's City Council has agreed to sell to the California Statewide Communities Development Authority (the "Purchaser"), for a purchase price that meets the conditions set forth in the Resolution, all of its right, title and interest in the Proposition 1A Receivable.

Enclosed herewith are the following documents which have been duly approved and executed by the Seller and which are to be held in escrow by Orrick, Herrington & Sutcliffe LLP, as transaction counsel ("Transaction Counsel"), as instructed below:

1. certified copy of the Resolution, together with a certificate of the City Clerk, dated the Pricing Date;
2. the Seller Certificate, dated the Pricing Date;
3. the Opinion of Seller's Counsel, dated the Pricing Date;
4. the Opinion of Seller's Counsel (bringdown opinion), dated the Closing Date;
5. the Purchase and Sale Agreement, dated as of November 1, 2009;
6. the Bill of Sale and Bringdown Certificate, dated the Closing Date; and
7. the Irrevocable Instructions to Controller, dated the Closing Date.

The foregoing documents are to be held in escrow by Transaction Counsel and shall be delivered on the Closing Date (as defined in the Purchase and Sale Agreement), provided that such Closing Date occurs on or before December 31, 2009.

Should (i) the Closing Date not occur on or before December 31, 2009, or (ii) Transaction Counsel receive prior to the Closing Date written notification from Seller or Seller's Counsel stating, respectively and in good faith, that the representations made in the Seller's Certificate are not true and accurate, or the opinions set forth in the Opinion of Seller's Counsel are not valid, in each case as of the Closing Date and provided that the Purchaser may, in its sole discretion, choose to waive receipt of such representations or opinions, then this agreement shall terminate and Transaction Counsel shall destroy all of the enclosed documents.

Very truly yours,

**CITY OF CORNING**

By: \_\_\_\_\_  
Authorized Officer

Enclosures

cc: Orrick, Herrington & Sutcliffe LLP

ITEM NO: K-16  
APPROPRIATE FUNDING FOR DESIGN  
AND INSTALLATION OF SIGNALS AT  
MARGUERITE AVENUE AND SOLANO  
STREET  
OCTOBER 13, 2009

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: STEPHEN J. KIMBROUGH, CITY MANAGER

*STEVE*

**SUMMARY:**

The approved Public Works Department Capital Improvement Program includes the Marguerite Avenue/Solano Street Intersection Signalization Project at the estimated cost of \$250,000. This project is also identified for funding in the Traffic Mitigation Fee collected from new development. The Public Works Director and City Engineer are proceeding with this project and City Council approval is necessary for the appropriation of funds to carry out the project.

**BACKGROUND:**

The Marguerite Avenue – Solano Street Intersection Signalization Project is one of eight intersections included in the Traffic Mitigation Fee portion of the Development Impact Fee Program. Traffic Mitigation Fund 116 needs a project budget approved by Council in order to authorize the expenditures.

**FINANCIAL:**

Staff is requesting City Council appropriate \$250,000 from Fund 116 Traffic Mitigation to the following accounts:

- Engineering: \$ 20,000 to Account 116-9254-4200, Signal Improvements
- Street Projects: \$230,000 to Account 116-9254-3001, Signal Improvements.

**RECOMMENDATION:**

**MAYOR AND COUNCIL APPROPRIATE TRAFFIC MITIGATION FUNDS IN THE AMOUNT OF:**

- **\$230,000 TO ACCOUNT NO. 116-9254-3001, AND**
- **\$20,000 TO ACCOUNT NO. 116-9254-4200.**

**ITEM NO.:** K-17  
**INITIATE ANNUAL CITY OF CORNING WATER  
RATE INCREASES TO ACCOUNT FOR  
INFLATION.**

**OCTOBER 13, 2009**

**TO: CITY COUNCIL OF THE CITY OF CORNING, CALIFORNIA**

**FROM: STEPHEN J. KIMBROUGH; CITY MANAGER  
JOHN L. BREWER, AICP; PUBLIC WORKS DIRECTOR**

*Steve*  
*JB*

**SUMMARY:**

On April 13, 2004, staff presented Resolution 04-13-04-06. The resolution would have implemented ten separate 3% "step increases" to the water rates that were to be implemented annually. The purpose of course was to address and mitigate the cost increases resulting from inflation.

However, instead of implementing all ten of the annual step increases, Council opted to modify the resolution and impose just the first five of the annual increases. The final step increase authorized by the resolution occurred on April 1, 2008. A copy of the adopted resolution is attached.

Periodic rate increases are essential to adequately maintain the City's water system and to pay down the bonded indebtedness. Of course we will take on additional debt when we borrow to construct the new Clark Park well, currently projected to cost about \$613,000.00. Staff recommends the Council direct staff to schedule a public hearing to consider implementing 3% annual step increases for the next 5 years.

**NOTICE REQUIREMENTS:**

Proposition 218 requires that the City notify owners by mail at least 45 days prior to a hearing to implement increased utility fees. If the Council opts to proceed, staff will compile and print the notices and mail them to all property owners within the City. For the recent "Construction water" hearing, we printed and mailed 2,230 such notices.

**FINANCIAL:**

Attached to this report is the organization chart for the Water Funds followed by the spreadsheet titled "Water Enterprise System" which are familiar pages found in the City Budget book. The Chart shows the sources of revenues for the Water System operation, repair and expansion and the purpose of the expenditures. The spreadsheet provides the audited history of income and expense for the Water Enterprise Fund 630.

The spreadsheet shows that the system has begun to accumulate an Operating Reserve to provide for emergencies and that the set aside for ongoing replacement and repair has been increased to provide funding for the debt service for the new well drilling.

Last year, 2008-2009 has not yet been audited, but there should be only minor changes following the audit which will be presented to the City Council in November or December.

Budgeted expenditures are projected by Staff at 5% growth per year. Actual expenditures have varied depending on the level of maintenance provided or unanticipated well repairs. This has caused the fluctuation in Annual Net Income. This has still allowed for the growth of the Operating Reserve which is essential to provide financial stability for the Water Enterprise.

The City was able to avoid an increase this past April 2009, however a scheduled 3% annual inflationary increase in water rates is necessary to insure this financial stability and to protect the City's ability to borrow money for improvements and expansion. The spread sheet shows the decline in Net Annual Income and Net Operating Reserve without regular increases to cover inflation.

**RECOMMENDATION:**

**That the City Council:**

- **Direct staff to schedule a public hearing for December 8, 2009 to consider implementing five separate annual 3% water rate increases.**

**RESOLUTION NO. 04-13-04-06**

**A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF CORNING, SETTING WATER RATES  
EFFECTIVE MAY 1, 2004, APRIL 1, 2005, APRIL 1, 2006, APRIL 1, 2007,  
AND APRIL 1, 2008,**

**WHEREAS**, the City Council has met and discussed the need for a Water Rate Increase, with public discussion and planning at a Public Hearing on April 13, 2004; and

**WHEREAS**, the City Council established the setting of Water Rates by Resolution, through the adoption of Ordinance No. 554, pertaining to Chapter 13.08, Water Service Regulations.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council does hereby set Water Rates, effective May 1, 2004, April 1, 2005, April 1, 2006, April 1, 2007, April 1, and 2008, which are attached hereto as "Exhibit A", and incorporated herein by reference.

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The foregoing Resolution was adopted at a regular meeting of the City Council of the City of Corning held on April 13, 2004, by the following vote:

AYES: Strack, Roush, Fitzgerald, Hill, and Parkins

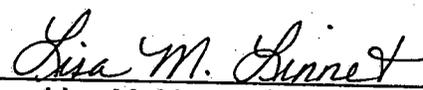
NOES: None

ABSENT OR NOT VOTING: None

ABSTAINING: None

  
\_\_\_\_\_  
Gary R. Strack, Mayor

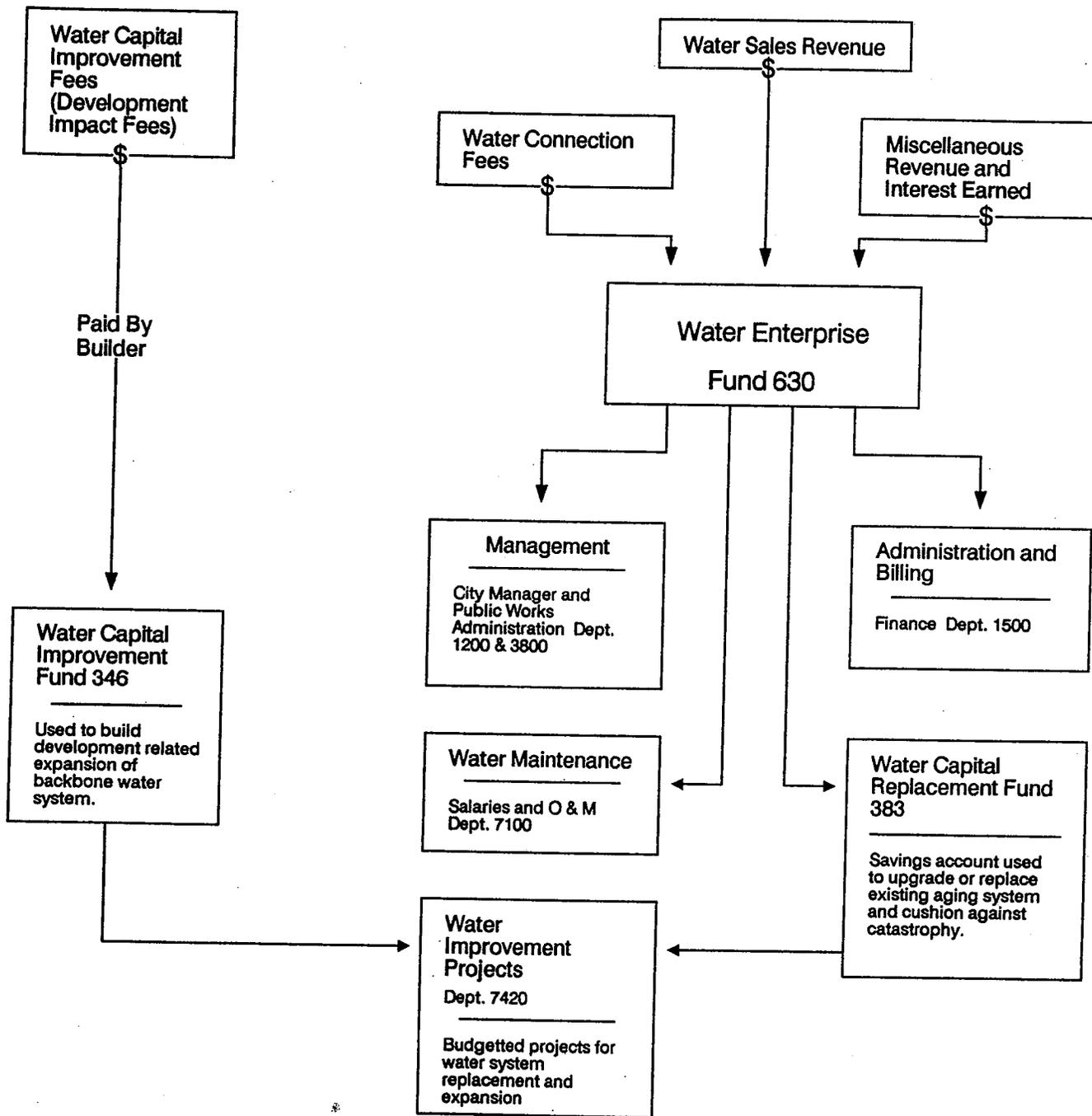
ATTEST:

  
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Lisa M. Linnet, City Clerk

**WATER RATES**  
 (APPROVED APRIL 13, 2004 BY RESOLUTION NO. 04-13-04-06)  
**EXHIBIT "A"**

Basic Monthly Charge; (basic monthly charge includes the first 4,000 gallons of usage)	Current					3% Increase Apr 1, 2008
	Water Rates	3% Increase May 1, 2004	3% Increase Apr 1, 2005	3% Increase Apr 1, 2006	3% Increase Apr 1, 2007	
5/8" & 3/4" Service Size	\$ 12.42	\$ 12.79	\$ 13.17	\$ 13.57	\$ 13.98	\$ 14.40
1" Service Size	\$ 23.30	\$ 24.00	\$ 24.72	\$ 25.46	\$ 26.22	\$ 27.01
1 1/2" Service Size	\$ 38.20	\$ 39.35	\$ 40.53	\$ 41.75	\$ 43.00	\$ 44.29
2" Service Size	\$ 61.11	\$ 62.94	\$ 64.83	\$ 66.77	\$ 68.77	\$ 70.83
3" Service Size	\$ 89.76	\$ 92.45	\$ 95.22	\$ 98.08	\$ 101.02	\$ 104.05
6" Service Size	\$ 175.70	\$ 180.97	\$ 186.40	\$ 191.99	\$ 197.75	\$ 203.68
<b>USAGE RATE:</b> (per 1,000 gallons per month after the base of 4,000 gallons.)	\$ 0.99	\$ 1.02	\$ 1.05	\$ 1.08	\$ 1.11	\$ 1.14

# The Organization of the Water Enterprise



# WATER ENTERPRISE SYSTEM

The Following Table Illustrates the History and the Revenue, Expenditures and Coverage of the Debt Service for the Water Enterprise System

	HISTORICAL (ACTUAL)												
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Water System Revenues	824,812	926,781	953,811	1,051,970	1,061,576	1,119,836	1,084,370	1,208,862	1,283,521	1,223,675	1,223,675	1,223,675	1,223,675
Service Charges (1)	8.75%	8.75%	4.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	1,000	1,000	1,000
Annual Rate Change													
Connection Fees	2,496	2,067	3,358	9,608	7,658	2,408	1,742	4,238	1,092	1,000	1,000	1,000	1,000
Interest Income	245	14,794	0	1345	1141	1928	2873	6886	6886	1,000	1,000	1,000	1,000
Other Revenues	2,334	4,338	3,930	3,585	1,106	1,654	1,061	1,992	4,748	2,000	2,000	2,000	2,000
Total Revenues	829,887	947,880	961,121	1,065,163	1,071,685	1,125,039	1,089,101	1,217,965	1,286,247	1,227,675	1,227,675	1,227,675	1,227,675
Water System Operation & Maintenance Expenses Exclusive of Capital Expen. & Depreciation (2A)	528,774	593,836	582,071	698,302	719,214	691,667	748,376	745,004	779,732	836,810	878,651	922,583	968,712
Net Revenues from Water Enterprise System (Total Net Revenues Avail. for Installment Payments)	301,113	354,144	379,050	366,861	352,471	433,372	340,725	472,961	516,515	390,865	349,025	305,092	258,963
1997 COP (2)													
Est. Installment Pmnts.	158,464	158,464	159,238	157,478	159,538	61,247	0	0	0	0	0	0	0
1999 COP's USDA (3)													
Est Installment Pmts	130,973	130,973	130,972	129,249	130,891	130,829	130,828	131,525	131,491	131,512	131,512	131,512	131,512
2005 Series A (2)													
Est. Installment Pmnts.						199,228	151,279	149,739	151,974	153,926	151,686	149,286	150,610
2005 Series B													
Est. Installment Pmnts.													
Water Well Debt Service													
Water & Equipment Replacement Transfer													
Annual Net Income *	11,676	54,707	53,840	60,134	37,042	17,068	7,118	138,652	133,050	7,427	(35,674)	(60,881)	(132,193)
Required Adjustments (4)	(10,938)	(10,825)	(54,496)	(17,204)	105,162	(16,195)	42,776	27,150	(3,508)				
Cum. Net Operating Reserve **	(54,488)	(10,607)	(11,263)	31,667	142,204	143,077	192,971	358,773	488,315	425,074	389,401	308,519	176,327
Water Stabilization Balance (5)	302,011	311,194	316,963	321,370	Released								
Water Capital Improvement Fund 346	3,906	10,967	13,686	88,287	100,551	114,914	117,461	160,564					
Water Capital Replacement Fund 383	3,831	34,817	45,754	41,199	67,315	68,239	84,315	54,154					

1) First Rate Change Occurred 4/1/97 and continued through 4/1/03  
 Beginning 2003/04 (April 2004) increase is proposed to be only 3% to cover inflation with the last increase April 1, 2008.  
 2) "Refunded" 1997 COP on 07-01-05 and replaced with 2005 COP Series A for 3,500,000 by Wedbush Morgan through the City of Corning Public Finance Corporation funded Phase 1 of the Water & Sewer Line Replacement 80% Water - 20% Sewer.  
 2A) Operation & Maintenance is projected to increase at an inflationary rate of 5% per year  
 3) Total Debt \$2,280,000 @ 4.375% interest  
 4) Adjustment required to bring reserves to its modified balance due to prior period adjustments, and interfund activity.  
 5) Water Stabilization Fund established April 10, 1997 to insure the adequacy of the Net Revenues pledged to Debt Service. See p.20 of the Official Statement 1997 Series A - Fund Closed June 30, 2005  
 \* Net Income per general ledger less principal loan payments

\*\* Net Operating Reserve will not equal Fund Balance. Consists of Operating Fund (630) Cash and Accounts Receivable Less. Accounts Payable and Interest Payable only. All other Assets and Liabilities not included.